



ING Groep N.V.

(incorporated in the Netherlands with its statutory seat in Amsterdam)

Euro 750,000,000 ING Perpetual Securities II
Issue price: 100 per cent.

Unless expressly indicated otherwise, the terms and expressions used herein have the same meaning as given to them in the Terms and Conditions.

The ING Perpetual Securities II are perpetual securities and have no fixed redemption date. However, the ING Perpetual Securities II may be redeemed in whole but not in part at the option of the Issuer, at their liquidation preference of € 100 per ING Perpetual Security II together with any Outstanding Payments on the Coupon Payment Date falling on 30 June 2013 or any Coupon Payment Date thereafter. Prior redemption in case of tax events may apply, subject to Condition 7.

The ING Perpetual Securities II will bear a variable rate of interest on their outstanding principal amount from (and including) the Issue Date and will be payable quarterly in arrear on 31 March, 30 June, 30 September, and 31 December of each year, subject to Condition 4 and 5. Payments (such term does not include principal) may be deferred, as more fully described in Condition 4, but any Deferred Coupon Payment will immediately become due if the Issuer makes payments on or purchases or redeems its Junior Securities or Parity Securities. Investors will always receive cash but the moneys to satisfy such Deferred Coupon Payments may only be raised by the issue of its Ordinary Shares, which, when sold, will provide the cash amount due in respect of Deferred Coupon Payments.

The ING Perpetual Securities II constitute direct, unsecured and subordinated securities of the Issuer as described in Condition 2.

This Offering Circular constitutes a prospectus for the purpose of the listing and issuing rules of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V. Application has been made for the listing of the ING Perpetual Securities II on the Official Segment of the Stock Market of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V. It is anticipated that the ING Perpetual Securities II will be quoted as a percentage of its principal amount of € 100.

The ING Perpetual Securities II are expected to be assigned, on issue, a rating of 'A-' by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., and a rating of 'A2' by Moody's Investors Service, Inc. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

The ING Perpetual Securities II shall have denominations of € 100 each. The ING Perpetual Securities II will be represented by a global security (the 'Global Security') in bearer form without interest coupons, in the principal amount of € 750,000,000. The Global Security will be deposited with Necigef and purchase transactions will be cleared through Necigef participants including Euroclear and Clearstream. The Global Security will not be exchangeable for definitive ING Perpetual Securities II in bearer form.

Lead Manager

ING Financial Markets

Co-lead managers

ABN AMRO
Rabobank International

BNP PARIBAS

The date of this Offering Circular is 17 June, 2003

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IMPORTANT INFORMATION

Responsibility

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the ING Perpetual Securities II and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Trustee or the Managers (as defined under '*Subscription and Sale*' below). Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or the Issuer and its subsidiaries (together '**the Group**') since the date hereof. This document does not constitute an offer of, or an invitation by, or on behalf of, the Issuer, the Trustee or the Managers to subscribe for, or purchase, any of the ING Perpetual Securities II. This document does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

Neither the Managers nor the Trustee have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers, the Trustee or any of them as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer in connection with the ING Perpetual Securities II or their distribution.

Incorporation by Reference

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the annual reports and the annual accounts of the Issuer in respect of the financial years ended 31st December, 2001 and 31st December, 2002; and
- (b) the Articles of Association (*statuten*) of the Issuer.

Offering and Selling Restrictions

This Offering Circular is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Managers that any recipient of this Offering Circular should purchase any of the ING Perpetual Securities II. Each investor contemplating purchasing ING Perpetual Securities II should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The ING Perpetual Securities II have not been and will not be registered under the United States Securities Act of 1933, as amended, (the '**Securities Act**') and are subject to U.S. tax law requirements. Subject to certain exceptions, the ING Perpetual Securities II may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the ING Perpetual Securities II and on distribution of this document, see '*Subscription and Sale*' below.

STABILISATION

IN CONNECTION WITH THE ISSUE OF THE ING PERPETUAL SECURITIES, ING BANK N.V. MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILISE OR MAINTAIN THE MARKET PRICE OF THE ING PERPETUAL SECURITIES II AT A LEVEL WHICH MIGHT NOT OTHERWISE PREVAIL. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME (BUT WILL IN ANY EVENT BE DISCONTINUED 30 DAYS AFTER THE ISSUE DATE OF THE ING PERPETUAL SECURITIES II).

Miscellaneous

All references in this document to ‘euro’, ‘euros’ and ‘€’ refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25th March, 1957) as amended by the Treaty on European Union (signed in Maastricht on 7th February, 1992).

INVESTMENT CONSIDERATIONS

The following is a summary of certain aspects of the ING Perpetual Securities II of which prospective investors should be aware. This summary is not intended to be exhaustive and prospective investors should carefully consider this summary in conjunction with the other information contained in this document.

Deferral

The Issuer may elect to defer any Payment (such term does not include principal) on the ING Perpetual Securities II for any period of time subject to suspension of payment on Junior Securities and Parity Securities, as more particularly described in 'Terms and Conditions of the ING Perpetual Securities II – 4. Deferrals'. Unless deferral is required as described under 'Terms and Conditions of the ING Perpetual Securities II – 4. Deferrals – (a) Required Deferral of Payments', any deferred payment will bear interest at the Applicable Coupon Rate.

Perpetual securities

The Issuer is under no obligation to redeem the ING Perpetual Securities II at any time and the Holders have no right to call for their redemption.

Redemption risk

Upon the occurrence of certain specified tax or regulatory events, or the Coupon Payment Date falling on 30 June 2013 or any Coupon Payment Date thereafter, the ING Perpetual Securities II may be redeemed at their principal amount together with any Outstanding Payments (as defined in 'Terms and Conditions of the ING Perpetual Securities II – 20. Definitions'), subject as provided in 'Terms and Conditions of the ING Perpetual Securities II – 7. Redemption and Purchases'.

No limitation on issuing debt

Save as provided in Terms and Conditions of the ING Perpetual Securities II – 2. Status – (b)(iii) Senior Instruments, there is no restriction on the amount of debt which the Issuer may issue which ranks senior to the ING Perpetual Securities II or on the amount of securities which the Issuer may issue which ranks *pari passu* with the ING Perpetual Securities II. The issue of any such debt or securities may reduce the amount recoverable by Holders on a winding-up of the Issuer or may increase the likelihood of a deferral of Payments under the ING Perpetual Securities II.

Availability of shares

If the Issuer is to make a payment using the Alternative Coupon Satisfaction Mechanism and has an insufficient number of Ordinary Shares available for issue, then the Issuer's payment obligation shall be suspended to the extent of such insufficiency until such time as sufficient shares are available to satisfy all or part of the suspended payment obligation, as more particularly described in 'Terms and Conditions of the ING Perpetual Securities II – 6. Alternative Coupon Satisfaction Mechanism – (d) Insufficiency'.

Market Disruption Event

If, following a decision by the Issuer to satisfy a payment using the Alternative Coupon Satisfaction Mechanism, in the opinion of the Issuer a Market Disruption Event in respect of its Ordinary Shares exists, the payment to Holders may be deferred until the cessation of such market disruption, as more particularly described in 'Terms and Conditions of the ING Perpetual Securities II – 6. Alternative Coupon Satisfaction Mechanism – (e) Market Disruption'. Any such deferred payments shall bear interest at the Applicable Coupon Rate if the Market Disruption Event continues for 14 days or more.

Restricted remedy for non-payment

The sole remedy against the Issuer available to the Trustee or any Holder for recovery of amounts owing in respect of any Payment or principal in respect of the ING Perpetual Securities II will be the institution of proceedings for the winding-up of the Issuer and/or proving in such winding-up.

Set-off

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the ING Perpetual Securities II and each

Holder shall, by virtue of being the bearer of any ING Perpetual Security II, be deemed to have waived all such rights of set-off.

Absence of prior public markets

The ING Perpetual Securities II constitute an issue of new securities by the Issuer. Prior to this issue, there will have been no public market for the ING Perpetual Securities II. Although application has been made for the ING Perpetual Securities II to be listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V., there can be no assurance that an active public market for the ING Perpetual Securities II will develop and, if such a market were to develop, the Managers are under no obligation to maintain such a market. The liquidity and the market prices for the ING Perpetual Securities II can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and other factors that generally influence the market prices of securities.

SUMMARY

The following summary refers to certain provisions of the Terms and Conditions of the ING Perpetual Securities II and the Trust Deed and insofar as it refers to the Terms and Conditions of the ING Perpetual Securities II is qualified by the more detailed information contained elsewhere in this document. Defined terms used herein have the meaning given to them in 'Terms and Conditions of the ING Perpetual Securities II'.

Issuer ING Groep N.V.

Trustee Amsterdamsch Trustee's Kantoor B.V.

Issue Size € 750,000,000

Issue Price 100 per cent.

Redemption The ING Perpetual Securities II are perpetual securities and have no maturity date. The ING Perpetual Securities II may be redeemed in whole but not in part at the option of the Issuer, at their liquidation preference of € 100 per ING Perpetual Security II together with any Outstanding Payments on the Coupon Payment Date falling on 30 June 2013 or any Coupon Payment Date thereafter.

Interest The ING Perpetual Securities II will bear a variable rate of interest from (and including) the Issue Date which will be payable on each Coupon Payment Date (the '**Coupon Rate**'). The Coupon Rate payable from time to time in respect of the ING Perpetual Securities II will be determined on each Interest Determination Date for the next succeeding Coupon Period and shall be the linear interpolated effective yield calculated on the basis of the opening prices on the relevant Interest determination Date for two Dutch state loans with remaining terms most closely corresponding to 10 years (as from such Interest Determination Date) (the '**Reference Loans**') recalculated to a quarterly based rate, plus 0.50%. The first Interest Determination Date is two days before closing of the subscription period and the first Coupon Period runs from and including the Issue Date to but excluding 30 September 2003.

If on any Interest Determination Date no Reference Loans are available, the Coupon Rate payable on the ING Perpetual Securities II will be calculated on the basis of the interpolated effective yield on the relevant Interest Determination Date of two such other European government bonds as the Calculation Agent may, with the advice of three brokers of and/or market makers in, European government bonds selected by the Calculation Agent, determined to be appropriate for purposes of determining such Coupon Rate (the '**Substitute Reference Loans**').

If on any Interest Determination Date neither Reference Loans nor Substitute Reference Loans are available, the Coupon Rate payable on the ING Perpetual Securities II will be calculated on the basis of the interpolated effective yield on the relevant Interest Determination Date for two loans which are as much as possible identical in terms of yield, nature, remaining term and creditworthiness of the borrowers thereunder to the Reference Loans (the '**Comparable Bonds**').

Coupon Payment Dates	Subject as described below, Coupon Payments will be payable quarterly in arrear on 31 March, 30 June, 30 September and 31 December of each year (each a 'Coupon Payment Date') starting from (and including) 19 June 2003.
Subordination	The ING Perpetual Securities II constitute direct, unsecured and subordinated securities of the Issuer. The rights and claims of the holders under the ING Perpetual Securities II are subordinated to the claims of Senior Creditors. No payment in respect of the ING Perpetual Securities II shall be due and payable except to the extent that the Issuer is solvent and could make such payment and still be solvent immediately thereafter.
Winding-up Claims	In the event of the winding-up of the Issuer, the Holders will be treated as if they were the holders of the most senior class of preference shares outstanding from time to time with a liquidation preference of € 100 plus Outstanding Payments and otherwise having an equal right to a return of the assets of the Issuer in the winding-up to the holders of the ING Perpetual Securities II. Such class would rank junior to the claims of Senior Creditors and <i>pari passu</i> with Parity Securities.
Required Deferral of Payments	<p>If the Issuer determines, on the 20th Business Day prior to the date on which any Payment (such term does not include principal) would, in the absence of deferral in accordance with Condition 4 of the Terms and Conditions of the ING Perpetual Securities II, be due and payable and to the extent that payment of the relevant Payment will result in the Issuer being insolvent, the Issuer must defer such Payment.</p> <p>Such required deferred payment may be satisfied at any time by the Issuer giving not less than 16 Business Days notice of such satisfaction. Unless the Issuer elects to defer such Payment pursuant to its general right to defer referred to below, such required deferred payment must be satisfied on the Coupon Payment Date next following the 19th Business Day after the Issuer determines that it will meet the solvency test referred to in 'Terms and Conditions of the ING Perpetual Securities II– 2. Status – (b)(i) Condition of Payment by the Issuer'. No interest will accrue on required Deferred Coupon Payments.</p>
Optional Deferral of Payments	The Issuer may elect to defer any Payment (such term does not include principal) on the ING Perpetual Securities II for any period of time. However if the Issuer makes this election, the deferred payment will bear interest at the Applicable Coupon Rate for the full period of deferral.
Deferred and Future Interest Payments	Any Payment which has been deferred will become immediately due and payable if the Issuer makes payments on or purchases or redeems any Junior Securities or Parity Securities. Furthermore any payment on Ordinary Shares or any other Junior Securities will result in full mandatory payments for the next four coupon periods assuming such payment to be for a full year. Any payment on any Parity Securities will result in a proportional mandatory payment for the relevant number of consecutive coupon periods following the payment on such Parity Securities.
Alternative Coupon Satisfaction Mechanism	Any Deferred Coupon Payment (with any interest accrued on such Coupon Payment, as applicable) will be satisfied using the Alternative Coupon Satisfaction Mechanism. Investors will always receive payments made in respect of ING Perpetual Securities II in cash. However, the Issuer may elect at any time to satisfy its obligation to make any Payment (other than a payment of principal) to Holders by the issue of its Ordinary Shares in such

amount that, when the Ordinary Shares are sold, will provide enough cash for the Issuer to make full payments on the ING Perpetual Securities II in respect of the relevant Payment. The Calculation Agent will calculate in advance the number of Ordinary Shares that must be issued to raise the full amount of money due on the ING Perpetual Securities II on the Relevant Date to the Holders.

Insufficiency	The Issuer is required to keep available for issue enough Ordinary Shares as it reasonably considers would be required to satisfy from time to time the next year's Coupon Payment or Payments using the Alternative Coupon Satisfaction Mechanism.
Market Disruption Event	If, in the opinion of the Issuer, a Market Disruption Event in respect of its shares exists on or after the 15th Business Day preceding any date upon which the Issuer is due to satisfy a Payment using the Alternative Coupon Satisfaction Mechanism, the payment to Holders may be deferred until the Market Disruption Event no longer exists. Any such deferred payments shall bear interest at the Coupon Rate if the Market Disruption Event continues for 14 days or more.
Additional Amounts	The Issuer will pay additional amounts to Holders of the ING Perpetual Securities II to gross up Payments upon the imposition of Dutch withholding tax, subject to customary exceptions.
Redemption for Taxation Reasons	Upon the occurrence of certain changes in the treatment of the ING Perpetual Securities II for taxation purposes as described below, the Issuer may redeem all but not some only of the ING Perpetual Securities II at their principal amount together with any Outstanding Payments.
Redemption for Regulatory Reasons	If at any time following the Issuer becoming subject to capital adequacy regulations and securities of the nature of the ING Perpetual Securities II cease to qualify as Tier 1 Capital (or instruments of a similar nature which qualify as core capital) for the purposes of such capital adequacy regulations, then the Issuer may (subject to the prior consent of the relevant regulator) redeem all, but not some only, of the ING Perpetual Securities II at their principal amount together with any Outstanding Payments.
Remedy for Non-Payment	The sole remedy against the Issuer available to the Trustee or any Holder of ING Perpetual Securities II for recovery of amounts owing in respect of the ING Perpetual Securities II will be the institution of proceedings for the winding-up of the Issuer and/or proving in such winding-up.
Form	The ING Perpetual Securities II will be represented by a Global Security in bearer form (the 'Global Security'), without coupons, in the principal amount of € 750,000,000. The Global Security will be deposited with Necigef (<i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i>). The Global Security will not be exchangeable for definitive ING Perpetual Securities II in bearer form.
Clearing Systems	Necigef, Clearstream and Euroclear.
Selling Restrictions	The offering and sale of the ING Perpetual Securities II are subject to all applicable selling restrictions. See ' Subscription and Sale ' on page 47.

Listing	Application has been made to list the ING Perpetual Securities II on the Official Segment of the Stock Market of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V. It is anticipated that the ING Perpetual Securities II will be quoted as a percentage of its principal amount of € 100.
Ratings	The ING Perpetual Securities II are expected to be assigned, on issue, a Rating of 'A-' by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. and a rating of 'A2' by Moody's Investors Service. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.
Governing law	The ING Perpetual Securities II will be governed by, and construed in accordance with the laws of the Netherlands.

TERMS AND CONDITIONS OF THE ING PERPETUAL SECURITIES II

The following, subject to alteration, are the terms and conditions of the ING Perpetual Securities II which will be endorsed on the Global Security:

The ING Perpetual Securities II are constituted by the Trust Deed. The issue of the ING Perpetual Securities II was authorised pursuant to resolutions of the Executive Board of the Issuer passed on 25 February, 2003 and 5 June, 2003. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed. Copies of the Trust Deed, the Agency Agreement and the Calculation Agency Agreement are available for inspection during normal business hours by the Holders at the registered office of the Trustee, being at Olympic Plaza, Fred Roeskestraat 123, 1076 EE Amsterdam and at the specified office of each of the Paying Agents. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Agency Agreement and the Calculation Agency Agreement applicable to them.

1. Form, Denomination and Title

(a) Form and Denomination

The ING Perpetual Securities II are in bearer form and shall be in denominations of € 100 each. The ING Perpetual Securities II will be represented by a Global Security without Coupons, in the principal amount of € 750,000,000. The Global Security will be deposited with Necigef and thereby become subject to the Dutch Securities Giro Transfer Act (*Wet Giraal Effectenverkeer* 'WGE'). The Global Security will not be exchangeable for definitive bearer ING Perpetual Securities II.

(b) Transfer and Title

Interests in the Global Security will be transferable only in accordance with the provisions of the WGE and the rules and procedures for the time being of Necigef and its participants (*aangesloten instellingen*) and all transactions in (including transfer of) ING Perpetual Securities II, in the open market or otherwise must be effected through participants of Necigef. The bearer of a Global Security will be the only person entitled to receive payments in respect of the Global Security. Each person who is for the time being shown in the records of Necigef or any of its participants as the holder of a particular nominal amount of such ING Perpetual Securities II (each an 'Accountholder') (in which regard any certificate or other document issued by Necigef or such participant as to the nominal amounts of ING Perpetual Securities II standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agent as the holder of such nominal amount of such ING Perpetual Securities II for all purposes other than with respect to the payment of principal or interest on the ING Perpetual Securities II, for which purpose the bearer of the Global Security shall be treated by the Issuer and the Paying Agent as the holder of such ING Perpetual Securities II in accordance with and subject to the terms of the Global Security.

2. Status

(a) Status and Subordination of the ING Perpetual Securities

The ING Perpetual Securities II constitute direct, unsecured, subordinated securities of the Issuer and rank *pari passu* without any preference among themselves.

- (b) (i) *Condition of Payment by the Issuer:* The rights and claims of the holders under the ING Perpetual Securities II are subordinated to the claims of Senior Creditors, in that payments in respect of the ING Perpetual Securities II (and the issue of Ordinary Shares in accordance with Condition 6) are conditional upon the Issuer being solvent at the time of payment (or at the time of issue of such Ordinary Shares) by the Issuer and in that no principal or Payments shall be due and payable in respect of the ING Perpetual Securities II (including the issue of Ordinary Shares in accordance with Condition 6) except to the extent that the Issuer could make such payment (or make such issue of Ordinary Shares) and still be solvent immediately thereafter.

The Issuer shall be solvent if (a) it is able to pay its debts to Senior Creditors as they fall due and (b) its Assets exceed its liabilities (other than its liabilities to persons who are not Senior Creditors). For the purposes of this Condition 2(b)(i) any reference to a payment by the Issuer in respect of an ING Perpetual Security II shall be deemed to include a purchase of such ING Perpetual Security II by the Issuer.

- (ii) *Winding-Up Claims of the Issuer:* Amounts in respect of principal or Payments in respect of which the conditions referred to in Condition 2(b)(i) are not satisfied on the date up on which the same would otherwise be due and payable ('Winding-Up Claims') will be payable by the Issuer in a winding-up of the Issuer as provided in Condition 3 and on any redemption pursuant to Condition 7(b), 7(c) or 7(d). A Winding-Up Claim shall not bear interest.
- (iii) *Senior Instruments:* So long as any of the ING Perpetual Securities II remains outstanding, the Issuer agrees that it will not issue any preference shares (or other securities regardless of name or designation which are akin to preference shares as regards distributions on a return of assets on a winding-up of the Issuer or in respect of distribution or payment of dividends and/or any other amounts thereunder by the Issuer) or create any guarantee of or provide any contractual support arrangement in respect of any of its preference shares or such securities or in respect of any other entity if such preference shares, preferred securities, guarantees or contractual support arrangements would rank (as regards distributions on a return of assets on a winding-up of the Issuer or in respect of distribution or payment of dividends and/or any other amounts thereunder by the Issuer) senior to the ING Perpetual Securities II. This prohibition will not apply if the Trust Deed and the ING Perpetual Securities II are amended to ensure that the Trustee and the Holders obtain such of those rights and entitlements as are contained in or attached to such preference shares or preferred securities or under such guarantee or contractual support arrangements are required so as to ensure that the ING Perpetual Securities II rank *pari passu* with, and contain substantially equivalent rights of priority as to distributions or payments on, such preference shares or preferred securities or under such guarantee or contractual support arrangement as the Trustee shall in its absolute discretion determine to be not materially less beneficial to the interests of the Holders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).
- (iv) *Set-off:* Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the ING Perpetual Securities II and each Holder shall, by virtue of being the bearer of any ING Perpetual Security II, be deemed to have waived all such rights of set-off.

3. Winding-up

If at any time an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except in any such case a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business (as defined in the Trust Deed) of the Issuer, the terms of which reconstruction, amalgamation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution), there shall be payable by the Issuer in respect of each ING Perpetual Security II (in lieu of any other payment by the Issuer), such amount, if any, as if such Holder were the holder of one of a class of preference shares in the capital of the Issuer (the 'Notional Preference Shares') having an equal right to a return of assets in the winding up to and so ranking *pari passu* with the holders of the most senior class or classes of preference shares (if any) from time to time issued by the Issuer which have a preferential right to a return of assets in the winding-up over and so rank ahead of the holders of all other classes of issued shares for the time being in the capital of the Issuer, but ranking junior to the claims of Senior Creditors on the assumption that the amount that such Holder was entitled to receive in respect of each Notional Preference Share on a return of assets in such winding-up, were an amount equal to the liquidation preference of € 100 of the relevant ING Perpetual Security II and any other Outstanding Payments.

For the avoidance of doubt, on any winding-up of the Issuer, Holders are only entitled to receive in respect of each ING Perpetual Security II, any amount equal to the liquidation preference of such ING Perpetual Security II of € 100 and any other Outstanding Payments.

In a winding-up of the Issuer, Holders of the ING Perpetual Securities II will only have a claim for payment in full or part of principal and Deferred Coupon Payments, if any, to the extent that distributable assets of the Issuer are sufficient to pay in full or part such amount of principal and such Deferred Coupon Payments.

4. Deferrals

The Issuer must make each Coupon Payment on the relevant Coupon Payment Date subject to and in accordance with these Terms and Conditions. However, subject to Condition 4(c), the Issuer may defer a Coupon Payment and any other Payment in the following circumstances:

(a) Required Deferral of Payments

- (i) Subject to Condition 4(c) if, on the 20th Business Day preceding the date on which any Payment would, in the absence of deferral in accordance with this Condition 4, be due and payable, the Required Deferral Condition is met, any such Payment must (subject to Condition 6) be deferred by the Issuer giving notice (a 'Deferral Notice') to the Trustee, the Holders, the Principal Paying Agent and the Calculation Agent not less than 16 Business Days prior to such date.

Subject to Condition 4(c), if, following the deferral of a Payment by the Issuer under this Condition 4(a)(i), the Required Deferral Condition is no longer met on the 20th Business Day preceding a Coupon Payment Date, then the Issuer shall satisfy such Payment on the relevant Deferred Coupon Satisfaction Date having given, not less than 16 Business Days prior to the Deferred Coupon Satisfaction Date, notice to the Trustee, the Holders and the Calculation Agent that it will satisfy such Payment on such date.

- (ii) The Issuer shall not satisfy such Payment on the relevant Deferred Coupon Satisfaction Date referred to in Condition 4(a)(i) above, if:
 - (1) it has previously elected to satisfy such Payment earlier (provided that, at the time of satisfying such payment, the Required Deferral Condition fails to be met) by delivering a notice to the Trustee, the Holders, the Principal Paying Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date that it will satisfy such Payment on such date; or
 - (2) it validly elects to defer under Condition 4(b) the Payment which would otherwise have been satisfied under Condition 4(a)(i).
- (iii) If any Payment is deferred pursuant to this Condition 4(a) then no amount will be payable by way of interest on any such deferred Payment, save as provided in Condition 6(e).

Any such deferred Payment shall be satisfied by means (and, unless the prior consent of the relevant regulator obtained, only by means) of the issue of Ordinary Shares in accordance with Condition 6.

(b) Optional Deferral of Payments

- (i) Subject to Condition 4(c), the Issuer may in respect of any Payment which would, in the absence of deferral in accordance with this Condition 4, be due and payable, defer all or part of such Payment by giving a notice (also a 'Deferral Notice') to the Trustee, the Principal Paying Agent, the Calculation Agent and the Holders not less than 16 Business Days prior to the relevant due date. Subject to Condition 4(c), the Issuer may then satisfy any such Payment at any time by means (and, unless the prior consent of the relevant regulator is obtained, only by means) of an issue of Ordinary Shares in accordance with Condition 6

upon delivery of a notice to the Trustee, the Principal Paying Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date informing them of its election to so satisfy such Payment and specifying the relevant Deferred Coupon Satisfaction Date.

- (ii) If any Payment is deferred pursuant to this Condition 4(b) then such deferred Payment shall bear interest at the Applicable Coupon Rate from (and including) the date on which (but for such deferral) the Deferred Coupon Payment would otherwise have been due to be made to (but excluding) the relevant Deferred Coupon Satisfaction Date.
- (c) *Dividend Pusher; Mandatory Payments and Mandatory Partial Payments*
The Issuer may give a Deferral Notice under Condition 4(a) and 4(b) above in its sole discretion and for any reason, except that a Deferral Notice as to a Payment required to be paid pursuant to (i), (ii) or (iii) below shall have no force or effect.

The Issuer agrees that, beginning on the day the Issuer gives a Deferral Notice until all Deferred Coupon Payments are paid or satisfied in full, the Issuer will not recommend to its shareholders, and to the fullest extent permitted by applicable law will otherwise act to prevent, any action which would constitute a Mandatory Payment Event or a Mandatory Partial Payment Event.

The Issuer will be required to make payments on the ING Perpetual Securities II in the following circumstances:

- (i) If a Mandatory Payment Event or a Mandatory Partial Payment Event occurs then all Deferred Coupon Payments will become mandatorily due and payable in full on the date of the Mandatory Payment Event or Mandatory Partial Payment Event, notwithstanding any further Deferral Notice or an occurrence or continuance of the Required Deferral Condition.

Unless the prior consent of the relevant regulator is obtained, the Issuer may satisfy its obligations to pay such Deferred Coupon Payment only in accordance with the Alternative Coupon Satisfaction Mechanism. For the avoidance of doubt the Issuer will not be required to utilise the Alternative Coupon Satisfaction Mechanism in order to satisfy its obligation to pay any Mandatory Partial Payment payable on a Mandatory Partial Payment Date that coincides with the date on which such Deferred Coupon Payment has become mandatory due and payable in full.

- (ii) If a Mandatory Payment Event occurs, then subject as provided in the next sentence, the Coupon Payments payable on the next four Coupon Payment Dates will be mandatorily due and payable in full on such next Coupon Payment Date, notwithstanding any Deferral Notice as to such Coupon Payments or the occurrence or continuance of any Required Deferral Condition. If the Mandatory Payment Event is a payment on a Junior Security or on a Junior Guarantee or on a security benefitting from a Junior Guarantee which in each case is in respect of a semi annual dividend, then the Coupon Payments payable on only the next two Coupon Payment Dates will be mandatorily due and payable in full on such Coupon Payment Dates, notwithstanding any Deferral Notice as to such Coupon Payments or the occurrence or continuance of any Required Deferral Condition. The Issuer is permitted, but shall not be required, to satisfy its obligation to make the Coupon Payment payable on such Coupon Payment Date in accordance with the Alternative Coupon Satisfaction Mechanism.
- (iii) If a Mandatory Partial Payment Event occurs, then Mandatory Partial Payments will be mandatorily due and payable in respect of each ING Perpetual Security II, notwithstanding any Deferral Notice or an occurrence of the Required Deferral Condition. Such Mandatory Partial Payments shall be payable on the immediately next four consecutive Coupon

Payment Dates, the immediately next two consecutive Coupon Payment Dates or the immediately next Coupon Payment Date, as the case may be, after the occurrence of such Mandatory Partial Payment Event, depending on whether the Parity Securities pay dividends or income distributions on an annual basis, a semi annual basis or a quarterly basis, as the case may be. The Issuer is permitted, but shall not be required, to satisfy its obligation to pay any Mandatory Partial Payments in accordance with the Alternative Coupon Satisfaction Mechanism.

5. Coupon Payments

(a) *Coupon Payment Dates*

Subject to Condition 4(b)(ii), the ING Perpetual Securities II bear interest from (and including) the Issue Date. Such interest will (subject to Conditions 2(b)(i), 4(a), 4(b), 6(d) and 6(e)) be payable quarterly in arrear on each Coupon Payment Date. Each ING Perpetual Security II 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 prevailing rate in accordance with this Condition (both before and after judgment) as provided in the Trust Deed.

If any Coupon Payment Date would otherwise fall on a day which is not a Business Day the Coupon Payment shall be postponed to the next Business Day unless it would then fall into the next calendar month in which event the Coupon Payment shall be brought forward to the preceding Business Day and after the foregoing each subsequent Coupon Payment Date is the last Business Day of the month which falls three months after such Coupon Payment Date.

(b) *Coupon Rate*

The Coupon Rate payable from time to time in respect of the ING Perpetual Securities II will be determined on the basis of the following provisions:

- (i) the rate of interest payable from time to time in respect of the ING Perpetual Securities II will be determined on each Interest Determination Date for the next succeeding Coupon Period by the Calculation Agent on the Interest Determination Date in question. The Coupon Rate for the Coupon Period shall be the linear interpolated effective yield calculated on the basis of the opening prices on the relevant Interest Determination Date for two Dutch state loans with remaining terms most closely corresponding to 10 years (as from such Interest Determination Date) (the '**Reference Loans**') recalculated to a quarterly based rate plus 0.50%, whereby one Reference Loan has a remaining term shorter than 10 years and one Reference Loan a remaining term longer than 10 years;
- (ii) If on any Interest Determination Date no Reference Loans are available, the Coupon Rate payable on the ING Perpetual Securities II will be calculated on the basis of the interpolated effective yield on the relevant Interest Determination Date of two such other European government bonds as the Calculation Agent may, with the advice of three brokers of and/or market makers in European government bonds selected by the Calculation Agent, determined to be appropriate for purposes of determining such Coupon Rate (the '**Substitute Reference Loans**').
- (iii) If on any Interest Determination Date neither Reference Loans nor Substitute Reference Loans are available, the Coupon Rate payable on the ING Perpetual Securities II will be calculated on the basis of the interpolated effective yield on the relevant Interest Determination Date for two loans which are as much as possible identical in terms of yield, nature, remaining term and creditworthiness of the borrowers thereunder to the Reference Loans (the '**Comparable Bonds**').

(c) *Determination and Publication of Coupon Rate and Coupon Amounts*

The Calculation Agent will, upon the determination of each Coupon Rate pursuant to Condition 5(b), calculate the Coupon Amount and cause the Coupon Rate and each Coupon

Amount payable in respect of a Coupon Period to be notified to the Trustee, the Issuer, the Principal Paying Agent, Euronext Amsterdam N.V., Euronext Brussels S.A./N.V. and the Holders and to be published on the website of the Issuer as soon as possible after their determination but in no event later than the fourth Business Day thereafter.

Whenever it is necessary to calculate an amount of interest in respect of any ING Perpetual Security II for any Coupon Period, such interest shall be calculated by applying the Coupon Rate prevailing for such period to the principal amount of such ING Perpetual Security II, multiplying such sum by the actual number of days in the relevant period divided by 365 or, in the case of a period falling in a leap year, 366, and rounding the resultant figure to the nearest cent, half a cent being rounded upwards.

(d) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason (i) determine the Coupon Rate in accordance with Condition 5(b), or (ii) calculate a Coupon Amount in accordance with Condition 5(c), the Trustee or an agent on its behalf shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee or such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it or such agent can do so, and in all other respects it or such agent shall do so in such manner as it shall deem fair and reasonable in all the circumstances. All determinations or calculations made or obtained for the purposes of the provisions of this Condition 5(d) by or on behalf of the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all Holders and (in the absence of wilful default or bad faith) no liability to the Issuer and the Holders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6. Alternative Coupon Satisfaction Mechanism

(a) *Alternative Coupon Satisfaction Mechanism*

The Issuer may elect to satisfy any Payment in full or in part (in which case any reference in this Condition 6 to a 'Payment' shall be construed accordingly) through the issue of Ordinary Shares, which, when sold, will provide a cash amount sufficient to make payments due in respect of the relevant Payment in accordance with this Condition 6, in which case the Issuer shall notify, the Trustee, the Principal Paying Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Coupon Payment Date. In the absence of or save to the extent of such election and issue, subject to Condition 4(a) (*Required Deferral of Payments*) and Condition 4(b) (*Optional Deferral of Payments*), Payments must be satisfied in accordance with Condition 8(a), provided that if under Condition 4(a) (*Required Deferral of Payments*) the Required Deferral Condition is met the relevant Payment must be deferred unless (i) the Issuer is solvent again or (ii) a Mandatory Payment Event or a Mandatory Partial Payment Event occurs.

(b) *Issue of shares*

If any Payment is to be satisfied in accordance with the Alternative Coupon Satisfaction Mechanism then, subject to Conditions 6(d) and 6(e):

- (i) by close of business on or before the seventh Business Day prior to the relevant Coupon Payment Date or Deferred Coupon Satisfaction Date the Issuer will have authorised for issue such number of Ordinary Shares (the 'Payment Ordinary Shares') as, in the determination of the Calculation Agent, have a market value of not less than the relevant Payment to be satisfied in accordance with this Condition 6;
- (ii) the Calculation Agent will procure purchasers for such Ordinary Shares as soon as after above-mentioned authorisation for the issue of Ordinary Shares, but not later than the fourth Business day prior to the Relevant Date.

- (iii) if, after the operation of the above procedures, there would in the opinion of the Calculation Agent be a shortfall on the date on which the relevant Payment is due, the Issuer shall issue further Ordinary Shares in accordance with the provisions of the Trust Deed to ensure that a sum at least equal to the relevant Payment is available to make the Payment in full on the relevant due date provided that if, despite the operation of the aforementioned provisions, such a shortfall exists on the relevant due date the Issuer may, in accordance with the provisions of the Trust Deed either pay an amount equal to such shortfall as soon as practicable to the Trustee or continue, to issue Ordinary Shares until the Principal Paying Agent shall have received funds equal to the full amount of such shortfall.
- (c) *Receipt of cash proceeds in respect of Issue of Ordinary Shares satisfies Payment*
 Where the Issuer either elects or is required to make a Payment hereunder by issuing Ordinary Shares and in accordance with its obligations under the Trust Deed issues such shares, the Issuer will sell such shares in the market as instructed by the Calculation Agent. Receipt of the cash proceeds by the Issuer on the sale of the Ordinary Shares in the market by the Issuer shall, subject to Condition 6(b)(iii) and 6(e), be used to satisfy the relevant Payment or, as the case may be, in the circumstances referred to in (d) below, the relevant part of such Payment. The proceeds of sale of Ordinary Shares in accordance with this Condition 6 shall be paid by the Principal Paying Agent to the Holders in respect of the relevant Payment.
- (d) *Insufficiency*
 - (i) If the Issuer is to satisfy a Payment in accordance with this Condition 6 and does not, on the date when the number of Ordinary Shares required to be issued is determined in accordance with this Condition 6, have sufficient number of Ordinary Shares available for issue, then the Issuer shall notify the Trustee, the Principal Paying Agent, the Calculation Agent and the Holders that all or part, as the case may be, of the relevant Payment cannot be so satisfied due to the events described in this paragraph. In this case the Payment or part thereof shall be satisfied following the date of the next annual general meeting or extraordinary general meeting of shareholders of the Issuer at which a resolution is passed making a sufficient number of Ordinary Shares available to satisfy all or such part of the relevant Payment provided that if the number of Ordinary Shares authorised to be issued at any such meeting is insufficient to satisfy all or such part of the relevant Payment then those Ordinary Shares so issued shall be applied by the Issuer in part satisfaction of all or such part of the relevant Payment. Following the passage of any such resolution, the Issuer shall notify the Trustee, the Paying Agent, the Calculation Agent and the Holders of the date upon which the relevant Payment or, as the case may be, the part thereof is to be made in accordance herewith on not less than 16 Business Days' notice. The relevant Payment or, as the case may be, the part thereof which is not so satisfied shall, unless it is a required Deferred Coupon Payment which had been deferred under Condition 4(a) and has not been subsequently either satisfied or deferred in accordance with Condition 4(b), continue to accrue interest at the rate specified in Condition 4(b)(ii) from (and including) the date on which Payment would otherwise have been due to (but excluding) the date on which such Payment or part thereof is satisfied or, in the event of a Market Disruption Event, the date on which such Payment or part thereof would, but for the occurrence of such Market Disruption Event, have been satisfied (from which date interest (if any) will accrue on such Payment as provided in Condition 6(e)).
 - (ii) If, in the case of an insufficiency of Ordinary Shares, the Issuer does not hold an annual general meeting within 6 months of giving the above first-mentioned notice, at which a resolution to make a sufficient number of Ordinary Shares so available is proposed, the Trustee shall by notice require the Issuer to convene an extraordinary general meeting at which such a resolution shall be proposed on a date falling within 10 weeks of such notice from the Trustee.
 - (iii) In the event that any such resolution proposed at any such annual general meeting or extraordinary general meeting of the Issuer is rejected, such resolution will be proposed at

each annual general meeting or any extraordinary general meeting of the Issuer thereafter until such time as such resolution has been passed by the shareholders of the Issuer.

(e) *Market Disruption*

Notwithstanding the provisions of Condition 6(b), if there exists, in the opinion of the Issuer (subject, where necessary, to determinations made by the Calculation Agent), a Market Disruption Event on or after the 15th Business Day preceding any date upon which a Payment or, in the case of an insufficiency as provided in paragraph (d) above, part thereof is due to be made or satisfied in accordance with this Condition 6, then the Issuer may give a notice to the Trustee, the Principal Paying Agent, the Calculation Agent and the Holders as soon as possible after the Market Disruption Event has arisen or occurred, whereupon the relevant Payment shall be deferred until such time as (in the opinion of the Issuer) the Market Disruption Event no longer exists.

Any such deferred Payment or part thereof will be satisfied as soon as practicable following such time as the Market Disruption Event no longer exists. Interest shall not accrue on such deferred Payment or part thereof unless, as a consequence of the existence of a Market Disruption Event, the Issuer does not make the relevant Payment or part thereof for a period of 14 days or more after the due date therefor, in which case interest shall accrue on such deferred Payment or part thereof from (and including) the date on which the relevant Payment or part thereof was due to be made to (but excluding) the date on which such Payment or part thereof is made. Any such interest shall accrue at the rate provided for in Condition 5 and shall be satisfied only in accordance with this Condition 6 and as soon as reasonably practicable after the relevant deferred Payment is made. No liability shall attach to the Trustee or its agents if, as a result of a Market Disruption Event or any other event outside the control of the Trustee or any such agent, the Trustee or any such agent is unable to comply with the provisions of Condition 6(b).

(f) *Agents*

The Issuer will certify to the Trustee that the proceeds used to make any Deferred Coupon Payment have been funded through the issue of Ordinary Shares which will provide the cash amount due in respect of the Deferred Coupon Payment.

The Calculation Agent will agree to use its reasonable endeavours to procure purchasers for such number of Ordinary Shares that would be required, in its determination, to be issued and allotted to raise the proceeds of an amount not less than the relevant Deferred Coupon Payment to be satisfied.

The Calculation Agent will undertake the above mentioned role no less than 14 days prior to a Deferred Coupon Payment Date.

7. Redemption and Purchases

(a) *No Fixed Redemption Date*

The ING Perpetual Securities II are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Conditions 2 and 3 and without prejudice to the provisions of Condition 12) only have the right to repay them in accordance with the following provisions of this Condition 7.

(b) *Issuer's Call Option*

Subject to Condition 2(b)(i), the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 16 and to the Principal Paying Agent and the Trustee, which notice shall be irrevocable, elect to redeem all, but not some only, of the ING Perpetual Securities II on the Coupon Payment Date falling on 30 June 2013 or any Coupon Payment Date thereafter at their principal amount together with any Outstanding Payments.

(c) *Redemption due to Taxation*

If the Issuer satisfies the Trustee immediately prior to the giving of the notice referred to below that, on the next due date for a Coupon Payment:

- (i) the Issuer would, for reasons outside its control, be unable to make such payment without being required to pay additional amounts as provided or referred to in Condition 11; or
- (ii) payments of amounts in respect of interest on the ING Perpetual Securities II including, for the avoidance of doubt, the issue of Ordinary Shares pursuant to Condition 6, may be treated as 'distributions' within the meaning of Section II of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) (or such other Section and/or Act as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and such requirement or circumstance cannot be avoided by the Issuer taking such measures as it (acting in good faith) deems appropriate; or
- (iii) as a result of any change in or proposed change in, or amendment to or proposed amendment to, the laws of the Netherlands or any political subdivision or authority thereof having power to tax, or any change in or proposed change in the application of official or generally published interpretation of such laws, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such law or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written confirmation given by a tax authority in respect of the ING Perpetual Securities II, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by Act of Parliament or made by Statutory Instrument on or after 19 June, 2003, there is more than an insubstantial risk that the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any payment of interest including, for the avoidance of doubt, where the payment of interest is to be satisfied by the issue of Ordinary Shares, then the Issuer may (and subject to Condition 2(b)(i)), having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the ING Perpetual Securities II at their principal amount together with any Outstanding Payments.

Prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall deliver to the Trustee a certificate signed by a member of the Executive Board of the Issuer stating that the relevant requirement or circumstance referred to in paragraphs (i), (ii) or (iii) above is satisfied and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Holders.

(d) *Redemption for Regulatory Purposes*

At any time upon or after the Issuer becoming subject to capital adequacy regulations if the Issuer notifies the Trustee immediately prior to the giving of the notice referred to below that the relevant supervisor has determined that securities of the nature of the ING Perpetual Securities II can no longer qualify as Tier 1 Capital (or instruments of a similar nature which qualify as core capital) for the purposes of such capital adequacy regulations, then the Issuer may (subject to the prior consent of the relevant supervisor and Condition 2(b)(i)), having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable) redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the ING Perpetual Securities II at their principal amount together with any Outstanding Payments.

(e) *Purchases*

The Issuer, may (subject to Condition 2(b)(i)) at any time purchase ING Perpetual Securities II in any manner and at any price.

(f) *Cancellation*

Cancellation of any ING Perpetual Securities II so redeemed by the Issuer will be effected by reduction in the principal amount of the Global Security and may not be reissued or resold. ING Perpetual Securities II purchased by the Issuer, may be held, reissued, resold or, at the option of the Issuer, be cancelled by decreasing the number of ING Perpetual Securities II represented by the Global Security by an equal number. Any ING Perpetual Securities II so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such ING Perpetual Securities II shall be discharged.

8. Payments

(a) *Method of Payment*

- (i) Payments of principal and Coupon Amounts and all other payments on or in respect of the ING Perpetual Securities II will be in euro and will be calculated by the Calculation Agent and effected through the Paying Agents.

Payments of redemption amounts and interest in respect of the ING Perpetual Securities II will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the ING Perpetual Securities II, surrender of the Global Security to the order of the Paying Agent. A record of each payment will be endorsed on the appropriate part of the schedule to the Global Security by or on behalf of the Paying Agent, which endorsement shall be prima facie evidence that such payment has been made in respect of the ING Perpetual Securities II.

- (ii) The names of the initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain (aa) a Paying Agent having a specified office in the Netherlands (bb) for so long as the ING Perpetual Securities II are listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V., Euronext Brussels S.A./N.V., or any other stock exchange or regulated securities market and the rules of such exchange or securities market so require, a Paying Agent having a specified office in such location as the rules of such exchange or securities market may require and (cc) if a European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 comes into force, a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the Directive. Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 16.

(b) *Payments subject to fiscal laws*

All payments made in accordance with these Terms and Conditions will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11.

(c) *Payments on Business Days*

A Global Security may only be presented for payment on a day (other than a Saturday or a Sunday) on which (i) commercial banks are open for general business in Amsterdam and, if different, in the place of the specified office of the relevant Paying Agent to whom the Global Security is presented for payment and (ii) the Trans-European Real-time Gross settlement Express Transfer (TARGET) System is operating. No further interest or other payment will be made as a consequence of the day on which the Global Security may be presented for payment under this paragraph falling after the due date.

9. Pre-emption

The Issuer shall, from time to time, keep available for issue such number of Ordinary Shares as it reasonably considers would be required to be issued in order to satisfy the requirement to issue Payment Ordinary Shares in accordance with Condition 6 in connection with the next four Coupon Payments.

No damages will be payable for breach of this covenant but, in the event of breach by the Issuer of this Condition 9, the Trustee may require that the Issuer holds as soon as practicable an extraordinary general meeting of the shareholders of the Issuer at which a resolution is passed to remedy the breach.

The Trustee shall not be obliged to monitor compliance by the Issuer with this Condition and shall be entitled to assume, unless it has actual knowledge to be contrary, that the Issuer is complying with its obligations under this Condition.

10. Non-Payment when Due

Notwithstanding any of the provisions below in this Condition 10, the right to institute winding-up proceedings is limited to circumstances where payment has become due. Pursuant to Condition 2(b) and subject as provided in the next sentence no principal or Payment will be due by the Issuer if the Issuer is not solvent or would not be solvent if payment of such principal or Payment was made. Also, in the case of any Payment, such Payment will not be due if the Issuer has elected to defer that Payment pursuant to Condition 4(a) or 4(b) or if the circumstances referred to in any of Conditions 6(d) or 6(e) then apply. The Trust Deed contains provisions entitling the Trustee to claim from the Issuer, inter alia, the fees, expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The restrictions on commencing proceedings described below will not apply to any such claim.

- (a) If the Issuer shall not make payment in respect of the ING Perpetual Securities II for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed, and the ING Perpetual Securities II and the Trustee may, notwithstanding the provisions of paragraph (b) of this Condition 10, institute proceedings in the Netherlands (but not elsewhere) for the winding-up of the Issuer.
- (b) Subject as provided in Condition 9, the Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the ING Perpetual Securities II (other than for the payment of any principal or satisfaction of any Payments in respect of the ING Perpetual Securities II, including any payment under Clause 2.6 of the Trust Deed) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.
- (c) The Trustee shall not be bound to take any of the actions referred to in paragraph (a) or (b) above against the Issuer to enforce the terms of the Trust Deed or the ING Perpetual Securities II unless (i) it shall have been so requested by an Extraordinary Resolution or in writing by the holders of at least one-fifth in principal amount of the ING Perpetual Securities II then outstanding and (ii) it shall have been indemnified to its satisfaction.
- (d) No Holder shall be entitled to proceed directly against the Issuer, or to institute proceedings for the winding-up of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No remedy against the Issuer shall be available to the Trustee or any Holder (i) for the recovery of amounts owing in respect of the ING Perpetual Securities II (including any payment under Clause 2.6 of the Trust Deed), other than the institution of proceedings in the Netherlands (but not elsewhere) for the winding-up of the Issuer and/or proving in such winding-up and (ii) for the breach of any other term under the Trust Deed, the ING Perpetual Securities II other than as provided in paragraph (b) above.

11. Taxation

All payments by the Issuer of principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments, Accrued Coupon Payments and Winding-Up Claims in respect of the ING Perpetual Securities II will be made without withholding of or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the ING Perpetual Securities II in the absence of such withholding or deduction, except that no such additional amounts shall be payable in relation to any payment with respect to any ING Perpetual Security II:

- (a) to or to a third party on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such ING Perpetual Security II by reason of such Holder or, as the case may be, having some connection with the Netherlands other than the mere holding of such ING Perpetual Security II; or
- (b) to, or to a third party on behalf of, a Holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (c) to, or to a third party on behalf of, a Holder, that is a partnership, or a Holder, that is not the sole beneficial owner of the ING Perpetual Security II or which holds the ING Perpetual Security II in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (e) where such withholding or deduction is required to be made pursuant to any European Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 19 March 2003 as such conclusions may from time to time be amended or any law implementing or complying with, or introduced in order to conform to, such Directive.

References in these Terms and Conditions to principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments and/or Accrued Coupon Payments shall be deemed to include any additional amounts which may become payable pursuant to the foregoing provisions or any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.

In the event that any payment is satisfied through the issue of Ordinary Shares pursuant to Condition 6, then any additional amounts which are payable shall also be satisfied through the issue of Ordinary Shares.

12. Prescription

Claims for payment in relation to ING Perpetual Securities II will become void unless exercised within a period of 5 years from the Relevant Date.

13. Meetings of Holders, Modification, Waiver and Substitution

The Trust Deed contains provisions for convening meetings of Holders to consider any matter affecting their interests including the modification by Extraordinary Resolution of a modification of any of these Terms and Conditions or any of the provisions of the ING Perpetual Securities II, or the Trust Deed.

Any Extraordinary Resolution duly passed shall be binding on all Holders (whether or not they were present at the meeting at which such resolution was passed).

The Trustee may agree, without the consent of the Holders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Holders. Any such modification, authorisation or waiver shall be binding on the Holders and, if the Trustee so requires, such modification shall be notified to the Holders as soon as practicable thereafter in accordance with Condition 16.

As provided in the Trust Deed, the Trustee may agree with the Issuer, without the consent of the Holders to substitution on a subordinated basis equivalent to that referred to in these Terms and Conditions of any holding company of the Issuer, any subsidiary of such holding company, any Subsidiary, any successor in business of the Issuer or any subsidiary of any successor in business of the Issuer (the 'Substituted Issuer') in place of the Issuer (or any previous Substituted Issuer under this Condition 13) as a new issuing party under the Trust Deed, the ING Perpetual Securities II and the Coupons. In connection with any proposed substitution as aforesaid and in connection with the exercise of its functions, the trustee shall have regard to the interests of the Holders as a class and the Trustee shall not have regard to the consequences of such substitution for individual Holders resulting from in particular their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Holders as a class and shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders except to the extent already provided for in Condition 11 and/or any undertaking given in addition thereto or in substitution therefor under the Trust Deed.

14. Replacement of the ING Perpetual Securities II

Should the Global Security, be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (or such other place of which notice shall have been given in accordance with Condition 16) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity and/or as the Issuer may reasonably require. The mutilated or defaced Global Security must be surrendered before any replacement Global ING Perpetual Securities II will be issued.

15. The Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, without accounting for any profit resulting therefrom.

16. Notices

Notices to Holders may be given by the delivery of the relevant notice to Necigef except for so long as the ING Perpetual Securities II are listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V. and/or Euronext Brussels S.A./N.V. and the rules of Euronext Amsterdam N.V. and/or Euronext Brussels S.A./N.V. so require, notices shall also be published in the Euronext Amsterdam Official Daily List (Officiële Prijscourant) of Euronext Amsterdam N.V., in *De Financieel Economische Tijd* and in *L'Echo* and in newspapers having general circulation in The Netherlands and Belgium. Any such notice

shall be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Any Notice delivered to Necigef shall be deemed to have been given to the Holders on the day on which such notice is so delivered.

17. Further Issues

The Issuer is at liberty from time to time without the consent of the Holders to create and issue further ING Perpetual Securities II ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further ING Perpetual Securities II) and so that the same shall be consolidated and form a single series with the outstanding ING Perpetual Securities II. Any such ING Perpetual Securities II shall be constituted by a deed supplemental to the Trust Deed.

18. Agents

The Issuer will procure that there shall at all times be a Calculation Agent and a Principal Paying Agent so long as any ING Perpetual Security II is outstanding. If either the Calculation Agent or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Terms and Conditions or the Calculation Agency Agreement or the Agency Agreement, as appropriate, the Issuer shall appoint, on terms acceptable to the Trustee, an independent investment bank acceptable to the Trustee to act as such in its place. Neither the termination of the appointment of a Calculation Agent or the Principal Paying Agent nor the resignation of either will be effective without a successor having been appointed.

All calculations and determinations made by the Calculation Agent or the Principal Paying Agent in relation to the ING Perpetual Securities II shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents and the Holders.

None of the Issuer, the Trustee and the Paying Agents shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

19. Governing law and Jurisdiction

- (a) The Trust Deed and the ING Perpetual Securities II, are governed by, and shall be construed in accordance with, the laws of the Netherlands.
- (b) The Courts of the Netherlands are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the ING Perpetual Securities II, and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, and the ING Perpetual Securities II may be brought in such courts.

20. Definitions

In these Terms and Conditions:

'Accrued Coupon Payment' means, as at any time, where these Terms and Conditions provide that interest shall continue to accrue after a Coupon Payment Date in respect of an ING Perpetual Security II, the amount of interest accrued thereon in accordance with Conditions 4(b), 5, 6(d) and 6(e);

'Agency Agreement' means the agency agreement dated 17 June 2003 between the Issuer, the Trustee and the Paying Agents relating to the ING Perpetual Securities II under which each Paying Agent agrees to perform the duties required of it under these Terms and Conditions;

'Applicable Coupon Rate' means in relation to any Payment deferred pursuant to Condition 4(b) or Condition 6(e), the Coupon Rate payable on the ING Perpetual Securities II as determined by the Calculation Agent in accordance with Condition 5(b) for the Coupon Periods during which such Payment is deferred;

'Assets' means the non-consolidated gross assets of the Issuer as shown by the then latest published audited balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as the directors or, as the case may be, the liquidator may determine to be appropriate;

'Business Day' means a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open for general business in Amsterdam;

'Calculation Agency Agreement' means the calculation agency agreement dated 17 June 2003 between the Issuer, the Trustee and the Calculation Agent, relating to the ING Perpetual Securities II under which the Calculation Agent agrees to perform the duties required of it under these Terms and Conditions;

'Calculation Agent' means, as calculation agent in relation to the ING Perpetual Securities II, or its successor or successors for the time being appointed under the Calculation Agency Agreement;

'Coupon Amount' means (i) in respect of a Coupon Payment, the amount of interest payable on a ING Perpetual Security II for the relevant Coupon Period in accordance with Condition 5 and (ii) for the purposes of Conditions 7(c) and 7(d), any interest accrued from (and including) the preceding Coupon Payment Date (or, if none, the Issue Date) to (and including) the due date for redemption if not a Coupon Payment Date as provided for in Condition 5(b);

'Coupon Payment' means, in respect of a Coupon Payment Date, the aggregate Coupon Amounts for the Coupon Period ending on such Coupon Payment Date;

'Coupon Payment Date' means 31 March, 30 June, 30 September and 31 December in each year, starting 19 June 2003;

'Coupon Period' means the period commencing on (and including) the Issue Date and ending on (but excluding) the first Coupon Payment Date and each successive period commencing on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date;

'Coupon Rate' has the meaning ascribed to that term in Condition 5(a);

'Deferred Coupon Payment' means:

- (i) any Payment, or part thereof, which has been deferred in accordance with Condition 4(a) (Required Deferral of Payments) and has not subsequently been either (x) satisfied or (y) deferred in accordance with Condition 4(b) (Optional Deferral of Payments); or
- (ii) any Payment, or part thereof, which, pursuant to Condition 4(b) the Issuer has elected to defer and which has not been satisfied;

'Deferred Coupon Satisfaction Date' means:

- (i) with respect to a deferral under Condition 4(a)(i), the Coupon Payment Date following the 19th Business Day after the Required Deferral Condition fails to be met or, if earlier, the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Trustee, the Holders, the Principal Paying Agent and the Calculation Agent in accordance with Condition 4(a)(ii); or
- (ii) the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Trustee, the Holders, the Principal Paying Agent and the Calculation Agent in accordance with Condition 4(b); or

(iii) the date on which the Issuer is required to satisfy all Deferred Coupon Payments pursuant to Condition 4(c);

‘*Holder*’ means the bearer of any ING Perpetual Security II;

‘*ING Perpetual Securities II*’ means the € 750,000,000 ING Perpetual Securities II, and such expression shall include, unless the context otherwise requires, any further ING Perpetual Securities II issued pursuant to Condition 17 and forming a single series with the ING Perpetual Securities II;

‘*Interest*’ shall, where appropriate, include Coupon Amounts, Deferred Coupon Payments and Accrued Coupon Payments;

‘*Interest Determination Date*’ means the second Business Day before the commencement of each Coupon Period;

‘*Issue Date*’ means 19 June, 2003, being the date of initial issue of the ING Perpetual Securities II;

‘*Issuer*’ means ING Groep N.V.;

‘*Junior Guarantee*’ means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or Undertaking and ranking on a winding-up of the Issuer or in respect of distributions or payment of dividends or any other payment thereon after the ING Perpetual Securities II;

‘*Junior Securities*’ means the Ordinary Shares or any other securities of the Issuer which rank as regards distributions on a return of assets on a winding-up of the Issuer or in respect of distributions or payment of dividends or any other payments thereon, after the ING Perpetual Securities II;

‘*Liabilities*’ means the non-consolidated gross liabilities of the Issuer as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events and to such extent as the directors, the Auditors or, as the case may be, the liquidator may determine;

‘*Mandatory Partial Payment*’ payable on any Coupon Payment Date means a payment in respect of each ING Perpetual Security II in an amount that results in payment of a proportion of a full Coupon Payment on the ING Perpetual Security II on such Coupon Payment Date equal to the proportion of a full dividend on the relevant Parity Securities and/or payment on the relevant Parity Guarantee paid on the dividend or payment date in respect of the relevant Parity Securities and/or Parity Guarantee immediately preceding;

A ‘*Mandatory Payment Event*’ shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Ordinary Shares) on any of its Junior Securities or makes any payment on a Junior Guarantee;
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefitting from a Junior Guarantee or makes a payment (other than a dividend in the form of Ordinary Shares) on any security issued by it benefitting from a Junior Guarantee; or
- (iii) the Issuer or any Subsidiary or Undertaking redeems, purchases or otherwise acquires any of the Issuer’s Junior Securities, any Parity Securities or any securities issued by any Subsidiary or Undertaking benefitting from a Junior Guarantee or Parity Guarantee (other than (1) by conversion into or in exchange for Ordinary Shares, (2) in connection with transactions effected by or for the account of customers of the Issuer or any Subsidiary or in connection with the

distribution, trading or market making in respect of those securities, (3) in connection with the satisfaction by the Issuer or any Subsidiary of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (4) as a result of a reclassification of the Issuer or any Subsidiary or the exchange or conversion of one class or series of capital stock for another class or series of capital stock, or (5) the purchase of fractional interests in shares of the capital stock of the Issuer or any Subsidiary pursuant to the conversion or exchange provisions of that capital stock or the security being converted or exchanged) for any consideration, or any moneys are paid to or made available for a sinking fund or for redemption of any of any Junior Securities, Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee;

A ‘*Mandatory Partial Payment Event*’ shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment on any of its Parity Securities or makes any payment on a Parity Guarantee; or
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefitting from a Parity Guarantee or makes a payment on any security issued by it benefitting from a Parity Guarantee;

‘*Market Disruption Event*’ means (i) the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by Euronext Amsterdam N.V. or on settlement procedures for transactions in the Ordinary Shares on Euronext Amsterdam N.V. if, in any such case, that suspension or limitation is, in the determination of the Calculation Agent, material in the context of the sale of the Ordinary Shares, or (ii) in the opinion of the Issuer, there has been a substantial deterioration in the price and/or value of the Ordinary Shares or circumstances are such as to prevent or to a material extent restrict the issue or delivery of the Payment Ordinary Shares, or (iii) where, pursuant to these Terms and Conditions, moneys are required to be converted from one currency into another currency in respect of any Payment, the occurrence of any event that makes it impracticable to effect such conversion;

‘*Ordinary Shares*’ means ordinary shares of the Issuer or depository receipts issued in respect of such Ordinary Shares as the context may require;

‘*Outstanding Payment*’ means:

- (i) in relation to any Coupon Payment, Deferred Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment, that such payment (a) has either become due and payable or would have become due and payable except for the non-satisfaction on the relevant date of the conditions referred to in Condition 2(b)(i) or the deferral, postponement or suspension of such payment in accordance with any of Conditions 4(a), 4(b), 6(d) or 6(e) and (b) in any such case has not been satisfied and;
- (ii) in relation to any Accrued Coupon Payment, any amount thereof which has not been satisfied whether or not payment has become due;

‘*Parity Securities*’ means, in respect of the Issuer any preference shares of the Issuer or other securities regardless of name or designation which are akin to preference shares as regards distributions on a return of assets on a winding-up of the Issuer or in respect of distribution or payment of dividends and/or any other amounts thereunder by the Issuer and which rank *pari passu* with the ING Perpetual Securities II as regards such distributions or payments;

‘*Parity Guarantee*’ means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or an Undertaking which are akin to preference shares of the Issuer or other securities

(regardless of name or designation) of the Issuer or such Subsidiary or Undertaking and ranking on a winding-up of the Issuer or in respect of distributions or payment of dividends or any other payments thereon *pari passu* with the ING Perpetual Securities II;

‘*Paying Agents*’ means the paying agents appointed pursuant to the Agency Agreement and such term shall, unless the context otherwise requires, include the Principal Paying Agent;

‘*Payment*’ means any Coupon Payment, Deferred Coupon Payment, Accrued Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment;

‘*Payment Ordinary Shares*’ has the meaning ascribed to it in Condition 6(b);

‘*Principal Paying Agent*’ means the principal paying agent appointed pursuant to the Agency Agreement;

‘*Relevant Date*’ means (i) in respect of any payment other than a Winding-Up Claim, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent or the Trustee on or prior to such date, the ‘*Relevant Date*’ means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 16, and (ii) in respect of a Winding-Up Claim, the date which is one day prior to the commencement of the winding-up; the ‘*Required Deferral Condition*’ will be met if, in the determination of the Issuer, on the relevant date, the Issuer is, or payment of the relevant Payment by the Issuer will result in the Issuer being insolvent;

‘*Senior Creditors*’ means creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer but not further or otherwise, or (c) who are subordinated creditors of the Issuer other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders;

‘*Subsidiary*’ means a subsidiary of the Issuer within the meaning of Section 2 : 24a of the Dutch Civil Code;

‘*Trust Deed*’ means the trust deed dated 19 June 2003 between the Issuer and the Trustee;

‘*Trustee*’ means Amsterdamsch Trustee’s Kantoor B.V.;

‘*Undertaking*’ means a body corporate, partnership, limited partnership, Cooperative or an incorporated association carrying on a trade or business with or without a view to profit in which the Issuer has a direct or indirect financial, commercial or contractual majority interest; and

‘*Winding-Up Claim*’ has the meaning ascribed to it in Condition 2(b)(ii).

ING GROEP N.V.

PROFILE

ING Groep N.V., also called ING Group, is the holding company of a broad spectrum of companies (together called ING), offering banking, insurance and asset management products to over 60 million private, corporate and institutional clients in 60 countries. Originating from the Netherlands, ING now has a workforce of over 115,000 people worldwide. ING Group is a listed company and holds all shares of ING Bank N.V. and ING Verzekeringen N.V., which are non-listed 100% subsidiaries of ING Group.

INCORPORATION AND HISTORY

ING Groep N.V. was incorporated under Dutch law in the Netherlands on 21 January 1991 for an indefinite duration in the form of a public limited company as Internationale Nederlanden Groep N.V., also known as ING Group.

ING Group is the result of the merger between NMB Postbank Group and Nationale-Nederlanden in 1991. NMB Bank and Postbank, two leading Dutch banks, merged in 1989. The legal name of NMB Bank as holding company for the merged entities was changed into NMB Postbank Groep N.V. On 4 March 1991 NMB Postbank Groep N.V. merged with Nationale-Nederlanden N.V., the largest Dutch insurance group. On that date the newly formed holding company Internationale Nederlanden Groep N.V. honoured its offer to exchange the shares of NMB Postbank Groep N.V. and of Nationale-Nederlanden N.V. NMB Postbank Groep N.V. and Nationale-Nederlanden N.V. continued as sub-holding companies of Internationale Nederlanden Groep N.V. An operational management structure ensures a close co-operation between the banking and insurance activities, strategically as well as commercially. The sub-holding companies remain legally separate. After interim changes of names the statutory names of the above mentioned companies have been changed into ING Groep N.V., ING Bank N.V. and ING Verzekeringen N.V. on 1 December 1995.

The registered office is at Amstelveenseweg 500 (ING House), 1081 KL Amsterdam, the Netherlands. ING Groep N.V. is registered at the Chamber of Commerce of Amsterdam under no. 33231073. The articles of association were last amended by notarial deed executed on 2 July 2001. Changes in the articles of association were approved in the Shareholders' Meeting of 15 April 2003, which will be authenticated by a notarial deed, as we expect on 23 June 2003. According to its articles of association, the object of the company is to participate in, manage, finance, provide personal or real security for the obligations of and provide services to other business enterprises and institutions of any kind whatsoever, but in particular business enterprises and institutions which are active in the field of insurance, banking, investment and/or other financial services, and to do anything which is related to the foregoing or may be conducive thereto.

SUPERVISORY BOARD AND EXECUTIVE BOARD

ING Group has a two-tier board system, consisting of a Supervisory Board and an Executive Board. The Supervisory Board consists of independent non-executives. Its task is to supervise the policy of the Executive Board and the general course of events in the company and to assist the Executive Board by providing advice. The Executive Board is responsible for the daily management of the company. Their composition is as follows:

- Supervisory Board: Cor Herkströter (chairman), Luella Gross Goldberg, Paul van der Heijden, Claus Dieter Hoffmann, Aad Jacobs, Wim Kok, Godfried van der Lugt, Paul Baron de Meester, Johan Stekelenburg, Jan Timmer, Karel Vuursteen;
- Executive Board: Ewald Kist (chairman), Michel Tilmant (vice-chairman), Fred Hubbell, Hessel Lindenbergh*, Cees Maas (Chief Financial Officer), Alexander Rinnooy Kan.

* Hessel Lindenbergh will be retiring on July 1, 2003,

The business address of all members of the Supervisory Board and Executive Board is: ING Groep N.V., Amstelveenseweg 500 (ING House), P.O. Box 810, 1000 AV Amsterdam, The Netherlands.

KEY FIGURES AND SHARE CAPITAL

ING Group's key figures for the last five years were as follows:

	1998	1999	2000	2001	2002
Balance sheet (EUR x billion)					
Total assets	394.9	492.8	650.2	705.1	716.4
Investments	149.8	195.8	277.2	307.4	297.6
Lending	153.7	201.8	246.8	254.2	284.4
Insurance provisions	84.6	107.5	200.2	214.0	195.8
Shareholders' equity	29.1	34.6	25.3	21.5	18.3
Results (EUR x million)					
Income insurance operations	26,908	29,720	38,307	63,077	65,337
Income banking operations	8,415	9,876	11,302	11,111	11,201
Total income	35,307	39,584	49,568	74,163	76,521
Total expenditure	32,438	35,203	43,801	68,422	70,880
<i>Operational result before taxation</i>					
Insurance operations	2,065	2,400	3,162	3,571	4,173
Banking operations	804	1,981	2,605	2,170	1,468
	<u>2,869</u>	<u>4,381</u>	<u>5,767</u>	<u>5,741</u>	<u>5,641</u>
Operational net profit	2,103	3,229	4,008	4,252	4,253
Net profit	2,669	4,922	11,984	4,577	4,500

The authorised share capital of ING Group amounts to EUR 2,160 million, consisting of (a) three billion ordinary shares with a nominal value of EUR 0.24 each, (b) one hundred million 'A' preference shares with a nominal value of EUR 1.20 each, (c) two hundred million 'B' preference shares with a nominal value of EUR 1.20 each, (d) nine hundred million cumulative preference shares, with a nominal value of EUR 1.20 each. The issued and paid-up capital as at 31 March 2003 amounted to EUR 582.8 million, consisting of 1,992.9 million ordinary shares and 87.1 million 'A' preference shares.

MAIN DEVELOPMENTS IN 2002

Capital base strengthened

ING was able to absorb substantial book value losses caused by the continued fall of stock markets indices without the capital base of both the insurance and banking operations dropping below their internal minimum levels. These internal levels are well-above legally required levels. Nonetheless, in November, ING announced a series of measures to shore up the capital base in order to continue to be able to withstand potential future volatility of stocks and real estate. Through year-end 2002, USD 1.1 billion was raised by the issue of a subordinated perpetual loan and EUR 650 million by the sale of own shares that were unlocked after ING changed its method to hedge the price risk of employee stock options. The Annual General Meeting of Shareholders of 15 April 2003 has resolved to introduce optional cash/stock dividend as from the final dividend 2002 and fully fund the cash element by issuing and selling to the market the depositary receipts that would have been issued if stock would have been chosen instead of cash. Various other measures such as reduction of the risk-weighted assets of the banking operations also improve capital adequacy ratios. In addition, the risk of further negative revaluation of equity investments has been limited by hedging transactions to an amount of EUR 3 billion and the sale of equities to an amount of EUR 2 billion. End of period, the capital base of ING Verzekeringen N.V. amounted to EUR 14.7 billion, well in excess (169%) of the legally required level of EUR 8.7 billion. The tier-1 ratio and the BIS ratio of ING Bank N.V. ended the year at 7.31% and 10.98% respectively, both well above the regulatory required minimum levels of 4% and 8% respectively.

Corporate governance: one share, one vote

Pursuant to the decision of the Annual General Meeting of Shareholders of April 15, 2003, ING's corporate governance structure will undergo important changes, by the execution of the notarial deed amending the articles of association, shortly before or after the closing of the subscription period. The Dutch legal large company regime known as the structure regime will no longer be applied at ING Group level. As a result, rights of shareholders and depositary receipt holders at ING Group will be strengthened substantially. Shareholders will have the right to determine the annual accounts and to appoint the members of the Supervisory and Executive Boards. All depositary-receipt holders will also be treated as if they were shareholders and will be permitted to exercise voting rights. In addition, voting rights of shareholders and depositary receipt holders will also be extended by the introduction of proxy voting and proxy solicitation. Furthermore, all existing restrictions of voting rights will be abolished. The proposals effectively give ING a one share, one vote regime.

US insurance operations integrated

The reorganisation efforts in the US succeeded in reducing expenses by 17.5% or EUR 334 million in 2002. The total US workforce decreased by 16.4% or 1,810 FTEs since the third quarter of 2001, exceeding the 15% target reduction. By the end of 2002, most of the integration activities relating to the ReliaStar and Aetna Financial Services acquisitions were completed. Integration was designed to build more streamlined, market-focused US operations and create one integrated financial services platform ranking in the top-5 of the US market. Despite the significant impact on the US operational results from the weak markets, revenue synergies remained on track. Management responded to market impact and achieved cost savings of more than EUR 400 million in excess of forecasts made at the time of the acquisitions.

Further restructuring of international wholesale banking

In November 2002, ING announced the further restructuring of its international wholesale banking operations to improve profitability. The additional restructuring measures primarily address underperforming branches and businesses. To cover the expenses of these measures, a restructuring provision of EUR 128 million was charged to the profit and loss account in the third quarter 2002. The related workforce reduction by 1,000 full-time equivalents has been largely completed.

ING Direct: profitable in fourth quarter 2002

ING Direct (including DiBa) continued to grow strongly in 2002: it added 2.5 million new clients ending the year with more than five million clients. Funds entrusted increased by EUR 31 billion to EUR 55 billion. The combined operations of ING Direct in seven countries reached profitability in the fourth quarter of 2002, a year earlier than expected. ING Direct in Canada, Australia and the US reported a profit for the full year.

In February 2002, ING increased its shareholding in Germany's first and leading direct bank DiBa to 70%. DiBa acquired Degussa Bank in July adding 60,000 clients and EUR 2.4 billion in retail balances for EUR 110 million. In February 2003, ING announced the acquisition of Entrium, Germany's second largest direct bank with 965,000 clients and total assets of EUR 7.1 billion. The acquisition of Entrium is valued at EUR 300 million. The transaction is expected to close in 2003.

Double-digit growth of insurance operations in developing markets

The result from insurance operations in developing markets showed an increase of EUR 211 million (+44%) to EUR 690 million. Adjusted for the increased ownership in Mexico the increase was 37%. The growth in premium income (+34.5% in local currencies) was positively influenced by the inclusion of premiums from ING Comercial América and negatively influenced by the sale of Aetna Argentina in 2001. Excluding these items, premiums increased by 9.3%. Mexico, Taiwan and Korea accounted for 71% of the total results before tax and 77% of the total premium income. Poland, the Czech Republic, Mexico and Taiwan strongly improved their performance.

ING Investment Management now closely linked to distribution

To create the best possible conditions for close cooperation with the distribution channels, ING Investment Management – the largest asset management unit of ING – has been integrated in the regional executive centres of ING Americas, ING Asia/Pacific and ING Europe. Each executive centre now includes ING's three core businesses of insurance, banking and asset management. Following this step, ING Asset Management ceases to be a separate profit reporting unit as of 1 January 2003. A global ING Investment Management Board has been set up to ensure efficiency and the internal consistency of the investment strategies adopted in each of the regions.

ING enlarges its interest in ING Vysya Bank to 44%

In September 2002, ING finalised the purchase of an additional 24% stake in ING Vysya Bank Ltd. in India for approximately EUR 73 million, increasing its interest to 44%. The transaction marks the largest foreign direct investment by an international financial institution in an Indian Bank under the newly increased 49% cap on foreign direct investment in Indian banks. The acquisition of a larger stake in ING Vysya Bank demonstrates ING's intention to develop a robust bancassurance strategy in India. With management control having been transferred to ING, the bank was consolidated in the fourth quarter 2002.

Joint venture in Australia

In April 2002, ING and ANZ Bank, one of Australia's major banks, formed a funds management and a life insurance joint venture in Australia. The joint venture called ING Australia is 51%-owned by ING. ING Australia enjoys a 10% market share in retail life insurance and 8% in retail wealth management business. The formation of the joint venture resulted in a total net profit of EUR 469 million of which EUR 222 million was booked as operational net profit and the balance as non-operational non-distributable profit.

Second life company in China opened for business, mutual fund company to follow suit

ING and Beijing Capital Group agreed to establish a joint venture life insurance company in Dalian, China. The new joint venture will be known as ING Capital Life Insurance Company Ltd. Both companies own 50% of the joint venture. ING Capital Life opened for business in December 2002 in the city of Dalian by offering traditional life products. Just before year-end, China Merchants Fund Management Company, a joint venture of ING Investment Management and China Merchants Securities, was the first international joint venture to receive an operational license for selling mutual funds. As mutual funds are a relatively new concept in China, the company will start with simple and easy-to-understand funds investing in mainland bond and equity markets.

FIGURES FIRST QUARTER 2003 AND MAIN DEVELOPMENTS IN 2003, AS PUBLISHED ON 15 MAY 2003

To enable a clear perspective on the business performance, all figures given in this section following the paragraph Group net profit are exclusive of realised capital gains on shares in the first quarter 2002 and the negative revaluation reserve shares in the first quarter 2003. All comparable figures in this section relate to first quarter 2003 versus first quarter 2002, unless indicated otherwise.

Table 1. Key profit and loss figures ING Group

<i>in EUR x million</i>	Q1 2002	Q1 2003	% change	% organic change
Operating net profit				
- insurance operations	582	504	-13.4	- 7.2
- banking operations	349	398	+ 14.0	+ 19.7
Group operating net profit	931	902	-3.1	+ 3.3
Capital gains/negative revaluation reserve shares	+205	-735		
Net profit	1,136	167	-85.3	
 Total operating income	 20,174	 18,227	 -9.7	 + 4.2
- insurance operations	17,297	15,347	-11.3	+ 4.5
- banking operations	2,899	2,891	-0.3	+ 2.6
 Total operating expenses	 3,432	 3,159	 -8.0	 - 1.6
- insurance operations	1,379	1,189	-13.8	- 1.5
- banking operations	2,053	1,970	-4.0	- 1.6
 <i>in EUR</i>				
Operating net profit per share	0.48	0.46	-5.1	+ 1.2
Net profit per share	0.59	0.08	-86.4	

Group net profit affected by negative revaluation reserve shares

Net profit for the first quarter 2003 amounts to EUR 167 million, 85.3% less than a year ago. To a large extent, the decrease was caused by negative value adjustments of the revaluation reserve shares of EUR 735 million (EUR 613 million in insurance, EUR 122 million in banking). In the first quarter 2002, realised capital gains on shares amounted to EUR 205 million. The negative value adjustments reflect the fact that at 31 March 2003 the market value of the equity investment portfolio was below cost price. Accounting principles require such an unrealised loss to be charged to the profit & loss account. Ultimately, year-end closing prices at 31 December 2003 will determine whether or not the full year result for 2003 will be negatively impacted.

Operating net profit was 3.1% lower at EUR 902 million. The strengthening of the euro against most currencies strongly affected total income and total expenditure. The negative impact on operating net profit was EUR 60 million, including the mitigating effect of the dollar hedge of +EUR 25 million. Organically (excluding currency fluctuations and acquisitions/divestments), operating net profit increased by 3.3%.

The effective tax rate decreased from 24.1% to 19.4%, mainly caused by a deferred tax benefit in the Netherlands.

Insurance results lower in difficult market circumstances

The operating net profit from insurance operations decreased by 13.4% from EUR 582 million to EUR 504 million. The profit decrease reflects weak stock markets, low interest rates, lacklustre demand due to weak consumer confidence and the stronger euro. In line with management expectations, the result before taxation of the life operations in the US was substantially lower compared to the good first quarter 2002.

The operating result before taxation from life insurance business decreased from EUR 660 million to EUR 445 million (– 32.6%). Non-life results showed strong growth worldwide. The non-life operating result before taxation rose from EUR 120 million a year ago to EUR 167 million (+39.2%).

Total premiums decreased by 11.2% to EUR 12,550 million, but they increased organically by 5.3%. Organically, total expenses were 1.5% lower, despite a strong increase in pension costs (+EUR 12 million). The strengthening of the euro had a negative impact on the operating net profit from insurance of EUR 41 million.

Banking results are recovering

Operating net profit from the banking operations improved by 14.0% to EUR 398 million compared to a year ago. This figure marks a strong recovery from the EUR 45 million operating net profit in the fourth quarter 2002. The main drivers of the year-on-year increase are a higher interest result and lower expenses. The interest result increased strongly as the interest margin widened 7 basis points to 1.63% and volumes increased. Total expenses were 1.6% lower organically despite higher pension expenses (+EUR 11 million) and the impact of the collective labour agreement in the Netherlands. Risk costs increased by EUR 25 million to EUR 325 million, equal to 54 basis points of average credit risk-weighted assets. This is still high but in line with expectations and a strong improvement on the fourth quarter 2002. Currency fluctuations had a negative impact of EUR 19 million on operating net profit.

The efficiency ratio improved from 71.0% for the full year 2002 to 66.6% in the first quarter 2003 (both excluding ING Direct). The overall (pre-tax) RAROC figure of ING's banking operations was 18.8%, a strong improvement compared to the full year 2002 (13.2%).

ING Direct made a pre-tax profit of EUR 7 million against a loss of EUR 46 million a year ago.

Asset management under pressure from falling stock markets and stronger euro

The functional operating result before taxation from asset management activities was 41% lower at EUR 67 million. This figure is derived by breaking out the asset management profit contribution from the insurance and banking results.

Assets under management decreased by EUR 16.2 billion (–3.6%) to EUR 432.8 billion compared to year-end 2002. Net inflow was strong at EUR 6.1 billion. Falling stock markets had a negative impact of EUR 11.3 billion. The stronger euro lowered assets under management by EUR 10.9 billion.

The investment performance of ING's asset management businesses continues to be satisfactory. Compared to peers, 55% of assets under management ended up in the first and second quartile on a 5-year horizon. Twelve ING mutual funds have earned a top, i.e. five star rating from either Lipper or Morningstar rating agency and 60 ING funds have a four star rating.

Balance sheet

Shareholders' equity amounted to EUR 17.5 billion, end of March 2003, a decrease of 3.9% compared to year-end 2002 (see table 2 on page 35). The negative revaluation of equity and real estate investments was EUR 1.4 billion. Exchange rate fluctuations impacted shareholders' equity by –EUR 0.2 billion. First quarter operating net profit added EUR 0.9 billion. Shareholders' equity per share decreased from EUR 9.14 at year-end 2002 to EUR 8.79.

Table 2. Key balance sheet figures ING Group

<i>In EUR x billion</i>	Year-end 2002	31 March 2003	% change
Shareholders' equity	18.3	17.5	- 3.9
- insurance operations	10.8	9.9	
- banking operations	15.8	16.1	
- eliminations*	- 8.3	- 8.5	
Total assets	716.4	732.9	+ 2.3
Operating net return on equity	17.4%	20.4%	
- insurance operations	18.6%	19.5%	
- banking operations	6.5%	11.7%	
Total assets under management	449.0	432.8	- 3.6

* Own shares, subordinated loans, third-party interests, debenture loans and other eliminations.

Main developments in 2003

The risk of further falls in stock market prices has been limited further by hedging an additional EUR 2 billion of equity investments. This brings the total amount of *hedged equity investments* to EUR 4 billion, end of March 2003. On 8 May 2003, ING sold 80 million shares ABN AMRO, also reducing the vulnerability to stock market volatility. The gross proceeds of EUR 1.1 billion will be used to reduce the external debt of ING Verzekeringen N.V. (ING Insurance).

End of March 2003, the *capital base* of ING Insurance amounted to EUR 13.7 billion, 158% of the legally required level of EUR 8.7 billion. The tier-1 ratio and the BIS ratio of ING Bank were 7.27% and 10.78% respectively at the end of March 2003.

BBL rebranded to *ING Belgium* on 22 April 2003 after a period of thorough preparations that started in December 2001.

ING Direct continued its commercial success in seven countries with first quarter growth of funds entrusted of EUR 14.1 billion (26%) to a total of EUR 69.3 billion. ING Direct welcomed the 6 millionth customer in April 2003. On May 12, ING Direct was launched in the United Kingdom offering the ING Direct Savings Account with a highly competitive interest rate.

ING created a *Global Pension Steering Committee*. The committee will focus on capturing the long-term growth opportunity in the field of pensions for ING's retirement savings/benefits businesses worldwide. ING currently offers pension products in 30 countries around the globe and is advising several governments on pension reforms. ING wants to accelerate the growth of its pension business by leveraging its expertise and experience, for instance through the export of successful business concepts from one country to others.

Life insurance operations in developing markets showed a growth in premium income in local currency of approximately 20% and increased the result before taxation by almost 5% in local currencies.

In the *US*, the integration efforts in 2002 led to a reduction in expenses by 9% organically in the first quarter 2003. ING Netherlands made good progress in achieving optimum synergy and efficiency at the Dutch business units. For the years 2003 to 2005 this will result in a reduction of the workforce by approximately 1,000 – 1,500 full-time equivalents per year. It is expected that this reduction can be realised through attrition.

ING sells 49% stake in joint venture Seguros Bital (Mexico)

On 16 May, 2003, ING announced the sale of its 49% shareholding in Seguros Bital to Grupo Financiero Bital, S.A. (GFBital) for USD 148 million. GF Bital is a wholly owned subsidiary of HSBC Holdings, plc. The completion of the transaction is anticipated in the third quarter of 2003 and is subject to

regulatory approvals. Seguros Bital is active in bancassurance and is a multi-line insurance company focused on the personal customer market. Together with HSBC, ING will explore alternative options to continue certain aspects of the commercial relationship between Seguros Bital and ING. Over the last seven years, ING has become an insurance leader in the Mexican market through its subsidiary ING Comercial América, the largest insurance company in the country.

OUTLOOK 2003, AS PUBLISHED ON 15 MAY 2003

In view of the current economic uncertainties, the Executive Board will not make a forecast for ING's 2003 full year results. The Executive Board remains convinced that ING Group has a solid base in core markets, is well-positioned in growth markets, will continue to exploit its many synergy opportunities successfully and is adequately responding to today's difficult market conditions.

Full press release

The full press release on the first quarter figures 2003 is considered to be an integral part of this Offering Circular. It can be viewed and downloaded at www.ing.com/group.

CONSOLIDATED BALANCE SHEET OF ING GROUP AS AT 31 DECEMBER

(before profit appropriation)

<i>in EUR x million</i>	2001	2002	% change
Assets			
Tangible fixed assets	2,032	1,415	– 30.4
Participating interests	2,628	2,883	+ 9.7
Investments	307,446	297,581	– 3.2
Lending	254,214	284,448	+ 11.9
Banks	54,083	45,682	– 15.5
Cash	9,264	11,421	+ 23.3
Other assets	49,775	51,186	+ 2.8
Accrued assets	25,677	21,754	– 15.3
Total	705,119	716,370	+ 1.6
Equity and liabilities			
Shareholders' equity	21,514	18,254	– 15.2
Preference shares of Group companies	2,542	2,146	– 15.6
Third-party interests	1,461	1,959	+ 34.1
Group equity	25,517	22,359	– 12.4
Subordinated loan	600	2,412	+ 302.0
Group capital base	26,117	24,771	– 5.2
General provisions	4,587	3,489	– 23.9
Insurance provisions	213,986	195,831	– 8.5
Funds entrusted to and debt securities of the banking operations	276,367	319,824	+ 15.7
Banks	107,810	96,267	– 10.7
Other liabilities	63,349	65,397	+ 3.2
Accrued liabilities	12,903	10,791	– 16.4
Total	705,119	716,370	1.6

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

<i>in EUR x million</i>	Insurance operations		Banking operations		Total*		% change
	2001	2002	2001	2002	2001	2002	
Premium income	50,460	52,284			50,460	52,284	+ 3.6
Income from investments of the insurance operations for own risk	10,336	10,926			10,262	10,853	+ 5.8
Interest result			6,072	7,646	6,121	7,702	+ 25.8
Commission	1,431	1,345	2,765	2,615	4,196	3,960	– 5.6
Other income	850	782	2,274	940	3,124	1,722	– 44.9
Total income	63,077	65,337	11,111	11,201	74,163	76,521	+ 3.2
Underwriting expenditure	52,782	54,966			52,782	54,966	+ 4.1
Other interest expenses	1,290	1,305	5		1,270	1,288	+ 1.4
Operating expenses	5,434	4,893	8,186	8,298	13,620	13,191	– 3.1
Additions to the provision for loan losses			750	1,435	750	1,435	+ 91.3
Total expenditure	59,506	61,164	8,941	9,733	68,422	70,880	+ 3.6
Operational result before taxation	3,571	4,173	2,170	1,468	5,741	5,641	– 1.7
Taxation	688	723	477	333	1,165	1,056	– 9.4
Third-party interests	73	92	251	240	324	332	+ 2.5
Operational net profit	2,810	3,358	1,442	895	4,252	4,253	0.0
Non-operational results:							
Result on sale of investments re financing of acquisitions	325				325		
Part of the gain on joint-venture ANZ		280				280	
Non-operational results before taxation	325	280			325	280	
Taxation on non-operational results		33				33	
Non-operational net profit	325	247			325	247	
Net profit	3,135	3,605	1,442	895	4,577	4,500	– 1.7

* Including intercompany eliminations.

CAPITALISATION OF ING GROUP

The following table sets forth the capitalisation of ING Group on 31 December, 2002

	31 December 2002
<i>(in EUR x million)</i>	
Short term debt	401,271
Long term debt	80,216
Subordinated loans	2,412
Minority interests	1,959
Preference shares of Group companies	2,146
Shareholders' equity:	
Preference shares	104
Ordinary shares	479
Other surplus reserves	17,671
Total equity	18,254
Total capitalisation	104,987

Since 31 December 2002, the following subordinated notes were issued by ING Group:

<i>(amounts in millions)</i>				<i>Amount in EUR</i>
Base currency	Base Amount	Duration	Interest	
USD	1,000	2003/2015	5.125%	<u>877</u>
Total				877

AUDITORS' REPORT

We have audited the consolidated balance sheets and the consolidated profit and loss accounts of ING Groep N.V., Amsterdam, for the year 2002 and the year 2001 as incorporated in this Offering Circular on pages 36 and 37. The consolidated balance sheets and consolidated profit and loss accounts were derived from the annual accounts of ING Groep N.V. for 2002. In our auditors' report dated 10 March 2003 we expressed an unqualified opinion on these annual accounts.

The consolidated balance sheets and the consolidated profit and loss account are the responsibility of the company's management. Our responsibility is to express an opinion on the consolidated balance sheets and the consolidated profit and loss accounts.

In our opinion the consolidated balance sheets and the consolidated profit and loss accounts are consistent, in all material respects, with the annual accounts from which they were derived.

For a better understanding of the company's financial position and results of its operations for the period and of the scope of our audit, the consolidated balance sheets and consolidated profit and loss accounts should be read in conjunction with the annual accounts from which the consolidated balance sheets and the consolidated profit and loss accounts were derived and our auditors' report thereon dated 10 March 2003.

Ernst & Young Accountants
Amsterdam, The Netherlands
17 June 2003

NETHERLANDS TAXATION

ING Perpetual Securities II

This section provides a general summary of the material Dutch tax issues and consequences of acquiring, holding, redeeming and/or disposing of the ING Perpetual Securities II. This summary provides general information only and is restricted to the matters of Dutch taxation stated herein. The information given below is neither intended as tax advice nor purports to describe all of the tax considerations that may be relevant to a prospective purchaser of the ING Perpetual Securities II.

The prospective purchaser should consult his or her own tax advisor regarding the Dutch tax consequences of acquiring, holding, redeeming and/or disposing of the ING Perpetual Securities II.

This summary is based on the tax legislation, published case law, and other regulations in force as at 14 May 2003, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

We assume that the holders of the ING Perpetual Securities II do not hold a substantial interest in ING Groep N.V. Generally speaking, an interest in the share capital of ING Groep N.V. should not be considered a substantial interest if the holder of such interest, and, if the holder is a natural person, his or her spouse, registered partner, certain other relatives or certain persons sharing the holder's household, alone or together, does or do not hold, 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 ING Groep N.V.

Withholding tax

All payments by ING Groep N.V. in respect of the ING Perpetual Securities II can be made without withholdings or deductions for or on account of any taxes, duties or charges of any nature whatsoever that are or may be withheld or assessed by the Dutch tax authorities, any political subdivision thereof or therein or any of their representatives, agents or delegates.

Taxes on income and capital gains

Residents of the Netherlands

Income received from an ING Perpetual Security II or a gain realized on the disposal or redemption of an ING Perpetual Security II, by a holder of an ING Perpetual Security II who is a resident of the Netherlands and who is subject to Dutch corporate income tax, is generally taxable in the Netherlands.

Income received from an ING Perpetual Security II or a gain realized on the disposal or redemption of an ING Perpetual Security II, by a holder of an ING Perpetual Security II who is an individual who is a resident or a deemed resident of the Netherlands or has opted to be treated as a resident of the Netherlands, will be subject to Dutch individual income tax at progressive personal income tax rates up to 52% (2003 rate) if:

- (i) the individual carries on a business to the assets of which such ING Perpetual Security II is attributable, or
- (ii) such income or gain is attributable to the individual's activities, other than business activities, which include the use of that individual's special knowledge or activities performed by that individual with respect to the ING Perpetual Security II as a result of which such individual can make a return on the ING Perpetual Security II that is in excess of the return on regular portfolio management (*'belastbaar resultaat uit overige werkzaamheden in Nederland'*).

If the conditions set out in paragraphs i. and ii. above do not apply to an individual holder of an ING Perpetual Security II, income received from an ING Perpetual Security II or gains realized on the disposal or redemption of an ING Perpetual Security II are not taxable. Instead, the return on investments and savings is set at 4% (2003 rate) of the average value of the holder's net worth (including the

ING Perpetual Securities II, if any) in a calendar year after taking into consideration a certain limited threshold. The average value is calculated by dividing by two the aggregate of the value of the net worth (including the ING Perpetual Securities II, if any) at the beginning of the calendar year and the end of the calendar year. The deemed return of 4% is then subject to personal income tax at the rate of 30% (2003 rate). All in all, the value of the holder's average net worth (including the ING Perpetual Securities II, if any) in a calendar year is taxed at an effective rate of 1.2% irrespective of the income received or gain realized.

Non-residents of the Netherlands

A holder of an ING Perpetual Security II who is neither resident nor deemed to be resident in the Netherlands nor has opted to be treated as a resident in the Netherlands who receives income from an ING Perpetual Security II, or who realizes a gain on the disposal or redemption of the ING Perpetual Security II, will not be subject to Dutch taxation on income or capital gains, unless:

- (i) such income or gain is attributable to an enterprise or deemed enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in the Netherlands;
- (ii) the holder is an individual, and such income or gain is attributable to his or her activities in the Netherlands (as described in paragraph ii. above under the heading '**Residents of the Netherlands**'), other than business or employment activities ('*belastbaar resultaat uit overige werkzaamheden in Nederland*');;
- (iii) the holder performs or has performed employment activities in the Netherlands, or performs or has performed employment activities outside the Netherlands for remuneration that is subject to Dutch payroll tax and social security contributions, and such income or capital gains, qualify as income from these employment activities; or
- (iv) the holder is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities or through an employment contract, and to which enterprise the ING Perpetual Securities II are attributable.

Taxation of gifts and inheritances

Residents of the Netherlands

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of an ING Perpetual Security II by way of a gift by, or on the death of, a holder of an ING Perpetual Security II who is a resident or deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax at the date of the gift or his or her death. An individual of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax if he or she has been a resident in the Netherlands at any time during the 10 years preceding the date of the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of Dutch gift tax only if he or she has been resident in the Netherlands at any time during the 12 months preceding the date of the gift.

Non-residents of the Netherlands

There will be no Dutch gift or inheritance tax levied in the Netherlands on the acquisition of an ING Perpetual Security II by way of gift by, or on the death of, a holder of an ING Perpetual Security II, if the holder at the time of the gift or time of death is neither a resident nor a deemed resident of the Netherlands, unless:

- (i) at the time of the gift or death, an ING Perpetual Security II can be attributed to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in the Netherlands; or
- (ii) the holder of an ING Perpetual Security II dies within 180 days of making the gift, and at the time of death is a resident or deemed resident of the Netherlands.

Value added tax

No value added tax will be due in the Netherlands in respect of payments made in consideration for the issue of an ING Perpetual Security II, whether in respect of payments of interest and principal or in respect of the transfer of an ING Perpetual Security II.

Other taxes

There will be no registration tax, capital contribution tax, customs duty, stamp duty, real estate transfer tax or any other similar tax or duty due in the Netherlands in respect of or in connection with the issue, transfer, execution or delivery by legal proceedings of the ING Perpetual Securities II or the performance of ING Groep N.V.'s obligations under the relevant documents.

However, capital contribution tax will be payable by ING Groep N.V. upon the issue of Ordinary Shares by ING Groep N.V. on the basis of the Alternative Coupon Satisfaction Mechanism.

Residency

A holder of an ING Perpetual Security II will not become, and will not be deemed to be, resident in the Netherlands merely by virtue of holding such ING Perpetual Security II or the execution, performance, and/or delivery of any relevant documents.

Proposed European Union Savings Directive

The Council of the European Union adopted a Council Directive on 3 June 2003 regarding the taxation of savings income in the form of interest payments. The Directive must be implemented by 1 January 2005 provided a number of important conditions are met, and, if implemented will require that a Member State supply to the tax authorities of another Member State details of payments of interest or other similar income paid by an economic operator within its jurisdiction to an individual resident in that other Member State. However, certain Member States may have the right to opt instead for a withholding system in relation to such payments for a transitional period.

SPECIFIC INFORMATION FOR THE BELGIAN MARKET

GENERAL INFORMATION

This prospectus was approved by Euronext Amsterdam N.V. on 19 May 2003 and was recognised by the 'Commissie voor het Bank- en Financiewezen' on 19 May 2003 in accordance with article 34bis, §1 of the Royal Decree nr. 185 of 9 July 1935 on the control on banks and the issue regime for securities and articles 1 and 8 of the Royal Decree of 14 November 1991 on the mutual recognition within the European Community of the prospectus published in relation to a public offering and of the prospectus published in relation to the listing on a stock exchange.

This recognition does not entail an assessment of the advisability and quality of the transaction, nor of the condition of the person who executes it.

(1) Subscription period

From 23 May to and including 13 June 2003, subject to an early termination.

(2) Account banks and financial services in Belgium

ING Perpetual Securities II can be subscribed to in Belgium in all ING offices.

ING België N.V. gratuitously provides the financial service in Belgium.

No custody fee will be charged for ING Perpetual Securities II that are held on a securities account with ING Bank N.V. or ING België N.V.

Subscriptions can also be submitted through other financial intermediaries. Interested investors must inform themselves of the potential cost that this can bring about.

(3) Payment date

The subscription price is payable in cash at the time of the subscription.

Payments will be debited from a current account with value date 19 June 2003.

The ING Perpetual Securities II shall be delivered into the securities account that has been designated by the subscriber on the payment date.

(4) Reduction of subscriptions

If the number of ING Perpetual Securities II validly subscribed exceeds the number of ING Perpetual Securities II that are offered in the context of this public offer, a reduction of the orders can be applied in accordance with objective criteria.

(5) Issue costs

The issue costs borne by the Issuer amount to $\pm 2\%$ of the total amount of the issue.

(6) Free transferability of the ING Perpetual Securities II

The ING Perpetual Securities II are created as freely transferable securities, subject to all applicable selling restrictions (see Subscription and Sale on page 47).

The ING Perpetual Securities II will be listed on the stock market of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V. under the category 'bonds'. These listings will allow you to sell or buy the ING Perpetual Securities II at any given time. When selling or buying the ING Perpetual Securities II the accrued interest as from the last payment date will be settled separately.

Further trading could generate costs such as brokerage fees. Potential investors should therefore inform themselves accordingly before subscribing to the ING Perpetual Securities II.

The cost upon further trading through ING België N.V. is currently 0,5% of the sale or purchase price increased by the tax on stock market transactions ('TOB') and EUR 4,96 statement costs ('borderel kost/ frais de bordereau').

Other tariffs may apply when further trading through other financial intermediaries.

(7) Publication of notices to holders of ING Perpetual Securities II

Notices to holders of ING Perpetual Securities II in Belgium shall be published in '*De Financieel Economische Tijd*' and in '*L'Echo*' at the latest 15 days after a specific fact has occurred which requires a publication.

The notice prescribed by article 29 § 1 of the Royal Decree number 185 of 9 July 1935 has been published.

BELGIAN TAXATION

The following is a broad summary of the implications for an investor of acquiring, holding and transferring ING Perpetual Securities II, from the perspective of the tax law of the Kingdom of Belgium as at the date hereof. This summary is of a general nature and for information purposes only; it is not exhaustive. Therefore, prospective investors and holders of the ING Perpetual Securities II should consult their professional advisers.

(1) Belgian income taxes

(a) Individuals

(i) Individuals resident in Belgium

Individuals who are resident in Belgium for tax purposes and who hold the ING Perpetual Securities II as a private (i.e. non-professional) investment are taxable on the interest income generated by the ING Perpetual Securities II. Among others, interest income refers to the Coupon Amounts, to the Alternative Coupon Satisfaction, to the interest on optionally Deferred Payments, and to the additional payments in case of Dutch taxation (but the Dutch taxation itself would in principle be excluded). Interest income also includes any amount earned or returned in excess of the Issue Price.

If a Belgium based professional intermediary (bank, broker) is involved in the payment of the interest income, that professional intermediary must withhold a withholding tax of 15%. In that case, the withholding tax represents the final income tax on the interest income.

If no Belgium based professional intermediary (bank, broker) is involved in the payment of the interest income, or if otherwise no Belgian withholding tax is withheld, the individual investor who is subject to Belgian individual income tax will have to disclose the interest income in his or her tax return, and will be liable to a tax of 15% plus additional local taxes.

A gain realised by selling or transferring the ING Perpetual Securities II (but not by selling or transferring the ING Perpetual Securities II to the Issuer and not as a result of the Redemption of the ING Perpetual Securities II) is not taxed, except if considered a speculative gain. However, the portion of the sales or transfer price that reflects interest income accrued but not yet paid or payable, is treated as taxable interest income (see above), irrespective of whether the sale or transfer of the ING Perpetual Securities II results in an actual gain or loss. Also the positive difference between the (i) amount payable to the investor in case of Redemption or Purchase or any other sale or transfer of the ING Perpetual Securities II to the Issuer [e.g. the Optional Redemption Price] and (ii) the Issue Price, will also be treated as taxable interest income. In these two cases, part of the sales or transfer proceeds are treated as taxable interest because of the (likely) characterisation of the ING Perpetual Securities II as 'fixed income securities' for Belgian tax purposes.

The individual investor who holds the ING Perpetual Securities II as a private (i.e. non-professional) investment is not entitled to any tax deduction for losses or expenses in connection with the ING Perpetual Securities II.

(ii) Non-resident individuals

Individuals who are not resident in Belgium for tax purposes but who deposit the ING Perpetual Securities II through a securities account with a Belgian financial institution may claim an exemption from the Belgian withholding tax the Belgian financial institution would otherwise have to withhold, if they have certain ownership rights over the ING Perpetual Securities II and if they do not use the ING Perpetual Securities II for a professional activity in Belgium. For purposes of the exemption, they will have to fill out and present an appropriate tax form.

(b) *Companies*

(i) Companies resident in Belgium and Securities used for activity in Belgium

Companies that have their tax residence in Belgium and that are subject to corporate income tax, and companies (or similar entities) that do not have their tax residence in Belgium but hold the ING Perpetual Securities II through an 'establishment' (or 'permanent establishment') in Belgium, are liable to income tax on any income or profit from the ING Perpetual Securities II. This income tax takes the form of a corporate tax at a standard rate of 33,99%. In case a Belgium based professional intermediary (bank, broker, ...) is involved in the payment of the interest income, the companies may claim an exemption from the withholding tax the intermediary would otherwise have to withhold. For purposes of the exemption, they will have to fill out and present an appropriate tax form. If the exemption is not available, the companies are entitled to a tax credit that is proportionally limited to the interest period during which they had full ownership over the ING Perpetual Securities II.

Also, all gains realised in respect of the ING Perpetual Securities II, whether or not at Redemption, at Purchase or by selling or transferring the ING Perpetual Securities II to the Issuer or to any other person or entity, are fully subject to corporate tax. Losses and expenses may however be tax deductible.

(ii) Securities not used for activity in Belgium

Companies (or similar entities) that are not resident in Belgium for tax purposes but that deposit the ING Perpetual Securities II through a securities account with a Belgian financial institution may claim an exemption from the Belgian withholding tax the Belgian financial institution would otherwise have to withhold, if they have certain ownership rights over the ING Perpetual Securities II and if they do not use the ING Perpetual Securities II for their activity in Belgium. For purposes of the exemption, they will have to fill out and present an appropriate tax form.

(c) *Non-profit entities*

(i) Entities resident in Belgium

Entities that are subject to Belgian income tax for legal entities, are taxable on the interest income generated by the ING Perpetual Securities II. The tax is due in the form of a 15% withholding tax, either to be applied by the Belgium based professional intermediary (bank, broker) that is involved in the payment of the interest income, or by the entity itself, if no Belgium based professional intermediary is involved or if otherwise no Belgian withholding tax is withheld.

The definition of interest income is the same as that for purposes of individual investors (see point (a) above), and includes gains in case of Redemption, Purchase or sale or transfer to the Issuer, as well as interest accrued but not yet paid or payable in case of a sale or transfer.

Apart from that, a gain realised by selling or transferring the ING Perpetual Securities II (but not by selling or transferring the ING Perpetual Securities II to the Issuer and not as a result of the Redemption of the ING Perpetual Securities II) is not taxed.

(ii) Non-resident entities

Entities that are not resident in Belgium for tax purposes but that deposit the ING Perpetual Securities II through a securities account with a Belgian financial institution may claim an exemption from the Belgian withholding tax the Belgian financial institution would otherwise have to withhold, if they have certain ownership rights over the ING Perpetual Securities II and if they do not use the ING Perpetual Securities II for their activity in Belgium. For purposes of the exemption, they will have to fill out and present an appropriate tax form.

(2) Belgian tax on securities trades

Since the ING Perpetual Securities II will be listed on Euronext Brussels, investors who subscribe to ING Perpetual Securities II through a Belgium based professional intermediary, will not be liable to Belgian tax on securities trades (article 126/10 of the Code of taxes assimilated to stamp duties).

Investors who buy or sell ING Perpetual Securities II through a Belgium based professional intermediary, are liable to Belgian tax on securities trades, at a rate of 0.07% for secondary market acquisitions and disposals, but limited to EUR 250 per transaction and per investor.

If they act for their own account, following investors are exempt from Belgian tax on securities trades:

- professional intermediaries within the meaning of Article 2 of the Law 6 April 1995 on the secondary markets;
- insurance companies within the meaning of Article 2, § 1 of the Law of 9 July 1975 on the supervision of insurance companies;
- pension funds within the meaning of Article 2, § 3, 6° of the same Law of 9 July 1975 and of the Royal Decree of 15 May 1985 on the activities of private sector pension savings institutions
- collective investment vehicles within the meaning of the Law of 4 December 1990
- non-resident persons or entities, who can identify themselves as such.

(3) Belgian tax on physical delivery of securities

Because the terms and conditions of the ING Perpetual Securities II do not provide for a physical delivery of definitive bearer ING Perpetual Securities II, there is no reason for the Belgian tax on the physical delivery of securities to apply.

(4) Belgian inheritance and gift taxes

If the ING Perpetual Securities II belong to the estate of a deceased individual who, at the time of his or her decease, is considered resident of Belgium, the ING Perpetual Securities are subject to inheritance taxes. A written gift deed in respect of a gift of ING Perpetual Securities II, passed before a Belgian notary in order to be valid, must be registered and is subject to gift taxes

SUBSCRIPTION AND SALE

Information with regard to underwriting to be inserted

SUBSCRIPTION AND SALE

Under a subscription agreement entered into by the Issuer on 17 June 2003 (the ‘Subscription Agreement’), ING Financial Markets, ABN AMRO, BNP Paribas and Rabobank International (together the ‘Managers’) have agreed to subscribe for the ING Perpetual Securities II at the issue price of 100 per cent. The Issuer has agreed to pay to the Managers a combined management, underwriting and selling commission of € 2 per ING Perpetual Security II. The Subscription Agreement is subject to termination in certain circumstances prior to payment to the Issuer.

United States

The ING Perpetual Securities II have not been and will not be registered under the US Securities Act of 1933, as amended (the ‘Securities Act’) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver ING Perpetual Securities II (i) as part of their distribution at any time, and (ii) otherwise until 40 days after the completion of the distribution of the ING Perpetual Securities II within the United States or to, or for the account or benefit of, US persons, and that it will have sent to each dealer to which it sells ING Perpetual Securities II during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the ING Perpetual Securities II within the United States or to, or for the account or benefit of US persons. The terms used in the preceding paragraph and in this paragraph have the meaning assigned to them by Regulation S under the Securities Act.

The ING Perpetual Securities II are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a US person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings assigned to them by the US Internal Revenue Code of 1986, as amended and US Treasury regulations issued thereunder.

In addition, until 40 days after the completion of the distribution of all ING Perpetual Securities, an offer or sale of ING Perpetual Securities II within the United States by any Manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (i) it has not offered or sold and, prior to the expiry of the period of six months from the date of issue of the ING Perpetual Securities II, will not offer or sell any ING Perpetual Securities II 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 (as amended);
- (ii) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (‘FSMA’) with respect to anything done by it in relation to the ING Perpetual Securities II in, from or otherwise involving the United Kingdom; and
- (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of any ING Perpetual Securities II in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

General

Each Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells the ING Perpetual Securities II or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the ING Perpetual Securities II under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor any other Manager shall have any responsibility therefor.

Neither the Issuer nor any of the Managers represents that the ING Perpetual Securities II may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

1. The issue of the ING Perpetual Securities II was duly authorised by a resolution of the Executive Board of the Issuer dated 25 February, 2003 and on 5 June, 2003.

Listing

2. Application has been made to list the ING Perpetual Securities II on the Official Segment of the Stock Market of Euronext Amsterdam N.V. and Euronext Brussels S.A./N.V.

Clearing Systems

3. The ING Perpetual Securities II have been accepted for clearance through Necigef. The ISIN Code for this issue is NL0000113587, the Amsterdam Securities Code (*fondscore*) is 11358 and the Common Code is 016928984.

No material adverse change

4. There has been no material adverse change in the financial position of the Issuer other than set out in this Offering Circular since 31st December, 2002.

Litigation

5. The Issuer and its consolidated subsidiaries 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 lenders, employers, investors and taxpayers. Several of these cases involve claims for either very large or indefinite amounts. Although it is not feasible to predict or to determine the outcome of all current or pending legal proceedings, the Executive Board is of opinion that the outcome is unlikely to have any material adverse effects on the financial position or results of the Issuer or its consolidated subsidiaries.

Auditors

6. Ernst & Young Accountants have acted as the auditors of the annual accounts of the Issuer for the financial years ending 31st December, 2000, 2001 and 2002 respectively.

Use of Proceeds

7. The net proceeds of the issue of the ING Perpetual Securities, amounting to approximately euro 735,000,000 will be applied by the Issuer for its general corporate purposes

Documents available

8. Copies of the following documents will be available free of charge, from the registered office of the Issuer and from the specified office of the Fiscal and Paying Agent for the time being as long as any of the ING Perpetual Securities II remains outstanding:
 - (a) the English translation of the Articles of Association (*statuten*) of the Issuer;
 - (b) the audited financial statements of the Issuer (in English) in respect of the years ended 31st December, 2000, 2001 and 2002; and
 - (c) copies of the Trust Deed, the Agency Agreement and the Calculation Agency Agreement.

U.S. Tax Legend

9. All ING Perpetual Securities II will carry a legend to the following effect: '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'. The sections referred to in such legend provide that United States persons, with certain exceptions, will not be entitled to deduct any loss, and will not be entitled to capital gains treatment with respect to any gain, realised on any sale, exchange or redemption of an ING Perpetual Security II.

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LEAD MANAGER

ING Financial Markets

CO-LEAD MANAGER

ABN AMRO
Rabobank International
BNP PARIBAS