

2.2 Parent company annual accounts

Parent company balance sheet of ING Group as at 31 December before profit appropriation

amounts in millions of euros	2007	2006
Assets		
Investments in wholly owned subsidiaries 1	41,864	42,607
Other assets 2	10,703	8,898
Total assets	52,567	51,505
Equity 3		
Share capital	534	530
Share premium	8,739	8,348
Share of associates reserve	6,053	11,528
Currency translation reserve	-950	-950
Other reserves	13,591	11,118
Unappropriated profit	9,241	7,692
	37,208	38,266
Liabilities		
Preference shares 4	21	215
Subordinated loans 5	8,339	7,146
Financial liabilities at fair value through profit and loss	98	120
Other liabilities 6	6,901	5,758
Total liabilities and equity	52,567	51,505

References relate to the notes starting on page 236 which form an integral part of the parent company annual accounts.

Parent company profit and loss account of ING Group for the years ended 31 December

amounts in millions of euros	2007	2006
Results of group companies after taxation	9,299	7,704
Other results after taxation	-58	-12
Net profit	9,241	7,692

2.2 Parent company annual accounts

Parent company statement of changes in equity of ING Group for the years ended 31 December

amounts in millions of euros	Share capital	Share premium	Share of associates reserves	Currency translation reserve	Other reserves ⁽¹⁾	Total
Balance as at 1 January 2006	530	8,343	14,143	-692	14,412	36,736
Unrealised revaluations after taxation			-1,631		428	-1,203
Realised gains/losses transferred to profit and loss			-798			-798
Transfer to insurance liabilities/DAC			820			820
Change in cash flow hedge reserve revaluations			-696			-696
Unrealised revaluations from net investment hedges				194		194
Employee stock option and share plans					100	100
Exchange rate differences			-883	-452		-1,335
Other					-48	-48
Total amount recognised directly in equity			-3,188	-258	480	-2,966
Net profit			720		6,972	7,692
			-2,468	-258	7,452	4,726
Dividend			-147		-2,534	-2,681
Purchase/sale of treasury shares					-520	-520
Exercise of warrants and options		5				5
Balance as at 31 December 2006	530	8,348	11,528	-950	18,810	38,266
Unrealised revaluations after taxation			-1,636		1	-1,635
Realised gains/losses transferred to profit and loss			-3,414			-3,414
Transfer to insurance liabilities/DAC			1,132			1,132
Change in cash flow hedge reserve revaluations			-925			-925
Unrealised revaluations from net investment hedges			500			500
Employee stock option and share plans					104	104
Exchange rate differences			-1,153			-1,153
Other			21		-21	
Total amount recognised directly in equity			-5,475		84	-5,391
Net profit					9,241	9,241
			-5,475		9,325	3,850
Dividend					-2,999	-2,999
Purchases/sales of treasury shares					-2,304	-2,304
Exercise of warrants and options	4	391				395
Balance as at 31 December 2007	534	8,739	6,053	-950	22,832	37,208

⁽¹⁾ Other reserves includes Retained earnings, Treasury shares, Other reserves and Unappropriated profit.

Accounting policies for the parent company balance sheet and profit and loss account of ING Group

BASIS OF PRESENTATION

The parent company accounts of ING Group are prepared in accordance with the financial reporting requirements included in Part 9 of Book 2, of the Dutch Civil Code. The accounting policies with regard to presentation and disclosures are in accordance with the financial reporting requirements included in Part 9 of Book 2, of the Dutch Civil Code. The principles of valuation and determination of results stated in connection with the consolidated balance sheet and profit and loss account are also applicable to the parent company balance sheet and profit and loss account with the exception of Investments in group companies and investments in associates which are initially recognised at cost and subsequently accounted for using the equity method of accounting.

The profit and loss account has been drawn up in accordance with Section 402, Book 2, of the Dutch Civil Code.

A list containing the information referred to in section 379 (1), Book 2, of the Dutch Civil Code has been filed with the office of the Commercial Register of Amsterdam, in accordance with Section 379 (5), Book 2, of the Dutch Civil Code.

Changes in balance sheet values due to changes in the Revaluation reserve of the associates are reflected in the Share of associates reserve, which forms part of Shareholders' equity. Changes in balance sheet values due to the results of these associates, accounted for in accordance with ING Group accounting policies, are included in the profit and loss account. Other changes in the balance sheet value of these associates, other than those due to changes in share capital, are included in Share of associates reserve in Other reserves.

A statutory reserve is carried at an amount equal to the share in the results of associates since their first inclusion at net asset value less the amount of profit distributions to which rights have accrued in the interim. Profit distributions which can be repatriated to the Netherlands without restriction are likewise deducted from the Share of associates reserve.

CHANGES IN PRESENTATION

The presentation of, and certain terms used in, the balance sheet, the profit and loss account, cash flow statement, statement of changes in equity and certain notes has been changed in 2007 to provide additional and more relevant information. Certain comparative amounts has been reclassified to conform with the current period presentation. None of the changes are significant in nature.

2.2 Parent company annual accounts

Notes to the parent company balance sheet of ING Group

amounts in millions of euros, unless stated otherwise

1 INVESTMENTS IN WHOLLY OWNED SUBSIDIARIES

Investments in wholly owned subsidiaries

Name of investee:	Balance sheet value	
	2007	2006
ING Bank N.V.	24,038	20,868
ING Verzekeringen N.V.	17,900	21,902
Other	-74	-163
	41,864	42,607

Other includes certain intercompany eliminations between ING Bank N.V. and ING Verzekeringen N.V.

Changes in investments in wholly owned subsidiaries

	2007	2006
Opening balance	42,607	41,488
Repayments to/from group companies	2,227	24
Disposals of group companies		-587
Revaluations	-5,364	-2,994
Result of the group companies	9,299	7,704
Dividend	-5,900	-3,450
	42,869	42,185
Changes in ING Groep N.V. shares held by group companies	-1,005	422
Closing balance	41,864	42,607

2 OTHER ASSETS

Other assets

	2007	2006
Receivables from group companies	10,591	8,827
Other receivables, prepayments and accruals	112	71
	10,703	8,898

3 EQUITY

Equity

	2007	2006
Share capital	534	530
Share premium	8,739	8,348
Share of associates reserve	6,053	11,528
Currency translation reserve	-950	-950
Other reserves	22,832	18,810
Equity	37,208	38,266

Share capital

	Ordinary shares (par value EUR 0.24)			
	Number X1,000		Amount	
	2007	2006	2007	2006
Authorised share capital	3,000,000	3,000,000	720	720
Unissued share capital	773,555	794,907	186	190
Issued share capital	2,226,445	2,205,093	534	530

Changes in issued share capital

	Ordinary shares (par value EUR 0.24)	
	Number X1,000	Amount
	Issued share capital as at 31 December 2005	2,204,934
Issue of shares	96	
Exercise of B warrants	63	
Issued share capital as at 31 December 2006	2,205,093	530
Issue of shares	5,569	1
Exercise of B warrants	15,783	3
Issued share capital as at 31 December 2007	2,226,445	534

Changes in Other reserves and Unappropriated profit

2007	Retained earnings	Treasury shares	Other reserves	Total Other reserves	Unappropriated profit	Total
Opening balance	12,591	-1,436	-37	11,118	7,692	18,810
Profit for the year					9,241	9,241
Unrealised revaluations after taxation			1	1		1
Changes in treasury shares		-2,304		-2,304		-2,304
Dividend					-2,999	-2,999
Transfer to share of associates reserve	-174			-174		-174
Transfer to retained earnings	4,693			4,693	-4,693	
Employee stock option and share plans	104			104		104
Other	153			153		153
Closing balance	17,367	-3,740	-36	13,591	9,241	22,832

Changes in Other reserves and Unappropriated profit

2006	Retained earnings	Treasury shares	Other reserves	Total other reserves	Unappropriated profit	Total
Opening balance	8,083	-868	-13	7,202	7,210	14,412
Profit for the year					7,692	7,692
Unrealised revaluations after taxation	552		-124	428		428
Change in treasury shares		-520		-520		-520
Dividend					-2,681	-2,681
Transfer to share of associates reserve	-573			-573		-573
Transfer to retained earnings	4,529			4,529	-4,529	
Other		-48	100	52		52
Closing balance	12,591	-1,436	-37	11,118	7,692	18,810

As at 31 December 2007, Share of associates reserve included an amount of EUR 566 million (2006: EUR 566 million) related to Regio Bank NV (formerly Stichting Regio Bank) that cannot be freely distributed.

The Share of associates reserve and Currency translation reserve cannot be freely distributed. The reserve for cash flow hedges is included in the Share of associates reserve on a net basis. Retained earnings can be freely distributed. Unrealised gains and losses on derivatives, other than those used in cash flow hedges, are presented in the profit and loss and are thus part of Retained earnings and are not included in Share of associates reserve.

2.2 Parent company annual accounts

Notes to the parent company balance sheet of ING Group (continued)

The total amount of Equity in the parent company annual accounts equals Shareholders' equity (parent) in the consolidated annual accounts. Certain components within equity are different, as a result of the following presentation differences between the parent company accounts and consolidated accounts:

- Unrealised revaluations within consolidated group companies, presented in the Revaluation reserve in the consolidated accounts, are presented in the Reserve for associates in the parent company accounts;
- Foreign currency translation on consolidated group companies, presented in the Currency translation reserve in the consolidated accounts, is presented in the Reserve for associates in the parent company accounts;
- Revaluations on investment property and certain participations recognised in income and consequently presented in Retained earnings in the consolidated accounts, is presented in the reserve for associates in the parent company accounts.

The total amount of non-distributable reserves is EUR 7,003 million (2006: EUR 12,478 million).

See Note 12 'Shareholders' equity (parent)' in the consolidated annual accounts for additional information.

Change in treasury shares

	Amount		Number	
	2007	2006	2007	2006
Opening balance	1,436	868	53,859,235	38,722,934
Purchased	2,505	1,030	79,652,109	30,858,427
Share based payments	-201	-462	-6,751,515	-15,722,126
Closing balance	3,740	1,436	126,759,829	53,859,235

4 PREFERENCE SHARES

See Note 13 'Preference shares' to the consolidated financial statements.

5 SUBORDINATED LOANS**Subordinated loans**

Interest rate	Year of issue	Due date	Notional amount in original currency	Balance sheet value	
				2007	2006
7.375%	2007	Perpetual	USD 1,500	988	
6.375%	2007	Perpetual	USD 1,045	690	
5.140%	2006	Perpetual	GBP 600	810	885
5.775%	2005	Perpetual	USD 1,000	674	752
6.125%	2005	Perpetual	USD 700	462	515
4.176%	2005	Perpetual	EUR 500	497	497
Variable	2004	Perpetual	EUR 1,000	937	926
6.200%	2003	Perpetual	USD 500	330	368
Variable	2003	Perpetual	EUR 750	682	669
7.200%	2002	Perpetual	USD 1,100	726	811
7.050%	2002	Perpetual	USD 800	529	591
8.439%	2000	31 December 2030	USD 1,500	1,014	1,132
				8,339	7,146

6 OTHER LIABILITIES

Other liabilities by type

	2007	2006
Debenture loans	6,370	5,230
Amounts owed to group companies	174	35
Other amounts owed to accrued liabilities	357	493
	6,901	5,758

Debenture loans

Interest rate	Year of issue	Due date	Balance sheet value	
			2007	2006
4.699%	2007	1 June 2035	117	
4.750%	2007	31 May 2017	1,761	
Variable	2006	28 June 2011	744	746
Variable	2006	11 April 2016	1,009	995
4.125%	2006	11 April 2016	744	746
6.125%	2000	4 January 2011	998	997
6.000%	2000	1 August 2007		750
5.500%	1999	14 September 2009	997	996
			6,370	5,230

The number of debentures held by group companies as at 31 December 2007 was 34,892 with a balance sheet value of EUR 34 million (2006: 29,288 with a balance sheet value of EUR 29 million).

Amounts owed to group companies by remaining term

	2007	2006
Within 1 year	174	33
More than 1 year but less than 5 years		2
	174	35

Guarantees

At 31 December 2007 ING Group has guarantees given on behalf of third parties of nil (2006: nil). ING Group has issued statements of liabilities in connection with Article 403 of the Dutch Civil Code and other guarantees for a number of group companies.

REMUNERATION OF SENIOR MANAGEMENT, EXECUTIVE BOARD AND SUPERVISORY BOARD

The information on share based payment plans and remuneration of the members of the Executive Board and the Supervisory Board is included in the remuneration paragraph in the annual report (page 76 up to and including page 86). This information is considered to be an integral part of the audited annual accounts.

AUTHORISATION OF PARENT COMPANY ANNUAL ACCOUNTS

Amsterdam, 17 March 2008

THE SUPERVISORY BOARD

Jan H.M. Hommen, *chairman*
 Eric Bourdais de Charbonnière, *vice-chairman*
 Henk W. Breukink
 Peter A.F.W. Elverding
 Luella Gross Goldberg
 Claus Dieter Hoffmann
 Piet Hoogendoorn
 Piet C. Klaver
 Wim Kok
 Godfried J.A. van der Lugt
 Karel Vuursteen

THE EXECUTIVE BOARD

Michel J. Tilmant, *chairman*
 Eric F. Boyer de la Giroday
 Dick H. Harryvan
 John C.R. Hele, *CFO*
 Eli P. Leenaars
 Tom J. McInerney
 Hans van der Noordaa
 Koos (J.V.) Timmermans, *CRO*
 Jacques M. de Vaucleroy