

Report of the Supervisory Board

The Supervisory Board and the Executive Board met through regular and additional meetings in 2007 and discussed various important issues including strategy. Committees of the Supervisory Board discussed a range of subjects on which the Supervisory Board received advice, the main ones being the quarterly results, risk management, the external auditors tender, IT, corporate governance and human resources.

GENERAL

The Supervisory Board met nine times in 2007. Only four members were absent once during the year. The Audit Committee held six meetings, while the Remuneration and Nomination Committee met three times and the Corporate Governance Committee twice. No committee members were absent at those meetings.

The Supervisory Board Knowledge Day was held, which was a full day of presentations and discussions on several important subjects, including structured finance and variable annuities. In cooperation with the Dutch Authority Financial Markets (AFM) a workshop on compliance was organised for the Knowledge Day.

Supervisory Board meetings

The strategy of ING was a frequent topic for the Supervisory Board meetings, especially the growth strategy in the light of increasing consolidation among Europe's financial institutions.

In January 2007, the Supervisory Board held its annual full-day meeting on ING's strategy and medium-term plan including the related risks. The medium-term plan addresses the plans of the business lines and the financial targets for each of them and for the Group as a whole. The Supervisory Board discussed ING's ambition to concentrate on value creation and growth, and to improve the performance culture from good to excellent, realising that the external environment might be less favourable than in 2006. The medium-term plan was discussed in detail and approved by the Supervisory Board. In this meeting, the feedback of investors on ING's performance over 2006 was also discussed.

In February the 2006 annual figures were discussed, including the related reports from the external auditors. In this meeting the draft agenda of the annual General Meeting of Shareholders was also discussed and approved.

At the end of 2006 and in the first months of 2007, a possible combination of ING's businesses with those of ABN AMRO was discussed. Exploratory talks were held but did not lead to fruition.

The quarterly figures of 2007 were discussed in May, August and November respectively. The results in each quarter were good, despite the turmoil in financial markets in the second half of the year. The results for the second, third and fourth quarter also included a large capital gain, mainly due to the sale of the ABN AMRO and Numico shares.

In January and May, ING's Dutch retail banking approach was tabled for the Supervisory Board meeting. One integrated bank will combine the best of ING Bank and Postbank. The Supervisory Board extensively discussed the business case, the potential reduction of employees and the IT implications. The Supervisory Board approved the proposal. In May the share buy-back programme was also discussed and approved, and the annual General Meeting of Shareholders was evaluated.

In May and November the assessment of the Executive Board of the adequacy and effectiveness of the risk management and control systems of ING as well as the significant changes thereto were discussed.

The management of Nationale-Nederlanden gave a presentation to the Supervisory Board in the August meeting about the development of Nationale-Nederlanden and the main challenges lying ahead. An updated ING Insider Regulation as well as the ING Regulation on Financial Instruments was also approved in this meeting. These regulations were updated due to changes in Dutch legislation.

The proposed change of the audit structure was discussed in the 2007 annual General Meeting of Shareholders. Accordingly, both Ernst & Young and KPMG were invited to tender for the financial auditing of ING Groep N.V. and all of its subsidiaries. The external auditor selection was discussed in the Supervisory Board meeting of October, following preparatory meetings of the Audit Committee in August and September. Although both Ernst & Young and KPMG are fully qualified firms to audit ING Groep N.V. and all of its subsidiaries, the Supervisory Board decided to nominate Ernst & Young as the sole external auditor from 2008, for appointment at the 2008 annual General Meeting of Shareholders.

Upon request of the Supervisory Board the restructuring of IT systems within ING in the Netherlands was discussed in the November meeting. The Supervisory Board discussed the IT plans also in the context of the integration of Postbank and ING Bank in the Netherlands. The updated charters of the Executive Board and Supervisory Board were also approved in this meeting.

During the regular internal meetings of the Supervisory Board, the auditor tender process was discussed as well as the succession of the chairman of the Supervisory Board. The peer group selection for assessing Executive Board remuneration and the remuneration proposals for the Executive Board were also reviewed.

At the annual internal meeting of the Supervisory Board in November the functioning of the Supervisory Board, its committees and its individual members and the conclusions to be drawn therefrom were discussed. This was done in the light of the Supervisory Board Profile and the composition of the Supervisory Board. Furthermore, the functioning of the Executive Board and the performance of the individual Executive Board members were discussed.

Audit Committee meetings

The Audit Committee met six times to discuss the annual and quarterly results (four meetings) and the annual and semi-annual US GAAP results (two meetings). Management letters of the internal and external auditors on internal control were discussed. Ernst & Young and KPMG both prepared a tender proposal for the financial auditing of ING Groep N.V. and all of its subsidiaries on the basis of selection criteria approved by the Audit Committee.

Both external auditors gave a presentation to the Audit Committee in September. In October the Audit Committee provided its advice to the Supervisory Board. Other important subjects in 2007 were Compliance and IT risk. Presentations were given on these topics, as well as on the EU Directive on markets in financial instruments (MiFID) and on the financial markets crisis. Other topics discussed in the meetings were risk, governance, capital management and the share buy-back programme. The volatility of the results in Japan and the adequacy of reserve levels in Taiwan were frequently discussed during the meetings.

Remuneration and Nomination Committee meetings

In January, new candidates were nominated for appointment to the Executive Board and the Supervisory Board by the annual General Meeting of Shareholders in 2007. The Remuneration and Nomination Committee discussed the future composition of the Supervisory Board and its committees in its meetings. The search for new Supervisory Board candidates continued.

The 2006 performance of the short-term and long-term incentives of the Executive Board members was discussed on the basis of the group performance criteria and the individual targets. The proposal to the full Supervisory Board regarding the variable remuneration for 2006 was approved. The Executive Board compensation structure for 2007 was discussed as well as the adjustment of the compensation and performance peer group, following the takeover of ABN AMRO.

Corporate Governance Committee meetings

The Corporate Governance Committee discussed the agenda for the 2007 annual General Meeting of Shareholders, which included a proposal for amendment of the Articles of Association. It reviewed an updated version of the Executive Board Charter and the Supervisory Board Charter, including updated charters for the Supervisory Board committees. The main change was the introduction of special rules for ad-hoc committees. The updated charters have been published on ING's website. The committee also discussed the possibility of introducing electronic voting during the General Meeting of Shareholders for shareholders not attending the meeting. It concluded that electronic voting cannot be introduced at the 2008 annual General Meeting of Shareholders. The Committee endorsed the recommendations to closely monitor the developments regarding electronic voting.

Composition of the Executive Board

In April 2007, Cees Maas, vice-chairman and chief financial officer, retired from the Executive Board. The annual General Meeting of Shareholders approved the appointment of John Hele and Koos Timmermans as chief financial officer and chief risk officer respectively. The first term of appointment for four years of Eric Boyer de la Giroday and Eli Leenaars will end after the 2008 annual General Meeting of Shareholders. They are nominated for reappointment for another four-year term. Information on the members of the Executive Board is provided on pages 65-66.

Report of the Supervisory Board (continued)

Retirement of Cor Herkströter

Cor Herkströter was appointed a member of the Supervisory Board in 1998 and became chairman in 1999. He was an important sparring partner for the chairmen of the Executive Board during a period of strong growth which included several major acquisitions. His own experience as a CEO was of great value in the Supervisory Board's decision-making process and in developing ING's growth strategy. He was very committed to the company's interests and contributed strongly to its successful development in a changing environment. He built the Supervisory Board into a strong team that could both challenge and support the Executive Board. Both the Supervisory Board and the Executive Board are grateful to Cor Herkströter for his significant and valuable contribution to ING over the years and for the way he chaired the Supervisory Board for more than eight years.

Composition of the Supervisory Board

Paul van der Heijden retired from the Supervisory Board after the annual General Meeting of Shareholders in April 2007. Cor Herkströter and Luella Gross Goldberg both agreed to stay on longer to allow for a more gradual succession, although both would have retired at reaching the age of 70 in 2007. Claus Dieter Hoffmann and Wim Kok were reappointed as members of the Supervisory Board. Henk Breukink, Peter Elverding, and Piet Hoogendoorn were appointed as new members. Karel Vuursteen succeeded Paul van der Heijden as a member of the Remuneration and Nomination Committee and Corporate Governance Committee in April 2007.

Cor Herkströter retired as member and chairman of the Supervisory Board on 1 January 2008. Jan Hommen succeeded Cor Herkströter as chairman of the Supervisory Board and Wim Kok succeeded Jan Hommen as chairman of the Audit Committee, both on 1 January 2008. For this reason Wim Kok will not retire in 2008, but in 2009. Luella Gross Goldberg will retire at the annual General Meeting of Shareholders in 2008 having stayed on one year longer.

Retirement of Luella Gross Goldberg

Luella Gross Goldberg joined the Supervisory Board in 2001. At that time she was a member of the Board of Directors of ReliaStar, a US insurance company that had been acquired by ING. Luella Goldberg was the first Supervisory Board member from the United States and brought with her a valuable insight into the American markets. She also contributed substantially to the Remuneration and Nomination Committee knowing the reality in the US in the field because of her knowledge of US compensation structures and levels and understanding of European sensitivities. Both the Supervisory Board and the Executive Board would like to thank Luella Goldberg for her commitment and contribution to ING during the past years and the way she performed her role on the Supervisory Board.

The Supervisory Board nominates four candidates for appointment: Joan Spero, Harish Manwani, Aman Mehta and Jackson Tai. More information can be found in the convocation for the 2008 annual General Meeting of Shareholders, available on the ING Group website (www.ing.com).

For the proposed appointments approval has been obtained from the Dutch Central Bank.

Information on the members of the Supervisory Board is provided on pages 67 – 69.

Currently, only one Supervisory Board member (Piet Hoogendoorn) qualifies as 'non-independent' as defined in best-practice provision III.2.1 of the Dutch Corporate Governance Code. Mr. Hoogendoorn is considered to be not independent because of his position with Deloitte Touche Tohmatsu until 1 June 2007, considering the important relationship between Deloitte Touche Thomatsu and ING.

Annual accounts and dividend

The Executive Board has prepared the annual accounts and discussed these with the Supervisory Board. The annual accounts will be submitted for adoption to the annual General Meeting of Shareholders as part of the Annual Report. The proposed dividend for 2007 is EUR 1.48 per (depository receipt for an) ordinary share. Taking into account the interim dividend of EUR 0.66, the proposed final dividend amounts to EUR 0.82, payable in cash.

Appreciation for the Executive Board and ING employees

The Supervisory Board would like to thank the Executive Board members for the strong performance in 2007. The Executive Board focused especially on the growth strategy of ING. The risk management policies of the Executive Board members have proved to be of great value in the challenging circumstances on the financial markets in the second half of the year. The Supervisory Board would also like to express its appreciation to the 125,000 employees of ING who each serve the interests of customers, shareholders and other ING stakeholders.

ADDITIONAL INFORMATION

For additional information, reference is made to the section on corporate governance (pages 61 – 70) and the Remuneration Report (pages 76 – 86), which are deemed to be incorporated by reference here.

AMSTERDAM, 17 MARCH 2008

THE SUPERVISORY BOARD