

ANNUAL REPORT



REPORT
ON FINANCIAL
RESULTS
ING SR
2003

2003

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Introduction

Dear partners, clients, colleagues,

it is my pleasure to announce that year 2003 was successful for ING, regardless of the state of the world's economy, where decrease in interest rates and only a minimal economic growth were reported. ING has succeeded to pass with honour. We reduced costs, increased profit, stabilized our position in the market and created predispositions for further growth.

We achieved strong profit growth in the Slovak and Czech insurance and banking markets. During the annual press conferences held in the Czech and Slovak Republics, we presented results of our company. In the Czech Republic, we have reported significant growth of assets and profit. Total assets of bank, insurance, and pension fund increased by 19.3 % to CZK 79.6 bn. Insurance (life, pension, health) assets under management up 20 % to CZK 30.2 bn. Number of insurance clients up 11.6 %.

We confirmed our stable position in the Slovak market both in the areas of life insurance and banking and I believe we will continue the trend in 2004. The total assets of both ING Life insurance and banking have increased. Adjusted gross profit increased by 21 % from 2002 to SKK 515 million, banking adjusted gross profit up 26 % to SKK 230 million, and insurance adjusted gross profit up 18 % to SKK 285 million. These financial results were accompanied by the award for best charity project VIA BONA Slovakia, for support of the SOCIA foundation.

The best products and reliable image create clients' trust. In the Czech Republic we bring to clients innovative and outstanding products.

During Zlatá Koruna 2004 ceremony (Golden Crown), ING Pension Fund won the award for the best pension insurance product. ING mutual funds have been performing greatly, especially ING Czech Equity fund is several times Zlatá Koruna winning, best performing fund esteemed by experts. Let me congratulate to all the people behind these excellent products as well as those of our clients who benefit from them. We are also short-listed for the Rhodos Award, awarding companies with the best image. I believe we will place high just as we did in the past years.

We are successful in growing our long-term sustainable position in Slovakia with new investment products.

We continue expanding the range of products we believe to have high potential to attract Slovak customers. Our trust results from the complex and continual analysis of the market and our clients' needs along with comprehensive experience with similar ING products in other countries. That is why we have succeeded to effectively introduce new investments products - ING mutual funds and this year, the supplementary pension insurance company, ING DDP, is starting off its activities in the market. We have great expectations in the area of pension insurance in Slovakia and our goal is to become one of the key players in the Slovak supplementary pension insurance market. With the strong background and broad international experiences we apply with I am convinced of our success.

Our company is ready to become bigger and stronger than ever before.

In 13 years during which ING has been active in the Czech and Slovak markets, we have been working hard to become one of the most important financial institutions. I believe that in the years that follow, despite tough competition of the free market, we will further strengthen our position in the market.

The path to success is paved with high quality service and products offered by well-educated advisors.

The key to meet our ambitions and goals projected stays unchanged. It is absolutely professional and well-educated sales force considered to be the best one in the market. Especially today, when we have become the part of EU, our financial advisors with a licence play a much more important role. Knowledge, professional advice and service are the main qualities that should distinguish our company from our competitors.

It is believed that year 2004 will be the year of economic growth. Despite the notion, we need to realize, that it will also be the year of tougher competition to deal with. We are entering the EU in May and markets will become open to all financial institutions from the EU countries. I feel confident that ING is prepared for this change and we will succeed in further increasing the number of our clients by offering the high quality services and products via our financial advisors.

Dick Okhuijsen

Chairman of the Management Committee and CEO



History

History of ING dates back to the first half of 19th century exactly to 1845 when two Dutch insurance agents of great enterprise decided to become independent and establish their own insurance company De Nedelanden van 1845. Their abilities helped them to gradually increase the number of clients and a small insurance company was getting larger and larger until it has become the biggest Dutch insurance company Nationale-Nederlanden. In 1991 Nationale-Nederlanden merged with NMB Postbank, which was established in 1986 by merger of the State Post Savings Bank founded in 1881, Post Cheque and Giro Service and NMB Bank. Since 1991 the current name ING (abbreviation of Internationale Nederlanden Group) has been used. In the same year ING entered the Czech and the Slovak markets.

Ratings

Credibility of ING is confirmed by high ratings issued by renowned international rating agencies Standard and Poor's, Moody's and Fitch.

Long-term Credit Ratings

	Standard & Poor's	Moody's	Fitch
ING Group N.V. (ING Group)	A+	Aa3	-
ING Verzekeringen N.V. (ING insurance company)	A+	Aa3	A+
ING Bank N.V. (ING bank)	AA-	Aa2	AA-

According to the league table of top global 500 companies published by Fortune magazine in 2003 ING is the biggest company in Netherlands and ranked 17 among the largest global companies. At the same time it ranked 1 among the global life and health insurance companies.

The largest insurance companies (life and health insurance) in the world's according to Fortune Global 500 (2003)

Rank	Company	Rank in Global 500	Turnover		Profit		Profit	
			Million USD	change in % compared to 2001	Million USD	change in % compared to 2001	turnover % of	assets % of
1	ING Group	17	88,102	6,1	4,255	4	5	1
2	AXA	31	62,051	-5,4	897	93	1	0
3	Assicurazioni Generali	44	53,599	4,3	-713	-172	-1	0
4	Aviva	57	49,533	-5,3	-802	-1,789	-2	0
5	Prudential	104	35,819	---	675	20	2	0

In its list Forbes International 500 published in 2003 Forbes magazine ranked ING 10 among the biggest world companies and 1 among the largest companies in the industry of diversified finances.

Top largest global companies according to Forbes International 500 (2003)

Rank	Company	Country	Industry	Turnover (USD million)
1	Royal Dutch/Shell Group	Netherlands/GB	Oil & gas	179,431
2	BP	GB	Oil & gas	178,721
3	DaimlerChrysler	Germany	Automotive	140,777
4	Toyota Motor	Japan	Automotive	131,616
5	Mitsubishi	Japan	Trading company	109,271
6	Mitsui & Co	Japan	Trading company	108,517
7	Allianz Worldwide	Germany	Insurance	101,466
8	Total SA	France	Oil & gas	96,504
9	Nippon Tel & Tel	Japan	Telecom services	89,550
10	ING Group	Netherlands	Diversified finance	87,754

Biggest worlds companies in the industry of diversified finance according to Forbes International 500 (2003)

Rank	Company	Country	Industry	Revenues (USD million)
10	ING Group	Netherlands	Diversified finance	87,754
26	Credit Suisse Group	Switzerland	Diversified finance	53,649
27	Deutsche Bank Group	Germany	Diversified finance	52,731
40	Fortis	Netherlands	Diversified finance	44,174
43	UBS	Switzerland	Diversified finance	43,371

ING in the Slovak Republic

Since 1991 ING has experienced a number of changes in the Slovak Republic and at present it offers a wide range of products in the area of banking, insurance and asset management. Besides the bank and the insurance company there is another entity active in the Slovak Republic - ING Supplementary pension insurance company.

ING is a general partner of the Slovak national hockey team, the partner of the hockey hall of fame and the partner of the Goalkeeper School of M. Sakáč and J. Filc thus supporting the development of this popular sport in our country. ING follows its global policy of sports, culture and education supporting, which is a traditional expression of ING efforts focused on further development of the society where ING is active.

It was not only know-how that ING has brought from its home country but also a thought-out strategy of sponsorship. Target of ING charity is not the marketing promotion; on the contrary, it is a support of people in need. Together with Dutch charities it established Foundation Supporting Social Changes (SOCIA) whose charity fund LION concentrates on projects for children whose lives are under direct threat and on those children who are socially disadvantaged. The aforementioned collaboration was awarded the main prize of 3rd year of Via Bona Slovakia humanitarian competition for the best charity project. In 2003 ING donated about 2 million crowns to the foundation.

Insurance Company

In February 2004, Nationale-Nederlanden Life Insurance Company changed its business name to ING Životná poisťovňa, a.s., thus completing the re-branding process of ING in the Slovak Republic. ING Continental Europe Holding B.V. seated in Haag, which is the sole owner of ING Verzekeringen N.V. - an insurance branch of ING Group, is the founder and the only shareholder of ING Životná poisťovňa, a.s.

ING entered the Slovak market of life insurance in 1996 and since then it has built a strong position on the market. As of December 31, 2003 ING was the fourth largest insurance company in the Slovak Republic with 160 828 concluded contracts (year-to-year growth is

7 %) and the prescribed premium totalling SKK 2.12 billion (year-to-year growth is 5.3 %). Its total assets increased by 24 % to SKK 6.57 billion and assets under management increased by 24.9 % to SKK 6.03 billion.

ING belongs among the leading innovators. In 1998 it introduced to the Slovak market unit linked life insurance and since 2002 it has been offering the third generation product - guaranteed life insurance. These products plus the products of the bank (ING Konto, mutual funds) are offered through the network of a thousand of financial advisors active throughout Slovakia. The Multiple International Quality Award of LIMRA International confirms their high level. This prize has been awarded in the world for 44 years and it proves excellent quality of services offered by ING.

The insurance company offers a complete programme for companies and entrepreneurs in order to support motivation of employers on various levels. This complex programme is always "tailored" and includes advantages for employees as well as for the top management.

Supplementary Pension Insurance Company (DDP)

ING Supplementary Pension Insurance Company was registered in January this year. ING may use experiences and know-how of various countries and offer its clients pension insurance.

Slovakia, as well as the whole Europe, faces the problem of ageing population and the pension systems. Lower pensions offered by a pay-as-you-go pillar will soon become reality and this problem is to be solved by the inhabitants themselves through a capitalisation pillar. ING has been already prepared.

About 40 % of working population in the countries with a developed pension insurance system takes part in pension insurance. ING DDP in the Slovak Republic offers: Supplementary old age pension, Supplementary disability pension, Retirement pension and Inheritance Pension.

Clients of ING DDP in the Slovak Republic are offered guarantee and credibility of an international financial institution, strict investment rules and state supervision, the possibility of agreement and regular contributions of employers. In 2003, ING Pension Fund in the Czech Republic showed the highest rise of the number of clients on the market and historically leads the list of clients ranked according to yield earned by the finances of the participants.

Bank

ING BANK N.V. entered the Slovak market in January 1991 when it opened its representation office - Bratislava branch, which has become a fully functional branch of a western European bank registered in the Slovak Republic. In January 1992, it was given the statute of the branch of Internationale Nederlanden Bank (ČSFR a.s.). After split of Czechoslovakia and creation of an independent Slovak Republic in 1993 it was granted a full bank licence by the National Bank of Slovakia on February 26, 1993. Development of activities required further changes of the legal status of the bank. Since October 1 ING BANK N.V. Bratislava has become a branch of ING Bank Amsterdam and according to the law it continues its activities under the name ING BANK N.V., a branch of a foreign bank.

ING Bank offers integrated bank services to large and financially strong domestic and foreign companies. Apart from operating, investment and syndicated credits, letter of credits, guarantees, purchase of bills of exchange and business receivables, products optimising relation between the risk and return ING also offers management and custody of securities, mergers and acquisitions. Besides individual services it offers to its clients so called package of products and services tailored to individual requirements and needs of a client, such as business and brokerage, cash management, MultiCash electronic banking, consolidation of balances and cash collection.

The offer of products and services is completed by advisory. ING BANK N.V., the branch of a foreign bank, disposes of a prestigious research team concentrated on macroeconomics, foreign exchange and bond markets. Institutional Investor's 2004 EMEA magazine ranked ING research team number one (regions of eastern Europe, Middle East and Africa).

ING bank offers financial services of a good quality and wants to help its clients to maximise efficiency of their work with finances and tools of financial and capital markets. Therefore it manages highly appreciated Internet port www.ingfn.sk.

General public was given access to this quality in 2001 through ING Konto current account. It is analogy of the extremely successful and popular product of ING Direct. Volume of deposits on ING Konto in Slovakia rose year-to-year by 51.4 %. Owners of ING Konto accounts mainly appreciate high interest rate, zero charges, flexibility and comfortable service of the account through direct banking. Volume of deposits on ING Konto accounts increased by 81.6 % and it reached SKK 2.5 billion.

Balance sum of ING bank reached SKK 40.3 billion by the end of 2003, which is 16.1 % more compared to 2002. Year-to-year growth of profit after taxation was 43.5 % and reached SKK 187.9 billion.

In 2003, ING was for the 5th time awarded the prize of Treasure Management International magazine "Best Cash Management Bank in Eastern Europe" and in the same year it was awarded the prize of Global Finance magazine "The best sub-custodian in Central and Eastern Europe".

ING Investment Management

International management of portfolio is one of the principal activities of ING Group. Investment Management has four main centres - in Haag (Netherlands), Brussels (Belgium), Hong Kong (China) and Atlanta (USA), which are responsible for coordination of activities of experts in more than 25 countries.

ING Investment Management in the Czech Republic has been offering asset management services since 1997. Within 2003 ING Investment Management expanded its activities also to the Slovak Republic. ING IM won a mandate to manage several portfolios denominated in Slovak crowns. In this connection ING IM started its marketing campaign aimed at support of sale of mutual funds in Slovak crowns in 2004. At the end of 2003 portfolios denominated in Slovak crowns represented approximately 10 % of total assets managed by the Czech office of ING Investment Management.

ING IM activities are based on a good quality investment strategy, close relations with clients and a strong investment team. On October 1, 2003 ING in the Slovak Republic was prepared to present the offer of mutual funds with the aim to present Slovak investors the portfolio of good investment products with a wide option. At present, ING IM offers:

ING Slovak Money market

ING Slovak bond

ING (L) Renta Fund Dollar (Bond)

ING (L) Renta Euromix Bond (Bond)

Index. ING (L) Invest European Equity (Equity)

ING (L) Invest World (Equity)

ING Visegrad Equity Fund (Equity)

ING Investment Management CR manages local currency denominated funds and other companies of ING Investment Management throughout the world manage foreign currencies denominated funds.

ING in the Czech Republic

ING in the Czech Republic consists of several companies. Apart from the bank, the insurance company, and the pension fund it includes service companies ING Management services, asset manager ING Investment Management, ING Real Estate and ING Lease.

Insurance Company

In 1992 ING, at that time named Nationale-Nederlanden, obtained licence to close pension insurance contracts and become the first foreign insurance company in the Czech Republic. At present, ING insurance company ranks second among the life insurance in the CR with 12.95 % market share. Since 1998, ING has been offering via Nationale-Nederlanden, apart from the life insurance, also health insurance.

More and more companies motivate their employees using employee benefits. The most common forms are contributions to supplementary pension insurance, life and health insurance or compensation of wages paid during sick leave and they all are to motivate employees. ING makes use of its many years-long experiences in these areas and it introduced as first ever on the Czech market its programme of Employee Benefits. Many significant companies have become partners of ING meanwhile, e.g. České dráhy, Eurotel, or Siemens.

The proof of quality of ING pension products is Zlatá Koruna award for "Životní pojištění Plus" as the best life insurance product of 2003. The positive public picture of the Company declares Rhodes award for the best corporate image.

Pension Fund

ING Pension Fund has been active on the market for nine years already and it belongs among the most important players on the market of pension insurance. According to the information published by the Association of Pension Funds in CR, ING Pension Fund was the most rapidly growing pension fund in 2003 measured by the number of new participants. Between 1995-2002, ING PF annually increased the volume of contributions of its participants by 8.05 % in average, which is the best yield on the Czech market according to APF CR. ING PF is the holder of Zlatá Koruna award for the best product of 2004 in the category of pension insurance with state contribution, Strieborná Koruna 2003 award, and Rhodes award for the best corporate image among Czech pension funds.

Bank

ING offers bank services to corporate and private clients. It offers to companies a complex of integrated services of commercial and investment banking. Many leading domestic and financially strong foreign companies belong among its clients. Private clients are offered ING Konto saving account, which is the account with highest interest rate in CR.

ING Investment Management

ING IM has been providing asset management services in the Czech Republic. Their clients are insurance companies, municipalities and non-profit organisations. Their mutual funds also enable us to offer attractive products to private investors.

The most important events of 2003 were by all means the realisation of a record profit (before taxation) and absolute and relative performance of ING Czech Equity Fund awarded with prestigious Zlatá Koruna for the best 2004 product in the Mutual Funds category.

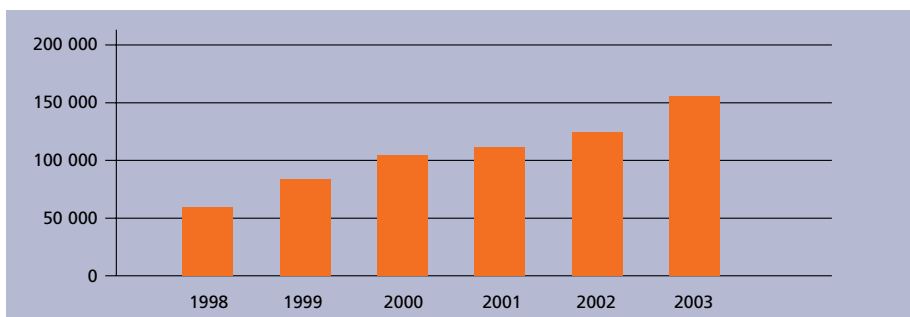


RESULTS

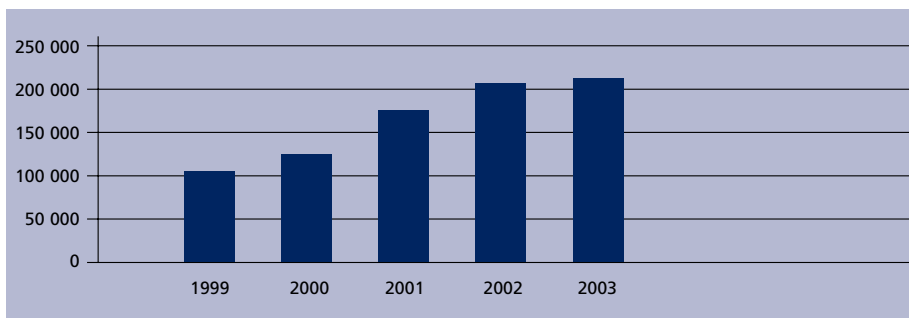
Insurance

Details of life insurance as of 31 Dec 2003	
Profit for 2003	SKK 202 048 thousand
Market share in life insurance	12,2 %
Total prescribed premium 2003	SKK 2 116 507 thousand
Out of which lump-sum settlement	SKK 94 082 thousand
Number of contacts as of 31 Dec 2003	SKK 160 828
Assets under management as of 31 Dec 2003	SKK 6 025 483 thousand
Total assets as of 31 Dec 2003	SKK 6 572 674 thousand

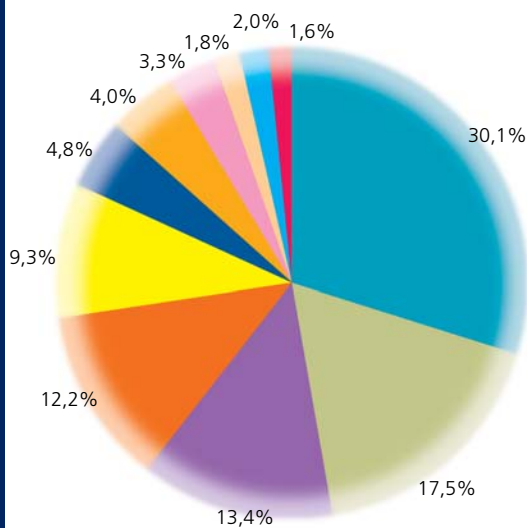
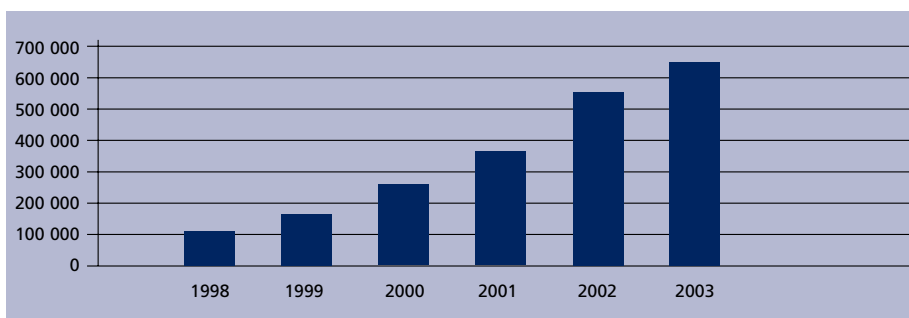
Development in the number of closed contracts



Development in prescribed premium (volume in SKK billion)



Development in total assets (volume in SKK billion)



Market share of life insurance as of 31 Dec 2003
/acc to SAP/

- Alianz-SP 30,1%
- Amslico AIG Life poisťovňa, a.s. 17,5%
- Kooperativa poisťovňa, a.s. 13,4%
- **ING 12,2%**
- Kontinuita Slov. životná poisťovňa, a.s. 4,8%
- ERGO poisťovňa, a.s. 4,0%
- Generali poisťovňa, a.s. 3,3%
- QBE poisťovňa, a.s. 1,8%
- UNIQA poisťovňa, a.s. 2,0%
- R+V poisťovňa, a.s. 1,6%
- ostatní 9,3%

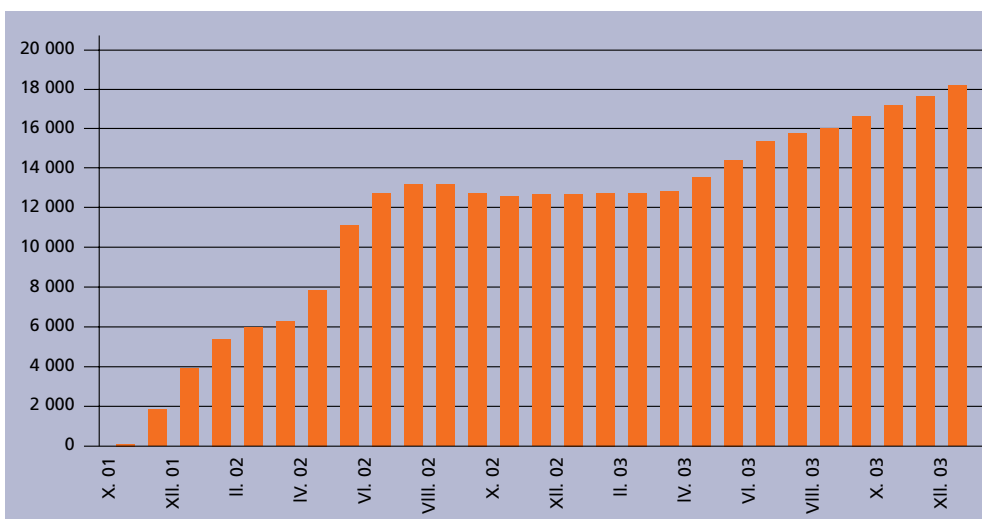
Bank

Profit after taxation for 2003	SKK 187 893 thousand
Balance amount as of 31 Dec 2003	SKK 40 259 944 thousand

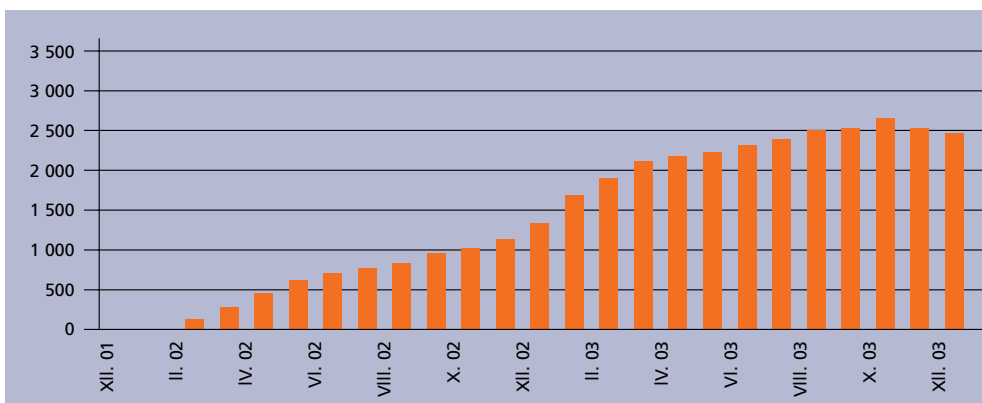
ING Konto

Number of active participants as of 31 Dec 2003	13 373
Volume of deposits as of 31 Dec 2003	SKK 2 466 thousand

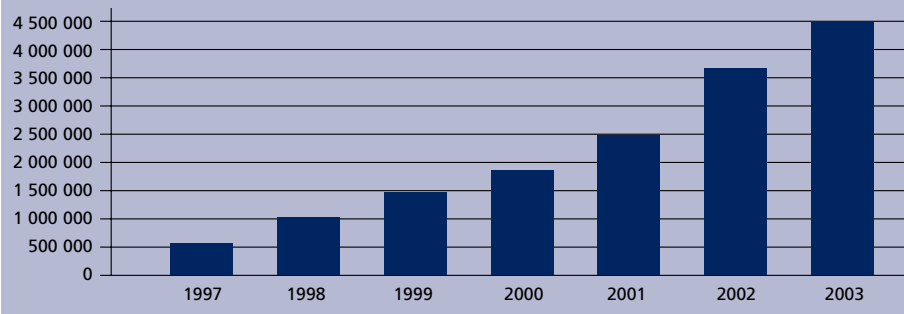
Number of active ING Konto accounts



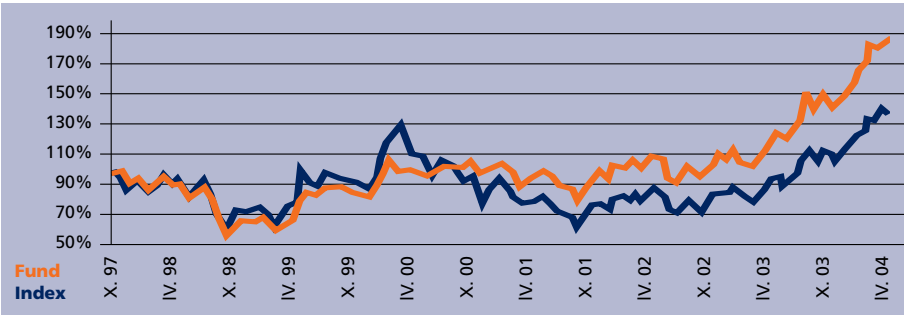
Volume of deposits on ING Konto accounts (volume in SKK billion)



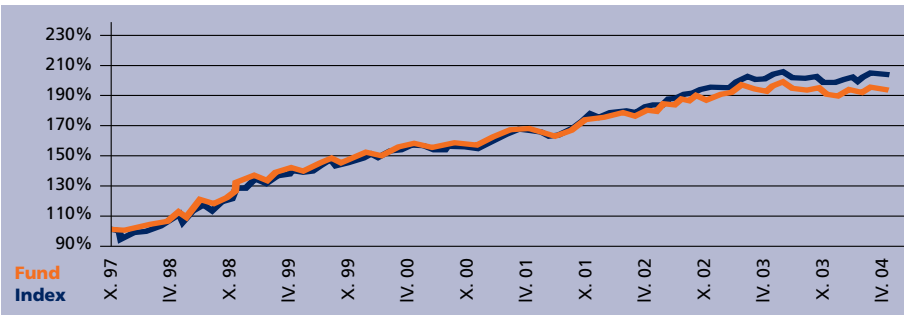
Development in the volume of assets under management of ING IM in CR (in CZK mio)



ING Czech Equity Fund



ING Czech Bond Fund



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