ING GROEP NV
Form 6-K
November 08, 2007

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SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934
For November 7, 2007
Commission File Number 1-14642
ING Groep N.V.
Amstelveenseweg 500
1081-KL Amsterdam
The Netherlands

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F þ Form 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T rule 101(b)(1): o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T rule 101(b)(7): o

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No þ

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b).

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENT ON FORM F-3 (FILE NO. 333-130040) OF ING GROEP N.V. AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

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This Report contains a copy of the following:

(1) The Press Release issued on November 7, 2007.

CORPORATE COMMUNICATIONS

PRESS RELEASE 7 November 2007

ING results demonstrate resilience in challenging environment

Underlying net profit up 19.2% to EUR 1,946 million supported by investment gains

- Underlying profit indudes a EUR 455 million net gain on the sale of part of ING s stake in ABN Amro
- Profit declines 8.6%, excluding ABN Amro gain, on lower revaluations of real estate & private equity investments
- Strong life sales push value of new business up 47.5% to EUR 298 million; solid volume growth in banking
- Net profit up 46.8% to EUR 2,306 million (EUR 1.08 per share) after divestment gains and restructuring expenses

Risk management and strong balance sheet protected ING from the direct impact of market turmoil

- Negligible impact from liquidity crisis on long-term funding costs of the banking business
- No material impairmentson EUR 3.1 billion portfolio of investments backed by subprime assets
- No material revaluations on debt securities held in the third quarter as credit spreads increased

Investments continue to support growth, optimise the competitive position and sharpen focus

- Acquisitions of Oyak Bank in Turkey and Latin American pension business of Santander progressing on track
- Investments planned to optimise Belgian retail network to boost pre-tax profit by over EUR 100 million
- Initiatives at Wholesale to generate EUR 30 million in cost savings and EUR 100 million in revenue by 2009

Chairman s Statement

The third quarter was marked by turmoil in financial markets as concerns about US subprime lending triggered a liquidity crisis and a repricing of risk. Risk management protected us against the direct impact of this turmoil, demonstrating ING s resilience in a challenging environment, said Michel Tilmant, Chairman of ING Group. Our strong balance sheet and large customer deposit base enabled ING to manage the liquidity crisis with only a negligible increase in funding costs. We incurred no material impairments or revaluations on our subprime residential mortgage-backed securities or leveraged finance transactions. Revaluations of debt securities held were essentially flat as lower interest rates offset credit-spread widening in the third quarter.

The commercial performance of the business remained robust. ING achieved strong sales of life insurance in Central Europe and Asia as well as variable annuities in the US. That drove a 47.5% increase in the value of new business to EUR 298 million. The banking businesses continued to show solid volume growth in mortgages, term deposits and current accounts. That was partially offset by outflows from high-balance customers at ING Direct UK, where management actions are being taken to stop the outflow.

The market turbulence has made the business environment more challenging. Strategic trading results in Wholesale Banking were impacted by the market turmoil and deal flow slowed in leveraged finance. Revaluations on real estate and private equity investments were less favourable than in recent quarters. Equity market volatility has increased. The yield curve has remained flat, and competition for deposits is intensifying for Retail Banking and ING Direct

The fundamentals underpinning our businesses remain strong and will support growth over the long term. We continue to invest to support ING s wealth management strategy, including the acquisitions of Oyak Bank in Turkey and the Latin American pension business of Santander. Our stake in the Bank of Beijing increased its market value more than ten-fold to EUR 2.1 billion following that bank s IPO in the third quarter. We also continue to invest in existing businesses to optimise our competitive position. The integration of Postbank and ING Bank in the Netherlands is on track. Investments are also planned to optimise the retail distribution model in Belgium to boost profit there by more than EUR 100 million by 2012. At Wholesale Banking we are introducing new initiatives to improve efficiency and stimulate growth, which are expected to generate EUR 30 million in cost savings and EUR 100 million in revenue benefits by 2009.

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ING GROUP

ING Group: Key Figures

EUR million	3Q2007	3Q2006	Change	2Q2007	Change	9M2007	9M2006	Chang
nderlying[1] profit before tax Insurance Europe	362	511	-29.2%	679	-46.7%	1,483	1,617	-8.3
surance Americas	480	512	-6.3%	593	-19.1%	1,606	1,453	10.5
surance Asia/Pacific	151	168	-10.1%	153	-1.3%	463	481	-3.7
rporate line Insurance	291	-195		531		739	-75	
nderlying profit before tax from Insurance	**1,285**	**996**	**29.0%**	**1,956**	**-34.3%**	**4,291**	**3,476**	**23.4**
holesale Banking	404	527	-23.3%	668	-39.5%	1,808	1,979	-8.6
etail Banking	526	469	12.2%	555	-5.2%	1,620	1,491	8.7
G Direct	120	177	-32.2%	171	-29.8%	456	522	-12.6
rporate line Banking	53	-43		-65		-69	-88	
nderlying profit before tax from Banking	**1,103**	**1,130**	**-2.4%**	**1,329**	**-17.0%**	**3,816**	**3,904**	**-2.3**
nderlying profit before tax	**2,388**	**2,126**	**12.3%**	**3,285**	**-27.3%**	**8,106**	**7,380**	**9.8**
xation	371	418	-11.2%	473	-21.6%	1,339	1,561	-14.2
ofit before minority interests	2,017	1,708	18.1%	2,812	-28.3%	6,767	5,819	16.3
inority interests	72	76	-5.3%	76	-5.3%	214	251	-14.7
nderlying net profit	1,946	1,632	19.2%	2,735	-28.8%	6,553	5,568	17.7
et gains/losses on divestments	444	-83				444	-62	
et profit from divested units		22		11		32	85	
pecial items after tax	-83			-188		-271		
et profit (attributable to shareholders)	**2,306**	**1,571**	**46.8%**	**2,559**	**-9.9%**	**6,759**	**5,591**	**20.9**
arnings per share (in EUR)	**1.08**	**0.73**	**47.9%**	**1.18**	**-8.5%**	**3.14**	**2.59**	**21.2**
EY FIGURES								
et return on equity[2]	23.8%	23.1%		23.9%		23.8%	23.1%	
ssets under management (end of period)	637,900	569,300	12.0%	636,700	0.2%	637,900	569,300	12.0
otal staff (FTEs end of period)	123,026	120,415	2.2%	119,097	3.3%	123,026	120,415	2.2

1. Underlying profit before tax and underlying net profit are non-GAAP measures excluding divestments and

special items as
specified in
Appendix 2

2. Year-to-date

Note: Small differences are possible in the tables due to rounding

Resilience amid turbulent markets

ING GROUP

Underlying profit before tax (EUR million)

ING s earnings and income proved resilient in the third quarter despite turmoil in financial markets as concerns about US subprime lending triggered a liquidity crisis. ING incurred no material impairments or revaluations on subprime residential mortgage-backed securities and took a small markdown of EUR 29 million on leveraged finance transactions.

Profit was supported by high investment income, including a gain on the sale of part of ING s stake in ABN Amro, however revaluations on private equity and real estate investments diminished after several years of outstanding returns.

Underlying net profit rose 19.2% to EUR 1,946 million, including a net gain of EUR 455 million on ABN Amro shares, which is reflected in the Corporate Line Insurance. Excluding that gain, profit declined 8.6%, or 7.2% excluding currency effects. The result reflects a decline in life insurance as returns on real estate and private equity investments normalise, as well as lower non-life results as underwriting conditions in Canada and Mexico became more challenging.

Banking results were flat as growth in Retail Banking offset declines in Wholesale Banking and ING Direct. Risk costs increased, but were relatively low as the loan portfolio remained healthy.

ING benefited from a low effective tax rate thanks to high tax-exempted gains and a lower statutory tax rate in the Netherlands.

Net profit increased 46.8% to EUR 2,306 million, supported by the EUR 418 million gain on the sale of part of the Belgian business and a EUR 26 million gain on the sale of RegioBank. Net profit also includes EUR 54 million

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in restructuring charges for combining the Dutch retail banks and restructuring at Wholesale Banking as well as EUR 29 million in currency hedge expenses for the pending acquisition of Oyak Bank. The positive revaluation of EUR 1.9 billion after tax on ING s stake in Bank of Beijing is reflected in shareholders equity.

Insurance

Underlying profit before tax from insurance increased 29.0% including the EUR 455 million ABN Amro gain. Excluding that gain, profit from insurance declined 16.7%, reflecting EUR 105 million lower revaluation results on real estate and private equity, lower dividends, and more challenging underwriting conditions in non-life.

Profit from Insurance Europe declined 29.2%, reflecting lower investment income from real estate and private equity in the Netherlands. That offset strong growth in Central Europe, where life results increased 15.1 %.

Insurance Americas profit declined 6.3% but was flat excluding currency effects as weaker results at the non-life business in Canada offset a modest increase in the US, supported by growth of assets under management.

Profit from Insurance Asia/Pacific declined to EUR 151 million from EUR 168 million, mainly due to volatility in the hedge results in Japan. Excluding that volatility, profit from Insurance Asia/Pacific was up 16.0%.

Total insurance premium income increased 5.0%, or 8.0% excluding currency effects, driven by strong sales of wealth-accumulation products. Sales momentum continued in Central & Rest of Europe, Asia/Pacific and the US.

Insurance: Key Figures

In EUR million	3Q2007	3Q2006	Change
Gross premium income	11,395	10,848	5.0%
Operating expenses	1,363	1,193	14.3%
Underlying profit before tax	**1,285**	**996**	**29.0%**
KEY FIGURES LIFE			
Underlying profit before tax	**972**	**688**	**41.3%**
Expenses/premiums life insurance[1]	14.7%	12.5%	
Expenses/AUM investment products[1]	0.73%	0.74%	
Single-premium sales	8,992	6,085	47.8%
Annual-premium sales	1,041	944	10.3%
Total new sales (APE)	1,940	1,552	25.0%
Value of new business	298	202	47.5%
Internal rate of return[1]	13.4%	13.8%	
KEY FIGURES NON-LIFE			
Underlying profit before tax	**314**	**308**	**1.9%**
Claims ratio[1]	65.7%	60.5%	
Expense ratio[1]	30.8%	30.5%	
Combined ratio[1]	**96.5%**	**91.0%**	

Total new life sales increased 25.0% to EUR 1,940 million in the third quarter, led by growth in Central Europe, Asia and the US. Sales were driven by a 47.8% increase in single-premium sales, supported by demand for a new single-premium variable annuity product in the US and wealth accumulation products in Asia. The launch of a new pension fund in Romania added EUR 37 million to sales. Pricing discipline was maintained, and the value of new life business rose 47.5% to EUR 298 million.

Expenses increased 14.3%, due in part to one-off releases of employee benefit provisions in the third quarter last year. Excluding those releases, expenses were up 7.2%, driven by continued growth of the business in Central Europe, Asia/Pacific and the US.

Banking

Results at ING s banking business proved resilient despite the turmoil in credit markets. Underlying profit before tax declined 2.4% as growth at Retail Banking helped offset declines at Wholesale Banking and ING Direct.

Retail Banking was up 12.2%, driven by strong growth in the Netherlands and Poland as higher volumes continued to offset margin pressure from the flat yield curve and increasing competition in the Benelux.

Profit from Wholesale Banking declined 23.3% as market turbulence impacted results from Financial Markets and Structured Finance, while ING Real Estate, Leasing and General Lending continued to show solid results.

Results from ING Direct declined 32.2% due to a loss in the UK and investments to expand the product range and geographical footprint. Excluding the UK and investments in growth, profit from ING Direct rose 7.8%.

Total underlying income of the banking businesses rose 3.3% supported by the strong commercial growth in retail current accounts and mortgages. Total risk-weighted assets (RWAs) increased 4.7% in the third quarter and were up

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Banking: Key Figures

In EUR million	3Q2007	3Q2006	Change
Total underlying income	3,493	3,380	3.3%
Operating expenses	2,321	2,206	5.2%
Gross result	1,172	1,174	-0.2%
Addition to loan loss provision	69	44	56.8%
Underlying profit before tax	**1,103**	**1,130**	**-2.4%**
KEY FIGURES			
Interest margin	0.91%	1.06%	
Underlying cost/income ratio	66.5%	65.3%	
Risk costs in bp of average CRWA	8	5	
Risk-weighted assets (end of period)	373,209	332,016	12.4%
Underlying RAROC after tax[1]	23.4%	20.6%	
Economic capital (average)	14,322	15,626	-8.3%
Total bank lending[2]	501,779	488,889	2.6%

1. Year-to-date

2. 30 September compared with 30 June 2007

12.4% compared with a year earlier. That growth helped offset a narrowing of the interest margin to 0.91%, down 4 basis points from the second quarter and 15 basis points from a year earlier.

Operating expenses increased 5.2%, due entirely to investments to support the growth of the business, notably at ING Direct, ING Real Estate and the retail banking activities in developing markets. Expenses at mature businesses were flat.

Net risk costs increased, but remained low as ING s loan portfolio continued to be healthy. The addition equalled an annualised 8 basis points on average credit-risk-weighted assets, well below the normalised level of 25-30 basis points expected over the credit cycle.

From 1 January 2008, ING will transfer the mid-corporate client business in its home markets from Wholesale to Retail Banking, subject to Works Council approval. The transfer will allow the branch distribution network to be fully rooted in the Retail organisation, and will allow Wholesale Banking to focus on providing value-added products.

Assets under Management

Despite turbulent market conditions in the third quarter, assets under management increased by EUR 1.2 billion in the third quarter to EUR 637.9 billion at the end of September. Net inflow added EUR 8.5 billion and higher market values on equities and fixed-income securities contributed EUR 5.1 billion. That was offset by exchange rates, which had a negative impact of EUR 16.0 billion, mainly due to the weaker US dollar. Acquisitions and divestments had a net positive impact of EUR 3.5 billion as the purchases of Landmark Investment Management in South Korea and Santander s pension business in Mexico offset the sale of part of the Belgian insurance business.

Capital Management

All of ING s capital ratios remained well within target. The leverage position of ING Group improved from 9.32% to 9.14% as core debt reduced after a dividend was upstreamed from Insurance to ING Group.

The leverage ratio for Insurance increased from 11.03% to 13.40%, and the EU capital coverage ratio decreased to 280% from 297%. ING increased its hybrid target ratio for Insurance from 15% to 25%, bringing the target in line with that of the Bank.

The Tier-1 ratio of the Bank decreased from 7.55% to 7.39% but remained above the target of 7.2%. Risk-weighted assets increased 4.7%, or EUR 16.8 billion, to EUR 373.2 billion, driven by the continued growth of the business. The winddown of two asset-backed commercial paper conduits added EUR 6 billion to RWAs.

Share Buyback

ING made progress with its EUR 5.0 billion share buyback programme, which is expected to run until June 2008. In the third quarter 19.74% of the programme was executed as 31,939,198 shares were bought back at an average price of EUR 30.90. At the end of the third quarter, 33.16% of the total programme had been completed. The impact was partially offset by the exercise of 837,746 warrants B, leading to the issue of 1,675,492 shares at a price of EUR 24.96.

Risk Management

Risk management and a strong liquidity position helped ING manage the turbulence in financial markets in the third quarter. There were no material impairments or revaluations on US subprime or other troubled asset classes.

ING s subprime exposure amounted to EUR 3.1 billion at the end of September, representing 0.24% of total assets. Net impairments amounted to just EUR 2 million. The subprime RMBS portfolio was fair valued at 96% at the end of September against 98% in July as lower interest rates partly offset credit-spread widening. That resulted in a negative revaluation of EUR 122 million before tax.

The exposure to Alt-A residential mortgage-backed securities amounted to EUR 26.9 billion, representing 2.1 % of total assets. The portfolio s fair value was 98% at the end of the third quarter versus 99% in July and no impairments were taken. CDO and CLO exposure was EUR 1.1 billion, or 0.1% of assets. The portfolio was fair valued at 96%, unchanged from July, and impairments of EUR 5 million were taken.

Negative fair value changes in the proprietary trading portfolio of Wholesale Banking amounted to EUR 15 million on US subprime and EUR 10 million on CDOs, which were recorded in the P&L. A markdown of EUR 29 million was taken on leveraged finance transactions.

Based on market values at 31 October there has been no material change to the fair value of our subprime, Alt-A, CDO/ CLO or leveraged finance portfolios.

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INSURANCE EUROPE

Insurance Europe: Key Figures

In EUR million	Total 3Q2007	Total 3Q2006	Change	Netherlands 3Q2007	Netherlands 3Q2006	Belgium 3Q2007	Belgium 3Q2006	Central & Rest of Europe 3Q2007	Central & Rest of Europe 3Q2006
Gross premium income	2,197	2,204	-0.3%	1,381	1,370	259	377	556	456
Operating expenses	446	350	27.4%	346	270	14	16	86	68
Underlying profit before tax	**362**	**511**	**-29.2%**	**269**	**429**	**9**	**7**	**85**	**76**
LIFE INSURANCE									
Underlying profit before tax	**227**	**409**	**-44.5%**	**136**	**327**	**7**	**9**	**84**	**73**
Single-premium sales	640	805	-20.5%	255	319	217	344	168	142
Annual-premium sales	168	121	38.8%	37	32	3	5	128	84
Total new sales (APE)	232	201	15.4%	63	63	24	39	145	99
Value of new business	92	66	39.4%	13	15	4	8	74	43
Internal rate of return (YTD)	14.3%	15.3%		11.4%	13.4%	12.7%	11.7%	16.8%	19.0%
NON-LIFE INSURANCE									
Underlying profit before tax	**135**	**102**	**32.4%**	**133**	**102**	**1**	**-3**	**1**	**3**
Claims ratio	53.1%	55.5%		50.7%	53.7%	71.8%	65.4%	46.3%	48.5%
Expense ratio	36.1%	33.3%		36.6%	33.5%	10.7%	31.7%	45.9%	39.5%
Combined ratio	**89.2%**	**88.8%**		**87.3%**	**87.2%**	**82.5%**	**97.1%**	**92.2%**	**88.0%**

Central Europe drives strong increase in VNB

Value of new business +39.4%

Sales in Central Europe +46.5%

Earnings impacted by lower revaluations of real estate and private equity

INSURANCE EUROPE

Underlying profit before tax (EUR million)

Strong sales in Central Europe drove growth in the value of new business at Insurance Europe. Sales were boosted by pension reform in Romania, where a mandatory second-pillar pension system has been introduced. A four-month sales window opened in mid-September, and ING was off to a very strong start. In the first two weeks the ING pension fund signed up some 360,000 clients, contributing EUR 34 million to value of new business and EUR 37 million in sales. Total life sales for Insurance Europe increased 15.4% to EUR 232 million and the value of new business was up 39.4% to EUR 92 million.

The Dutch life insurance market remains challenging with continued margin pressure as some competitors adopt aggressive pricing strategies, and sales of unit-linked products have diminished. Market uncertainty and less intensive marketing reduced sales of investment products in Belgium. The sale of ING s broker and employee benefits business in Belgium resulted in a gain of EUR 418 million which is excluded from the underlying results.

Unrest in financial markets put pressure on real estate and private equity markets in the third quarter, resulting in lower revaluations after several quarters of outstanding investment returns on both asset classes.

Lower investment income put pressure on results in the third quarter, and underlying profit before tax at Insurance Europe declined 29.2% to EUR 362 million. Investment income was down 17.4%, reflecting EUR 56 million lower revaluations of real estate and EUR 58 million lower on private equity, as well as EUR 32 million less dividend income.

The life insurance activities in the Netherlands were most affected by the decline in investment income, as well as a release of employee benefits provisions last year, and profit there was down 58.4%. That offset a 15.1 % increase in life results from Central Europe and higher non-life profits in the Netherlands and Belgium.

Premium income was flat at EUR 2,197 million as higher life premiums in Central & Rest of Europe were offset by a decline in Belgium. Expenses were up EUR 96 million reflecting a EUR 79 million release of employee benefit provisions in the Netherlands last year and EUR 7 million higher investments in greenfields.

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INSURANCE AMERICAS

Insurance Americas: Key Figures

	Total			United States		Canada		Latin America	
In EUR million	3Q2007	3Q2006	Change	3Q2007	3Q2006	3Q2007	3Q2006	3Q2007	3Q2006
Gross premium income	5,735	5,802	-1.2%	4,522	4,509	747	731	467	562
Operating expenses	603	607	-0.7%	357	357	143	138	103	112
Underlying profit before tax	**480**	**512**	**-6.3%**	**309**	**329**	**108**	**135**	**63**	**48**
LIFE INSURANCE									
Underlying profit before tax	**365**	**359**	**1.7%**	**309**	**329**			**56**	**30**
Single-premium sales	5,704	3,935	45.0%	5,654	3,881			51	54
Annual-premium sales	388	411	-5.6%	313	332			75	79
Total new sales (APE)	958	805	19.0%	879	720			80	85
Value of new business	73	43	69.8%	64	32			9	11
Internal rate of return (YTD)	10.8%								