

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