

ING INTERMEDIATE HOLDINGS LIMITED
(Formerly ING Baring Holdings Limited)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2001

Registered No. 3002705



ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

REPORT AND FINANCIAL STATEMENTS
For year ended 31 December 2001

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ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS	Date appointed	Date resigned
M.D.I. Burrows		
D.A.Horton		
H.M.P. Miles		
A.N. Marsh	24 December 2001	
W Connelly	16 July 2001	
N.R. Gold	16 July 2001	
J.G.H Briant	16 July 2001	
R.J Benton	16 July 2001	26 October 2001
R Julius	16 July 2001	26 June 2002
P.G. Damas	02 March 2001	26 March 2002

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
Formerly ING Baring Holdings Limited

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and the audited financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

Subsequent to year-end, the company changed its name to ING Intermediate Holdings Limited. The company is the parent company of other ING Group companies engaged in the business of investment banking and the provision of related services.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

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

The level of business and the year end financial position were unsatisfactory. However, the directors expect a level of performance in the coming year which will in all circumstances be acceptable.

Following the end of the financial year, the businesses carried on by one of the company's principal subsidiaries, ING Barings Limited, were transferred to other ING Group companies.

FIXED ASSETS

The changes in fixed assets are summarised in note 6 to the financial statements.

The directors consider it appropriate to adjust the fixed asset investments made since the incorporation of the company to a level that is consistent with the accounting treatment within its subsidiary undertakings and accordingly a write down of £216,872,028 has been made.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend. The retained loss for the financial year of £328,939,257 has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year ended 31 December 2001 are listed on page 1 of these financial statements.

The directors shown on page 1 do not own any shares in the company and the register of directors' interests does not contain any disclosable directors' interests.

ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001

POST BALANCE SHEET EVENTS

On 6 February 2002, the company issued share capital of £10,000,000 at par value to its parent company, ING UK Holdings Limited, the consideration being for cash.

On 21 March 2002, the company issued share capital of £1,000,000 at par value to its parent company, ING UK Holdings Limited, the consideration being for cash. On this date, the Company also increased borrowings by a sum of £5,000,000. The company used these funds to purchase £6,000,000 worth of shares in Chantal One Limited (formerly ING Barings (Chantal One) Limited).

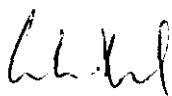
DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made reasonable and prudent judgments and estimates;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



A.N. Marsh
Secretary

22 January 2003

ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

AUDITORS' REPORT TO THE MEMBERS OF ING INTERMEDIATE HOLDINGS LIMITED

We have audited the financial statements on pages 5 to 12.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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 transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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 of the state of the company's affairs as at 31 December 2001 and of its 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

22 January 2003

ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	Year ended 31 December 2001 £'000	Year ended 31 December 2000 £'000
Administrative expenses		(93)	(12,347)
Other operating income		-	237
OPERATING LOSS		(93)	(12,110)
Income from shares in group undertakings		30,000	15,626
Foreign exchange loss		(1,864)	-
Bad debt write off		(133,639)	-
Amounts written off fixed asset investment	6	(216,872)	(621)
Other interest receivable and similar income	2	4,059	6,545
Interest payable and similar charges on bank loans and overdrafts		(10,531)	(11,167)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(328,940)	(1,727)
Tax on loss on ordinary activities	5	-	-
RETAINED LOSS FOR THE FINANCIAL YEAR	10	(328,940)	(1,727)

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 profit on ordinary activities before taxation and the retained profit for the year stated in the profit and loss account, and their historical cost counterparts.

The notes on pages 8 to 12 form an integral part of these financial statements.

ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	Year ended 31 December 2001 £'000	Year ended 31 December 2000 £'000
Loss for the financial year	10	(328,940)	(1,727)
New share capital subscribed		147,000	101,907
Net increase/(decrease) in shareholders' funds		(181,940)	100,180
Opening shareholders' funds		380,643	280,463
Closing shareholders' funds		198,703	380,643

The notes on pages 8 to 12 form an integral part of these financial statements.

ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

BALANCE SHEET
AT 31 DECEMBER 2001

	Notes	2001 £'000	2000 £'000
FIXED ASSETS			
Investments	6	316,647	386,519
CURRENT ASSETS			
Debtors : amounts falling due within one year	7	12,933	2,787
Debtors : amounts falling due after more than one year	7	89,000	208,639
		101,933	211,426
CREDITORS: amounts falling due within one year	8	(219,877)	(217,302)
NET CURRENT LIABILITIES		(117,944)	(5,876)
NET ASSETS		198,703	380,643
CAPITAL AND RESERVES			
Called up share capital	9	630,307	483,307
Share premium account	10	460,000	460,000
Profit and loss account	10	(891,604)	(562,664)
EQUITY SHAREHOLDERS' FUNDS		198,703	380,643

The notes on pages 8 to 12 form an integral part of these financial statements.

The accounts were approved by the Board of Directors on 22 January 2003

Signed on behalf of the Board of Directors.



Director.

ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards. 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.

Fixed asset investments

Investments in subsidiaries are stated at cost less impairment.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which, in the opinion of the directors, will reverse in the foreseeable future.

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.

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.

ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES (continued)

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

	2001	2000
	£'000	£'000
Interest receivable from subsidiary undertakings	3,969	5,266
Other interest receivable	90	1,279
	<u>4,059</u>	<u>6,545</u>

3. 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

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001	2000
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit services	<u>5</u>	<u>2</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

No payment will be made for any tax losses surrendered to the company as group relief. Any profit for the year is sheltered by tax losses in fellow subsidiaries of ING Bank N.V.

ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

6. FIXED ASSET INVESTMENTS	2001	2000
Shares in associate and subsidiary undertakings	£'000	£'000
Opening balance	386,519	391,780
Additions at cost	147,000	64,350
Exchange rate difference arising on Foreign Equity investments	-	4,158
Disposals	-	(73,148)
Amounts written off investments	(216,872)	(621)
Closing balance	<u>316,647</u>	<u>386,519</u>

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

	Shares held	Class Of Share Capital	Country of incorporation, registration and operation
ING Barings Limited	100	Ordinary	England & Wales
Baring Brothers Limited	100	Ordinary	England & Wales
Baring Asset Management Holdings Limited	100	Ordinary	England & Wales
ING UK Corporate Finance Holdings Limited	100	Ordinary	England & Wales
ING UK Financial Products	95	Ordinary	England & Wales
ING UK Properties Limited	100	Ordinary	England & Wales
ING UK Pension Trustee Limited	100	Ordinary	England & Wales
ING Securities Services Limited	100	Ordinary	England & Wales
ING UK Securities Holdings Limited	100	Ordinary	Cayman Islands
ING UK Securities Client Services Limited	100	Ordinary	England & Wales
Chantal One Limited	100	Ordinary	England & Wales

7. DEBTORS	2001	2000
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	12,933	2,003
Other debtors	-	784
	<u>12,933</u>	<u>2,787</u>
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	<u>89,000</u>	<u>208,639</u>
Total debtors	<u>101,933</u>	<u>211,426</u>

The amounts owed by subsidiary companies falling due after more than one year, comprises a £75,000,000 subordinated loan to ING Barings Limited and £14,000,000 subordinated loan to Charterhouse Securities Limited.

ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

8. CREDITORS: amounts falling due within one year

	2001 £'000	2000 £'000
Amounts owed to parent company	212,197	206,319
Other creditors	-	2,988
Accruals and deferred income	7,680	7,995
	<u>219,877</u>	<u>217,302</u>

9. CALLED UP SHARE CAPITAL

	2001 £'000	2000 £'000
Authorised:		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>500,000</u>
Allotted, issued and fully paid:		
Opening balance : Ordinary shares of £1 each	483,307	381,400
Issued in year: Ordinary shares of £1 each	147,000	101,907
Closing balance :	<u>630,307</u>	<u>483,307</u>

The company issued ordinary share capital of £147,000,000 to the parent company ING UK Holdings Limited during the year. The funds were used to invest in subsidiaries.

10. MOVEMENT ON RESERVES

	Share premium		Profit and loss account	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Opening balance	460,000	460,000	(562,664)	(560,937)
Movement/retained loss for the financial year	-	-	(328,940)	(1,727)
Closing balance	<u>460,000</u>	<u>460,000</u>	<u>(891,604)</u>	<u>(562,664)</u>

11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There are no capital commitments as at 31 December 2001 (31 December 2000 - Nil).

ING INTERMEDIATE HOLDINGS LIMITED
Formerly ING Baring Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

12 . 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.
Amstelveenseweg 500
1081 KL
Amsterdam
The Netherlands