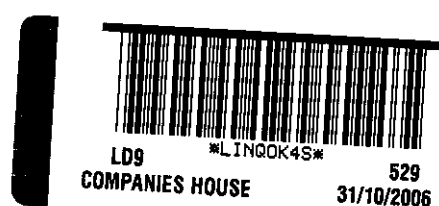


ING INTERMEDIATE HOLDINGS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2005**

Registered No. 3002705



ING INTERMEDIATE HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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ING INTERMEDIATE HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

A.N. Marsh
W. Connelly
J.G.H Briant
N.R. Gold
S.G. Richards

SECRETARY

A.N. Marsh

REGISTERED OFFICE

60 London Wall
London
EC2M 5TQ

AUDITORS

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

ING INTERMEDIATE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The Directors present their report and the audited financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The Company is the parent company of other ING Group companies.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The profit and loss account for the year is set out on page 5.

DIVIDENDS AND TRANSFERS TO RESERVES

The Directors do not recommend the payment of a dividend (2004: Nil). The retained loss for the financial year of £64,335,168 (2004: loss of £112,452,590) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year ended 31 December 2005 are listed on page 1 of these financial statements.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the Company were granted to any of the directors' or their immediate families, or exercised by them, during the financial year.

POST BALANCE SHEET EVENTS

On 23 June 2006, a subsidiary undertaking ING UK Limited, resolved to effect a capital repurchase for £49,728,983 and declared a dividend of £322,610,282. The capital repurchase was done on 31 July 2006. This has not been included within debtors as it was not approved before the year end.

ING INTERMEDIATE HOLDINGS LIMITED

DIRECTORS' REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2005

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

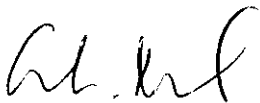
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.

Approved by the Board of Directors
and signed on behalf of the Board



A.N. Marsh
Secretary
27 October 2006

ING INTERMEDIATE HOLDINGS LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ING INTERMEDIATE HOLDINGS LIMITED

We have audited the company financial statements (the "financial statements") of ING Intermediate Holdings Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Company Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of the company's loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

27 October 2006
8 Salisbury Square
London
EC4Y 8BB

ING INTERMEDIATE HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £'000	2004 £'000
Write-off of inter-company loans		-	(193,853)
Other operating expenses		(268)	-
OPERATING LOSS		<u>(268)</u>	<u>(193,853)</u>
Income from shares in group undertakings		673	(5,500)
Write (off) / back of subsidiary undertakings	7	(84,304)	87,705
Other interest receivable and similar income	2	8,716	3,342
Profit on sale of subsidiary undertakings	7	29,115	570
Interest payable and similar charges	3	(18,597)	(10,775)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(64,665)</u>	<u>(118,511)</u>
Tax on loss on ordinary activities	6	330	6,058
RETAINED LOSS FOR THE FINANCIAL YEAR	10	<u>(64,335)</u>	<u>(112,453)</u>

All operations in the current and comparative financial years were continuing.

There are no recognised gains or losses for the current or comparative financial years other than as stated in the profit and loss account.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated in the profit and loss account, and their historical cost counterparts.

The notes on pages 7 to 12 form an integral part of these financial statements.

ING INTERMEDIATE HOLDINGS LIMITED

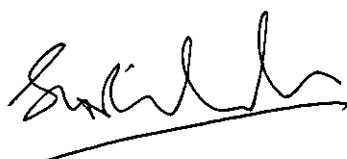
BALANCE SHEET AT 31 DECEMBER 2005

	Notes	2005 £'000	2004 £'000
FIXED ASSETS			
Subsidiary undertakings	7	256,400	352,391
CURRENT ASSETS			
Debtors : amounts falling due within one year	8	271,571	30,509
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	9	(436,967)	(227,560)
NET CURRENT LIABILITIES		(165,396)	(197,051)
NET ASSETS		91,004	155,340
CAPITAL AND RESERVES			
Called up share capital	10	641,307	641,307
Share premium account	11	460,000	460,000
Profit and loss account	11	(1,010,303)	(945,967)
EQUITY SHAREHOLDERS' FUNDS		91,004	155,340

The notes on pages 7 to 12 form an integral part of these financial statements.

The accounts were approved by the Board of Directors on 27 October 2006

Signed on behalf of the Board of Directors.



S.G. Richards
Director

ING INTERMEDIATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. The particular accounting policies adopted by the Directors are described below.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date'
- FRS 28 'Corresponding amounts'

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. Both FRS 21 'Events after the balance sheet date' and FRS 28 'Corresponding amounts' have had no material effect as they impose the same requirements for comparatives as hitherto required by the Companies Act 1985.

The particular accounting policies adopted by the Directors are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Foreign currency

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction or, where appropriate, at the rate of exchange in a related forward exchange contract.

Assets and liabilities denominated in foreign currency at the balance sheet date are translated at the rate of exchange prevailing at that date or, where appropriate, at the rate of exchange in a related forward foreign exchange contract.

Income recognition

Income is accounted for on an accruals basis. Dividends received are recognised directly in the profit and loss account.

ING INTERMEDIATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES (continued)

Subsidiary undertakings

Subsidiary undertakings are valued at cost unless the Directors have reason to believe that there has been impairment in the carrying value in which case the loss would be reflected in the profit and loss account.

Cashflow statement

Under Financial Reporting Standard No. 1, the Company is exempt from the requirement to prepare a cashflow statement as it is a wholly-owned subsidiary of ING Groep N.V. and its cash flows are included in the published consolidated cashflow statement within that group's financial statements.

Group Accounts

The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare group accounts and to deliver them to the Registrar of Companies, since it is a wholly-owned subsidiary of ING Groep N.V., a Company incorporated in the Netherlands, in whose consolidated financial statements the financial statements of the Company are included. These financial statements present information about the Company as an individual undertaking and not about its group.

Related parties disclosure

Under paragraph 3(c) of Financial Reporting Standard No.8, the Company is exempted from making the related party disclosures required by that standard in respect of entities within the ING Group. This is because more than 90% of the Company's voting rights are controlled by that group, and consolidated accounts for ING Groep N.V., which include the Company, are publicly available.

2. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2005	2004
	£'000	£'000
Interest receivable from subsidiary undertakings	38	1,440
Interest receivable from parent undertaking	8,659	-
Interest receivable from group company	19	-
Foreign exchange gain	-	1,902
	<u>8,716</u>	<u>3,342</u>

ING INTERMEDIATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £'000	2004 £'000
Interest payable to parent undertaking	1,502	1,015
Interest payable to subsidiary entities	13,673	1,123
Interest payable to other group entities	3,195	8,615
Other interest payable	-	22
Foreign exchange loss	227	-
	<u>18,597</u>	<u>10,775</u>

4. DIRECTORS' EMOLUMENTS

The Directors received no emoluments in respect of their services to this Company during the year. ING Intermediate Holdings Limited has no employees.

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Audit fees are borne by another group company.

6. TAX ON LOSS ON ORDINARY ACTIVITIES

No payment will be made for any tax losses surrendered by the Company as group relief. Corporation tax is provided on taxable profits at the current rate.

Current tax reconciliation	2005 £'000	2004 £'000
(Loss) on ordinary activities before tax	(64,665)	(118,511)
Implied tax credit at 30% (2004: 30%)	(19,400)	(35,553)
Write off / (back) of investments not taxable	25,291	(26,312)
Write off of intercompany debt not deductible	-	58,156
Profit on sale of investments covered by capital losses	(8,734)	(171)
Prior year adjustment	330	6,058
Income / (loss) from group undertakings not taxable	(198)	1,650
Non-deductible expenses	78	-
Group relief (claimed) /surrendered for no consideration	2,963	2,230
Tax credit	<u>330</u>	<u>6,058</u>

ING INTERMEDIATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

7. SUBSIDIARY UNDERTAKINGS	2005 £'000	2004 £'000
Shares in subsidiary undertakings		
Opening balance	352,391	273,666
Write (off) / back of investments	(84,304)	87,705
Disposals	(11,687)	(2,501)
Capital redemptions of investments	-	(6,479)
Closing balance	256,400	352,391

Investments in subsidiary undertakings, all of which are unlisted, are stated at cost less impairment. The principal subsidiary undertakings, all of which are wholly owned (directly or indirectly) except where stated, and all of which have 31 December year ends are:

Company name	Shares held %	Class of Share Capital	Country of Incorporation, Registration and operation	Principal Activity
ING UK Limited – formerly Baring Asset Management Holdings Limited	100	Ordinary	England & Wales	Holding Company
ING UK Securities Holdings Limited	100	Ordinary	Cayman Islands	Holding Company

On 31 March 2005, ING UK Limited (formerly Baring Asset Management Holdings Limited) sold various subsidiaries. All of these subsidiaries were sold as going concerns. The sale proceeds were in excess of the net asset value. The disposal is exempt from tax under the substantial shareholdings exemptions.

On 15 December 2005, the following wholly owned subsidiaries were sold to a fellow group entity at their respective net asset values, which resulted in no profit or loss: ING (London)(No.11) Limited, ING UK Properties Limited and ING UK Pension Trustee Limited. ING (London)(No.12) Limited was also sold on the same day and realised a profit of £29,114,718

Post balance sheet

ING UK Financial Products was dissolved on 14 February 2006

ING UK Limited effected a capital repurchase for £49,728,983 on 23 June 2006. A dividend of £322,610,282 was declared on the same day. This has not been included within debtors as it was not approved before the year end.

ING INTERMEDIATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

8. DEBTORS	2005	2004
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	-	13,446
Amounts owed by group undertakings	271,571	17,063
	<u>271,571</u>	<u>30,509</u>

9. CREDITORS:	2005	2004
	£'000	£'000
Amounts falling due within one year:		
Amounts owed to parent company	34,705	37,744
Amounts owed to fellow group undertakings	29,413	-
Amounts owed to subsidiary undertakings	372,793	189,550
Accruals and deferred income	56	266
	<u>436,967</u>	<u>227,560</u>

10. CALLED UP SHARE CAPITAL	2005	2004
	£'000	£'000
Authorised:		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	<u>641,307</u>	<u>641,307</u>

11. MOVEMENT ON RESERVES

	Share premium		Profit and loss account	
	2005	2004	2005	2004
	£'000	£'000	£'000	£'000
Opening balance	460,000	460,000	(945,967)	(833,513)
Retained loss for the financial year	-	-	(64,335)	(112,454)
Closing balance	<u>460,000</u>	<u>460,000</u>	<u>(1,010,303)</u>	<u>(945,967)</u>

ING INTERMEDIATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There are no capital commitments as at 31 December 2005 (31 December 2004 - Nil).

13. ULTIMATE HOLDING COMPANY

The Directors regard ING Groep N.V., a Company incorporated in the Netherlands, as the ultimate holding company. ING Groep N.V. is the only undertaking preparing financial statements, which include, by way of consolidation, the financial statements of ING Intermediate Holdings Limited. Copies of the parent's consolidated financial statements may be obtained from

The Secretary
ING Groep N.V.
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1081 KL Amsterdam
The Netherlands