PROSPECTUS

ING INSURANCE

ING VERZEKERINGEN N.V.

(incorporated in The Netherlands with limited liability)

€1,000,000,000 6.375 per cent. Fixed/Floating Rate Subordinated Bonds due 2027

Issue Price 99.105 per cent.

Interest on the €1,000,000,000 6.375 per cent. Fixed/Floating Rate Subordinated Bonds due 2027 (the "Bonds") of ING Verzekeringen N.V. (the "Issuer") is payable annually in arrear on 7 May in each year until and including 7 May 2017, commencing on 7 May 2003 and thereafter quarterly in arrear on the Floating Rate Interest Payment Dates (as defined herein) falling on, or nearest to, 7 August, 7 November, 7 February and 7 May in each year. Interest on the Bonds may, in certain circumstances, be deferred. See "Terms and Conditions of the Bonds – Interest and Deferral of Interest".

Payments on the Bonds will be made without deduction for or on account of taxes of The Netherlands to the extent described under "Terms and Conditions of the Bonds – Taxation".

Application has been made to list the Bonds on the Luxembourg Stock Exchange and on the Official Segment of the stock market of Euronext Amsterdam N.V. ("Euronext Amsterdam").

The Bonds mature on the Floating Rate Interest Payment Date falling on, or nearest to, 7 May 2027 but may be redeemed before then at the option of the Issuer in whole (but not in part) on 7 May 2017 or on any Floating Rate Interest Payment Date thereafter at their principal amount (together with interest accrued to the date fixed for redemption) and Arrears of Interest (if any). The Bonds are also subject to redemption in whole (but not in part), at the option of the Issuer (i) at any time prior to 7 May 2017 or on any Floating Rate Interest Payment Date thereafter at their principal amount, together with interest accrued to the date fixed for redemption and Arrears of Interest, if any, in the event of certain changes affecting taxes of The Netherlands and (ii) at any time prior to 7 May 2017 at the higher of (x) their principal amount (together with interest accrued to the date fixed for redemption) and Arrears of Interest (if any) and (y) their Make Whole Amount (as defined under "Terms and Conditions of the Bonds – Redemption and Purchase") in the event of certain changes affecting the corporate income tax treatment in The Netherlands of payments of interest made by the Issuer. See "Terms and Conditions of the Bonds – Redemption and Purchase".

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

The Bonds will initially be represented by a temporary global bond (the "Temporary Global Bond"), without interest coupons, which will be deposited with a common depositary on behalf of the Clearstream, Luxembourg and Euroclear systems on or about 7 May 2002 (the "Closing Date"). The Temporary Global Bond will be exchangeable for interests in a permanent global bond (the "Global Bond"), without interest coupons, on or after a date which is expected to be 17 June 2002 upon certification as to non-U.S. beneficial ownership. The Global Bond will be exchangeable for definitive Bonds in bearer form in the denominations of €10,000 and €100,000 in the limited circumstances set out in it. See "Summary of Provisions relating to the Bonds while in Global Form".

Goldman Sachs International
Structuring Adviser

ING

Schroder Salomon Smith Barney

Barclays Capital

Credit Suisse First Boston

Merrill Lynch International

Morgan Stanley

The date of this Prospectus is 2 May 2002

The Issuer having made all reasonable enquiries confirms that this Prospectus contains all information with respect to the Issuer, the Issuer and its subsidiaries and group companies taken as a whole ("ING Insurance") and the Bonds which is material in the context of the issue and offering of the Bonds, the statements contained in it relating to the Issuer, and ING Insurance, are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Prospectus with regard to the Issuer and ING Insurance are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer, ING Insurance or the Bonds the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this document misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. The Issuer accepts responsibility for the information contained in this Prospectus.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers (as defined in "Subscription and Sale" below) to subscribe for or purchase, any of the Bonds. The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of Bonds and distribution of this Prospectus see "Subscription and Sale" below.

The Managers do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information in this Prospectus. Each person receiving this Prospectus acknowledges that such person has not relied on the Managers or any other person affiliated with the Managers in connection with its investigation of the accuracy of such information or its investment decision. Each person contemplating making an investment in the Bonds must make its own investigation and analysis of the creditworthiness of the Issuer and ING Insurance and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

In this Prospectus, references to "€" and "cent" are to the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, amended by the Treaty on European Union and references to "USD" are to United States dollars.

In connection with this issue, Goldman Sachs International may over-allot or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on Goldman Sachs International or any agent of it to do this. Such stabilisation, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Stabilising transactions conducted on Euronext Amsterdam must be conducted through a member of Euronext Amsterdam in accordance with all applicable regulations of The Netherlands Authority of the Financial Markets ("*Autoriteit FM*") and in accordance with all applicable regulations of Euronext Amsterdam. Stabilising transactions conducted on Euronext Amsterdam shall in any event be discontinued 30 days after the Closing Date.

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TERMS AND CONDITIONS OF THE BONDS

The following (other than the paragraph in italics) is the text of the terms and conditions of the Bonds, which, subject to amendment, will be endorsed on the Bonds and (subject to the provisions thereof) will apply to the Temporary Global Bond and the Global Bond representing the Bonds:

The issue of the €1,000,000,000 6.375 per cent. Fixed/Floating Rate Bonds due 2027 (the "Bonds") was authorised by a resolution of the Executive Board of the Issuer on 16 April 2002 and by the Supervisory Board of the Issuer on 28 February 2002. A fiscal agency agreement dated 7 May 2002 (the "Fiscal Agency Agreement") has been entered into in relation to the Bonds between the Issuer, JPMorgan Chase Bank as fiscal agent and as agent bank and the paying agents named in it. The fiscal agent, the agent bank and the paying agents for the time being are referred to below respectively as the "Fiscal Agent", the "Agent Bank" and the "Paying Agents" (which expression shall include the Fiscal Agent). The Fiscal Agency Agreement includes the form of the Bonds and the coupons and the talons for further interest coupons relating to them (the "Coupons" (which expression shall in these Conditions, when the context requires, include the Talons) and the "Talons", respectively). Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the specified offices of the Paying Agents. The holders of the Bonds (the "Bondholders") and the holders of the Coupons (whether or not attached to them) (the "Couponholders") are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

1. Form, Denomination and Title

(a) Form and Denomination

The Bonds are serially numbered and in bearer form in the denominations of €10,000 and €100,000 each with Coupons and one Talon attached on issue. Bonds of one denomination may not be exchanged for Bonds of any other denomination.

(b) Title

Title to the Bonds and Coupons passes by delivery ("*levering*") in accordance with Dutch law by a transferor who has the power to pass on title ("*is beschikkingsbevoegd*") when the transfer of title is made pursuant to a valid transfer of title ("*geldige titel*").

2. Status

The Bonds and Coupons constitute direct, unsecured, subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

3. Subordination

In the event of a dissolution ("*ontbinding*") and subsequent liquidation of the Issuer, or the occurrence of a bankruptcy ("*faillissement*"), moratorium of payments ("*surseance van betaling*") or other similar proceeding affecting the Issuer, the claims of the Bondholders in respect of payments of principal, interest (including Arrears of Interest (as defined in Condition 4*(b)*)) and all other amounts under the Bonds shall be subordinated to the claims of Senior Creditors (as defined below).

On a dissolution and subsequent liquidation of the Issuer there may be no surplus assets available to meet the claims of Bondholders after the claims of Senior Creditors have been satisfied.

For the purposes of these conditions "Senior Creditors" means all creditors of the Issuer (including policyholders of the Issuer, if any) who are (i) unsubordinated creditors of the Issuer or (ii) subordinated creditors of the Issuer, other than those whose claims rank or are expressed to rank *pari passu* with or junior to the claims of the Bondholders in respect of the Bonds.

4. Interest and Deferral of Interest

(a) Periods of Accrual of Interest

The Bonds bear interest on their principal amount from and including 7 May 2002 (the "Closing Date"). Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at the relevant Fixed Rate of Interest or Floating Rate of Interest (each as defined below), as the case may be (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Fiscal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(b) Interest Payment Dates and Interest Periods

Interest which accrues during either a Fixed Rate Interest Period (as defined below) or, as the case may be, a Floating Rate Interest Period (as defined below) ending on (but excluding) a Compulsory Interest Payment Date (as defined below) will be payable on that Compulsory Interest Payment Date. Interest which accrues during a Fixed Rate Interest Period or a Floating Rate Interest Period ending on (but excluding) an Optional Interest Payment Date (as defined below) will be payable on that Optional Interest Payment Date only if the Issuer so elects by not less than 10 nor more than 30 days' notice to the Bondholders and the Couponholders in accordance with Condition 13 (which notice will be irrevocable and will oblige the Issuer to pay that interest on that Optional Interest Payment Date). Any interest in respect of the Bonds not paid on any Optional Interest Payment Date shall, so long as the same remains unpaid, constitute "Arrears of Interest". The Issuer shall not have any obligation to pay interest on any Optional Interest Payment Date if it does not elect to do so and any such failure to pay shall not constitute a default of the Issuer for any purpose. The Issuer may pay outstanding Arrears of Interest (in whole or in part) at any time on giving not less than 10 nor more than 30 days' notice to the Bondholders and the Couponholders in accordance with Condition 13 (which notice will be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in that notice). The Issuer will also be obliged to pay outstanding Arrears of Interest (in whole but not in part) on the earlier of:

(i) the next Compulsory Interest Payment Date;

(ii) the date on which a dividend (including any distribution from reserves) is next paid on any class of share capital of the Issuer or on which principal, premium (if any), interest or any other amounts are paid to the holders of other obligations of or guaranteed by the Issuer and which obligations or guarantees rank or are expressed to rank *pari passu* with or junior to the obligations of the Issuer in respect of the Bonds;

(iii) the due date for redemption of the Bonds; and

(iv) the date on which any order is made or any request is granted for a moratorium of payments ("*surseance van betaling*") or bankruptcy ("*faillissement*") (within the meaning of the Bankruptcy Act of The Netherlands ("*Faillissementswet*"), as modified or re-enacted from time to time) of the Issuer or an order is made or an effective resolution is passed for the dissolution ("*ontbinding*") and subsequent liquidation of the Issuer.

Arrears of Interest shall themselves bear interest at the Fixed Rate of Interest or the Floating Rate of Interest (as the case may be) from time to time applied to the Bonds in accordance with this Condition 4. References to "interest" in these Conditions include, where the context so admits, Arrears of Interest.

For so long as any Arrears of Interest remain unpaid the Issuer will not (a) make any payment of principal, premium (if any), interest or other amounts in relation to any debt securities of the Issuer that rank *pari passu* with, or junior to, the Bonds or (b) make any payment pursuant to any guarantee, the obligations in respect of which rank *pari passu* with, or junior to, the obligations of the Issuer in respect of the Bonds.

For the purposes hereof the following expressions have the following meanings:

"Compulsory Interest Payment Date" means either any Fixed Rate Interest Payment Date or, as the case may be, any Floating Rate Interest Payment Date which is not an Optional Interest Payment Date.

"Fixed Rate Interest Payment Date" means 7 May in each year up to and including 7 May 2017, the first such date being 7 May 2003.

"Fixed Rate Interest Period" means the period from and including one Fixed Rate Interest Payment Date (or the Closing Date) to but excluding the next (or first) Fixed Rate Interest Payment Date.

"Floating Rate Interest Payment Date" means 7 August, 7 November, 7 February and 7 May in each year, the first such date being (subject to the provisions of the following sentence) 7 August 2017. If any Floating Rate Interest Payment Date would otherwise fall on a day which is not a TARGET Business Day it shall be postponed to the next day which is a TARGET Business Day unless it would then fall into the next calendar month in which event such Floating Rate Interest Payment Date shall be brought forward to the immediately preceding day which is a TARGET Business Day.

"Floating Rate Interest Period" means the period from and including one Floating Rate Interest Payment Date (or 7 May 2017) to but excluding the next (or first) Floating Rate Interest Payment Date.

"Interest Payment Date" means a Fixed Rate Interest Payment Date or a Floating Rate Interest Payment Date.

"Optional Interest Payment Date" means any Fixed Rate Interest Payment Date or, as the case may be, any Floating Rate Interest Payment Date in respect of which each of the following criteria are met: (a) no dividend (nor any distribution from reserves) was declared in respect of any class of shares of the Issuer at the Annual General Meeting of the Issuer immediately preceding that Fixed Rate Interest Payment Date or Floating Rate Interest Payment Date, (b) no dividend (nor any distribution from reserves) was declared in respect of any class of shares of the Parent at the Annual General Meeting of the Parent immediately preceding that Fixed Rate Interest Payment Date or Floating Rate Interest Payment Date and (c) no such dividend (nor any distribution from reserves) has been declared since those respective Annual General Meetings of the Issuer and the Parent.

"Parent" means ING Groep N.V. or such other company as shall be from time to time the ultimate holding company of the Issuer with shares listed on an internationally recognised stock exchange.

"TARGET Business Day" means a day on which the TARGET System is operating.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

The Issuer shall give at least seven days' prior notice to the Bondholders in accordance with Condition 13 of the occurrence of an Optional Interest Payment Date (unless the Issuer shall have notified Bondholders of its election to pay interest in accordance with the first paragraph of this Condition 4(b)).

(c) Rate of Interest

The rate of interest from time to time payable in respect of the Bonds will be (i) from, and including, the Closing Date to, but excluding, 7 May 2017 6.375 per cent. per annum (the "Fixed Rate of Interest"); and (ii) thereafter the rate determined by the Agent Bank (the "Floating Rate of Interest") and will be equal to the Euro Interbank Offered Rate ("EURIBOR") for the relevant Floating Rate Interest Period plus the Margin (as defined below). EURIBOR shall be determined on the basis of the following provisions:

(i) On each Interest Determination Date (as defined below) the Agent Bank will determine the Screen Rate (as defined below) for the relevant Floating Rate Interest Period as at approximately 11.00 a.m. (Brussels time) on such Interest Determination Date.

(ii) If on any Interest Determination Date the Screen Rate is unavailable, the Agent Bank will request the Reference Banks (as defined below) to provide the Agent Bank with their offered quotations to prime banks in the Euro-zone (as defined below) interbank market for the relevant Floating Rate Interest Period at approximately 11.00 a.m. (Brussels time) on such Interest Determination Date. If at least two such quotations are provided, the Agent Bank will determine the arithmetic mean (rounded upwards if necessary to five decimal places) of such offered quotations, and EURIBOR for the Floating Rate Interest Period shall be such arithmetic mean.

(iii) If on any Interest Determination Date the Screen Rate is unavailable and no other rate can be determined pursuant to paragraph (ii) above, EURIBOR for the relevant Floating Rate Interest Period shall be the higher of (A) EURIBOR in effect for the last preceding Floating Rate Interest Period to which paragraph (i) or (ii) above shall have applied and (B) the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded upwards if necessary to five decimal places) of the rates quoted by major banks in the Euro-zone, selected by the Agent Bank, at approximately 11.00 a.m. (Brussels time) for loans in euro to leading European banks for a period equal to the relevant Floating Rate Interest Period commencing on such Interest Determination Date and in an amount equal to the aggregate outstanding principal amount of the Bonds.

(iv) If on any Interest Determination Date the Screen Rate is unavailable and no other rate can be determined pursuant to paragraph (iii) above, EURIBOR for the relevant Floating Rate Interest Period shall be EURIBOR in effect for the last preceding Floating Rate Interest Period to which paragraph (i) or (ii) above shall have applied.

(v) For the purposes hereof the following expressions have the following meanings:

"Euro-zone" means the region comprised of member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

"Interest Determination Date" means, in respect of any Floating Rate Interest Period, the day which is two TARGET Business Days prior to the first day of such Floating Rate Interest Period;

"Margin" means 1.90 per cent. per annum;

"Reference Banks" means four major banks in the Euro-zone interbank market selected by the Agent Bank; and

"Screen Rate" means the rate for deposits in euro for a period equal to the relevant Floating Rate Interest Period which appears on the display designated as page 248 on the Telerate Monitor (or such other page or service as may be equivalent to it or replace it for the purpose of displaying interbank offered rates of major banks for deposits in euro in the Euro-zone).

(d) Determination of Fixed Interest Amounts

The amount of interest payable in respect of each Bond for any Fixed Rate Interest Period shall be calculated by applying the Fixed Rate of Interest to the principal amount of such Bond. Where interest is to be calculated during a Fixed Rate Interest Period in respect of a period of less than a full year it shall be calculated on the basis of the actual number of days in the period from and including the most recent Fixed Rate Interest Payment Date (or, if none, the Closing Date) to, but excluding, the relevant payment date divided by the actual number of days in the period from and including the most recent Fixed Rate Interest Payment Date (or, if none, the Closing Date) to but excluding the next (or first) scheduled Fixed Rate Interest Payment Date.

(e) Determination of Floating Rate of Interest and Floating Rate Interest Amounts

The Agent Bank shall, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date, determine and notify the Issuer and each of the Paying Agents of (i) the Floating Rate of Interest applicable to the relevant Floating Rate Interest Period, (ii) the euro amount of interest payable on presentation and surrender of each Coupon in respect of each Bond (the "Floating Rate Interest Amount") for such Floating Rate Interest Period and (iii) the relevant Floating Rate Interest Payment Date. The Floating Rate Interest Amount in respect of each denomination of Bonds shall be calculated by applying the Floating Rate of Interest to the principal amount of each denomination, multiplying such sum by the actual number of days in the Floating Rate Interest Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(f) Publication of Floating Rate of Interest and Floating Rate Interest Amount

The Agent Bank will cause the Floating Rate of Interest and the Floating Rate Interest Amount for each Floating Rate Interest Period and the relevant Floating Rate Interest Payment Date to be notified to each of the Paying Agents and any Stock Exchange on which the Bonds are for the time being listed no later than on the first day of the relevant Interest Period and to be notified to Bondholders in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth business day thereafter. The Floating Rate Interest Amount and Floating Rate Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Floating Rate Interest Period. If the Bonds become due and payable under Condition 8, the accrued interest and the Floating Rate of Interest payable in respect of the Bonds shall nevertheless continue to be calculated as previously by the Agent Bank in accordance with this Condition but no publication of the Floating Rate of Interest or the Floating Rate Interest Amount so calculated need be made.

(g) Notifications to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained, whether by the Issuer, the Agent Bank or the Quotation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank, the other Paying Agents and all Bondholders and Couponholders and (subject as aforesaid) no liability to the Bondholders or the Couponholders shall attach to the Issuer, the Agent Bank or the Quotation Agent (as defined below) in connection with the exercise or non-exercise by them of their powers, duties and discretions in respect of this Condition 4 and, in the case of the Quotation Agent, Condition 5.

(h) Reference Banks and Agent Bank

The Issuer will procure that, so long as any Bond is outstanding, there shall at all times be the number of Reference Banks provided above (where the Floating Rate of Interest is to be calculated by reference to them) and an Agent Bank for the purposes of the Bonds. If any such bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank, as the case may be, or if the Agent Bank fails duly to establish the Floating Rate of Interest for any Floating Rate Interest Period or to calculate the Floating Rate Interest Amount, the Issuer shall appoint some other leading bank to act as such in its place. The Agent Bank may not resign its duties without a successor having been so appointed.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Floating Rate Interest Payment Date falling on, or nearest to, 7 May 2027. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 5.

(b) Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, (A) at any time prior to 7 May 2017 and, thereafter, on any Floating Rate Interest Payment Date, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption) and Arrears of Interest (if any), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 7 May 2002, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due and (B) at any time prior to 7 May 2017, on giving not less 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at the higher of (x) their principal amount (together with interest accrued to the date fixed for redemption) and Arrears of Interest (if any) and (y) their Make Whole Amount (as defined below) if the Issuer shall no longer be permitted, as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes official on or after 7 May 2002, to deduct for corporate income tax purposes interest payments made on the Bonds, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which such payments would cease to be so deductible were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two managing directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts, or has lost the right to deduct for corporate income tax purposes interest payments made on the Bonds (as the case may be), as a result of such change or amendment.

"Adjusted Yield" means (a) the Bond Yield plus (b) 0.50 per cent.

"Bond Yield" means the rate per annum equal to the annual yield to maturity of the Comparable Bond Issue, assuming a price equal to the Comparable Bond Price for the Calculation Date.

"Calculation Date" means the third TARGET Business Day prior to the Special Tax Optional Redemption Date.

"Comparable Bond Issue" means, with respect to the Special Tax Optional Redemption Date, the benchmark bond selected by the Quotation Agent that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds from the Special Tax Optional Redemption Date to 7 May 2017.

"Comparable Bond Price" means (a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (b) if the Quotation Agent obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations.

"Make Whole Amount" means in respect of each Bond, an amount, as determined by the Quotation Agent, equal to the sum of:

(1) the present value of the principal amount of such Bond discounted from 7 May 2017 to the Special Tax Optional Redemption Date;

(2) the present value of scheduled payments of interest in respect of each Bond from the Special Tax Optional Redemption Date to 7 May 2017 (for which purpose it shall be assumed that no deferral would occur pursuant to Condition 4);

both such amounts to be calculated by discounting the relevant amounts on the basis for the calculation of interest for periods of less than a full year set out in Condition 4*(d)* at the Adjusted Yield; and

(3) any Arrears of Interest and any other amounts outstanding on the Bonds.

"Primary Bond Dealer" means any credit institution or financial services institution that regularly deals in bonds and other debt securities.

"Quotation Agent" means Goldman Sachs International or Salomon Brothers International Limited and their successors, provided, however, that if both the foregoing shall cease to be a Primary Bond Dealer in London, the Issuer will be entitled to appoint another Quotation Agent that is a Primary Bond Dealer in London.

"Reference Bond Dealer" means (a) the Quotation Agent or (b) any other Primary Bond Dealer selected in consultation with the Issuer by the Quotation Agent.

"Reference Bond Dealer Quotations" means the average, as determined by the Quotation Agent, of the bid and offer prices for the Comparable Bond Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Bond Dealer at 11.00 a.m. (London time) on the Calculation Date.

"Special Tax Optional Redemption Date" means the date fixed for redemption of the Bonds under Condition 5*(b)*(B).

(c) Redemption at the Option of the Issuer

The Issuer may, on 7 May 2017 and thereafter on any Floating Rate Interest Payment Date, provided that notice to redeem the Bonds in accordance with Condition 5*(b)* has not already been given on giving not more than 60 nor less than 30 days' irrevocable notice to the Bondholders, redeem all, but not some only, of the Bonds at their principal amount, together with interest accrued to the date fixed for redemption and Arrears of Interest (if any).

(d) Notice of Redemption

All Bonds in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

(e) Purchase

The Issuer, the Parent and any of their respective Subsidiaries (as defined below) may at any time purchase Bonds in the open market or otherwise at any price (provided that they are purchased together with all unmatured Coupons relating to them). Any purchase by tender shall be made available to all Bondholders alike. The Bonds so purchased, while held by or on behalf of the Issuer, the Parent or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 11*(a)*.

(f) Cancellation

All Bonds purchased by the Issuer or redeemed and any unmatured Coupons attached to or surrendered with them will be cancelled and may not be re-issued or resold.

For the purposes of these Conditions "Subsidiary" shall mean, in relation to a legal person, a subsidiary ("*dochtermaatschappij*") within the meaning of Section 2:24a of the Dutch Civil Code ("*Burgerlijk Wetboek*").

6. Payments

(a) Method of Payment

Payments of principal (which term includes the Make Whole Amount, if any) and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Bonds or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by a cheque payable in euro or by transfer to an account denominated in euro (or any other account to which euro may be credited or transferred) maintained by the payee. Payments of interest due in respect of any Bond other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.

(b) Payments subject to fiscal laws

All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(c) Surrender of Unmatured Fixed Rate Coupons

Each Bond should be presented for redemption together with all unmatured Coupons in respect of Fixed Rate Interest Periods ("Fixed Rate Coupons") relating to it, failing which the amount of any such missing unmatured Fixed Rate Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Fixed Rate Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Fixed Rate Coupon not later than five years after the Relevant Date (as defined in Condition 7) for the relevant payment of principal.

(d) Unmatured Floating Rate Coupons

Upon the due date for redemption of any Bond, unmatured Coupons in respect of a Floating Rate Interest Period (a "Floating Rate Coupon") relating to such Bond (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Bond is presented for redemption without all unmatured Floating Rate Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(e) Payments on business days

A Bond or Coupon may only be presented for payment on a day which is a business day in the place of presentation. No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this paragraph falling after the due date. In this Condition, "business day" means a day on which commercial banks and foreign exchange markets are open in the relevant city and which is a TARGET Business Day.

(f) Exchange of Talon

On and after the Floating Rate Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet, free of charge, subject to the provisions of Condition 9. The Talon shall, for the purposes of these Conditions, be deemed to mature on the Floating Rate Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

(g) Paying Agents

The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will maintain (i) a Fiscal Agent, (ii) Paying Agents having specified offices in at least two major European cities (including Luxembourg and Amsterdam, so long as the Bonds are listed on the Luxembourg Stock Exchange and Euronext Amsterdam respectively) and (iii) a Paying Agent with a specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Bondholders.

7. Taxation

All payments of principal (which term includes the Make Whole Amount, if any) and interest by or on behalf of the Issuer in respect of the Bonds and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within The Netherlands or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

(a) Other connection: by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of his having some connection with The Netherlands other than the mere holding of the Bond or Coupon; or

(b) Presentation more than 30 days after the Relevant Date: more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days; or

(c) Payment to individuals: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) Payment by another Paying Agent: by or on behalf of a Bondholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union.

"Relevant Date" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders. Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition.

8. Events of Default

If any of the following events occurs:

(a) Non-Payment: the Issuer fails to pay any interest (subject to Condition 4*(b)*) or principal (which term includes the Make Whole Amount, if any) on any of the Bonds when due and such failure continues for a period of seven days; or

(b) Bankruptcy or Dissolution: any order is made or any request is granted for a moratorium of payments ("*surseance van betaling*") or bankruptcy ("*faillissement*") (within the meaning of the Bankruptcy Act of The Netherlands ("*Faillissementswet*"), as modified or re-enacted from time to time) of the Issuer or an order is made or an effective resolution is passed for the dissolution ("*ontbinding*") and subsequent liquidation of the Issuer,

then any Bond may, by notice in writing given to the Fiscal Agent at its specified office by the holder, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest and Arrears of Interest, if any, without further formality.

9. Prescription

Claims in respect of principal (which term includes the Make Whole Amount, if any) and interest will become void unless presentation for payment is made as required by Condition 6 within a period of five years in the case of both principal (which term includes the Make Whole Amount, if any) and interest from the appropriate Relevant Date.

There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue under this Condition 9 or Condition 6.

10. Replacement of Bonds and Coupons

If any Bond or Coupon is lost, stolen, mutilated, defaced, defective or destroyed it may be replaced at the specified office of the Paying Agent in Luxembourg and in Amsterdam subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated, defective or defaced Bonds or Coupons must be surrendered before replacements will be issued. Any Bonds or Coupons that no longer meet the requirements of Euronext Amsterdam will be replaced at no cost to the holder.

11. Meetings of Bondholders, Modification and Waiver

(a) Meetings of Bondholders

The Fiscal Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds or the circumstances in which the payment of interest may be deferred, (ii) to reduce or cancel the principal amount (which term includes the Make Whole Amount, if any or interest on, the Bonds, (iii) to change the currency of payment of the Bonds or the Coupons, or (iv) to modify the provisions of Condition 2 or 3 or to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

(b) Modification of Fiscal Agency Agreement

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

12. Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to "the Bonds" include (unless the context requires otherwise) any other securities issued pursuant to this Condition 12 and forming a single series with the Bonds.

13. Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the Financial Times) and (so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require) in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and for so long as the Bonds remain listed on Euronext Amsterdam in the Official Price List ("*Officiële Prijscourant*") of Euronext Amsterdam or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition 13.

14. Currency Indemnity

Euro is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Bonds and the Coupons, including damages. Any amount received or recovered in a currency other than euro (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Bondholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that euro amount is less than the euro amount expressed to be due to the recipient under any Bond or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 14, it will be sufficient for the Bondholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Bondholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Bond or Coupon or any other judgment or order.

15. Governing Law and Jurisdiction

(a) Governing Law

The Fiscal Agency Agreement, the Bonds and the Coupons are governed by and shall be construed in accordance with Dutch law.

(b) Jurisdiction

All disputes in connection with the Bonds or the Coupons, including disputes concerning the existence and validity thereof, shall be resolved by the competent courts in Amsterdam.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds, expected to amount to approximately €985,050,000, will be used for general corporate purposes.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

The Temporary Global Bond and the Global Bond contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the terms and conditions of the Bonds set out in this Prospectus. The following is a summary of certain of those provisions:

1. Exchange

The Temporary Global Bond is exchangeable in whole or in part for interests in the Global Bond on or after a date which is expected to be 17 June 2002 upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Bond. The Global Bond is exchangeable in whole but not, except as provided in the next paragraph, in part (free of charge to the holder) for the Definitive Bonds described below (i) if the Global Bond is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, (ii) if principal in respect of any Bonds is not paid when due and payable or (iii) if the Issuer would suffer a material disadvantage in respect of the Bonds as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 7 which would not be suffered were the Bonds in definitive form and a certificate to such effect signed by two managing directors of the Issuer is delivered to the Fiscal Agent for display to Bondholders (unless a default notice has been given as referred to in "Default" below) by the Issuer giving notice. Thereupon (in the case of (i) and (ii) above) the holder may give notice to the Fiscal Agent, and (in the case of (iii) above) the Issuer may give notice to the Fiscal Agent and the Bondholders, of its intention to exchange the Global Bond for Definitive Bonds on or after the Exchange Date (as defined below) specified in the notice.

If principal (which term shall include the Make Whole Amount, if any) in respect of any Bonds is not paid when due and payable the holder of the Global Bond may by notice to the Fiscal Agent (which may but need not be the default notice referred to in "Default" below) require the exchange of a specified principal amount of the Global Bond (which may be equal to or (provided that, if the Global Bond is held by or on behalf of a clearing system, that clearing system agrees) less than the outstanding principal amount of Bonds represented thereby) for Definitive Bonds on or after the Exchange Date specified in such notice.

On or after any Exchange Date the holder of the Global Bond may surrender the Global Bond or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for the Global Bond, or the part thereof to be exchanged, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Global Bond), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Fiscal Agency Agreement. On exchange in full of the Global Bond, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Bonds.

"Exchange Date" means a day falling not less than 60 days, or in the case of exchange pursuant to (ii) above, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant clearing system is located.

2. Payments

No payment will be made on the Temporary Global Bond unless exchange for an interest in the Global Bond is improperly withheld or refused. Payments of principal (which term shall include the Make Whole Amount, if any) and interest in respect of Bonds represented by the Global Bond will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Bond to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Bond, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Bonds. Condition 7(d) will apply to the Definitive Bonds only.

3. Notices

So long as the Bonds are represented by the Global Bond and the Global Bond is held on behalf of a clearing system, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions except that so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require, notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and that so long as the Bonds are listed on Euronext Amsterdam and the rules of Euronext Amsterdam so require, notices shall also be published in the Official Price List ("*Officiële Prijscourant*") of Euronext Amsterdam.

4. Prescription

Claims against the Issuer in respect of principal (which term shall include the Make Whole Amount, if any) and interest on the Bonds while the Bonds are represented by the Global Bond will become void unless it is presented for payment within a period of five years from the appropriate Relevant Date (as defined in Condition 7).

5. Meetings

The holder of the Global Bond will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Bondholders and, at any such meeting, as having one vote in respect of each €10,000 in principal amount of Bonds for which the Global Bond may be exchanged.

6. Purchase and Cancellation

Cancellation of any Bond required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Global Bond.

7. Default

The Global Bond provides that the holder may cause the Global Bond or a portion of it to become due and payable in the circumstances described in Condition 8 by stating in the notice to the Fiscal Agent the principal amount (which term shall include the Make Whole Amount, if any) of Bonds which is being declared due and payable. The Issuer and the holder of the Global Bond have irrevocably and at no consideration (*"om niet"*) agreed by way of third party stipulation (*"derdenbeding"*, as referred to in Section 6:253 of the Dutch Civil Code) in favour of account holders with the clearing systems with which the Global Bond has been credited that if principal (which term shall include the Make Whole Amount, if any) or interest in respect of any Bond is not paid when due and payable the accountholder in whose favour such Bond is credited within the relevant clearing system may enforce the rights of a holder of such Bond as set out in the Terms and Conditions directly against the Issuer.

8. Call Option

The option of the Issuer provided for in Condition 5 shall be exercised by the Issuer giving notice to the relevant clearing system for communication by it to entitled accountholders (subject to the provisions of paragraph 3 above) within the time limits set out in and containing the information required by that Condition.

CAPITALISATION OF THE ISSUER

The following table sets out the consolidated capitalisation of the Issuer as at 31 December 2001:

	(In millions of €)
Issued share capital	174
Share premium	4,374
Other reserves	10,902
Shareholders' equity	15,450
Subordinated loan	1,250
Long-term debt[(1)] [(2)]	12,332
Total capitalisation[(3)]	29,032

Note:

(1) Long-term debt constitutes debt with a minimum term of one year or more.

(2) Long-term debt has increased since 31 December 2001 mainly due to the issue of CHF 300 million 3 per cent. debenture loan due 2007. As at 12 April 2002 the amount outstanding of this loan was € 204.7 million.

(3) Save as noted above, since 31 December 2001, there has been no material adverse change in the consolidated capitalisation of the Issuer.

ING VERZEKERINGEN N.V.

Description of the Issuer

Incorporation and History of the Issuer

ING Verzekeringen N.V. ("ING Verzekeringen") was established on 3 April 1963 under the name Nationale-Nederlanden N.V. to effect the merger of Nationale Levensverzekering-Bank N.V., established in 1863, and N.V. Assurantie Maatschappij De Nederlanden, established in 1845.

The Issuer merged on 4 March 1991 with NMB Postbank Groep N.V., which was at that time, one of the largest Dutch banks. On that date the newly formed holding company Internationale Nederlanden Groep N.V. ("ING Group") effected an exchange of the shares of NMB Postbank Groep N.V. and Nationale-Nederlanden N.V. for shares in ING Group. Both companies continue to exist as subholding companies of ING Group and remain legally separate entities. Strategically and commercially however, they are fully integrated.

On 1 December 1995, the statutory names of the holding and subholdings companies were changed into ING Groep N.V., ING Verzekeringen N.V. and ING Bank N.V. respectively. Throughout this description ING Groep N.V. and all its subsidiaries will together be referred to as "ING".

The articles of association were last amended by notarial deed executed on 23 February 2001. The office of the Issuer is at Strawinskylaan 2631, 1077 ZZ Amsterdam, The Netherlands with effect from 1 July 2002 the office of the Issuer is scheduled to be moved to Amstelveenseweg 500, 1081 KL, Amsterdam, The Netherlands.

The Issuer's objective and purpose (as set out in article 3 of its Articles of Association) is to participate in, to manage, to finance and provide personal or real security for the obligations of and to render services to other companies and institutions, of whatever nature, but especially business enterprises and institutions which are active in the field of insurance, banking, investment and/or financial services and to do anything which is related to the foregoing or may be conducive thereto.

The Issuer is a limited liability company under Netherlands law and is registered at the Chamber of Commerce of Amsterdam under No. 33260659.

The Issuer is a holding company and together with its subsidiaries is a worldwide group of insurance companies, with its headquarters located in The Netherlands. The Issuer and its subsidiaries account for the major part of the insurance operations conducted by ING. In 2001 the average number of staff employed by ING Verzekeringen and its subsidiaries (together "ING Insurance") on the basis of full-time equivalents was 51,053.

ING Insurance provides three main categories of financial services: life insurance, non-life insurance and investments and other activities. From a strong market position in The Netherlands, the Issuer has extended its interests through an active policy of internationalisation, with the emphasis on North and South America, Central Europe and Asia.

Recent Developments of the Issuer

Integration of Aetna and Reliastar in the US stepped up; expense reduction initiative added

The integration of ReliaStar and Aetna Financial Services with ING's insurance activities progressed as planned. In December 2001, the next step in the ongoing integration process was announced together with an expense reduction programme to counter the impact of weaker market conditions. The restructuring will reduce the US workforce by approximately 1,600 positions, equal to nearly 15 per cent., and will result in incremental pre-tax earnings of between €165 million and €200 million per year as from 2002. The restructuring costs were fully absorbed in 2001.

The Aetna International companies were smoothly integrated within the Executive Centres, ING Americas and ING Asia/Pacific. In several countries, the activities of Aetna and ING Insurance were combined and now carry ING in their brand names. The merger of the ING Insurance and Aetna operations in Chile created the leading insurance company in the local market. In Taiwan, the ING Insurance and Aetna operations merged to form ING Antai, which ranks fourth in life insurance in Taiwan by new business. Similar mergers took place in Indonesia and the Philippines. In Japan, Argentina and Colombia, Aetna entities were sold with a view to rationalising ING Insurance's business portfolio. ING Insurance believes that it has reinforced its position as the second largest international insurer in Asia and the largest in Latin America in terms of premium income.

Impact of September 11 events

Indirectly, ING Insurance was confronted with (re-)insurance claims relating to the WTC disaster. After external catastrophe cover of €100 million and internal charges to catastrophe provisions, the total loss after tax in the 2001 annual results was €100 million.

ING Insurance attains full ownership of Seguros Comercial America, Mexico

In 2001, ING Insurance increased its stake in Seguros Comercial América ("SCA") from 42 per cent. to full ownership in two stages. In June, ING Insurance bought 45 per cent. of SCA's issued share capital for USD 791 million from the previous majority shareholder. In November, ING Insurance successfully concluded a tender offer for the remaining 13 per cent., valued at €197 million. SCA is the largest private insurer in the country with market shares of 18 per cent. in life and health and 39 per cent. in property and casualty insurance. ING Insurance's combined retail operations in Mexico serve almost 10 million clients and are currently being rebranded to ING Comercial América.

All insurance units in Belgium merged to form ING Insurance Belgium

In Belgium, the three insurance business units De Vaderlandsche, RVS (Belgium) and BBL Insurance merged to form ING Insurance Belgium in the fourth quarter of 2001. The integration will increase their competitive strength and raise efficiency.

ING Insurance's Agreement with Sul America

On 26 March, 2002, ING Insurance announced an agreement to strengthen its partnership with the Brazilian insurance company Sul América. As a result of the agreement, ING Insurance will acquire 49 per cent. of Sul América, while the remaining ownership will continue in the hands of the former shareholders. Sul América is the leading insurance company in Brazil. With an overall market share of 19 per cent. Sul América serves approximately 7 million clients.

Strategic Alliance of ING Insurance and Zurich North America in the Canadian non-life market

ING Canada and Zurich North America Canada formed a strategic alliance that makes ING the leading non-life insurer in the country with a market share of 12 per cent. Regulatory approval was granted early in 2002, allowing the two companies to distribute their products and services through about two-thirds of all Canadian brokerages.

ING and Beijing Capital establish life insurance joint venture in Dalian, China

ING Insurance and Beijing Capital Group (BCG) announced on 8 February 2002 that they signed a letter of intent to set up a joint venture life insurance company in the City of Dalian, North China. Under the terms of the letter of intent, BCG and ING Insurance shall each own 50 per cent. of the joint venture company's equity and ING Insurance will play an effective management role in the joint venture company.

ING Insurance and ANZ close deal to form funds management and life insurance joint venture in Australia

On 10 April 2002, ING Insurance announced the formation of a joint venture with ANZ, one of Australia's major banks, to create a leading position in funds management and life insurance in Australia and New Zealand. The joint venture, to be established on 1 May 2002, will be known as ING Australia Limited. ING Australia Limited will be owned 51 per cent. by ING Insurance and 49 per cent. by ANZ. The deal creates a business valued at AUD 3.75 billion with ING contributing businesses valued at AUD 2,874 million and ANZ contributing businesses valued at AUD 879 million. Also, ANZ is making a capital contribution of AUD 960 million reflecting the relative value of the businesses contributed to the joint venture.

Continued growth of (ex) – greenfields

Premium income in local currency from (ex-)greenfields increased by 11.2 per cent. to €3,345 million. Including Aetna China and Taiwan, premiums amounted to €5,727 million. The result of (ex-) greenfields was €34 million higher at €129 million (+36.2 per cent.). Inclusion of Aetna China and Taiwan increased the result to €280 million. ING Vysya Life started in India in August 2001. In the city of Dalian, China, ING Insurance will establish a life insurance joint venture with Beijing Capital Group, making ING Insurance the first international insurer to become involved in this city with over 5 million inhabitants. The joint venture is the second life insurance operation that ING Insurance has established in China, in addition to its successful life insurance joint venture with Pacific Aetna Life Insurance Company in Shanghai.

Profile of ING Group

ING is a global financial institution of Dutch origin offering banking, insurance and asset management to over 50 million private, corporate and institutional clients in 65 countries. With a diverse workforce of over 110,000 people, ING comprises a broad spectrum of prominent companies that increasingly serve their clients under the ING brand. ING's strategy is to be a leading, global, client-focused, innovative and low-cost provider of financial services to its clients, whilst maintaining stable growth and profitability. A key to ING's strategy is its product distribution, which is a mix of internet, call centres, intermediaries and branches. This allows ING to deliver what its clients expect: unlimited access, maximum convenience, immediate and accurate execution, personal advice, tailor-made solutions and competitive rates. ING seeks a careful balance between the interests of its stakeholders: customers, shareholders, employees and society at large. It expects all its employees to act in accordance with the ING Group's Business Principles. These principles are based on ING's core values: responsiveness to the needs of customers, entrepreneurship, professionalism, teamwork and integrity.

In The Netherlands, ING markets its products and services through approximately 8,000 independent and 1,100 tied insurance intermediaries, approximately 300 bank branches, Postbank's home banking service, the Internet and over 2,100 post offices and agencies.

Outside The Netherlands, ING has an extensive network of subsidiaries, offices, branches and agencies in Europe, North America, South America, Asia and Australia. The international insurance operations concentrate primarily on serving individuals and small and medium sized enterprises in regional and national markets. The banking operations outside the Benelux countries and Poland concentrate on the corporate market. In the growing number of countries, through its brand ING Direct, ING offers basic financial services to clients via call centers and the internet.

Insurance operations amounted to 62 per cent., compared to 38 per cent. for banking operations of the consolidated operational results before taxation of ING in the year ended 31 December 2001.

Strategy

ING aims to be a top-10 global financial institution. Through a variety of ING companies – managed by the Executive Centres ING Europe, ING Americas, ING Asia/Pacific and ING Asset Management – ING aims to deliver added value to clients in banking, insurance and asset management. ING aims to ensure operational excellence, achieve synergies and emphasise cost control within one ING culture. ING's strategy is to achieve stable growth while maintaining healthy profitability. ING Group's financial strength, its broad range of products and services, the wide diversity of its profit sources and the good spread of risks form the basis for ING's continuity and growth potential.

Capital and shares

The issued and paid-up capital of ING amounted as at 31 December 2001 to €582.8 million and, taking into account the stock-split of 2 July 2001, consisted of 1,992.7 million ordinary shares with a nominal value of €0.24 each (including 69.8 million own shares to cover the outstanding options for ING personnel) and 87.1 million preference shares with a nominal value of €1.20 each.

ING Group Financial Highlights
Key figures

	Fourth quarter 2000	Fourth quarter 2001	per cent. change	Full year 2000	Full year 2001	per cent. change
			(in millions of euros)			
Net profit:						
– insurance operations..........	658	694	5.5	2,348	2,810	19.7
– banking operations	303	254	(16.2)	1,660	1,442	(13.1)
Operational net profit	961	948	(1.4)	4,008	4,252	6.1
Non-operational net profit*	225	—		7,976	325	(95.9)
Net profit	1,186	948	(20.1)	11,984	4,577	(61.8)
Operational net profit per share	0.50	0.49	(2.0)	2.09	2.20	5.3
Dividend per share				1.13**	0.97	(14.2)

	Year-end 2000	Year-end 2001	per cent. change
	(in billions of euros)		
Total assets	650.2	705.1	8.5
Shareholders' equity...	25.3	21.5	(14.9)
Total assets under management..	503.1	513.2	2.0
Operational net return on equity..	12.2%	18.4%	
– insurance operations	9.8%	16.9%	
– banking operations..	12.0%	10.2%	

* Non-operational net profit mainly refers to realised gains on the sale of investments to finance major acquisitions.

** Including the exceptional dividend of €0.19 paid from the profit on the sale of CCF shares.

Financial highlights 2001

Despite the world-wide economic slowdown, many businesses continued to expand at a healthy pace, such as life insurance in several European countries, the ING Direct operations, the GIC and fixed annuity sales in the US, and asset management which attracted a substantial net inflow of new third party funds. However, the downturn in the global economy, the 11 September attacks on the World Trade Centre, the Argentina crisis and weaker equity markets affected ING's 2001 results in several ways. Indirectly, ING was confronted with claims relating to the attacks on the WTC. Based on the information to date, ING estimates its claims at approximately €600 million (after catastrophe cover of €100 million and internal charges to catastrophe provisions of €350 million, the total loss after tax in the 2001 annual results is €100 million (€150 million before tax)). The weaker economy and depressed equity markets drove up risk costs and strongly reduced fee income in investment banking, asset management and equity-linked insurance products.

Operational net profit rose by 6.1 per cent. to €4,252 million or €2.20 per share (+5.3 per cent.). The results for the year 2001 were positively influenced by a relatively low tax ratio and several one-off items in both 2001 and 2000 in the insurance operations.

The operational net profit from the insurance operations improved from €2,348 million to €2,810 million (+19.7 per cent.). In addition to the consolidation of ReliaStar, Aetna Financial Services and Aetna International, the life and the non-life businesses both contributed to the increase. The net loss of €100 million regarding the 11 September claims is included. Furthermore, the operational net profit includes realised capital gains on shares of €713 million after tax against €620 million in 2000 (+15 per cent.). Following a decision to manage the real estate portfolio more actively as from 2001 onwards, net profit resulting from realised gains on real estate in 2001 was €147 million against €25 million in 2000.

The one-off items in 2001 include a release from the catastrophe provision, a one-off gain from old reinsurance operations, the gains from the (partial) sale of some activities and the creation of a restructuring provision aimed at expense reduction in the US operations. Excluding the one-off items in 2001 and 2000, operational net profit from insurance increased by 16.1 per cent.

The operational net profit of the banking operations in 2001 decreased by 13.1 per cent. to €1,442 million. The world-wide economic downturn strongly impacted the results of the banking operations through lower commission income and higher risk costs. These effects were mitigated by an improvement of the interest result and lower operating expenses.

Exchange rate fluctuations contributed €9 million (insurance €8 million, banking €1 million) to net profit. The gain mainly reflects the appreciation of the US dollar versus the euro, partly offset by a weaker Australian dollar.

The increase in total operating expenses by 21.4 per cent. was mainly caused by, on balance, acquisitions, divestments and exchange rate fluctuations. Excluding these effects, operating expenses grew by approximately 1 per cent.

The operational tax ratio decreased from 28.0 per cent. to 20.3 per cent. due to higher non-taxable capital gains in The Netherlands, non-taxable profits from the (partial) sale of some activities and a change in tax legislation in Australia. The tax ratio of the Belgian banking operations was also substantially lower.

Total assets under management showed an increase of 2.0 per cent. to €513 billion, which ING believes to be satisfactory given the economic climate. A net inflow of new assets under management of €41 billion, first time inclusions of €11 billion and a positive effect of €5 billion from exchange rate fluctuations was partially offset by revaluation losses of €47 billion.

The economic downturn strongly influenced the balance sheet through the revaluation of the investment portfolio and in increase in lending. Shareholders' equity decreased by €3.8 billion (-14.9 per cent.) to €21.5 billion, mainly due to revaluation of the equity portfolio and the write-off of goodwill regarding acquisitions. Shareholders' equity was employed as follows:

	Years ended 31 December	
	2000	**2001**
	(In billions of €)	
Insurance operations	17.9	15.4
Banking operations	14.9	15.4
Own shares, subordinated loans, third-party interests, debenture loans and other eliminations	(7.5)	(9.3)
Shareholders' equity	25.3	21.5

The capital base of ING Insurance of €17.7 billion is well above the legally required solvency of €9.8 billion.

At year-end 2001, the BIS ratio and the tier-1 ratio of ING Bank N.V. stood at 10.57 per cent. and 7.03 per cent. respectively, both comfortably within the target ranges.

Recent developments at ING Group

Strong progress in ING brand building

In 2001, rebranding programmes were successfully implemented in many of ING's markets such as the United States, Mexico, Chile, Poland, the Czech Republic, Taiwan and Malaysia. As a result, ING is now the primary brand that the company employs world-wide outside The Netherlands. The change-over to ING as the single brand for all wholesale activities started in January 2002. In The Netherlands, ING business units such as Nationale-Nederlanden, Postbank, CenE Bankiers, and RVS will introduce an ING endorsement below their existing logos on all visual identifications.

Integration of wholesale activities continuing to streamline costs

In 2001, all wholesale operations, including corporate and investment banking and group insurance, were combined under the Executive Centre ING Europe. A substantial downscaling in corporate and investment banking, especially in the field of equities, reduced staff from 9,600 to 7,300 full time equivalents and lowered operating expenses by 23 per cent. Rebranding to ING started in early 2002. Further restructuring is underway to bring the cost base in line with the changed market conditions. These efforts are mainly directed at streamlining the equities capabilities and increasing the efficiency of back offices by creating shared service centres.

ING Direct: another year of record growth for the banking business

As economic uncertainty sparked renewed demand for savings products, ING Direct delivered another year of record growth of its client base and funds entrusted. The number of clients and funds entrusted both more than doubled to 1.75 million and €17.8 billion respectively at year-end 2001. These figures do not include DiBa in Germany in which ING has expanded its 49 per cent. stake to a majority interest of 70 per cent. in February 2002. Including DiBa, total clients stood at 2.6 million and funds entrusted at €24.0 billion at year-end. ING Direct Canada delivered a positive operational result for the full year 2001 and ING Direct Australia moved into profit in the fourth quarter. While creating substantial future value, the result of all ING Direct activities taken together was a negative €199 million before taxation in 2001. Depending on the local market situation, the ING Direct operations are in the process of broadening their product offering by adding mutual funds, life insurance, pensions, mortgages and consumer loans. In the US and several other countries, ING Direct products are now also being cross-sold through ING's agents sales forces.

Expansion of Banking Activities via Strategic Alliances and Joint Ventures

To enhance ING's distribution power and increase opportunities for greater revenue, ING has entered into strategic alliances and joint ventures for the banking and insurance businesses.

In October 2001, BHF – Bank (part of ING Group) reached an agreement with BHW (a German financial services company) and BGAG (an investment company of German trade unions representing 8 million workers and 30 per cent. shareholder of DiBa) to establish BHW Invest FT, a joint venture to enter the newly defined field of pension products based on the new 'Riester' legislation. BHW Invest FT has already received its first mandates from pension funds. In December 2001, ING and Piraeus Bank agreed on a strategic alliance in the Greek market. Between them, the two partners have local market shares of 14 per cent. in life insurance, 10 per cent. in banking and 8 per cent. in asset management and distribute their products through 2,500 agents and 300 bank branches.

Asset management units in US merged to form ING Aeltus

In June 2001, ING formed ING Aeltus Group, a new institutional investment management firm that combines two existing ING entities in the US: Aeltus Investment Management and ING Furman Selz Asset Management. As a business unit of ING Asset Management, the new organisation provides a broad array of traditional and alternative investment products targeted at US institutional and high-net-worth investors. ING Aeltus had €69.3 billion in assets under management at year-end 2001.

ING Real Estate is now the second largest global real estate asset manager

With €31 billion in managed assets at year-end, ING Real Estate ranks as the second largest real estate asset manager in the world. In 2001, ING Real Estate concluded several transactions to reinforce its market position, such as the acquisition of Armstrong Jones Retail Fund in Australia, the acquisition of the remaining 33 per cent. shares of Baring, Houston & Saunders in the UK and the acquisition of an 81.55 per cent. stake in the Spanish real estate company Filo. Furthermore, ING Real Estate agreed to invest €725 million in the Dutch residential real estate fund Vesteda, giving ING a stake of 25 per cent. in the fund.

ING Lease completes acquisition of TOP Lease

On 12 April 2002, ING Lease completed the acquisition of Fortis-subsidiary TOP Lease.

TOP Lease specialises in full car-lease services. The company ranks fifth in the Dutch car-lease market with a fleet of 40,000 passenger cars and is also active in Belgium. In due course, TOP Lease will be merged with ING Car Lease, a full subsidiary of ING.

The Issuer

As described above, the Issuer is a holding company and together with its subsidiaries is a worldwide group of insurance companies. The main insurance services offered by ING Insurance include life insurance, fire insurance, marine and aviation insurance, motor insurance, accident and health insurance and miscellaneous insurance. The life insurance sector is the most important part of the insurance business. For the year ended 31 December 2001, ING Insurance's total premium income amounted to €49.8 billion, of which €43.9 billion or 88.2 per cent., was derived from life insurance.

The table below shows the development of premium income and results before taxation of ING Insurance for the years ended 31 December 2000 and 2001:

	Years ended 31 December		
	2000	2001	per cent. change
	(In millions of €)		
Premium income			
Life insurance	24,628	43,906	+78.3
Non-life insurance	4,087	5,894	+44.2
Total	28,715	49,800	+73.4
Result before taxation			
Life insurance	9,780	3,311	-66.1
Non-life insurance	863	604	-30.0
Total	10,643	3,915	-63.2

In 2000 net profit included non-operational net profit of €7,212 million which included the result of the sale of investments to finance the acquisition of ReliaStar and Aetna. In 2001 non-operational net profit amounted to €325 million.

The Netherlands

Premium income from domestic insurance business for the year ended 31 December 2001 amounted to €7,164 or 14 per cent. of the total premium income (2000 €7,368 million or 29 per cent.).

In The Netherlands the Issuer generated premium income of €5,353 million for the year ended 31 December 2001 from the life insurance business (€5,551 million in 2000). The Issuer's result before taxation from the life insurance sector for the year ended 31 December 2001 was €2,179 million (€8,881 million in 2000) after distribution of €318 million (€830 million in 2000) to policyholders.

Non-life insurance in The Netherlands, with premium income of €1,811 million in 2001 (€1.817 million in 2000), contributed a result before taxation of €266 million in 2001 (€633 million in 2000).

International

The premium income of the Issuer from international insurance business outside The Netherlands amounted to €42,636 million (86 per cent.) of total premium income for the year ended 31 December 2001. Of total premium income 64 per cent. originated from North America, 4 per cent. from Australia and 18 per cent. from other regions outside The Netherlands.

Recent Results

The organic growth of life insurance premiums was approximately 22 per cent. Excluding guaranteed investment contracts life premiums went up by 5 per cent. organically. All regions showed growth, except for Australia. In Europe, premium growth in Belgium and Spain was particularly strong.

Premium income from ReliaStar, Aetna Financial Services and Aetna International amounted to approximately €16.5 billion, of which €15.6 billion life and €0.9 billion non-life. Total world-wide life premiums made up 88 per cent. of total premium income.

The operational results from the insurance operations before taxation rose from €3,162 million in 2000 to €3,571 million in 2001 (+12.9 per cent.). Higher realised gains on the sale of real estate investments, which increased from €38 million before tax in 2000 to €226 million in 2001, contributed to the improvement. One-off items included in the 2001 operational result are a partial release of the catastrophe provision, a one-off gain from old reinsurance operations, the gains from the (partial) sale of some activities and a restructuring provision in the US life operations. Excluding one-off items in both years 2000 and 2001, the pre-tax operational result from insurance activities increased by 11.4 per cent.

The combined ratio of the non-life operations remained at a level of 104 per cent.

Operating expenses increased organically by some 5 per cent. This moderate increase reflects the success of ongoing expense control. The increase in organic operating expenses was caused by salary increases, higher pension expenses, the expenses of newly established employee benefits activities outside The Netherlands and the start-up expenses of life operations in India and China. Including new acquisitions and exchange rate fluctuations, operating expenses were up by 59.3 per cent. The difference between the (adjusted) premium growth and (adjusted) expense growth of the insurance operations, excluding North America, was +2.8 per cent., compared to the target of at least +2 per cent.

Income by geographical area

	2001	2000	2001	2000	2001	2000	2001	2000
	Non-life premiums written		Life premiums written		Investment income[1]			Total
Netherlands	1,811	1,817	5,353	5,551	5,312	12,547	12,476	19,915
Belgium	244	221	973	573	305	239	1,522	1,033
Rest of Europe	34	31	1,623	1,299	483	451	2,140	1,781
North America	2,933	1,595	28,965	13,348	(2,064)	2,501	29,834	17,444
South America	618	46	493	194	390	89	1,501	329
Asia	64	48	4,718	1,766	580	250	5,362	2,064
Australia	250	328	1,779	1,894	449	1,114	2,478	3,336
Other	211	107	4	4	70	60	285	171
	6,165	4,193	43,908	24,629	5,525	17,251	55,598	46,073
Income between geographic areas[2]	(271)	(106)	(2)	(1)	(375)	(321)	(648)	(428)
	5,894	4,087	43,906	24,628	5,150	16,930	54,950	45,645

(1) Including commission and other income.

(2) Mainly related to reinsurance premiums ceded between group companies in different geographical areas.

Investments and other activities

The balance sheet value of the investment portfolio managed by ING Insurance amounted to €242 billion in 2001 (€219 billion in 2000). ING Insurance maintains a policy of matching its assets with its liabilities.

Approximately 55 per cent. of its portfolio is invested in fixed-interest securities. Other major investment areas are real estate and shares. Income from investments and other activities amounted to €4,993 million in 2001 (€16,862 million in 2000).

Authorised share capital

The authorised capital of ING Insurance amounts to €768 million divided into 679,999,950 ordinary shares and 50 preference shares with a nominal value of €1.13 each. The issued and paid-up capital amounted as of 19 March, 2002 to €174 million and consisted of 153.9 million ordinary shares of €1.13 each.

Management

The current composition of the Supervisory Board and the Executive Board of ING Verzekeringen N.V. is as follows:

Supervisory Board

Mijndert Ververs, Chairman
Lutgart van den Berghe
Jan Berghuis*
Luella Gross Goldberg
Paul van der Heijden
Aad Jacobs
Jan Kamminga*
Godfried van der Lugt
Paul Baron de Meester
Johan Stekelenburg
Hans Tietmeyer
Jan Timmer
Karel Vuursteen**

Executive Board

Ewald Kist, Chairman
Fred Hubbell
Hessel Lindenbergh
Cees Maas, Chief Financial Officer
Alexander Rinnooy Kan
Michel Tilmant

*until 17 April 2002
**as of 17 April 2002

The business address of each member of the Supervisory Board and the Executive Board is the registered office of ING Insurance.

Industry Regulations

The Netherlands

By virtue of the "*Wet toezicht verzekeringsbedrijf 1993*" (Insurance Companies Supervision Act of 1993), the insurance industry in The Netherlands is supervised by the "*Pensioen en Verzekeringskamer*" (Pension and Insurance Supervisory Board). Under this Act, insurance companies must publish comprehensive annual returns and must submit to periodic examinations by officers of the Pension and Insurance Supervisory Board.

The Pension and Insurance Supervisory Board may not intervene in the conduct of a company's business but it may make recommendations and publish findings and, ultimately, withdraw a company's insurance licence when it is of the opinion that the interests of policyholders are at risk.

As a holding company, the Issuer is not itself supervised by the Pension and Insurance Supervisory Board. However, the Issuer's main operating subsidiaries in The Netherlands: Nationale-Nederlanden Levensverzekering Maatschappij N.V., Nationale-Nederlanden Schadeverzekering Maatschappij N.V., Nationale-Nederlanden Zorgverzekering N.V., RVS Levensverzekering N.V. and RVS Schadeverzekering N.V. are so supervised.

United States

The Issuer's subsidiaries in the United States which carry out insurance business are subject to regulation and supervision in the individual states in which they transact business.

NETHERLANDS TAXATION

The summary below has been provided by KPMG Meijburg & Co. Tax Lawyers and is of a general nature based on the current law and practice of The Netherlands. It does not necessarily apply where the income is deemed for tax purposes to be the income of any other person. It relates only to the position of persons who are the absolute beneficial owners of their Bonds and Coupons and may not apply to certain classes of persons such as dealers or persons related to the Issuer except clause 7 which concerns only the treatment of interest accrued on the Bonds for the Issuer. Any Bondholders who are in doubt as to their personal tax position should consult their professional advisers.

The Issuer has been advised that under existing Netherlands law the following Netherlands tax treatment will apply to the Bonds. The information given below is neither intended as tax advice nor purports to describe all of the tax considerations, which may be relevant to a prospective purchaser of the Bonds. Prospective purchasers are advised to acquaint themselves with the overall tax consequences of purchasing, holding and/or selling the Bonds.

This summary is based on the tax legislation, published case law, and other regulations in force as at 1 April 2002, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

In the following, it is assumed that the Bonds will be treated as debt obligations of the Issuer, and can not, partly, be reclassified as equity nor actually functions as equity for Dutch tax purposes (and therefore art. 10, sec. 1, subsec. d, Dutch Corporate Income Tax is not applicable).

1. Withholding Tax

No Netherlands withholding tax will be due on payments of principal and/or interest, or on any other amounts payable under the Bonds by the Issuer.

2. Taxes on Income and Capital Gains

A holder of a Bond (**"a Holder"**) will not be subject to Netherlands taxes on income or capital gains in respect of the acquisition of holding of the Bonds or on any payment under the Bonds or in respect of any gain realised on the disposal or redemption of the Bonds, provided that:

(i) such Holder is neither resident nor deemed to be resident nor has opted to be treated as a resident in The Netherlands; and

(ii) such Holder or a person related to the Holder by law, contract, consanguinity or affinity to the degree specified in the laws of the Netherlands does not have, or is not deemed to have, a substantial interest* in the share capital of the Issuer or, in the event that such Holder does have such an interest, the Bonds form part of the assets of an enterprise; and

(iii) such Holder does not have Netherlands real property or real property rights to which the Bonds have any connection; and

(iv) such Holder does not have an enterprise or an interest in an enterprise, which is carried on, in whole or in part, through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise the Bonds are attributable;

and, if the Holder is a legal person,

(v) such Holder does not have a deemed enterprise which is carried on in The Netherlands (including, but not limited to, activities such as serving as a management or supervisory board member of a Netherlands resident company);

and, if the Holder is a natural person,

* *Generally speaking, the Bonds should not be considered as forming part of a substantial interest of a Holder or of a person related to such Holder if the Holder of such Bonds and his spouse, registered partner, certain other relatives or certain persons sharing the Holder's household, do not hold, alone or together, whether directly or indirectly, the ownership of, or certain rights over, shares or rights resembling shares representing five percent or more of the total issued and outstanding capital, or the issued and outstanding capital of any class of shares, of the Issuer.*

(vi) such Holder does not perform and has not performed employment activities in the Netherlands, or does not perform or has not performed employment activities outside Netherlands for remuneration that is subject to Netherlands payroll tax, and for which employment activities the Bonds are granted as remuneration; and

(vii) such Holder does not derive income and/or capital gains from activities in the Netherlands, other than business income or employment income as described under 2(iv) and 2(vi) hereof, to which activities the Bonds are attributable.

Under the income Tax Act of 2001, three different categories of taxable income can be distinguished; one of them is concerned with capital income, i.e., income from savings and investment. Taxable income is determined on the basis of a presumptive, or deemed, return on income, rather than on the basis of actual income (such as interest actually received). At present, this deemed return has been fixed at 4% of the average net capital, that is, assets less qualifying liabilities. The average net capital is determined as the net capital on 1 January and 31 December, divided by 2. The 4% is applied after deduction of an exempt amount of EUR 18,146 (figure 2002). The deemed income is then taxed at a flat rate of 30%. A Holder will not be subject to taxation under the rules of this category, unless the Holder is an individual and is, or is deemed to be, or has opted to be treated as resident in the Netherlands.

3. Gift, Estate and Inheritance Taxes

No gift, estate or inheritance taxes will arise in the Netherlands with respect to the acquisition of a Bond by way of gift by, or on the death of, a holder who is neither resident nor deemed to be resident in The Netherlands, unless:

(i) at the time of the gift such holder has, or at the time of death such holder had, an enterprise or an interest in an enterprise — other than as a shareholder — that is or was, in whole or in part, carried on through a permanent establishment or through a permanent representative in the Netherlands, and to which enterprise or part of an enterprise the Bond is or was attributable; or

(ii) the Bond is or was attributable to the assets of an enterprise that is or was effectively managed in The Netherlands, and at the time of the gift the giver is, or at the time of his/her death the deceased was, entitled to share in the profits of that enterprise other than by way of securities or pursuant to the terms of an employment contract; or

(iii) If, in the case of a gift of a Bond by a natural person who — at the date of the gift — was neither resident nor deemed to be resident in The Netherlands, such natural person takes up or is deemed to take up residence in The Netherlands and dies within 180 days after the date on which the gift was given.

4. Value added Tax

No value-added tax will be due in the Netherlands in respect of payments made in consideration for the issue of the Bonds, whether in respect of payments of interest and principal or in respect of the transfer of a Bond.

5. Other Taxes and Duties

There will be no registration tax, capital transfer tax, customs duty, stamp duty, property transfer tax or any other similar tax or duty due in the Netherlands in respect of or in connection with the issue, Transfer, execution, delivery and enforcement by legal proceedings of the Bonds or the performance of the Issuer's obligations under the relevant documents.

6. Proposed EU Savings Directive

On 13 December 2001, the EU Council (ECOFIN) has approved a new text of a draft directive on taxation of savings. It is proposed that each EU Member State under its domestic law requires disbursing agents (within the meaning of the directive) established within its territory to provide to the tax authorities of another Member State details of the payment of interest or other similar income such as discount or premium to an individual resident in that other Member State.

However, for a transitional period of seven years Austria, Belgium and Luxembourg may opt instead to withhold tax from such payments. During the first three years after the directive has come into force tax will have to be withheld by these Member States at a rate of 15% and thereafter of 20%.

During the transitional period the directive will not apply to Bonds which have been first issued before 1 March 2001 or for which the original issuing prospectuses have been approved, provided that no further issues of such Bonds are made on or after 1 March 2002.

The proposed directive is to be implemented by the member States by 1 January 2004. However since the implementation of the proposal is subject to the adoption of equivalent measures by certain non-EU Member States and associated territories and dependencies of EU Member States, it is currently not possible to predict whether, when, or in what form the proposal will ultimately be adopted.

7. Deductibility of Interest accrued on the Bonds

Under the current tax laws of The Netherlands and applicable case law in the Netherlands the interest accrued on the Bonds is deductible for corporate income tax purposes in the Netherlands for the Issuer

8. Residence

A holder of a Bond will not become, and will not be deemed to be, resident in the Netherlands by the sole virtue of holding such Bond or the execution, performance delivery and/or enforcement of the relevant documents.

SUBSCRIPTION AND SALE

Goldman Sachs International, ING Bank N.V., Salomon Brothers International Limited, Barclays Bank PLC, Credit Suisse First Boston (Europe) Limited, Merrill Lynch International and Morgan Stanley & Co. International Limited (the "Managers") have pursuant to a Subscription Agreement dated 2 May 2002, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Bonds at 99.105 per cent. of their principal amount less a combined commission of 0.60 per cent. of such principal amount. In addition, the Issuer has agreed to reimburse the Managers for certain of their expenses in connection with the issue of the Bonds. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds.

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or person to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Each Manager has agreed that: (i) it has not offered or sold and, prior to the expiry of a period of six months from the issue date of the Bonds, will not offer or sell any Bonds to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

1. The Bonds have been accepted for clearance through the Clearstream, Luxembourg and Euroclear systems with a Common Code of 014730630. The International Securities Identification Number for the Bonds is XS0147306301.
2. In connection with the application to list the Bonds on the Luxembourg Stock Exchange a legal notice relating to the issue of the Bonds and copies of the articles of association of the Issuer will be deposited with the Chief Registrar of the District Court in Luxembourg *("Greffier en Chef du Tribunal d'Arrondissement de et Luxembourg")* where such documents may be examined and copies obtained.
3. For the purposes of the listing requirements of Euronext Amsterdam, all members of the Supervisory Board and the Executive Board of the Issuer elect domicile at the office address of the Issuer at Strawinskylaan 2631, 1077 ZZ Amsterdam, The Netherlands. The corporate seat of ING Verzekeringen N.V. is the Hague, the Netherlands.
4. The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands in connection with the issue and performance of the Bonds. The issue of the Bonds was authorised by resolution of the Executive Board of the Issuer passed on 16 April 2002 and of its Supervisory Board on 28 February 2002.
5. Save as disclosed herein, there has been no significant change in the financial or trading position of the Issuer or of the Issuer and its subsidiaries taken as a whole since 31 December 2001 and no material adverse change in the financial position or prospects of the Issuer or of the Issuer and its subsidiaries taken as a whole since 31 December 2001.
6. Neither the Issuer nor any of its subsidiaries is involved in any litigation or arbitration proceedings relating to claims or amounts which are material in the context of the issue of the Bonds nor so far as the Issuer is aware is any such litigation or arbitration pending or threatened.
7. The Bonds and Coupons will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
8. Copies of the Prospectus, the latest annual consolidated and non-consolidated accounts of the Issuer and the Articles of Association of the Issuer may be obtained free of charge, and copies of the Fiscal Agency Agreement will be available for inspection and the annual consolidated accounts of the Issuer for the years ended 2000 and 2001 are available free of charge, at the specified offices of each of the Listing Agents and the Paying Agents and at the office of the Issuer during normal business hours, so long as any of the Bonds is outstanding. The Issuer does not publish interim accounts.
9. Ernst & Young Accountants have audited, and rendered unqualified audit reports on, the annual consolidated accounts of the Issuer for the years ended 1999, 2000 and 2001.
10. The Issuer will comply with article 2.1.20 of Scheme B to the Listing and Issuing Rules of Euronext Amsterdam.
11. Schroder is a trademark of Schroders Holdings plc and is used under licence by Salomon Brothers International Limited.

ANNUAL ACCOUNTS

ING INSURANCE

2001

CONSOLIDATED BALANCE SHEET OF ING INSURANCE AS AT 31 DECEMBER

before profit appropriation

amounts in millions of euros

	2001	2000
ASSETS		
Investments		
Land and buildings 1	8,236	7,764
Investments in group companies and participating interests 2	3,494	2,455
Other financial investments 3	147,979	127,269
Deposits with insurers 4	31	30
	159,740	**137,518**
Investments for risk of policyholders and investments of annual life funds 5	**82,743**	**81,536**
Debtors 6		
Receivables on account of direct insurance	3,438	5,843
Reinsurance receivables	669	611
Other receivables	3,889	5,045
	7,996	**11,499**
Other assets		
Tangible fixed assets 7	475	433
Cash 8	1,534	1,632
Other assets 9	1,471	1,068
	3,480	**3,133**
Accrued assets 10		
Accrued interest and rents	2,517	2,148
Deferred acquisition costs of insurance business	11,355	10,653
Other accrued assets	177	223
	14,049	**13,024**
Total	**268,008**	**246,710**

The numbers against the items refer to the notes starting on page 26.

CONSOLIDATED BALANCE SHEET OF ING INSURANCE AS AT 31 DECEMBER

before profit appropriation

Amounts in millions of euros

	2001	2000
EQUITY AND LIABILITIES		
Shareholders' equity **11**	15,450	17,875
Third-party interests	975	714
Group equity	**16,425**	**18,589**
Subordinated loan 12	**1,250**	
Insurance provisions		
Provision for unearned premiums and unexpired non-life insurance risks		
Gross	4,351	1,634
Reinsurance element	969	52
	3,382	1,582
Provision for life policy liabilities **13**		
Gross	129,421	116,280
Reinsurance element	8,511	6,673
	120,910	109,607
Claims provision **14**		
Gross	7,016	5,358
Reinsurance element	1,124	277
	5,892	5,081
Provision for profit sharing and rebates	743	677
Other insurance provisions **15**	292	386
	131,219	**117,333**
Insurance provisions for policies for which policyholders bear the investment risk and for annual life funds		
Gross	83,740	83,412
Reinsurance element	972	1,876
	82,768	**81,536**
General provisions 16		
Deferred tax liabilities	1,786	2,003
Other	1,360	1,182
	3,146	**3,185**
Deposits from reinsurers	**269**	**110**
Creditors 17		
Liabilities relating to direct insurance	2,905	2,465
Liabilities relating to reinsurance	371	294
Other debentures and private loans **18**	14,191	10,528
Loans from credit institutions **19**	4,737	3,423
Other liabilities **20**	8,348	7,285
	30,552	**23,995**
Accrued liabilities 21	**2,379**	**1,962**
Total	**268,008**	**246,710**

The numbers against the items refer to the notes starting on page 26.

CONSOLIDATED PROFIT AND LOSS ACCOUNT OF ING INSURANCE FOR THE YEARS ENDED 31 DECEMBER

amounts in millions of euros

	2001	2000	1999
I NON-LIFE UNDERWRITING ACCOUNT 22			
Premiums written for own account			
Gross premiums	5,894	4,087	3,504
Outward reinsurance premiums	614	187	153
	5,280	3,900	3,351
Changes in provision for unearned premiums and unexpired non-life insurance risks			
Gross	28	– 47	– 28
Reinsurers' share	34	– 7	– 7
	– 6	– 40	– 21
Premiums earned for own account	**5,274**	**3,860**	**3,330**
Allocated income and expenses 23	**797**	**1,026**	**563**
Other underwriting income for own account	**14**	**6**	**1**
Claims for own account			
Gross	4,077	2,700	2,365
Reinsurers' share	411	128	134
	3,666	2,572	2,231
Changes in claims provision			
Gross	581	304	264
Reinsurers' share	303	– 7	– 11
	278	311	275
Total claims incurred	**3,944**	**2,883**	**2,506**
Operating expenses 24	**1,534**	**1,146**	**1,052**
Other underwriting expenditure for own account	**3**		
Result from non-life underwriting account	**604**	**863**	**336**
II LIFE UNDERWRITING ACCOUNT 25			
Premiums for own account			
Gross premiums	43,906	24,628	18,504
Outward reinsurance premiums	1,395	1,004	611
	42,511	**23,624**	**17,893**
Allocated income and expenses 23	**1,665**	**14,277**	**11,135**
Other underwriting income for own account	**143**	**62**	**38**
Benefits for own account			
Gross	27,371	15,561	9,303
Reinsurers' share	2,153	443	340
	25,218	**15,118**	**8,963**
Changes in other insurance provisions for own account			
Provisions for life policy liabilities			
Gross	11,404	10,444	13,015
Reinsurers' share	834	983	280
	10,570	**9,461**	**12,735**
Profit sharing and rebates	**318**	**830**	**2,115**
Operating expenses 24	**4,886**	**2,685**	**1,961**
Other underwriting expenditure for own account	**16**	**89**	**9**
Result from life underwriting account	**3,311**	**9,780**	**3,283**

The numbers against the items refer to the notes starting on page 43.

CONSOLIDATED PROFIT AND LOSS ACCOUNT OF ING INSURANCE FOR THE YEARS ENDED 31 DECEMBER

Amounts in millions of euros

	2001	2000	1999
III NON-TECHNICAL ACCOUNT			
Result from insurance operations			
Result from non-life underwriting account	604	863	336
Result from life underwriting account	3,311	9,780	3,283
Technical result	**3,915**	**10,643**	**3,619**
Income from investments **26**	3,079	15,869	11,505
Investment expenses **27**	2,581	1,680	1,121
Other income **28**	1,914	993	1,354
Other expenses	– 50	– 121	40
Allocated income and expenses transferred to underwriting accounts **23**	– 2,462	– 15,303	– 11,698
Result before taxation	**3,915**	**10,643**	**3,619**
Taxation **29**	699	1,025	410
Result after taxation	**3,216**	**9,618**	**3,209**
Third-party interests	74	39	34
Net profit for the period	**3,142**	**9,579**	**3,175**
Operational net profit	**2,817**	**2,367**	**1,943**
Non-operational net profit **30**	325	7,212	1,232
Net profit for the period	**3,142**	**9,579**	**3,175**

The numbers against the items refer to the notes starting on page 43.

CONSOLIDATED STATEMENT OF COMPREHENSIVE NET PROFIT OF ING INSURANCE FOR THE YEARS ENDED 31 DECEMBER

Comprehensive net profit for the period includes all movements in shareholders' equity during the year, except for the cumulative effect of changes in the principles of valuation and determination of results and those resulting from the write-off of goodwill, the enlargement of share capital and distributions to shareholders.

Realised revaluations previously recognised in shareholders' equity are released from shareholders' equity to the profit and loss account. As these revaluations have already been included in comprehensive net profit of the year under report and previous years under the caption unrealised revaluations and are also included in net profit for the period in the year of realisation, these realised results are adjusted in the comprehensive net profit for the period.

amounts in millions of euros

	2001	2000	1999
Net profit for the period	3,142	9,579	3,175
Other components of comprehensive net profit:			
– unrealised revaluations (1)	– 2,315	530	2,043
– exchange differences (2)	234	– 247	572
Net profit not recognised in the consolidated profit and loss account	**– 2,081**	**283**	**2,615**
Realised revaluations released to the profit and loss account (3)	– 1,210	– 7,654	– 466
Comprehensive net profit for the period	**– 149**	**2,208**	**5,324**

(1) In 2001, deferred taxes with regard to unrealised revaluations amounted to EUR 2 million (2000: EUR 353 million).
(2) In 2001, deferred taxes with regard to exchange differences amounted to EUR 111 million (2000: EUR – 129 million).
(3) In 2001, realised revaluations released to the profit and loss account in respect of the sale of investments in shares regarding the financing of acquisitions amounted to EUR 0.3 billion (2000: EUR 6.7 billion).

CONSOLIDATED STATEMENT OF CASH FLOWS OF ING INSURANCE FOR THE YEARS ENDED 31 DECEMBER

amounts in millions of euros

		2001	2000	1999
Result before taxation		3,915	10,643	3,619
Adjusted for:	– depreciation	208	119	77
	– movements in deferred acquisition costs of insurance business	– 510	– 693	– 567
	– increase in insurance provisions	6,299	10,130	12,913
	– other	– 1,831	– 9,012	– 2,779
Trading portfolio purchases/sales (incl. securities and property)		148	– 21	948
Net investment in tangible fixed assets		– 313	– 190	– 146
Taxation		– 462	– 177	– 383
Movements in:	– other receivables, prepayments and accrued assets	3,031	– 3,253	998
	– other liabilities and accruals	1,747	3,622	– 278
Net cash flow from operating activities 31		**12,232**	**11,168**	**14,402**
Investments and advances:	– participating interests	– 1,677	– 14,873	– 567
	– investments in shares and property	– 8,141	– 10,518	– 4,945
	– investments in fixed-interest securities	– 187,332	– 69,688	– 60,316
	– other investments	61	– 3	– 1
Disposals and redemptions:	– participating interests	189	1,010	666
	– investments in shares and property	6,277	8,687	3,208
	– investments in shares regarding financing of acquisitions	583	9,618	
	– investments in fixed-interest securities	169,330	65,994	56,165
	– other investments	4	1	3
Net investment for risk of policyholders		3,001	– 4,844	– 8,642
Net cash flow from investing activities 32		**– 17,705**	**– 14,616**	**– 14,429**
Subordinated loans of group companies		1,250		
Bonds, loans contracted and deposits by reinsurers		4,770	1,612	1,125
Private placements of ordinary shares		46	2,867	
Cash dividends		– 571	– 673	– 1,251
Net cash flow from financing activities		**5,495**	**3,806**	**– 126**
Net cash flow		**22**	**358**	**– 153**
Cash at beginning of year		1,632	1,278	1,251
Exchange differences		– 120	– 4	180
Cash at year-end		**1,534**	**1,632**	**1,278**
Cash comprises the following items:				
Cash and bank balances and call money		1,534	1,632	1,278
Cash at year-end		**1,534**	**1,632**	**1,278**

The numbers against the items refer to the notes starting on page 55.

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF ING INSURANCE

INTRODUCTION

ING Insurance comprises ING Verzekeringen N.V. and its group companies. The financial data of ING Insurance are also included in the consolidated Annual Accounts of ING Groep N.V., which is the holding company of ING Insurance. Copies of these Annual Accounts can be obtained at the office of ING Groep N.V., Strawinskylaan 2631, 1077 ZZ Amsterdam, the Netherlands. The Annual Accounts of ING Groep N.V. are also available on the Internet at the ING Group website: www.ing.com.

CONSOLIDATION PRINCIPLES

The consolidated financial statements of ING Insurance include the financial statements of all companies that form an organisational and economic entity and are controlled by ING Insurance. Control is presumed to exist when ING Insurance has, directly or indirectly through group companies, more than one half of the voting power or otherwise exercises effective control. The financial statements of these group companies are consolidated in full on a line-by-line basis, using uniform accounting principles. Third-party interests are presented separately in the consolidated balance sheet and profit and loss account.

The financial data of joint ventures are included in proportion to the group's interest where it is relevant to the understanding of ING Insurance's shareholders' equity and results. Intercompany financial relationships between business units of ING Insurance are eliminated.

The financial year 2000 of the group companies of ING Insurance in Australia ran from 1 October 1999 up to 31 December 2000. These group companies are included in the consolidation for 2000 for that period.

The parent company 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) and Section 414, Book 2, of the Dutch Civil Code has been filed with the office of the Commercial Register of The Hague, in accordance with Section 379 (5), Book 2, of the Dutch Civil Code.

CHANGE IN PRESENTATION

Allocated income from investments

As from 2001, Insurance result - General is no longer reported separately, to be more in line with international practices. The items previously classified under this heading are now included in either the life result or the non-life result.
The 2000 and 1999 comparatives have been adjusted to reflect the new allocation method.

CHANGES IN THE COMPOSITION OF THE GROUP

amounts in millions of euros, unless stated otherwise

The impact of the most significant changes in the composition of the group on assets, liabilities, shareholders' equity and net profit is as follows:

			2001			2000
	Before acquisition/ disposal	After acquisition/ disposal	Impact	Before acquisition/ disposal	After acquisition/ disposal	Impact
Assets	266,685	268,008	1,323	168,768	246,710	77,942
Liabilities	250,054	252,558	2,504	140,450	228,835	88,385
Shareholders' equity	16,631	15,450	– 1,181	28,318	17,875	– 10,443
Net profit for the period	3,152	3,142	– 10	9,313	9,579	266

The impact of a change in the composition of the group is defined as the change in assets, liabilities, shareholders' equity or net profit resulting from the acquisition or disposal of a group company, compared to the situation where no acquisition or disposal took place. The impact is included in the financial year in which the acquisition or disposal took place.

Early in 2001, ING Insurance completed the sale of its 100% interest in Tiel Utrecht Schadeverzekering N.V., Tiel Utrecht Levensverzekering N.V. and Tiel Utrecht Verzekerd Sparen N.V., insurance companies based in Utrecht, The Netherlands. The proceeds on disposal comprised a cash consideration and a 20% interest in De Goudse. The result on disposal is recognised in the profit and loss account over the financial year 2000, as part of *Income from investments*.
The results of Tiel Utrecht have been included in the consolidated financial statements of ING Insurance up to and including 31 December 2000. As at 31 December 2000, Tiel Utrecht is excluded from consolidation in the balance sheet of ING Insurance.

In 2001, ING Group increased its shareholding in Seguros Comercial América, an insurance company based in Mexico, by 45% to almost 100%. Seguros Comercial América was de-listed from the Mexican stock exchange effective 9 November 2001. The total purchase price of the additional acquisition amounted to EUR 1,134 million , including EUR 584 million assumed debt. The acquisition was partly financed by the sale of shares. The goodwill amounted to EUR 1,015 million and is charged to *Shareholders' equity*. As from 1 July 2001, the results of Seguros Comercial América have been fully consolidated in the financial statements of ING Insurance. All retail operations of ING in Mexico now operate under the name ING Comercial América.

In 2000, ING Insurance acquired a 100% interest in ReliaStar Financial Corp., a life-insurance company based in Minneapolis, United States of America. The total purchase price of the acquisition amounted to EUR 6.7 billion, including EUR 1.1 billion assumed debt, and was paid in cash (except for assumed debt). The goodwill amounted to EUR 4.6 billion and is charged to *Shareholders' equity*. As from 1 September 2000, the results of ReliaStar have been included in the consolidated financial statements of ING Insurance. Goodwill related to ReliaStar Financial Corp. has been adjusted in 2001 by EUR 180 million (after tax) as a result of recording a catastrophe provision in the opening balance sheet.

In 2000, ING Insurance acquired Aetna Financial Services and Aetna International, divisions of the insurance company Aetna Inc. based in Hartford, United States of America. The total purchase price of the acquisition amounted to EUR 8.3 billion, including EUR 3.0 billion assumed debt, and was paid in cash (except for the assumed debt). The goodwill amounted to EUR 6.1 billion and is charged to *Shareholders' equity*. As from 1 January 2001, the results of Aetna Financial Services and Aetna International have been included in the consolidated financial statements of ING Insurance for the financial year 2001.

PRINCIPLES OF VALUATION AND DETERMINATION OF RESULTS

GENERAL PRINCIPLES

Recognition

An asset is recognised in the balance sheet when it is probable that the future economic benefits will flow to the enterprise and the asset can be measured reliably. A liability is recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. If the criteria for recognition are no longer met, the assets and liabilities are derecognised.

Income is recognised in the profit and loss account when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably. Expenses are recognised in the profit and loss account when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Valuation

Assets and liabilities are shown at face value except where a different valuation principle is stated below.

Use of estimates

The preparation of the annual accounts necessitates the use of estimates and assumptions. These estimates and assumptions affect the reported amounts of the assets and liabilities and the amounts of the contingent liabilities as at balance sheet date as well as reported income and expenses for the year. The actual outcome may differ from these estimates.

Foreign currencies

General The euro is the reporting currency of ING Insurance. Assets and liabilities in foreign currencies are translated at the spot mid-rates (Amsterdam exchange rates) prevailing on the balance sheet date. Non-monetary items which are expressed in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Income and expenses arising from foreign currency transactions are translated at the rates prevailing on the transaction date.

The following exchange differences are credited or debited, net of any related taxes, to *Shareholders' equity*:
- exchange differences on participating interests, investments and liabilities assumed in connection with their financing;
- exchange differences on insurance provisions and on investments serving to cover these liabilities;
- exchange differences on loans serving to hedge exchange rate risks on foreign interests and investments.

All other exchange differences are taken to the profit and loss account.

Forward foreign exchange contracts Forward foreign exchange contracts connected to borrowing and lending positions are translated at the spot mid-rates prevailing on the balance sheet date. Differences between the spot rates prevailing on the balance sheet date and on the contract date are taken to the profit and loss account. Differences between the valuations at the forward rate and the spot rate at the contract date are amortised and charged to the profit and loss account in proportion to the expired part of the terms of the contracts concerned.

The other forward foreign exchange contracts are valued at the market quotations for their remaining terms at the balance sheet date. In general, differences resulting from revaluations are taken to the profit and loss account.

Exchange differences on forward foreign exchange contracts serving to hedge exchange rate risks on participating interests and investments are taken to *Shareholders' equity.*

Business units outside the euro zone Assets and liabilities of business units outside the euro zone are translated at the closing rate prevailing on the balance sheet date. Income and expenses of business units outside the euro zone (excluding business units in countries with hyperinflation) are translated at average exchange rates for the year. The financial statements of a business unit that reports in the currency of a hyperinflationary economy, are restated for the influences of inflation before translation into euros. Income and expenses of business entities in countries with hyperinflation are translated at the closing rate prevailing on the balance sheet date.

Exchange differences on assets and liabilities of business units outside the euro zone are credited or debited, net of any related taxes, to *Shareholders' equity*, except for exchange differences on monetary assets and liabilities of business units in countries with hyperinflation. These differences are taken to the profit and loss account.

Exchange differences on results arising from differences between the spot rates on the balance sheet date and the average rates for the year are taken to *Shareholders' equity.*

Geographical analyses

The geographical analyses of assets, liabilities, income and expenses in the notes to the consolidated balance sheet and profit and loss account are based on the location of the office from which the transactions are originated.

Derivatives

Derivatives are stated at fair value. Changes in the fair value are included in the profit and loss account. However, derivatives serving to hedge the risks on own positions are recognised in accordance with the accounting principles of the hedged items.

Hedge accounting

Transactions qualify as hedges if these transactions are identified as such and there is a negative correlation between the hedging results and the results of the positions being hedged. Hedging instruments are accounted for in accordance with the accounting principles of the hedged item.

Impairments

The carrying value of *Investments* and *Tangible fixed assets* is reviewed to ascertain whether there has been a permanent diminution in value. These impairments are assessed on an individual basis and are taken to the profit and loss account immediately. However, impairments of assets carried at revalued amounts are first charged directly to any revaluation reserve for these assets.

Receivables

Receivables are carried at the face value less any diminution in value (impairment) deemed necessary to cover the risk of uncollectibility. Receivables are impaired if it is probable that the principal and interest contractually due will not be collected. In general, to determine the amount of this impairment (provision for loan losses), the degree of risk of uncollectibility is assessed on a static basis:

- per individual loan, taking into account among other things amounts outstanding at year-end, the financial position, results and cash-flow information of the debtor, the payment history and the value of the collateral;
- per group of loans subdivided by the degree of risk of uncollectibility (risk classification), determined on the basis of a wide range of aspects with regard to creditworthiness and taking into account empirically determined risk percentages for each risk category.

The net amounts added to or withdrawn from these provisions are included in the profit and loss account.

Receivables are written off and charged against the provision for loan losses when all the necessary legal procedures have been completed and the amount of the loss is finally determined.

Investment and trading portfolios

The investment portfolio comprises those assets which are intended for use on a continuing basis and have been identified as such. These investments are held in order to cover the insurance provisions and to manage interest rate, solvency and liquidity risk.

The trading portfolio comprises those assets and liabilities which are held to obtain short-term transaction results, to facilitate transactions on behalf of clients or to hedge other positions in the trading portfolio.

If due to a change in management's intent transfers are made between investment and trading portfolios, these assets are remeasured to fair value and gains and losses are accounted for in accordance with the accounting principles applicable to the portfolio in which the assets were originally held.

Reinsurance

Reinsurance premiums, commissions and claim settlements, as well as provisions relating to reinsurance, are accounted for in the same way as the original contracts for which the reinsurance was concluded. Receivables as a consequence of reinsurance are deducted from the liabilities relating to the original insurance contracts.

SPECIFIC PRINCIPLES

Investments

Land and buildings Investments in land and buildings are stated at fair value as at balance sheet date. Changes in the carrying amount resulting from revaluations of these investments are credited or debited to *Shareholders' equity*, allowing for taxation where necessary. On disposal of these investments, the difference between the sale proceeds and cost is recognised in the profit and loss account.

Valuations of investments in land and buildings are made by rotation in such a way as to ensure that all properties are appraised at least once every five years. Value-enhancing investments in existing properties made since the last valuation are capitalised at the cost of the investment until the next valuation. Land and buildings are not depreciated.

Land and buildings under construction are stated at the direct purchase and construction cost incurred up to the balance sheet date plus interest during construction and the group's own development and supervision expenses, where necessary less any expected diminution in value on completion.

Investments in group companies and participating interests ING Insurance's acquisitions are accounted for under the purchase method of accounting, whereby the cost of the acquisitions is allocated to the fair value of the assets and liabilities acquired. Goodwill, being the difference between the cost of the acquisition (including assumed debt) and ING Insurance's interest in the fair value of the acquired assets and liabilities as at the date of acquisition, is debited to *Shareholders' equity*. The results of the operations of the acquired companies are included in the profit and loss account from their respective dates of acquisition.

Participating interests in which a significant influence is exercised over the financial and operating policy, investments in associates, are stated at net asset value. ING Insurance's share in the results of these investments in associates is recognised in the profit and loss account.

Investments in other participating interests are stated at fair value. Each year, the net asset value of the investment is determined, which approximates the fair value. Dividends received are credited to the profit and loss account. Changes due to revaluation are credited or debited to *Shareholders' equity.*

On disposal of participating interests, the difference between the sale proceeds and cost is included in the profit and loss account.

Other financial investments Shares and other non-fixed interest securities held for the group's own risk are stated at fair value as at balance sheet date. Changes in the carrying amount resulting from revaluations of these investments are credited or debited to *Shareholders' equity,* allowing for taxation where necessary. On disposal of these investments, the difference between the sale proceeds and cost is recognised in the profit and loss account.

Fixed-interest securities are stated at redemption value. The difference between redemption value and purchase price is amortised over the weighted average remaining term of the investments concerned, either credited or debited to the profit and loss account.

Fixed-interest securities on which interest is not received annually and on which the redemption value is paid out as a lump sum on maturity (such as 'climbing' loans, zero-coupon bonds and savings certificates) are included at purchase price plus the proportion of the difference between purchase price and redemption value related to the period elapsed since the date of purchase.

Investments in interest-only securities are initially included at purchase price. Each year, the interest income decreases in proportion to the decline in the net book value of the interest-only security over its remaining term.

The results on disposal of fixed-interest securities, i.e. the differences between the proceeds on disposal and the carrying amount of the investments sold, are shown as yield differences. Results on disposal of derivatives related to the investments concerned are likewise shown as yield differences. Allowing for the weighted average remaining term of the investment portfolio, these yield differences are included in the profit and loss account as interest income. Results on disposal due to a structural reduction of investments are included directly in the profit and loss account, including the results on disposal of the related derivatives.

Interests in investment pools are stated in accordance with the valuation principles of the pools concerned.

Life insurance products In the case of life insurance products, where there is a relationship between the value of the investments and the level of the insurance provisions, differences resulting from revaluations, realised or unrealised, are initially taken to the profit and loss account. Subsequently, these revaluations are included either in Provision for life policy liabilities, which is part of *Insurance provisions* or *Insurance provisions for policies for which the policyholders bear the investment risk and for annual life funds.*

Repurchase transactions and reverse repurchase transactions Debentures, other fixed-interest securities, shares and other non-fixed interest securities which have been sold with an agreement to repurchase (repurchase transactions), are included as assets in the balance sheet. Debentures, other fixed-interest securities, shares and other non-fixed interest securities, which have been acquired in reverse sale and repurchase transactions, are not recognised in the balance sheet.

Securities borrowing and lending Debentures, other fixed-interest securities, shares and other non-fixed interest securities, which are lent out, are included in the balance sheet. Debentures, other fixed-interest securities, shares and other non-fixed interest securities, which are borrowed, are not recognised in the balance sheet.

Investments for risk of policyholders and investments of annual life funds

In the valuation of these investments, the same principles are generally applied as those pertaining to the valuation of investments held for the group's own risk. However, fixed-interest securities directly linked to life policy liabilities and the annual funds of the annual life fund operations are stated at fair value plus accrued interest where relevant.

Other assets

Tangible fixed assets Tangible fixed assets are stated at cost less accumulated depreciation. The cost of these assets is depreciated on a straight-line basis over their estimated useful lives, which are as follows: data-processing equipment 2 to 5 years and other movable fixed assets 4 to 10 years. Expenditures for maintenance and repair are charged to the profit and loss account as incurred. Expenditure incurred on major improvements is capitalised and depreciated.

On disposal of these assets, the difference between the proceeds on disposal and net book value is recognised in the profit and loss account.

Other assets Assets that are part of the trading portfolio are stated at fair value, which generally means quoted prices. Changes in the fair value, both realised and unrealised, on these assets are included in the profit and loss account.

Fixed-interest securities in the trading portfolio repurchased after issue by group companies and equity participations are stated at the lower of cost and fair value. Unrealised losses and results on disposal of equity participations are included in the profit and loss account.

Computer software that has been purchased or generated internally for internal use is capitalised and amortised on a straight-line basis over its useful life. This period will generally not exceed three years.

Property under development is held with the intention to sell to third parties and is valued at direct construction cost incurred up to the balance sheet date, including interest during construction and the group's own development and supervision expenses.

Rented property and infrastructure works are valued at the estimated proceeds on private sale or the contractually agreed selling price. The difference between the net proceeds on disposal and cost of property under development, rented property and infrastructure works and any downward value adjustments are reflected in the profit and loss account.

Accrued assets

Direct variable costs for the acquisition of life insurance policies, for which periodic premiums will be receivable, are deferred and amortised over the average period for which these premiums will be received, with allocation to such periods being made on an annuity basis. Costs of acquiring non-life insurance business which vary with and are primarily related to the production of such business are deferred and amortised equally over the period of the insurance.

Insurance provisions

Provision for unearned premiums and unexpired insurance risks The provision is calculated in proportion to the unexpired periods of risk. For insurance policies covering a risk increasing during the term of the policy at premium rates independent of age, this risk is taken into account in determining the provision. Further provisions are made to cover claims under unexpired insurance contracts, which may exceed the unearned premiums and the premiums due in respect of these contracts.

Provision for life policy liabilities The Provision for life policy liabilities is calculated on the basis of a prudent prospective actuarial method, taking into account the conditions for current insurance contracts.

The as yet unamortised interest-rate rebates on periodic and single premium contracts are deducted from the Provision for life policy liabilities. Interest-rate rebates granted during the year are capitalised and amortised in conformity with the anticipated recovery pattern and are debited to the profit and loss account.

The adequacy of the Provision for life policy liabilities is evaluated each year and adjusted if necessary with a provision for any shortfall due to the applied principles. The adequacy test takes into account future developments and allows for remaining unamortised interest-rate rebates and deferred acquisition costs.

Claims provision The Claims provision is calculated either on a case-by-case basis or by approximation on the basis of experience. Provisions have also been made for claims incurred but not reported and for future claims handling expenses. The adequacy of the Claims provision is evaluated each year using standard actuarial techniques.

Other insurance provision These include the provision to cover the risk of possible catastrophes.

Insurance provisions for policies for which the policyholders bear the investment risk and for annual life funds

The Insurance provisions for policies for which the policyholders bear the investment risk and for annual life funds are for the segregated investment deposits calculated on the same basis as the provision for life policy liabilities.

For insurances for which policyholders bear the investment risk and for annual life funds, the insurance provisions are generally shown at the balance sheet value of the associated investments.

General provisions

General A general provision involves a present obligation arising from past events, the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits, whereas the timing or amount is uncertain. Unless stated otherwise below, general provisions are discounted using a pre-tax discount rate to reflect the time value of money.

Deferred tax liabilities Deferred corporate tax is stated at the face value and is calculated for temporary valuation differences between carrying amounts of assets and liabilities in the balance sheet and tax base based on tax rates that are expected to apply in the period when the assets are realised or the liabilities are settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. A deferred tax asset is recognised for the carryforward of unused tax losses to the extent that it is probable that future taxable profits will be available for compensation.

The effect of dividend withholding tax is not taken into account in respect of the valuation of retained earnings of participating interests.

Pension liabilities and other staff-related liabilities Provisions for pension liabilities and other staff-related liabilities are calculated using the projected unit credit method of actuarial cost allocation. In accordance with this method, the discounted value of the pension liabilities and other staff-related liabilities is determined on the basis of the active period of service up to the balance sheet date, the projected salary at the expected retirement date and the market yields at the balance sheet date on high quality corporate bonds.

In order to distribute expenses for pensions and other staff-related expenses evenly over the years, these expenses are calculated using the expected rate of return on plan assets. Differences between this expected return and the actual return on these plan assets and actuarial changes are not recognised in the profit and loss account, unless the accumulated differences and changes exceed 10% of the greater of the defined benefit obligation and the fair value of the plan assets. The excess is amortised and charged to the profit and loss account over employees remaining working lives.

The rates used for salary developments, interest discount factors and other pension adjustments reflect specific country conditions.

At 31 December the weighted averages of basic actuarial assumptions used for valuation purposes were:

annual %	2001	2000	1999
Discount rates	6.50	6.50	6.00
Expected rates of salary increases (excluding promotional increase)	3.00	3.00	2.75
Medical cost trend rates	4.50	2.75	2.50
Consumer price inflation	2.25	2.25	2.00

The expected rate of return for 2001 on plan assets was 7.75% (2000: 7.75%; 1999: 6.75%).

The expected rate of return on plan assets was weighted by the fair value of these assets. All other assumptions have been weighted by defined benefit obligations.

Creditors

Other liabilities Liabilities that are part of the trading portfolio are stated at fair value, which generally means quoted prices. Changes in the fair value, both realised and unrealised, on these liabilities are included in the profit and loss account.

Contingent liabilities

Contingent liabilities are commitments or risks of which it is more likely than not that no outflow from ING Insurance of resources embodying economic benefits will occur. The underlying value of these commitments or risks is not recorded as a liability in the balance sheet.

Premium income

Premium income relating to life insurance products is taken into account as soon as it becomes due. Other premiums are recognised in the period to which they relate.

Taxation

Taxation is calculated on the result before taxation shown in the annual accounts, taking into account tax-allowable deductions, charges and exemptions.

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED STATEMENT OF CASH FLOWS OF ING INSURANCE

The cash flow statement has been drawn up in accordance with the indirect method, distinguishing between cash flows from operating, investing and financing activities.

Cash flows in foreign currencies are translated at the average exchange rates for the year. Where the balance of items in the cash flow statement does not correspond to the movements in the relevant balance sheet items, this is mainly due to differences on translation.

In the net cash flow from operating activities, the result before taxation is adjusted for those items in the profit and loss account and *movements in balance sheet items which do not result in actual cash flows during the year.*

The net cash flow shown in respect of Loans and advances granted and repaid only relates to transactions involving actual payments or receipts. The additions to the provision for loan losses which is deducted from the item *Debtors* in the balance sheet has been adjusted accordingly for the result before taxation and is shown separately in the cash flow statement.

The investments in and disposals *of participating interests* have been included *in the cash flow from investing activities* at cost/sales price, insofar as payment was made in cash. The cash assets of the consolidated participating interests concerned have been eliminated from the cost/sales price.

Cash dividends are included in the cash flow from financing activities.

Included in *Cash* are those assets which can be converted into cash without restriction and without material risk of diminution in value as a result of the transaction.

The difference between the net cash flow in accordance with the cash flow statement and the movement in *Cash* in the balance sheet is due to exchange differences and is separately accounted for as part of the reconciliation of the net cash flow and the balance sheet movement in cash.

amounts in millions of euros, unless stated otherwise

ASSETS

1. Land and buildings

	2001	2000
Land and buildings wholly or partially in use by group companies	1,092	848
Other land and buildings	7,144	6,916
	8,236	**7,764**

The movements in investments in Land and buildings were as follows:

	2001	2000
Opening balance	7,764	5,788
Additions	413	1,148
Capitalised interest during construction	10	5
Revaluations	333	942
Disposals	– 340	– 143
Exchange differences	56	24
Closing balance	**8,236**	**7,764**

The balance sheet value as at 31 December 2001 included revaluations of EUR 1,678 million (2000: EUR 1,501 million). The cost or purchase price amounted to EUR 6,558 million (2000: EUR 6,263 million).

The appraisal of land and buildings during the last five years in relation to the balance sheet value as at 31 December 2001 was as follows (in percentages):

Years of appraisal	
2001	61
2000	30
1999	4
1998	1
1997	4
	100

2. Investments in group companies and participating interests

	2001 Ownership (%)	2001 Balance sheet value	2001 Estimated fair value	2000 Ownership (%)	2000 Balance sheet value	2000 Estimated fair value
Name of investee						
Investments in associates:						
De Goudse Verzekeringen N.V.	20	34	34			
Q-Park N.V.	22	52	52			
Valores Consolidados, S.A. de C.V. (holding company of Seguros Comercial América)				49	233	233
Other investments in associates		608	592		152	138
		694	**678**		**385**	**371**
Investments in other participating interests (1)		806	806		678	678
Total investments in participating interests		**1,500**	**1,484**		**1,063**	**1,049**
Receivables from:						
– group companies of ING Group		1,980	1,909		1,382	961
– participating interests		14	13		10	10
		1,994	**1,922**		**1,392**	**971**
		3,494	**3,406**		**2,455**	**2,020**

(1) Investments in other participating interests includes the investment in H&CB.

The balance sheet value of *Investments in group companies and participating interests* as at 31 December 2001 included revaluations of EUR – 45 million (2000: EUR – 244 million). The cost of these *Investments in group companies and participating interests* amounted to EUR 1,545 million (2000: EUR 1,859 million).

	2001	2000	2001	2000	2001	2000
		Associates	Other participating interests		Receivables from participating interests	
Opening balance	385	296	678	511	10	25
Additions and advances	1,543	1,088	25	80	6	5
Changes in the composition of the group	125	3	3	89	5	– 6
Transfer from investments	54	– 33	– 98	73		– 3
Revaluations	– 1,307	– 406	319	– 68		
Movements in provision for credit risk exposure					– 1	
Results from participating interests	63	1				
Dividends received	– 6	– 39				
Disposals and redemptions	– 174	– 550	– 148	– 7	– 6	– 10
Impairments			– 3			
Exchange differences	11	25	30			– 1
Closing balance	**694**	**385**	**806**	**678**	**14**	**10**

3. Other financial investments

	2001	2000	2001	2000
	Balance sheet value		Estimated fair value	
Shares and other non-fixed-interest securities	16,625	18,504	16,625	18,504
Debentures and other fixed-interest securities	90,202	73,143	92,360	73,187
Interests in investment pools	86	95	86	95
Mortgage loans	26,812	22,692	27,156	22,590
Other loans	11,572	11,545	12,077	12,042
Deposits with credit institutions	1,326	554	1,348	554
Other	1,356	736	1,332	730
	147,979	**127,269**	**150,984**	**127,702**

As at 31 December 2001, the cost of *Other financial investments* except for investments in Shares and other non-fixed-interest securities and Interests in investment pools amounted to EUR 130,645 million (2000: EUR 108,224 million).

The cost of the investments stated at fair value amounted to:

	2001	2000
Shares and other non-fixed-interest securities	11,452	9,684
Interests in investment pools	86	95

The movements in *Other financial investments* except for Interests in investments pools, Deposits with credit institutions and Other were as follows:

	2001	2000	2001	2000	2001	2000	2001	2000
	Shares and other non-fixed-interest securities		Debentures and other fixed-interest securities		Mortgage loans		Other loans	
Opening balance	18,504	26,502	73,143	40,514	22,692	17,529	11,545	10,435
Additions and advances	7,491	9,369	159,766	59,190	5,526	4,435	1,619	2,888
Changes in the composition of the group	289	629	578	28,842	451	2,968	90	1,532
Yield differences			– 87	– 319	85	5	12	7
Revaluations	– 2,971	– 162						
Disposals and redemptions	– 6,422	– 17,553	– 145,595	– 56,566	– 2,698	– 2,565	– 1,757	– 3,412
Impairments	– 3	– 344						
Exchange differences	115	135	2,475	1,476	381	334	144	92
Other movements	– 378	– 72	– 78	6	375	– 14	– 81	3
Closing balance	**16,625**	**18,504**	**90,202**	**73,143**	**26,812**	**22,692**	**11,572**	**11,545**

Non-income-producing investments ING Insurance's investments in debentures and other fixed-interest securities, with a combined carrying value of EUR 25 million (2000: EUR 63 million) were non-income-producing for the year ended 31 December 2001.

Concentrations As at 31 December 2001, ING Insurance had investments in shares and fixed-interest securities of ABN AMRO Holding N.V (2000: ABN AMRO Holding N.V. and Fortis) with a carrying value that individually exceeded 10% of *Shareholders' equity*. The total investment amounted to EUR 3,378 million (2000: EUR 6,019 million) and comprised EUR 3,187 million (2000: EUR 5,647 million) in shares and EUR 191 million (2000: EUR 372 million) in fixed-interest securities.

Shares and other non-fixed-interest securities

	2001	2000
Listed	15,046	16,877
Unlisted	1,579	1,627
	16,625	**18,504**

Shares and other non-fixed-interest securities can be analysed as follows:

		2001	2000
Purchase price		11,452	9,684
Revaluation:	– Gross unrealised gains	6,167	9,383
	– Gross unrealised losses	994	563
		16,625	**18,504**

Debentures and other fixed-interest securities

	2001	2000
Listed	75,020	63,113
Unlisted	15,182	10,030
	90,202	**73,143**

As at 31 December 2001, the cost of investments in Debentures and other fixed-interest securities amounted to EUR 90,160 million (2000: EUR 72,540 million).

The balance sheet value as at 31 December 2001 included EUR 14 million (2000: EUR 81 million) in respect of listed securities issued by ING Group.

As at 31 December 2001, the balance sheet value included Debentures and other fixed-interest securities which were sold in repurchase transactions amounting to EUR 1,395 million (2000: EUR 1,305 million).

Other loans

	2001	2000
Private loans	7,517	8,081
Policy loans	3,791	3,218
Professional loans	264	246
	11,572	**11,545**

As at 31 December 2001, an amount of EUR 124,785 million (2000: EUR 99,550 million) was expected to be recovered or settled after more than one year from the balance sheet date for *Other financial investments* except Shares and other non-fixed-interest securities.

4. Deposits with insurers

Deposits with insurers relates to receivables under a reinsurance contract which are not freely available. As at 31 December 2001, the fair value amounted to EUR 20 million (2000: EUR 21 million).

5. Investments for risk of policyholders and investments of annual life funds

		2001	2000
Land and buildings		85	109
Other financial investments:	– shares and convertible debentures	73,576	66,114
	– fixed-interest securities	7,898	13,626
	– other	1,184	1,687
		82,743	**81,536**
Opening balance		81,536	33,287
Additions and advances		71,054	34,718
Changes in the composition of the group		414	43,863
Disposals and redemptions		– 67,857	– 27,960
Exchange differences		2,682	65
Other movements		– 5,086	– 2,437
Closing balance		**82,743**	**81,536**

As at 31 December 2001, the cost of *Investments for risk of policyholders and investments of annual life funds* amounted to EUR 84,781 million (2000: EUR 82,567 million).

6. Debtors

	2001	2000
Receivables on account of direct insurance from:		
– policyholders	2,924	5,518
– intermediaries	514	325
Reinsurance receivables	669	611
Other receivables:		
– pension assets	491	567
– ING Group	157	122
– third parties	3,241	4,356
	7,996	**11,499**

For the notes to the pension assets reference is made to the notes as included under *General provisions*.

As at 31 December 2001, an amount of EUR 1,538 million (2000: EUR 716 million) was expected to be recovered or settled after more than one year from the balance sheet date.

7. Tangible fixed assets

	2001	2000
Data-processing equipment	143	133
Other movable fixed assets	332	300
	475	**433**
Opening balance	433	216
Additions	245	123
Changes in the composition of the group	1	220
Disposals	– 78	– 22
Depreciation	– 135	– 101
Exchange differences	9	– 3
Closing balance	**475**	**433**
Gross carrying amount as at 31 December	884	723
Accumulated depreciation as at 31 December	409	290
	475	**433**

8. Cash

	2001	2000
Cash and bank balances	1,387	1,480
Call money	147	152
	1,534	**1,632**

9. Other assets

	2001	2000
Trading portfolio	341	179
Equity participations	309	295
Property	70	59
Deferred tax assets	592	438
Other receivables	159	97
	1,471	**1,068**

As at 31 December 2001, an amount of EUR 322 million (2000: EUR 772 million) was expected to be recovered or settled after more than one year from the balance sheet date.

As at 31 December 2001, the deferred tax assets analysed by its origin were as follows:

	2001	2000
Deferred tax assets relating to:		
– insurance provisions	1,618	2,735
– other provisions		401
– unused tax losses carried forward	462	72
– other	99	53
	2,179	3,261
Deferred tax liabilities (offset by deferred tax assets) relating to:		
– investments	11	133
– deferred acquisition costs	580	1,071
– general provisions	994	1,518
– other	2	101
	1,587	2,823
	592	**438**

The deferred tax assets in connection with unused tax losses carried forward were arrived at as follows:

	2001	2000
Total unused tax losses carried forward	1,549	626
Unused tax losses carried forward not recognised as a deferred tax asset	292	417
Unused tax losses carried forward recognised as a deferred tax asset	**1,257**	**209**
Average tax rate	36.8%	34.6%
Deferred tax asset	**462**	**72**

Total unused tax losses carried forward as at 31 December 2001 analysed by expiration terms:

	2001	2000
– up to five years	311	80
– five to ten years	363	22
– ten to twenty years	654	522
– unlimited	221	2
	1,549	**626**

10. Accrued assets

As at 31 December 2001, an amount of EUR 10,095 million (2000: EUR 7,960 million) was expected to be recovered or settled after more than one year from balance sheet date.

The movements in Deferred acquisition costs of insurance business were as follows:

	2001	2000	2001	2000	2001	2000
	Life insurance		Non-life insurance		Total	
Opening balance	10,393	4,027	260	247	10,653	4,274
Capitalised	2,478	1,601	83	12	2,561	1,613
Amortisation	– 1,444	– 914	– 82	– 3	– 1,526	– 917
Changes in the composition of the group	– 182	5,625	55	– 1	– 127	5,624
Exchange differences	344	57	1	5	345	62
Transfer of portfolios	– 554	– 3	3		– 551	– 3
Closing balance	**11,035**	**10,393**	**320**	**260**	**11,355**	**10,653**

EQUITY AND LIABILITIES

11. Shareholders' equity

	2001	2000
Opening balance	17,875	25,624
Unrealised revaluations after taxation	– 2,315	530
Exchange differences	234	– 247
Net profit not recognised in the profit and loss account	– 2,081	283
Realised revaluations released to the profit and loss account	– 1,210	– 7,654
Write-off of goodwill	– 1,733	– 12,024
Net profit for the period	3,142	9,579
Payment by ING Groep N.V.	17	2,740
Dividend paid	– 560	– 673
Closing balance	**15,450**	**17,875**

12. Subordinated loan

The *Subordinated loan* relates to 6.25% bonds of EUR 1,250 million, issued by ING Verzekeringen N.V. on 21 June 2001, due on 21 June 2021, which are subordinated to other creditors.

13. Provision for life policy liabilities

The Provision for life policy liabilities, net of reinsurance, can be analysed as follows:

	2001	2000
Provision for life policy liabilities	121,975	110,674
Unamortised interest-rate rebates	1,065	1,067
	120,910	**109,607**

The provision for life policy liabilities is of a long-term nature.

14. Claims provision

	2001	2000
Opening balance	5,081	4,756
Changes in the composition of the group	199	87
	5,280	4,843
Additions:		
– for the current year	3,669	2,694
– for prior years	– 24	– 51
– interest accrual of provision for disability losses	36	22
	3,681	2,665
Claim settlements and claim settlement costs:		
– for the current year	2,042	1,362
– for prior years	1,369	989
	3,411	2,351
Exchange differences	– 8	34
Other movements	350	– 110
Closing balance	**5,892**	**5,081**

The claims provision is of a long-term nature.

15. Other insurance provisions

Other insurance provisions includes the catastrophe provision. The most important movements in 2001 are the release of EUR 85 million in the first quarter, following a change in ING's reinsurance strategy, and the net impact in the third quarter of the 11 September events in the US:

An amount of EUR 275 million was added by recording a catastrophe provision in the opening balance sheet of ReliaStar. Because of the expected claims, EUR 350 million was used in 2001.

16. General provisions

	2001	2000
Deferred tax liabilities	1,786	2,003
Pension liabilities and other staff-related liabilities (1)	538	468
Reorganisations and relocations	184	58
Other	638	656
	3,146	**3,185**

(1) As at 31 December 2001 and 2000, ING Insurance had a receivable with regard to pensions, a component of Pension liabilities and other staff-related liabilities. *This receivable is presented under Debtors.*

As at 31 December 2001, an amount of EUR 2,717 million (2000: EUR 1,615 million) was expected to be settled after more than one year from balance sheet date.

The movements in *General provisions*, other than Pension liabilities and other staff-related liabilities, can be analysed as follows:

	2001	2000	2001	2000	2001	2000
	Deferred tax liabilities		Reorganisations and relocations			Other
Opening balance	2,003	1,217	58	36	656	422
Changes in the composition of the group	– 217	– 151	64		– 81	372
Additions		545	73	46	85	128
Releases	– 360					
Transfer to deferred tax assets	592	438				
Charges	– 211	– 35	– 13	– 26	– 45	– 281
Exchange differences	– 21	– 11	2	2	23	15
Closing balance	**1,786**	**2,003**	**184**	**58**	**638**	**656**

Deferred tax liabilities

The provision for deferred tax liabilities analysed by its origin was as follows:

	2001	2000
Deferred tax assets (offset by deferred tax liabilities) relating to:		
– insurance provisions	125	631
– other provisions	15	123
– unused tax losses carried forward	83	6
– equalisation reserve	921	
– other	273	339
	1,417	1,099
Deferred tax liabilities relating to:		
– investments	1,605	1,614
– deferred acquisition costs	1,100	618
– equalisation reserve	191	188
– depreciation	36	23
– general provisions	104	483
– other	167	176
	3,203	3,102
	1,786	**2,003**

The deferred tax asset (offset by deferred tax liabilities) in connection with unused tax losses carried forward is arrived at as follows:

	2001	2000
Total unused tax losses carried forward	559	302
Unused tax losses carried forward not recognised as a deferred tax asset	268	281
Unused tax losses carried forward recognised as a deferred tax asset	**291**	**21**
Average tax rate	28.6%	28.6%
Deferred tax asset	**83**	**6**

Total unused tax losses carried forward as at 31 December analysed by expiration terms:

	2001	2000
– up to five years	272	99
– five to ten years	33	1
– ten to twenty years	1	
– unlimited	253	202
	559	**302**

Pension liabilities and other staff-related liabilities
ING Insurance maintains defined benefit retirement plans in the major countries in which it operates. These plans generally cover all employees and provide benefits that are related to the remuneration and service of employees upon retirement.

Annual contributions are paid to the fund at a rate necessary to adequately finance the accrued liabilities of the plans calculated in accordance with local legal requirements.

Plans in other countries comply with applicable local regulations concerning investment and funding levels.

ING Insurance provides other post-employment and post-retirement employee benefits to certain employees. These are primarily post-retirement healthcare benefits and post-employment defined benefit early-retirement plans provided to employees and former employees.

Certain group companies sponsor defined contribution pension plans. These do not give rise to balance sheet provisions, other than relating to short-term timing differences included in current liabilities.

Pension liabilities and other staff-related liabilities can be summarised as follows:

	2001	2000	2001	2000	2001	2000	2001	2000
	Pension liabilities		Healthcare		Other		Total	
Defined benefit obligation	3,857	3,403	296	302	280	209	4,433	3,914
Fair value of plan assets	3,904	4,044					3,904	4,044
Funded status	– 47	– 641	296	302	280	209	529	– 130
Unrecognised past service costs	3		– 6	– 1			– 3	– 1
Unrecognised gains/(losses)	– 447	74	25	– 3	– 57	– 39	– 479	32
	– 491	**– 567**	**315**	**298**	**223**	**170**	**47**	**– 99**

The movement in Pension liabilities and other staff-related liabilities can be analysed as follows:

	2001	2000	2001	2000	2001	2000	2001	2000
	Pension liabilities		Healthcare		Other		Total	
Opening balance	– 567	– 499	298	211	170	172	– 99	– 116
Benefit cost	57	19	27	25	23	25	107	69
Employers' contribution	– 142	– 26	7	– 10	– 23	– 26	– 158	– 62
Changes in the composition of the group	174	– 52	– 24	61	53	– 1	203	8
Effect of curtailment or settlement	– 4	2					– 4	2
Exchange differences	– 9	– 11	7	11			– 2	
Closing balance	**– 491**	**– 567**	**315**	**298**	**223**	**170**	**47**	**– 99**

As at 31 December 2001, the defined benefit obligation consisted of funded plans amounting to EUR 3,403 million (2000: EUR 3,190 million) and unfunded plans amounting to EUR 1,030 million (2000: EUR 724 million).

The assets of funded plans primarily consist of debt securities, equity and real estate funds, of which as at 31 December 2001 EUR 42 million (2000: EUR 157 million) was invested in securities issued by the employer and related parties, including shares of ING Groep N.V.

Reorganisations and relocations
The provision for reorganisations and relocations at 31 December 2001 includes an amount of EUR 136 million for the reconstructuring of the US operations.

17. Creditors

Analysed by remaining term:

	2001			2000		
	up to 1 year	1 to 5 years	over 5 years	up to 1 year	1 to 5 years	over 5 years
Liabilities relating to direct insurance	2,905			2,465		
Liabilities relating to reinsurance	371			294		
Other debentures and private loans	5,410	5,360	3,421	2,702	3,482	4,344
Loans from credit institutions	4,067	378	292	2,721	254	448
Other liabilities	5,467	2,013	868	6,048	814	423
	18,220	**7,751**	**4,581**	**14,230**	**4,550**	**5,215**

As at 31 December 2001, collateral was given with regard to Loans from credit institutions amounting to EUR 64 million (2000: EUR 107 million).

18. Other debentures and private loans

	2001	2000
Non-subordinated loans:		
– debenture loans	5,766	5,582
– private loans	8,425	4,946
	14,191	**10,528**

Debenture loans have been issued with an average interest rate of 6.0% (2000: 6.5%) and are repayable in the years 2002 through 2027. The loans are denominated in various currencies. Some of the loans have been converted into U.S. dollars by means of currency swaps. Others have been converted into loans with a variable-interest rate by means of interest-rate swaps. As at 31 December 2001, loans amounting to EUR 4,279 million (2000: EUR 4,475 million) bore an average fixed-interest rate of 6.4% (2000: 6.7%). The remaining EUR 1,487 million (2000: EUR 1,107 million) bore an average variable-interest rate of 4.8% (2000: 5.6%).

The average interest rate of the private loans, with a remaining principal amounting to EUR 2,931 million (2000: EUR 4,515 million), was 7.0% (2000: 6.6%). The remaining EUR 5,494 million (2000: EUR 431 million) bore an average variable-interest rate of 2.2% (2000: 6.8%). These loans are repayable in the years 2002 to 2036.

Analysed by remaining term:

	2001			2000		
	up to 1 year	1 to 5 years	over 5 years	up to 1 year	1 to 5 years	over 5 years
Non-subordinated loans:						
– debenture loans	114	4,341	1,311	122	2,321	3,139
– private loans	5,297	1,018	2,110	2,581	1,160	1,205
	5,411	**5,359**	**3,421**	**2,703**	**3,481**	**4,344**

19. Loans from credit institutions

	2001	2000
Group companies of ING Group	1,247	126
Third parties	3,490	3,297
	4,737	**3,423**

Analysed by remaining term:

	2001			2000		
	up to 1 year	1 to 5 years	over 5 years	up to 1 year	1 to 5 years	over 5 years
Group companies of ING Group	1,218	23	6	43	44	39
Third parties	2,849	355	286	2,678	210	409
	4,067	**378**	**292**	**2,721**	**254**	**448**

The average interest rate of Loans from credit institutions with fixed-interest rates, with a remaining principal amounting to EUR 4,510 million (2000: EUR 3,016 million), was 3.8% (2000: 5.7%). The remaining EUR 227 million (2000: EUR 407 million) bore an average variable-interest rate of 4.8% (2000: 5.7%). As at 31 December 2001, loans totalling EUR 64 million (2000: EUR 107 million) were secured by mortgages.

20. Other liabilities

	2001	2000
ING Group	174	82
Group companies of ING Group	80	86
Taxation and social security contributions	1,159	1,007
Other	6,935	6,110
	8,348	**7,285**

Analysed by remaining term:

			2001			2000
	up to 1 year	1 to 5 years	over 5 years	up to 1 year	1 to 5 years	over 5 years
ING Group	174			82		
Group companies of ING Group	80			86		
Taxation and social security contributions	1,017	116	26	332	681	– 6
Other	4,196	1,897	842	5,548	133	429
	5,467	**2,013**	**868**	**6,048**	**814**	**423**

As at 31 December 2001, the current corporation tax payable amounted to EUR 945 million (2000: EUR 911 million).

21. Accrued liabilities

	2001	2000
Accrued interest	737	425
Costs payable	859	895
Yield differences on fixed-interest investments	783	642
	2,379	**1,962**

As at 31 December 2001, an amount of EUR 910 million (2000: EUR 629 million) was expected to be settled after more than one year from the balance sheet date.

ADDITIONAL INFORMATION RELATING TO THE CONSOLIDATED BALANCE SHEET OF ING INSURANCE

amounts in millions of euros, unless stated otherwise

Assets not freely disposable

Assets not freely disposable relate to guarantees provided for certain liabilities included in the balance sheet as well as off-balance sheet contingent liabilities. As at 31 December 2001, assets not freely disposable included investments amounting to EUR 367 million (2000: EUR 115 million).

Contingent liabilities

Contingent liabilities can be analysed as follows:

	2001	2000
Commitments concerning investments in land and buildings	619	612
Commitments concerning fixed-interest securities	941	1,656
Guarantees	17,109	16,317
Other	1,363	1,297
	20,032	**19,882**

Guarantees relate both to credit and non-credit substitute guarantees. Credit-substitute guarantees are guarantees given by ING Insurance in respect of credit granted to customers by a third party. Many of them are expected to expire without being drawn on and do not necessarily represent future cash outflows. Guarantees include guarantees to group companies of nil (2000: EUR 2,700 million). In addition, general guarantees within the meaning of Section 403, Book 2, of the Netherlands Civil Code have been given on behalf of a number of group companies. Furthermore, guarantees have been given on behalf of several group companies in the Netherlands. The last two kinds of guarantees are not included in the above-mentioned scheme. It is not expected that these guarantees will be called upon in the future. As at 31 December 2001, the company was jointly and severally liable for or had issued guarantees for amounts totalling EUR 19,891 million (2000: EUR 19,254 million).

Other contingent liabilities mainly relate to acceptances of bills and are of a short-term nature.

Future rental commitments

Future rental commitments for lease contracts as at 31 December 2001, can be analysed as follows:

2002	96
2003	68
2004	49
2005	41
2006	30
years after 2006	104

Legal proceedings

ING Insurance companies are involved in lawsuits and arbitration cases in the Netherlands and in a number of other countries, relating to claims by or against these companies arising in the course of ordinary activities, and also from acquisitions, including the activities as insurer, lender, employer, investor and taxpayer. Several of these cases involve claims of either large or indefinite amounts. Although it is not feasible to predict or to determine the outcome of current or impending legal proceedings, the Executive Board is of the opinion that the outcome is unlikely to have any material adverse effects on the financial position or results of ING Insurance.

Derivatives

Use of derivatives ING Insurance uses derivative financial instruments in the normal course of business for non-trading and trading purposes. Derivatives are financial instruments, which include forwards, futures, options and swaps, whose value is based on an underlying asset, index or reference rate.

ING Insurance's principle objective in holding or issuing derivatives for non-trading purposes is risk management. To achieve its risk management objective, ING Insurance uses a combination of interest-rate instruments, primarily interest-rate swaps. Net positions in foreign currencies are subject to changes in value as exchange rates change. These fluctuations are managed by entering into currency swaps, forwards and options.

The following table reflects the notional amounts and the positive and negative fair value of derivative financial instruments used for non-trading purposes.

	2001	**2000**	**2001**	**2000**	**2001**	**2000**
	Notional amount		Positive year-end fair value		Negative year-end fair value	
Interest-rate contracts	26,718	13,565	600	257	446	110
Currency contracts	16,191	12,856	40	529	120	480
Equity contracts	103	779		109	3	
	43,012	**27,200**	**640**	**895**	**569**	**590**

ING Insurance's use of these instruments is changed from time to time in response to changing market conditions as well as changes in the mix of the related assets and liabilities.

As at 31 December 2001, the notional amount of derivative financial instruments used for trading purposes amounted to EUR 446 million (2000: EUR 345 million).

Numerical information about derivatives activities The following tables give numerical information about the derivatives activities, detailing types of derivatives, credit risks, counterparties and use of the derivatives transactions.

The first table illustrates the relative importance of the various types of derivative products, showing the notional amounts at year-end 2001 and year-end 2000. Notional amounts represent units of account which, in respect of derivatives, reflect the relationship with the underlying assets (bonds, for example, in the case of interest-rate futures). What they do not reflect, however, is the credit risks assumed by entering into derivatives transactions.

Listed derivatives are standardised and include futures and certain option contracts. Over-the-counter derivatives contracts are individually negotiated between contracting parties and include forward contracts, options and swaps.

Forward contracts are commitments to exchange currencies or to buy or sell other financial instruments at specified future dates. Futures contracts are similar to forwards. However, major exchanges act as intermediaries and require daily cash settlement and collateral deposits.

Option contracts give the purchaser, for a premium, the right, but not the obligation, to buy or sell within a limited period of time a financial instrument or currency at a contracted price that may also be settled in cash. Written options give the issuer the obligation to buy or sell within a limited period of time a financial instrument or currency at a contracted price that may also be settled in cash. This subjects ING Insurance to market risk, but not to credit risk, since the counterparties have already performed in accordance with the terms of the contract by paying a cash premium up front.

Swap contracts are commitments to settle in cash at a specified future date, based on differentials between specified financial indices as applied to a notional amount. Generally, no cash is exchanged at the outset of the contract and no principal payments are made by either party.

The year-end positive fair value represents the maximum loss that ING Insurance would incur on its derivatives transactions if all its counterparties at year-end defaulted. This fair value can and will fluctuate from day to day due to changes in the value of the underlying assets. In order to arrive at an estimate of credit risk at any given time, a margin is added to the fair value figures to arrive, in accordance with internationally accepted criteria, at what is called the unweighted credit equivalents.

The weighted credit equivalents are the unweighted credit equivalents multiplied by the weighting factors determined in accordance with standards of the international supervisory authorities. Under certain conditions, the credit risk can be reduced by entering into bilateral netting agreements. In the case of non-observance of the obligation by the counterparty, this kind of agreement gives the right to net off receivables and payables in respect of open derivatives contracts. The effect of reducing the risk by means of bilateral netting agreements is shown at the bottom of the table.

As at year-end the following contracts were open:

	2001				2000			
	Notional amount	Positive fair value	Unweighted credit equivalent	Weighted credit equivalent	Notional amount	Positive fair value	Unweighted credit equivalent	Weighted credit equivalent
Interest-rate contracts								
Over-the-counter:								
– swaps	24,320	517	669	258	6,673	234	280	102
– forwards	396		1		430			
– options purchased	2,002	83	99	35	6,462	23	46	23
Listed:								
– futures	119				23			
Currency contracts								
Over-the-counter:								
– swaps	8,604	29	331	70	6,351	229	408	84
– forwards	7,723	11	88	18	6,545	298	449	90
– options purchased	38		1		65	2	2	
– options written	80				50			
Equity contracts								
Over-the-counter:								
– swaps	103		8	2				
– options purchased					779	109	169	80
Listed:								
– options purchased	3				10			
– options written	33				16			
– futures	37				141			
	43,458	**640**	**1,197**	**383**	**27,545**	**895**	**1,354**	**379**
Effect of contractual netting		– 3	– 15	– 3		– 4	– 8	– 2
		637	**1,182**	**380**		**891**	**1,346**	**377**

The analysis by remaining term, based on the notional amounts, as at 31 December was as follows:

2001

	up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years	total
Interest-rate contracts							
Over-the-counter:							
– swaps	3,778	5,747	2,732	3,086	3,597	5,380	24,320
– forwards	283	113					396
– options purchased	663	68	189	76	24	982	2,002
Listed:							
– futures	119						119
Currency contracts							
Over-the-counter:							
– swaps	4,041	906	533	708	1098	1,318	8,604
– forwards	7,719	4					7,723
– options purchased	38						38
– options written	80						80
Equity contracts							
Over-the-counter:							
– swaps		103					103
Listed:							
– options purchased	3						3
– options written	33						33
– futures	37						37

2000

	up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years	Total
Interest-rate contracts							
Over-the-counter:							
– swaps	662	1,028	1,152	899	1,274	1,658	6,673
– forwards	430						430
– options purchased	2,702	2,019	444	731	187	379	6,462
Listed:							
– futures	23						23
Currency contracts							
Over-the-counter:							
– swaps	4,037	2	709	299	318	986	6,351
– forwards	4,453	2,033				59	6,545
– options purchased	65						65
– options written	50						50
Equity contracts							
Over-the-counter:							
– options purchased	295	40	21	164	72	187	779
Listed:							
– options purchased	10						10
– options written	16						16
– futures	141						141

Analysis by counterparty:

			2001			**2000**
	Notional amount	Unweighted credit equivalent	Weighted credit equivalent	Notional amount	Unweighted credit equivalent	Weighted credit equivalent
Public sector	192			190		
Banks	24,500	717	143	16,858	994	199
Other	18,766	480	240	10,497	360	180
	43,458	**1,197**	**383**	**27,545**	**1,354**	**379**

Fair value of financial assets and liabilities
The following table presents the estimated fair values of ING Insurance's financial assets and liabilities. Certain balance sheet items are not included in the table as they do not comply with the definition of a financial asset or liability. The aggregation of the fair values presented hereunder does not represent, and should not be construed as representing, the underlying value of ING Insurance.

	Estimated fair value	2001 Balance sheet value	Estimated fair value	2000 Balance sheet value
Financial assets				
Investments				
– group companies and participating interests	3,406	3,494	2,020	2,455
– other financial investments:				
– shares and other non-fixed-interest securities	16,625	16,625	18,504	18,504
– debentures and other fixed-interest securities	92,360	90,202	73,187	73,143
– other financial investments	2,766	2,768	1,379	1,385
– loans	39,233	38,384	34,632	34,237
– deposits with insurers	20	31	21	30
Debtors	7,996	7,996	11,499	11,499
Cash	1,534	1,534	1,632	1,632
Other assets				
– trading portfolio	273	341	100	179
– equity participations	376	309	630	295
– other receivables	229	229	156	156
Accrued assets (1)	2,694	2,694	2,371	2,371
Derivatives held for non-trading purposes	640	614	895	391
	168,152	**165,221**	**147,026**	**146,277**
Financial liabilities				
Subordinated loan	1,280	1,250		
Insurance provisions related to investment-type contracts	84,703	85,723	30,897	33,969
Deposits from reinsurers	269	269	110	110
Creditors	31,892	30,552	24,967	23,995
Accrued liabilities	2,379	2,379	1,962	1,962
Derivatives held for non-trading purposes	569	107	590	254
	121,092	**120,280**	**58,526**	**60,290**

(1) Accrued assets does not include deferred acquisition costs of insurance business.

The estimated fair values correspond with the amounts at which the financial instruments could have been traded on a fair basis at the balance sheet date between knowledgeable, willing parties in arm's-length transactions. The fair value of financial assets and liabilities is based on quoted market prices, where available. Because substantial trading markets do not exist for most of these financial instruments various techniques have been developed to estimate their approximate fair values. These techniques are subjective in nature and involve various assumptions about the discount rate and the estimates of the amount and timing of the anticipated future cash flows. Changes in these assumptions could significantly affect the estimated fair values. Consequently, the fair values presented may not be indicative of the net realisable value. In addition, the calculation of the estimated fair value is based on market conditions at a specific point in time and may not be indicative of future fair values.

The following methods and assumptions were used by ING Insurance to estimate the fair value of the financial instruments.

Financial assets
Investments The fair values of the shares of associates and other participating interests are based on quoted market prices or, if unquoted, on estimated market values based on quoted prices for similar securities. Fair values of the receivables from group companies and other participating interests are determined using the same methods as described below for Debentures and other fixed-interest securities. The fair values of Shares and other non-fixed-interest securities are based on quoted market prices or, if unquoted, on estimated market values generally based on quoted prices for similar securities. Fair values for Debentures and other fixed-interest securities are based on quoted market prices, where available. For those securities not actively traded, fair values are estimated using values obtained from private pricing services or by discounting expected future cash flows using a current market rate applicable to the yield, credit quality and maturity of the investment. The fair values of Mortgage loans are estimated by discounting future cash flows using interest rates currently being offered for similar loans to borrowers with similar credit ratings. The fair values of fixed-rate policy loans are estimated by discounting cash flows at the interest rates charged on policy loans of similar policies currently being issued. Loans with similar characteristics are aggregated for purposes of the calculations. The fair values of variable-rate policy loans approximate their carrying values.

Debtors The carrying amount of debtors approximates its fair value.

Cash The carrying amount of cash approximates its fair value.

Other assets The fair values of securities in the trading portfolio and equity participations are based on quoted market prices, where available. For those securities not actively traded, fair values are estimated based on internal discounted cash flow pricing models taking into account current cash flow assumptions and the counterparties' credit standings. The carrying amount of Other receivables approximates its fair value.

Accrued assets The carrying amount of accrued assets approximates its fair value.

Financial liabilities

Subordinated loan The fair value of the subordinated loan is estimated using discounted cash flows based on interest rates that apply to similar instruments.

Insurance provisions related to investment-type contracts For guaranteed investment contracts, the fair values have been estimated using a discounted cash flow approach based on interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued. For other investment-type contracts, fair values are estimated based on the cash surrender values.

Creditors For publicly traded debt, the fair values are based on quoted market prices. For non-traded, variable-rate debt, the carrying amounts approximate their fair values. For non-traded, fixed-rate debt, the fair values have been estimated using discounted cash flow calculations based on interest rates charged on similar instruments currently being issued.

Accrued liabilities The carrying amount of accrued liabilities approximates its fair value.

Derivatives The fair values of derivatives held for non-trading purposes are based on broker/dealer valuations or on internal discounted cash flow pricing models taking into account current cash flow assumptions and the counterparties' credit standings. The fair values of derivatives held for non-trading purposes generally reflect the estimated amounts that ING Insurance would receive or pay to terminate the contracts at the balance sheet date.

The fair value of other off-balance sheet financial instruments can be summarised as follows:

		2001		**2000**
	Estimated fair value	Contract amount	Estimated fair value	Contract amount
Commitments concerning investments in land and buildings	619	619	612	612
Commitments concerning investments in fixed-interest securities	941	941	1,656	1,656
Guarantees	10	17,109	13	16,317
Others		1,363		1,297
	1,570	**20,032**	**2,281**	**19,882**

For the other off-balance sheet financial instruments the following methods are used in order to determine the fair value.

The fair values of the commitments for investments in land and buildings and commitments concerning investments in fixed-interest securities are the same as their contract amounts on account of their short-term nature. The fair value of guarantees is estimated based on fees charged for similar agreements or the estimated cost to terminate them or otherwise settle the obligations with the counterparties.

Regulatory requirements with regard to solvency

The insurance operations are subject to detailed comprehensive regulations with regard to solvency. European Union directives require insurance companies established in member states of the European Union to maintain minimum solvency margins. As at 31 December 2001, ING Insurance's actual solvency is 210% of the required solvency (2000: 250%) as shown in the following table:

	2001	**2000**
Actual solvency	20,650	19,816
Required solvency	9,845	7,939
Solvency margin	**10,805**	**11,877**

amount in millions of euros, unless stated otherwise

22. Non-life underwriting account

	Gross premiums written	Gross premiums earned (2)	Gross claims expenses	Operating expenses (3)	Net reinsurance income/ expenses	Under-writing result	Allocated income and expenses	Result
2001								
Health	1,317	1,322	1,067	252	– 4	– 1	100	99
Accident (1)	831	843	701	212	3	– 67	213	146
Third-party liability motor	638	639	530	193	10	– 74	137	63
Other motor	1,171	1,128	919	293	79	– 5	89	84
Marine and aviation	128	135	85	45	– 3	2	9	11
Fire and other property losses	1,214	1,247	865	435	35	– 18	86	68
General liability	344	334	272	116	42	– 12	76	64
Credit and suretyship	26	26	10	6	– 1	9	3	12
Legal assistance	24	24	17	10		– 3	2	– 1
Miscellaneous financial losses	156	181	167	60	33	– 13	27	14
Indirect business	45	43	25	34	5	– 11	55	44
	5,894	**5,922**	**4,658**	**1,656**	**199**	**– 193**	**797**	**604**
2000								
Health	350	342	299	49	3	– 3	24	21
Accident (1)	816	829	673	198	– 1	– 43	364	321
Third-party liability motor	674	654	561	176	2	– 81	205	124
Other motor	679	667	501	180	11	– 3	95	92
Marine and aviation	62	59	49	21	1	– 10	10	
Fire and other property losses	1,107	1,095	662	403	– 23	7	144	151
General liability	302	295	239	106	20	– 30	127	97
Credit and suretyship	21	19		6	– 6	7	1	8
Legal assistance	23	23	15	9		– 1	3	2
Miscellaneous financial losses	24	25	14	11	– 1	– 1	28	27
Indirect business	29	32	– 9	38	– 8	– 5	25	20
	4,087	**4,040**	**3,004**	**1,197**	**– 2**	**– 163**	**1,026**	**863**
1999								
Health	368	342	299	79	9	– 27	25	– 2
Accident (1)	629	635	547	160	7	– 65	187	122
Third-party liability motor	575	577	465	173	– 2	– 63	117	54
Other motor	590	583	467	168	9	– 43	43	
Marine and aviation	55	55	35	20	– 1	– 1	4	3
Fire and other property losses	953	963	579	364	– 15	5	69	74
General liability	251	238	183	91	11	– 25	61	36
Credit and suretyship	16	16	14	5	4	1	1	2
Legal assistance	20	20	14	9		– 3	2	– 1
Miscellaneous financial losses	17	18	9	7	– 2		27	27
Indirect business	30	29	17	35	17	– 6	27	21
	3,504	**3,476**	**2,629**	**1,111**	**37**	**– 227**	**563**	**336**

(1) Including disability insurance products.
(2) Excluding reinsurance.
(3) *Including other underwriting income.*

23. Allocated income and expenses

Income and expenses that are not directly recorded in operational result from insurance operations, are allocated to the Result from life underwriting and Result from non-life underwriting on the basis of life insurance provisions and non-life insurance provisions of the insurance companies. Investments for risk of policyholders and investments of annual life funds is allocated to Result from life underwriting.

For a specification of non-operational results allocated to the Result from non-life underwriting account and Result from life underwriting account, reference is made to note 30 on page 50.

24. Operating expenses

	2001	2000	1999	2001	2000	1999
	Non-life underwriting account			Life underwriting account		
Commission paid gross	866	637	571	2,817	1,818	1,316
Administrative expenses with regard to commission paid	– 62	– 32	– 41	– 479	– 496	– 163
Commission paid net	**804**	**605**	**530**	**2,338**	**1,322**	**1,153**
Expenses allocated	292	287	240	1,226	676	574
Costs of acquiring new business	**1,096**	**892**	**770**	**3,564**	**1,998**	**1,727**
Amortisation of deferred acquisition costs of insurance business	82	3	14	1,445	914	655
Capitalised acquisition costs of insurance business	– 83	– 13	– 14	– 2,478	– 1,601	– 1,224
	1,095	**882**	**770**	**2,531**	**1,311**	**1,158**
Administrative and staff costs and depreciation of business equipment allocated	572	320	340	2,474	1,622	829
Commission and profit-sharing amounts received from reinsurers	133	56	58	119	248	26
	1,534	**1,146**	**1,052**	**4,886**	**2,685**	**1,961**

The total of Expenses allocated and Administrative and staff costs and depreciation of business equipment allocated to the Non-life and Life underwriting account can be analysed as follows:

	2001	2000	1999
Salaries	2,100	1,331	1,008
Pension and early-retirement costs	123	69	64
Social security costs	187	135	132
Other staff costs	286	221	154
Salaries, pension and social security costs	2,696	1,756	1,358
Depreciation of tangible fixed assets	134	100	74
Computer costs	291	140	100
Office equipment and accommodation	643	445	376
Travel and accommodation expenses	132	96	76
Advertising and public relations	188	148	115
External advisory fees	190	196	186
Commission paid	541	528	204
Other	1,052	389	56
Total expenses	5,867	3,798	2,545
Expenses allocated to *Investment expenses*	– 1,303	– 893	– 562
	4,564	**2,905**	**1,983**

Pensions and early-retirement costs can be analysed as follows:

	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
			Pension		Healthcare				Other			Total
Current service cost	133	88	95	7	4	5	9	12	6	149	104	106
Past service cost		36			9						45	
Interest expenses	238	170	148	20	13	9	13	12	10	271	195	167
Expected return on assets	– 317	– 267	– 225							– 317	– 267	– 225
Amortisation of unrecognised past service costs						– 6						– 6
Amortisation of unrecognised net (gains)/losses	3	– 6			– 1	– 1	1	1		4	– 6	– 1
Effect of curtailment or settlement	– 4	– 2							– 5	– 4	– 2	– 5
Defined benefit post-employment plans	**53**	**19**	**18**	**27**	**25**	**7**	**23**	**25**	**11**	**103**	**69**	**36**
Defined contribution plans										**20**		**28**
										123	**69**	**64**

Contributions to defined contribution plans are generally determined as a percentage of pay.

The actual return on the plan assets amounted to EUR – 211 million (2000: EUR 164 million; 1999: EUR 485 million).

Remuneration of the members of the Executive Board and the members and former members of the Supervisory Board
The remuneration of the members and former members of the Executive Board and Supervisory Board, who are also members and former members of the Executive Board and Supervisory Board of ING Group, including pension contributions, is paid by ING Group. These and other expenses of ING Group are charged in full by ING Group to its subsidiaries, on the basis of a general allocation formula.

The amount outstanding as at 31 December 2001 in respect of loans and advances to members of the Executive Board and Supervisory Board was EUR 2.5 million (2000: EUR 2.8 million) at an average interest rate of 5% (2000: 5.1%).

Stock option plan
ING Group (the parent company of ING Insurance) has granted option rights on ING Group shares to a number of senior executives (members of the Executive Board and the Executive Committees, general managers and other officers nominated by the Executive Board), to all ING Insurance staff in the Netherlands and to a considerable number of employees outside the Netherlands. The purpose of the option scheme, apart from promoting a lasting growth of ING Insurance, is to attract, retain and motivate senior executives and staff.

ING Group purchases direct or indirect its own shares at the time options are granted in order to fulfill the obligations with regard to the existing stock option plan and to hedge the position risk of the options concerned. The purpose of this policy is to avoid an increase in the number of shares, causing a dilution of the net profit per share. As at 31 December 2001, all granted option rights were hedged. Costs in connection with the stock option plan primarily consist of costs of funding resulting from the purchase of own shares by ING Group. These costs are proportionally charged to ING Insurance by ING Group.

The option rights are valid for a period of five or ten years. Option rights which are not exercised within this period lapse. Each year, the ING Group Executive Board will take a decision as to whether the option scheme is to be continued and, if so, to what extent. Option rights granted will remain valid (until expiry date), even if the option scheme is discontinued. The option rights are subject to certain conditions, including a certain continuous period of service. The exercise prices of the options are the same as the quoted prices of ING Group shares at the date on which the options are granted.

25. Life underwriting account

	2001	2000	1999	2001	2000	1999	2001	2000	1999
			Gross		Reinsurers' share				Own account
Premiums written	43,906	24,628	18,504	1,395	1,004	611	42,511	23,624	17,893
Other underwriting income	143	62	38				143	62	38
Benefits	27,371	15,561	9,303	2,153	443	340	25,218	15,118	8,963
Changes in other insurance provisions	11,404	10,444	13,015	834	983	280	10,570	9,461	12,735
Profit sharing and rebates	308	841	2,151	– 10	11	36	318	830	2,115
Operating expenses	5,005	2,933	1,988	119	248	27	4,886	2,685	1,961
Other insurance expenses for own account	16	89	9				16	89	9
Allocated income and expenses	1,665	14,277	11,135				1,665	14,277	11,135
Result from life underwriting account	**1,610**	**9,099**	**3,211**	**– 1,701**	**– 681**	**– 72**	**3,311**	**9,780**	**3,283**

Profit sharing and rebates can be analysed as follows:

	2001	2000	1999
Distributions on account of interest or underwriting results	– 148	396	1,666
Bonuses added to policies	466	434	449
	318	**830**	**2,115**

Analysis of premium income on life insurance policies

	Gross	Reinsurers' share	2001 Own account	Gross	Reinsurers' share	2000 Own Account	Gross	Reinsurers' share	1999 Own account
Policies for which the insurer bears the investment risk	26,225	906	25,319	13,144	642	12,502	8,613	1,808	6,805
Policies for which the policyholder bears the investment risk	16,169	512	15,657	10,888	345	10,543	9,370	298	9,072
Total direct business	**42,394**	**1,418**	**40,976**	**24,032**	**987**	**23,045**	**17,983**	**2,106**	**15,877**
Indirect business	1,539	4	1,535	582	3	579	2,059	43	2,016
	43,933	**1,422**	**42,511**	**24,614**	**990**	**23,624**	**20,042**	**2,149**	**17,893**
Eliminations	27	27		– 14	– 14		1,538	1,538	
	43,906	**1,395**	**42,511**	**24,628**	**1,004**	**23,624**	**18,504**	**611**	**17,893**

Premium income has been included before deduction of reinsurance and retrocession premiums granted.

Premium income includes EUR 23,738 million (2000: EUR 12,483 million; 1999: EUR 8,865 million) relating to investment type policies of the US, Latin America and Asia-Pacific operations. These policies mainly consist of individual and group fixed and variable annuities, universal life contracts and guaranteed investment contracts.

Premiums written from direct life business

2001

	Policies for which the insurer bears the investment risk			Policies for which the policyholder bears the investment risk		
	Gross	Reinsurers' share	Own account	Gross	Reinsurers' share	Own account
Periodic premiums						
Individual policies:						
– without profit sharing	8,849	698	8,151	1,787	377	1,410
– with profit sharing	4,482	117	4,365			
Total	**13,331**	**815**	**12,516**	**1,787**	**377**	**1,410**
Group policies:						
– without profit sharing	1,018	64	954	7,012	88	6,924
– with profit sharing	730	19	711			
Total	**1,748**	**83**	**1,665**	**7,012**	**88**	**6,924**
Total periodic premiums	**15,079**	**898**	**14,181**	**8,799**	**465**	**8,334**
Single premiums						
Individual policies:						
– without profit sharing	1,830		1,830	5,529		5,529
– with profit sharing	1,675	9	1,666			
Total	**3,505**	**9**	**3,496**	**5,529**		**5,529**
Group policies:						
– without profit sharing	7,408	– 1	7,409	1,841	47	1,794
– with profit sharing	233		233			
Total	**7,641**	**– 1**	**7,642**	**1,841**	**47**	**1,794**
Total single premiums	**11,146**	**8**	**11,138**	**7,370**	**47**	**7,323**
Total life business premiums	**26,225**	**906**	**25,319**	**16,169**	**512**	**15,657**

The total single premiums include EUR 567 million in 2001 from profit sharing.

2000

	Policies for which the insurer bears the investment risk			Policies for which the policyholder bears the investment risk		
	Gross	Reinsurers' share	Own account	Gross	Reinsurers' share	Own account
Periodic premiums						
Individual policies:						
– without profit sharing	4,847	567	4,280	942	1	941
– with profit sharing	2,281	102	2,179			
Total	**7,128**	**669**	**6,459**	**942**	**1**	**941**
Group policies:						
– without profit sharing	127	– 21	148	698	29	669
– with profit sharing	611	12	599			
Total	**738**	**– 9**	**747**	**698**	**29**	**669**
Total periodic premiums	**7,866**	**660**	**7,206**	**1,640**	**30**	**1,610**
Single premiums						
Individual policies:						
– without profit sharing	336	1	335	8,176	294	7,882
– with profit sharing	1,546	– 21	1,567			
Total	**1,882**	**– 20**	**1,902**	**8,176**	**294**	**7,882**
Group policies:						
– without profit sharing	3,035		3,035	1,072	21	1,051
– with profit sharing	361	2	359			
Total	**3,396**	**2**	**3,394**	**1,072**	**21**	**1,051**
Total single premiums	**5,278**	**– 18**	**5,296**	**9,248**	**315**	**8,933**
Total life business premiums	**13,144**	**642**	**12,502**	**10,888**	**345**	**10,543**

The total single premiums include EUR 472 million in 2000 from profit sharing.

1999	Policies for which the insurer bears the investment risk			Policies for which the policyholder bears the investment risk		
	Gross	Reinsurers' share	Own account	Gross	Reinsurers' share	Own account
Periodic premiums						
Individual policies:						
– without profit sharing	2,534	320	2,214	930	40	890
– with profit sharing	1,914	190	1,724			
Total	**4,448**	**510**	**3,938**	**930**	**40**	**890**
Group policies:						
– without profit sharing	70	20	50	599	28	571
– with profit sharing	565	14	551			
Total	**635**	**34**	**601**	**599**	**28**	**571**
Total periodic premiums	**5,083**	**544**	**4,539**	**1,529**	**68**	**1,461**
Single premiums						
Individual policies:						
– without profit sharing	214	5	209	6,591	212	6,379
– with profit sharing	1,124	6	1,118			
Total	**1,338**	**11**	**1,327**	**6,591**	**212**	**6,379**
Group policies:						
– without profit sharing	1,710	1,249	461	1,250	18	1,232
– with profit sharing	482	4	478			
Total	**2,192**	**1,253**	**939**	**1,250**	**18**	**1,232**
Total single premiums	**3,530**	**1,264**	**2,266**	**7,841**	**230**	**7,611**
Total life business premiums	**8,613**	**1,808**	**6,805**	**9,370**	**298**	**9,072**

The total single premiums include EUR 379 million in 1999 from profit sharing.

26. Income from investments

	2001	2000	1999
Income from land and buildings	665	505	453
Income from investments in group companies and participating interests:			
– income from disposal of group companies	17	300	2
– income from investments in associates	119	49	66
– income from investments in other participating interests	59	5	1
Income from other financial investments:			
– shares and other non-fixed-interest securities	1,432	1,246	1,250
– debentures and other fixed-interest securities	5,566	3,380	2,623
– mortgage loans	1,800	1,339	1,155
– deposits with credit institutions	104	53	40
– other	701	1,183	1,182
Income from investments for risk of policyholders and from investments of annual life funds	–7,709	441	4,425
Operational result	**2,754**	**8,501**	**11,197**
Non-operational results **30**	325	7,368	308
	3,079	**15,869**	**11,505**

Income from land and buildings includes an amount in respect of rental income allocated to business units of ING Insurance (the same amount is included in *Other expenses*) of EUR 51 million (2000: EUR 45 million; 1999: EUR 42 million).

Income from investments in land and buildings and shares and other non-fixed-interest securities includes realised results on disposal of EUR 1,005 million (2000: EUR 882 million; 1999: EUR 652 million).

Analysis of income from investments by counterparty:

	2001	2000	1999
Participating interests	178	406	374
ING Group	1	1	
Group companies of ING Group	76	80	60
Third parties	2,824	15,382	11,071
	3,079	**15,869**	**11,505**

27. Investment expenses

	2001	2000	1999
Interest expenses	1,286	767	539
Expenses allocated	1,303	893	562
Increase in provision for doubtful investments	– 8	20	20
	2,581	**1,680**	**1,121**

28. Other income

	2001	2000	1999
Commission	1,419	855	393
Income from securities	160	58	39
Results from financial transactions	16	– 10	– 44
Other results	319	90	42
Operational result	**1,914**	**993**	**430**
Non-operational results **30**			924
	1,914	**993**	**1,354**

Commission
Commission includes fees for services rendered such as insurance broking.

	2001	2000	1999
Insurance broking	131	100	78
Management fees	663	251	142
Other	625	504	173
	1,419	**855**	**393**

Results from financial transactions
Included in Results from financial transactions is an aggregate (profit)/loss on foreign currency translation amounting to EUR 4 million in 2001 (2000: EUR – 1 million; 1999: EUR 50 million).

29. Taxation

Taxation analysed by type:

			2001			2000			1999
	Nether-lands	Inter-national	Total	Nether-lands	Inter-national	Total	Nether-lands	Inter-national	Total
Current taxation	479	– 10	469	486	12	498	294	96	390
Deferred taxation	– 82	312	230	228	299	527	– 57	77	20
	397	**302**	**699**	**714**	**311**	**1,025**	**237**	**173**	**410**

Reconciliation of the statutory income tax rate to ING Insurance's effective income tax rate:

	2001	2000	1999
Result before taxation	3,915	10,643	3,619
Statutory tax rate	35%	35%	35%
Statutory tax amount	1,370	3,725	1,267
Participating interests exemption	– 506	– 2,677	– 839
Differences caused by different foreign tax rates	– 16	16	– 20
Other	– 149	– 39	2
Effective tax amount	**699**	**1,025**	**410**
Effective tax rate	**17.9%**	**9.6%**	**11.3%**

30. Non-operational net profit

	2001	2000	1999
Results on sale of:			
– investments in shares regarding financing of acquisitions allocated to:			
– Results non-life	28	7,033	
– Results life	297	335	
– De Nationale Investeringsbank N.V.			308
Income from investments	**325**	**7,368**	**308**
Results on (sale of):			
– Libertel N.V.			924
Other income			**924**
Additions/(release) of:			
– provision for the calamity fund for the year 2001		– 91	
Other expenses		**– 91**	
Non-operational results before taxation	**325**	**7,459**	**1,232**
Taxation		247	
Non-operational net profit	**325**	**7,212**	**1,232**

ADDITIONAL INFORMATION RELATING TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT OF ING INSURANCE

amounts in millions of euros, unless stated otherwise

Result from investments in shares and other non-fixed-interest securities and land and buildings

	Direct investment income	Realised and unrealised revaluations and exchange differences	Operating and management expenses (1)	Before taxation	After taxation	Investment result in % (2)
Shares and other non-fixed-interest securities						
2001	649	– 2,858	– 1	– 2,210	– 1,950	– 10.2
2000	675	– 13	– 1	661	629	2.8
1999	657	2,794	– 1	3,450	3,051	13.3
1998	487	4,183	– 2	4,668	4,470	25.8
1997	465	4,847		5,312	4,956	37.5
1996	436	3,646	– 3	4,079	3,824	39.9
1995	353	1,355	– 6	1,702	1,576	19.6
1994	297	– 591	– 4	– 298	– 312	– 3.8
Average	502	1,670	– 2	2,170	2,031	13.4
Land and buildings						
2001	634	356	– 123	867	581	7.4
2000	544	927	– 106	1,365	903	14.6
1999	485	381	– 87	779	511	9.7
1998	459	154	– 83	530	350	7.3
1997	427	121	– 106	442	294	6.7
1996	370	89	– 83	376	261	6.8
1995	358	– 54	– 83	221	153	4.1
1994	346	– 12	– 84	250	177	4.6
Average	453	245	– 95	603	404	8.1
Total						
2001	1,283	– 2,502	– 124	– 1,343	– 1,369	– 5.1
2000	1,219	914	– 107	2,026	1,532	5.4
1999	1,142	3,175	– 88	4,229	3,562	12.6
1998	946	4,337	– 85	5,198	4,820	21.8
1997	892	4,968	– 106	5,754	5,250	29.8
1996	806	3,735	– 86	4,455	4,085	30.4
1995	711	1,301	– 89	1,923	1,729	14.8
1994	643	– 603	– 88	– 48	– 135	– 1.1
Average	955	1,915	– 97	2,773	2,435	12.1

(1) In the profit and loss account operating costs relating to investments in land and buildings are netted off against the income from these investments.
(2) Investment result after taxation as a percentage of the average amount invested.

The result from investments in shares and other non-fixed-interest securities and land and buildings (excluding investments for risk of policyholders and investments of annual life funds) includes all the income and expenses associated with this category of investments except financing charges. In the annual accounts these income and expenses are partly included in the profit and loss account (dividends, interest, rental income, realised revaluations and exchange differences, operating and management expenses) and partly reflected directly as changes in Shareholders' equity *(unrealised revaluations and exchange differences). Taxation is allocated on the basis of the standard rate, making allowance for tax exemptions.*

Geographical analysis of claims ratio, cost ratio and combined ratio for non-life insurance policies

	2001	**2000**	**1999**	**2001**	**2000**	**1999**	**2001**	**2000**	**1999**
	Claims ratio			Cost ratio			Combined ratio		
Netherlands	77.1	75.6	73.3	30.4	29.9	31.4	107.5	105.5	104.7
Belgium	78.8	72.9	87.1	34.3	35.5	37.7	113.1	108.4	124.8
Rest of Europe	50.1	55.3	56.3	51.4	50.0	44.5	101.5	105.3	100.8
North America	73.3	73.9	72.3	29.1	26.0	29.8	102.4	99.9	102.1
South America	77.2	51.4	59.5	21.6	50.2	45.4	98.8	101.6	104.9
Asia	58.6	51.5	45.3	44.6	49.1	51.4	103.2	100.6	96.7
Australia	70.7	80.2	85.8	32.5	32.9	30.6	103.2	113.1	116.4
Other (1)	63.9	80.2	156.7	11.4	22.5	22.8	75.3	102.7	179.5
Total	**74.8**	**74.7**	**75.2**	**29.1**	**29.4**	**31.4**	**103.9**	**104.1**	**106.7**

(1) The high claims ratio of Other in 1999 resulted from claims from inter-office reinsurance contracts regarding wind and hailstorms in Canada and Australia and the earthquake in Greece.

The claims ratio is the claims, including claims handling expenses, expressed as a percentage of net earned premiums. The cost ratio is the costs expressed as a percentage of net premiums written. The claims ratio and the cost ratio together form the combined ratio. A combined ratio of more than 100% does not necessarily mean that there is a loss on non-life insurance policies, because the result also includes the allocated investment income.

Analyses of premium income

Reinsurance ING Insurance is involved in both ceded and assumed reinsurance for the purpose of spreading risk and limiting exposure on large risks. The effects of reinsurance on premiums written and earned are illustrated below.

Premiums written

			2001			**2000**			**1999**
	Non-life	Life	Total	Non-life	Life	Total	Non-life	Life	Total
Direct premiums written, gross	5,849	42,394	48,243	4,058	24,032	28,090	3,474	17,983	21,457
Reinsurance assumed premiums written, gross	45	1,512	1,557	29	596	625	30	521	551
Total gross premiums written	**5,894**	**43,906**	**49,800**	**4,087**	**24,628**	**28,715**	**3,504**	**18,504**	**22,008**
Reinsurance ceded	614	1,395	2,009	187	1,004	1,191	153	611	764
	5,280	**42,511**	**47,791**	**3,900**	**23,624**	**27,524**	**3,351**	**17,893**	**21,244**

Non-life premiums earned

	2001	**2000**	**1999**
Direct premiums earned, gross	5,879	4,008	3,447
Reinsurance assumed premiums earned, gross	43	32	29
Total gross premiums earned	**5,922**	**4,040**	**3,476**
Reinsurance ceded	648	180	146
	5,274	**3,860**	**3,330**

For the non-life insurance business, part of the insurance risk is ceded to third parties through reinsurance on both a proportional and non-proportional basis. The retention per catastrophic event differs by class of business. In 2001, the expected maximum risk exposure on behalf of natural catastrophic events amounted to EUR 155 million (2000: EUR 155 million; 1999: EUR 136 million). Assumed non-life reinsurance is largely limited to ING Insurance's compulsory participation in pools and industry associations.

In managing the life risk exposure, ING Insurance has set limits for acceptance of mortality risk on life insurance policies up to approximately USD 20 million in 2001 (2000 and 1999: USD 10 million). Assumed life reinsurance is largely related to group life, health and pensions and to individual term insurance (annually renewable term and co-insurance) in the United States.

To the extent that the assuming reinsurers are unable to meet their obligations under these contracts, ING Insurance remains liable to its policyholders for the portion reinsured. Consequently, provisions are made for receivables on reinsurance contracts which are deemed uncollectible. To minimise its exposure to significant losses from reinsurer insolvencies, ING Insurance evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographical regions, activities or economic characteristics of the reinsurer. As at 31 December 2001, the receivables from reinsurers amounted to EUR 669 million (2000: EUR 611 million; 1999: EUR 279 million), against which EUR 4 million (2000 and 1999: EUR 5 million) was provided for as uncollectible reinsurance.

Segment reporting

Analysis by executive centre ING Insurance's operating segments relate to the internal business segmentation by executive centres. These include the geographical areas ING Europe, ING Americas (including the Group's reinsurance activities) and ING Asia/Pacific and the global activities of ING Asset Management.

Operating segments are defined as components of an enterprise about which discrete financial information is available that is evaluated regularly by the chief operating decision maker or decision making group in deciding how to allocate resources and in *assessing performance. ING Insurance's chief operating decision making group is the* Executive Board. Each executive centre is headed by an Executive Committee, most members of which are either members of the Executive Board or general managers of business units belonging to that executive centre. The chairman of each Executive Committee is a member of the Executive Board. The Executive Board sets the performance targets and approves and monitors the budgets prepared by the Executive Committees. The Executive Committees formulate the strategic, commercial and financial policy of the executive centres in conformity with the strategy and performance targets set by the Executive Board.

The accounting policies of the operating segments are the same as those described under Accounting principles for the consolidated balance sheet and profit and loss account (see page 18). Transfer prices for inter-segment transactions are set at arm's length. Geographical distribution of income is based on the origin of sales. The corporate expenses are allocated to the operating segments and geographic areas based on time spend by head office personnel, the relative number of staff, on the basis of income and/or assets of the operating segment.

The following tables present information regarding ING Insurance's operating segments.

2001	Europe	Americas	Asia/Pacific	Asset management	Total segments	Reconciliation	Total group
Total income:							
Income – external	15,552	31,176	7,798	424	54,950		54,950
Income – inter-segment	323	126	1	6	456	– 456	
	15,875	**31,302**	**7,799**	**430**	**55,406**	**– 456**	**54,950**
Segment results before taxation	2,597	899	308	111	3,915		3,915
Segment assets	96,090	154,540	23,455	898	274,983	– 6,975	268,008
Segment liabilities	83,180	153,331	21,782	265	258,558	– 6,975	251,583
Average number of employees (1)	15,336	26,139	7,792	1,786	51,053		51,053

2000	Europe	Americas	Asia/Pacific	Asset management	Total segments	Reconciliation	Total group
Total income:							
Income – external	22,212	17,710	5,343	380	45,645		45,645
Income – inter-segment	273	133		5	411	– 411	
	22,485	**17,843**	**5,343**	**385**	**46,056**	**– 411**	**45,645**
Segment results before taxation	9,665	622	221	135	10,643		10,643
Segment assets	90,408	141,212	21,143	785	253,548	– 6,838	246,710
Segment liabilities	73,012	141,839	19,873	235	234,959	– 6,838	228,121
Average number of employees (1)	15,625	11,947	3,795	1,375	32,742		32,742

1999	Europe	Americas	Asia/Pacific	Asset management	Total segments	Reconciliation	Total group
Total income:							
Income – external	15,709	14,285	4,642	270	34,906		34,906
Income – inter-segment	43	110		1	154	– 154	
	15,752	**14,395**	**4,642**	**271**	**35,060**	**– 154**	**34,906**
Segment results before taxation	3,018	421	76	104	3,619		3,619
Segment assets	88,263	48,832	13,435	616	151,146	– 2,426	148,720
Segment liabilities	66,403	45,778	12,713	166	125,060	– 2,426	122,634
Average number of employees (1)	14,681	10,289	3,427	1,184	29,581		29,581

(1) The average numbers of employees of joint ventures are included proportionally.

Geographical analysis

Income by geographical area

	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
	Non-life premiums written			Life premiums written			Investment income (1)					Total
Netherlands	1,811	1,817	1,602	5,353	5,551	4,886	5,312	12,547	7,159	12,476	19,915	13,647
Belgium	244	221	212	973	573	423	305	239	299	1,522	1,033	934
Rest of Europe	34	31	28	1,623	1,299	1,008	483	451	381	2,140	1,781	1,417
North America	2,933	1,595	1,314	28,965	13,348	8,468	−2,064	2,501	4,261	29,834	17,444	14,043
South America	618	46	43	493	194	135	390	89	69	1,501	329	247
Asia	64	48	39	4,718	1,766	1,121	580	250	124	5,362	2,064	1,284
Australia	250	328	263	1,779	1,894	2,461	449	1,114	657	2,478	3,336	3,381
Other	211	107	98	4	4	17	70	60	24	285	171	139
	6,165	**4,193**	**3,599**	**43,908**	**24,629**	**18,519**	**5,525**	**17,251**	**12,974**	**55,598**	**46,073**	**35,092**
Income between geographic areas (2)	−271	−106	−95	−2	−1	−15	−375	−321	−76	−648	−428	−186
	5,894	**4,087**	**3,504**	**43,906**	**24,628**	**18,504**	**5,150**	**16,930**	**12,898**	**54,950**	**45,645**	**34,906**

(1) Including commission and other income.
(2) Mainly related to reinsurance premiums ceded between group companies in different geographical areas.

Gross premiums written by geographical area
(out of direct insurance operations)

	2001	2000	1999	2001	2000	1999	2001	2000	1999
			Non-life			Life			Total
Netherlands	1,772	1,776	1,566	5,323	5,507	4,834	7,095	7,283	6,400
Other EU member states	289	264	252	1,788	1,353	958	2,077	1,617	1,210
Countries outside EU	3,788	2,018	1,656	35,283	17,172	12,191	39,071	19,190	13,847
	5,849	**4,058**	**3,474**	**42,394**	**24,032**	**17,983**	**48,243**	**28,090**	**21,457**

Result before taxation by geographical area

	2001	2000	1999	2001	2000	1999	2001	2000	1999
			Non-life			Life			Total
Netherlands	266	633	254	2,179	8,881	2,682	2,445	9,514	2,936
Belgium	7	23	10	60	59	67	67	82	77
Rest of Europe	2	2	27	176	188	97	178	190	124
North America	190	140	71	572	439	366	762	579	437
South America	50	3	−2	29	−9	−7	79	−6	−9
Asia	2	3	3	228	78	−5	230	81	−2
Australia	21	6	−6	64	144	86	85	150	80
Other	66	53	−21	3		−3	69	53	−24
	604	**863**	**336**	**3,311**	**9,780**	**3,283**	**3,915**	**10,643**	**3,619**

Net profit for the period by geographical area

	2001	2000	1999
Netherlands	1,992	8,764	2,663
Belgium	62	76	72
Rest of Europe	144	125	85
North America	597	389	291
South America	57	−8	−10
Asia	136	72	−2
Australia	97	122	77
Other	57	39	−1
	3,142	**9,579**	**3,175**

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS OF ING INSURANCE

31. Net cash flow from operating activities

The net cash flow shown in respect of Loans and advances granted/repaid only relates to transactions involving actual payments or receipts.

In 1999, ING Group reduced its 30% interest in Libertel N.V., a company active in the mobile telephone market based in Maastricht, the Netherlands to an interest of 7.5%. For ING Insurance, the proceeds amounted to EUR 924 million and this amount has been included in the cash flow statement under Trading portfolio purchases/sales.

32. Net cash flow from investing activities

General and numerical information (at the moment of acquisition) for the most significant companies, acquired in 2001 and 2000 is shown in the table below:

Amounts in billions of euros	**Seguros Comercial América**	**ReliaStar Financial Corporation**	**Aetna Financial Services and Aetna International**
General			
Year of acquisition	2001	2000	2000
Primary line of business	Non-life insurance	Life insurance	Life insurance
Purchase price			
Purchase price	1.1	6.7	8.3
Assumed debt in purchase price	0.6	1.1	3.0
Assets			
Investments	1.3	23.8	58.4
Miscellaneous other assets	1.2	4.9	9.3
Liabilities			
Insurance provisions	1.7	22.3	61.3
Miscellaneous other liabilities	0.6	3.5	6.6

To finance the acquisition of ReliaStar Financial Corporation, Aetna Financial Services and Aetna International, investments in shares have been sold in the financial year 2000. The proceeds of the sales amounted to EUR 9.6 billion.

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PARENT COMPANY BALANCE SHEET OF ING INSURANCE AS AT 31 DECEMBER
before profit appropriation

amounts in millions of euros

	2001	2000
ASSETS		
Participating interests in group companies 1		
Shares	10,637	13,287
Amounts receivable	17,128	12,252
	27,765	**25,539**
Other financial investments	190	194
Other receivables 2	566	4,304
Other assets	430	938
Accrued assets	196	221
Total	**29,147**	**31,196**
EQUITY AND LIABILITIES		
Shareholders' equity 3		
Share capital	174	175
Share premium	4,374	4,356
Revaluation reserve	7,340	10,521
Reserve for participating interests	2	2
Exchange differences reserve	– 203	– 143
Other reserves	621	– 6,615
Net profit for the period	3,142	9,579
	15,450	**17,875**
Subordinated loans	1,250	
	16,700	**17,875**
General provisions 4	609	589
Creditors 5	11,642	12,624
Accrued liabilities	196	108
Total	**29,147**	**31,196**

PARENT COMPANY PROFIT AND LOSS ACCOUNT OF ING INSURANCE FOR THE YEARS ENDED 31 DECEMBER

amounts in millions of euros

	2001	2000	1999
Result of group companies after taxation	3,111	8,100	2,138
Other results after taxation	31	1,479	1,037
Net profit for the period	**3,142**	**9,579**	**3,175**

The numbers against the items refer to the notes starting on page 59.

ACCOUNTING PRINCIPLES FOR THE PARENT COMPANY BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF ING INSURANCE

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 valuation of directly held participating interests.

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

A statutory reserve is carried at an amount equal to the share in the results of participating interests 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 Reserve for participating interests, which forms part of *Shareholders' equity*.

NOTES TO THE PARENT COMPANY BALANCE SHEET OF ING INSURANCE

amounts in millions of euros, unless stated otherwise

ASSETS

1. Participating interests in group companies

	2001		2000	
	Ownership (%)	Balance sheet value of shares	Ownership (%)	Balance sheet value of shares
Name of investee				
Nationale-Nederlanden Nederland B.V.	100	8,080	100	10,991
Nationale-Nederlanden Interfinance B.V.	100	635	100	663
ING Insurance International B.V.	100	– 2,248	100	– 745
Grabenstrasse Staete B.V.	100	682	100	570
ING America Insurance Holding inc.	100	512	100	– 393
Aconto B.V.	100	240	100	233
Vitigudino B.V.	100	113	100	110
Diagonac B.V.	100	86	100	84
N.V. Balmore	100	833	100	809
Bancory B.V.	100	496	100	482
Anardel B.V.	100	496	100	482
ING Vermogensbeheer	100	34		
ING Holdinvest B.V.	100	473		
ING Investment Management Holdings N.V.	100	35		
ING Insurance Investments Holdings B.V.	100	58		
ING Vastgoed Management Holding B.V.	100	118		
Fred C. Meyster	100	– 6		
Other				1
		10,637		**13,287**

The movements in *Participating interests in group companies* were as follows:

	2001		2000	
	Shares	Receivables	Shares	Receivables
Opening balance	13,287	12,252	17,720	8,996
Advances		8,486	2,200	29,812
Investments in group companies	841		10,496	
Write-off of goodwill	– 1,733		– 12,024	
Revaluations	– 3,416		– 7,050	
Result of group companies	3,111		8,100	
Dividend	– 1,439		– 5,989	
Redemptions		– 3,925		– 26,081
Exchange differences	– 14	315	– 166	– 475
Closing balance	**10,637**	**17,128**	**13,287**	**12,252**

The balance sheet value of the Shares as at 31 December 2001 included revaluations of EUR – 6,117 million (2000: EUR – 2,626 million).

2. Other receivables

	2001	2000
Receivables from group companies	171	3,993
Pensions	395	311
	566	**4,304**

As at 31 December 2001, an amount of EUR 395 million (2000: EUR 311 million) was expected to be recovered or settled after more than one year from the balance sheet date.

EQUITY AND LIABILITIES

3. Shareholders' equity

Share capital

2001	number x 1,000	Ordinary shares (par value EUR 1.13) amount	Preference shares (par value EUR 1.13) number x 1
Authorised share capital	680,000	768	50
Unissued share capital	526,116	594	49
Issued share capital	**153,884**	**174**	**1**

2000		(par value NLG 2.50)	(par value NLG 2.50)
Authorised share capital	680,000	772	50
Unissued share capital	526,116	597	49
Issued share capital	**153,884**	**175**	**1**

The movements in issued share capital were as follows:

	number x 1,000	Ordinary shares amount	Preference shares number x1
Issued share capital as at 31 December 2000	**153,884**	**175**	**1**
Conversion of share capital into euros		– 1	
Issued share capital as at 31 December 2001	**153,884**	**174**	**1**

The par value of the shares is currently EUR 1.13. In 2001, the par value of the shares was converted from NLG 2.50 into EUR 1.13. As part of the conversion, the share capital was decreased. This decrease was added to the share premium reserve. In 2000, ING Insurance issued to ING Group one preference share with a par value of NLG 2.50 and a paid-in share premium of EUR 542 million.

Reserves
The composition of and movements in the reserves were as follows:

	Total	Share premium	Preference share premium reserve	Revaluation reserve	Reserve for participating interests	Exchange differences reserve	Other reserves
Balance as at 31 December 1999	**22,274**	**1,616**		**17,756**	**54**	**62**	**2,786**
Unrealised revaluations after taxation	– 7,166			– 7,235	– 52		121
Exchange differences	– 205					– 205	
Net profit not recognised in the profit and loss account	– 7,371			– 7,235	– 52	– 205	121
Write-off of goodwill	– 12,024						– 12,024
Profit appropriation previous year	3,175						3,175
Payment of share premium by ING Group	2,740	2,198	542				
1999 final dividend and 2000 interim dividend	– 673						– 673
Balance as at 31 December 2000	**8,121**	**3,814**	**542**	**10,521**	**2**	**– 143**	**– 6,615**
Unrealised revaluations after taxation	– 3,181			– 3,181			
Exchange differences	– 60					– 60	
Net profit not recognised in the profit and loss account	– 3,241			– 3,181		– 60	
Conversion of the share capital into euros	1	1					
Write-off of goodwill	– 1,733						– 1,733
Profit appropriation previous year	9,579						9,579
Payment of share premium by ING Group	17	17					
2000 final dividend and 2001 interim dividend	– 610						– 610
Balance as at 31 December 2001	**12,134**	**3,832**	**542**	**7,340**	**2**	**– 203**	**621**

The revaluation reserve and the reserve for participating interests include the statutory reserves. Share premium includes a non-distributable amount of EUR 1 million from the conversion of share capital into euros.

4. General provisions

	2001	2000
Deferred tax liabilities	232	235
Other staff-related liabilities	296	296
Other	81	58
	609	**589**

Other staff-related liabilities includes the provision for early retirement and the provision for other non-activity schemes. Also included in this item are provisions relating to reorganisations, integration of operating processes and relocations.

As at 31 December 2001, an amount of EUR 596 million (2000: EUR 486 million) was expected to be settled after more than one year from the balance sheet date.

5. Creditors

	2001	2000
Debenture loans	4,317	2,797
Amounts owed to group companies	5,319	7,188
Other liabilities	2,006	2,639
	11,642	**12,624**

Analysed by average interest rate, notional amount and term of redemption:

			2001			2000
	Average interest rate in %	Notional amount	Term of redemption	Average interest rate in %	Notional amount	Term of redemption
Debenture loans						
– in Dutch guilders	6.1	726	2009	5.3	799	2009
– in Swiss francs	3.5	1,082	2006	3.8	197	2005
– in US dollars	6.2	1,808	2007	7.5	641	2005
– in German marks	4.8	511	2003	5.1	785	2003
– in Euros	0.0	64	2008	6.0	375	2006
– in Norwegian crowns	7.1	126	2004			

Some of the loans have been converted into loans with a variable-interest rate by means of interest-rate swaps. As at 31 December 2001, an amount of EUR 3,749 million (2000: EUR 2,119 million) had a variable interest rate of 3.3% (2000: 5.7%).

Analysed by remaining term:

			2001			2000
	up to 1 year	1 year to 5 years	over 5 years	up to 1 year	1 year to 5 years	over 5 years
Debenture loans	113	3,253	951	39	1,884	874
Amounts owed to group companies	3,699	782	838	6,055	494	639
Other liabilities	1,678	101	227	2,083	200	356
	5,490	**4,136**	**2,016**	**8,177**	**2,578**	**1,869**

Amsterdam, 28 February 2002

The Supervisory Board,

Mijndert Ververs, *Chairman*
Lutgart van den Berghe
Jan Berghuis
Luella Gross Goldberg
Paul van der Heijden
Aad Jacobs
Jan Kamminga
Godfried van der Lugt
Paul Baron de Meester
Johan Stekelenburg
Hans Tietmeyer
Jan Timmer

The Executive Board,

Ewald Kist, *Chairman*
Fred Hubbell
Hessel Lindenbergh
Cees Maas, *Chief Financial Officer*
Alexander Rinnooy Kan
Michel Tilmant

OTHER INFORMATION

AUDITOR'S REPORT

Introduction

We have audited the annual accounts of ING Verzekeringen N.V., The Hague, for the year 2001. These annual accounts are the responsibility of the company's management. Our responsibility is to express an opinion on these annual accounts based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall annual accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of the company as at 31 December 2001 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2, of the Netherlands Civil Code.

Amsterdam, 28 February 2002

Ernst & Young Accountants

PROFIT APPROPRIATION

The profit is appropriated pursuant to Article 36 of the Articles of Association of ING Verzekeringen N.V., the relevant stipulations of which state that the part of the profit remaining after the dividend to the preference shareholders is made payable, shall be at the disposal of the General Meeting of Shareholders.

PROPOSED PROFIT APPROPRIATION

amount in millions of euros

Net profit	**3,142**
Due to holders of preference shares pursuant to Article 36 (3) of the Articles of Association	29
At the disposal of the General Meeting of Shareholders	3,113
Add to other reserves	1,903
Dividend	**1,210**

Disclaimer

Certain of the statements contained in this Annual Report are statements of future expectations and other forward-looking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements due to, among other things, (i) general economic conditions, in particular economic conditions in ING Insurance's core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates, (viii) general competitive factors, (ix) changes in laws and regulations, and (x) changes in the policies of governments and/or regulatory authorities.
ING Insurance assumes no obligation to update any forward-looking information contained in this document.

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