

Edgar Filing: ING GROEP NV - Form 11-K

ING GROEP NV
Form 11-K
July 15, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the Fiscal Year ended December 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File No. 1-14642

A. Full title of the plan and the address of the plan if different from
that of the issuer named below:

ING 401(k) Plan for ILIAC Agents

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

ING GROEP N.V.

Amstelveenseweg 500
1081 KL Amsterdam
The Netherlands

or
P.O. Box 810
1000 AV Amsterdam
The Netherlands

ING 401(k) Plan for ILIAC Agents
Contents of Audited Financial Statements and Supplemental Schedule

Edgar Filing: ING GROEP NV - Form 11-K

The following financial statements and supplemental schedule for the ING 401(k) Plan for ILIAC Agents are being filed herewith:

Description

Financial Statements and Supplemental Schedule
December 31, 2002 and 2001, and the year ended December 31, 2002:

Report of Independent Auditors

Financial Statements:

Statements of Net Assets Available for Benefits as of:

December 31, 2002

December 31, 2001

Statements of Changes in Net Assets Available for Benefits for the years ended:

December 31, 2002

December 31, 2001

Notes to Financial Statements

Supplemental Schedule:

Schedule H, Line 4i - Schedule of Assets (Held End of Year)

The following exhibits are being filed herewith:

Exhibit No.	Description
1	Consent of Independent Auditors - Ernst & Young LLP
99.1	Certification Pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)

Report of Independent Auditors

Board of Directors
ING 401(k) Plan for ILIAC Agents

We have audited the accompanying statements of net assets available for benefits of the ING 401(k) Plan for ILIAC Agents as of December 31, 2002 and 2001, and

Edgar Filing: ING GROEP NV - Form 11-K

the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as explained in the following paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, investment assets held by Aetna Life Insurance and Annuity Company, the custodian of the Plan, and transactions in those assets were excluded from the scope of our audit of the Plan's 2001 financial statements, except for comparing the information provided by the custodian, which is summarized in Note 4 to the financial statements, with the related information included in the financial statements.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the Plan's financial statements as of December 31, 2001. The form and content of the information included in the 2001 financial statements, other than that derived from the information certified by the custodian, have been audited by us and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2002, and changes in its net assets available for benefit for the year then ended in conformity with accounting principles generally accepted in the United States.

Our audit of the Plan's financial statements as of and for the year ended December 31, 2002, was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2002, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the financial statements for the year ended December 31, 2002, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/S/ Ernst & Young LLP

June 23, 2003

ING 401(k) Plan for ILIAC Agents

Edgar Filing: ING GROEP NV - Form 11-K

Statements of Net Assets Available for Benefits
As of December 31, 2002 and 2001

	2002		2001
	-----		-----
Assets Investments at fair value:			
Cash and cash equivalents	\$ -	\$	
Mutual funds	11,588,519		12,588,519
Common stock	95,674		
Participant loans	527,257		
Group annuity contract at contract value	1,541,122		
	-----		-----
Net assets available for benefits	\$ 13,752,572	\$	13,752,572
	=====		=====

The accompanying notes are an integral part of these financial statements.

ING 401(k) Plan for ILIAC Agents
Statements of Changes in Net Assets Available for Benefits For the years ended
December 31, 2002 and 2001

	2002		2001
	-----		-----
Additions:			
Interest and dividends	\$ 144,147	\$	
Contributions - participant	3,057,481		2,588,519
Employer contributions	1,014,903		1,014,903
	-----		-----
Total additions	4,216,531		3,603,922
Deductions:			
Net depreciation in fair value of investments	3,457,236		1,014,903
Benefits paid to participants	573,304		
Administrative expenses	5,210		
	-----		-----
Total deductions	4,035,750		1,014,903
	-----		-----
Net increase	180,781		1,589,019

Edgar Filing: ING GROEP NV - Form 11-K

Net assets available for benefits:

Beginning of year	13,571,791	11,
	-----	-----
End of year	\$ 13,752,572	\$ 13,
	=====	=====

The accompanying notes are an integral part of these financial statements.

ING 401(k) Plan for ILIAC Agents
Notes to Financial Statements

1. Description of Plan

General

The following description of the ING 401(k) Plan for ING Life Insurance and Annuity Company ("ILIAC") Agents (the "Plan") provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

The Plan is a voluntary defined contribution plan available to all full-time insurance salesmen who, as defined, have entered into a Career Agent Agreement with ILIAC. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

ILIAC is the Plan sponsor and ING US Pension Committee is the plan administrator (the "Plan Administrator"). Effective January 2002, ING National Trust became the trustee of the Plan. The former trustee was Mellon Bank ("Mellon") through January 2002.

Plan Amendment

Effective January 1, 2002, the Plan was amended to change the name of the Plan to ING 401(k) Plan for ILIAC Agents from Agents of Aetna Life Insurance and Annuity Company Incentive Savings Plan.

Investment Options

Effective January 1, 2002, ING National Trust, the trustee of the Plan, holds plan investments. Prior to that date, plan investments were held by Aetna Life Insurance and Annuity Company, the custodian of the Plan. At December 31, 2002, the Plan's assets were comprised of the following investment vehicles: ING Fixed Account, ING GNMA Income Fund, ING Intermediate Bond Fund, Fidelity Puritan Fund, ING Index Plus LargeCap Fund, Merrill Lynch Equity Index Trust, Fidelity Blue Chip Growth Fund, ING Growth Fund, ING LargeCap Growth Fund, ING Value Opportunity Fund, MFS Capital Opportunities Fund, AIM Small Cap Growth Fund (A), ING Index Plus MidCap Fund, ING Small Company Fund, ING SmallCap Opportunities Fund, ING Global Technology Fund, ING International Fund, ING International Value Fund, Janus Worldwide Fund and ING Market Stock Fund.

Eligibility

All employees meeting the age, service and other qualifying requirements, as

Edgar Filing: ING GROEP NV - Form 11-K

defined in the applicable Plan agreement, are immediately eligible to participate in the Plan.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of Plan earnings and is charged with an administrative fee. All earnings, with respect to participant's accounts, will be allocated to each participant's account as soon as practicable after they accrue or arise in proportion to the account values of the participant's account. Forfeited balances of terminated participants nonvested accounts are used to reduce future Company contributions or pay Plan expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Participants vest in ILIAC matching contributions over three years of service at the rate of 50% after the first year, 75% after the second year and 100% after the third year. Employees are immediately fully vested when any of the following occur: (1) obtaining age 65 while actively employed, (2) dying while actively employed, (3) obtaining eligibility for benefits under Aetna's managed long term disability plan, or (4) termination or partial termination of the Plan.

Effective January 1, 2002, for those participants that enter into a career agent agreement after January 1, 2002, the Plan was amended to provide for vesting in ILIAC matching contributions ratably over four years of completed service.

The amount of cumulative forfeited nonvested participant accounts as of December 31, 2002 and 2001 is \$25,908 and \$15,910, respectively.

Employee Contributions

Prior to January 1, 2002, participants could contribute up to 10% of pre-tax eligible earnings as defined by ILIAC. Effective January 1, 2002 participants may contribute up to 20% of an active participant's pay. These contributions are considered to be employee contributions in accordance with the Internal Revenue Code ("IRC"). Contributions are subject to certain limitations of the IRC.

Employer Contributions

ILIAC matches participants' deferral contributions at 50% of each participant's contributions up to the first 6% of total eligible earnings. The Internal Revenue Service ("IRS") limits can affect certain highly paid participants' eligibility to receive matching contributions.

Loans

Effective January 1, 2002, subject to the provisions of the Plan, participants may borrow against their account balances provided that the amount requested is at least \$1,000 but not more than the lesser of 50% of the vested balance or \$50,000.

Edgar Filing: ING GROEP NV - Form 11-K

Each loan will bear an interest rate as prescribed by the Plan's applicable provisions, currently prime interest rate plus 1%. Loan repayment periods are for a maximum of five years. Principal and interest are repaid ratably through commission check deductions.

Benefits

Upon termination of service due to death, disability or retirement, a participant or his/her beneficiary may elect to receive either a lump-sum distribution or periodic payments of the vested account balances. The installments shall be provided from a group annuity contract or individual contract purchased by ILIAC. Effective January 1, 2002, a participant may elect to receive his or her benefit in Company (defined as American Depository Shares of ING Groep, N.V., a Netherlands Corporation which is the parent company of the custodian of the plan) stock to the extent his or her account is vested in Company stock.

Administrative Expenses

The Plan sponsor pays expenses in excess of the basic charge, as defined in the Plan document, which are deducted from participant accounts.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at anytime and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting.

Investment Valuation and Income Recognition

The Plan provides for investments in ING American Depository Shares, guaranteed investment contract ("GIC") related investments and mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term; such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Mutual funds are stated at fair value, which is the quoted market price. Investments in ING American Depository Shares are based on the quoted market price of the common shares of ING Groep N.V. The group annuity contract (ING Fixed Account) is presented at contract value in accordance with American Institute of Certified Public Accountants (AICPA) Statement of Position ("SOP") 94-4 Reporting of Investment Contracts Held by Health and Welfare Benefit Plans and Defined Contribution Pension Plans, which approximates fair value. The ING Fixed Account guarantees a minimum rate of interest. Once the rate is credited, the interest becomes part of the principal and the investment increases through compound interest.

Loans to participants are valued at their outstanding balances, which

Edgar Filing: ING GROEP NV - Form 11-K

approximate fair value.

Interest income is recorded on the accrual basis of accounting. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on the trade date.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires the plan administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassification

Certain 2001 balances have been reclassified to conform to the 2002 presentation.

3. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated June 11, 1996, stating that the Plan is qualified under Section 401(a) of the IRC and, therefore, the related trust is exempt from taxation. Subsequent to the issuance of this determination letter, the Plan was amended and a new determination letter was received (see Subsequent Event footnote). Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes that the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

The Plan was amended and restated effective January 1, 2002, to incorporate the applicable requirements of the Uruguay Round Agreements Act ("GAAT"), Uniformed Services Employment and Reemployment Rights Act of 1994, Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998 and the Community Renewal Tax Relief Act of 2000.

4. Investments

The following individual investments represent 5% or more of the Plan's total net assets as of the years ended December 31:

	2002	2001
	-----	-----
ING Small Company Fund-Class I	\$ 2,496,094	\$ 3,569,200
American Century Ultra Fund	N/A	2,542,130
Fidelity Equity Income Fund	N/A	657,552
Fidelity Growth Opportunities Fund	N/A	887,929
Janus Fund	N/A	2,753,026
Templeton Foreign Fund	N/A	1,126,422
ING Fixed Account	1,541,122	N/A
Fidelity Blue Chip Growth Fund	1,987,272	N/A
ING Growth Fund-Class I	1,624,859	N/A
MFS Capital Opportunities Fund	745,732	N/A
ING International Value Fund-Class I	1,171,579	N/A

Edgar Filing: ING GROEP NV - Form 11-K

The net appreciation (depreciation) in fair value of each significant class of investments, which consists of the realized gains of losses and the unrealized appreciation (depreciation) on those investments, is as follows for the years ended December 31:

	2002	2001
	-----	-----
Mutual Funds	\$ (3,423,356)	\$ (1,526,945)
ING Company Shares	(33,880)	-
	-----	-----
Net depreciation in fair value	\$ (3,457,236)	\$ (1,526,945)
	=====	=====

5. Blackout Period

During 2002, as part of the transfer to a new trustee, the Plan Sponsor initiated blackout period restrictions with respect to participant activity. Effective November 30, 2001, former investment allocations were mapped based on a prescribed table into new funds and new options were made available to participants. The following table represents a summary of this fund mapping:

Sector	New Funds	Former Funds
	-----	-----
Global/ International	Pilgrim International Value Fund Janus Worldwide Fund Pilgrim International Fund Pilgrim Global Fund Technology Fund	Templeton Foreign Fund New Investment Option
Aggressive Growth	Aetna Small Company Fund Aetna Index Plus MidCap Fund AIM SmallCap Growth Fund Pilgrim SmallCap Opportunities Fund	Aetna Small Company Fund New Investment Option
Growth	Aetna Growth Fund Aetna Value Opportunity Fund Fidelity Blue Chip Growth Fund MFS Capital Opportunities Fund	American Century Ultra Fund Neuberger & Berman Guardian Tru Janus Fund Fidelity Advisor Growth Opportu
Growth and Income (stocks)	Aetna Index Plus LargeCap Fund	Aetna Growth & Income Fund

Edgar Filing: ING GROEP NV - Form 11-K

	Merrill Lynch Equity Index Trust	Fidelity Advisor Equity Income
Growth and Income (stocks and bonds)	Fidelity Puritan Fund	Evergreen Foundation Fund
Income	Pilgrim Intermediate Bond Fund	Janus Flexible Income Fund Aetna Bond Fund
	Pilgrim GNMA Income Fund	New Investment Option
Stability of Principal	Aetna Fixed Account	Aetna Fixed Account Aetna Money Market Fund
Company Stock	ING Market Stock Fund	New Investment Option

In December 2001, all activity was suspended while account records and trust assets were transferred to the new trustee. During January 2002, current year contributions are directed to the new Plan trustee. Effective February 15, 2002, the blackout period ended and full-service activity resumed on all participant accounts.

6. Parties-in-Interest to the Plan

The Plan holds investments in several mutual funds that are managed by the affiliated companies of the Plan Sponsor. These funds are considered parties-in-interest to the Plan. At December 31, 2002 and 2001, funds of \$9,354,919 and \$4,933,567 were held in such investments and are considered parties-in-interest to the Plan.

7. Subsequent Event

The Plan received a determination letter from the Internal Revenue Service dated March 27, 2003, stating that the Plan is qualified under Section 401(a) of the IRC and, therefore, the related trust is not subject to taxation under current law.

Supplemental Schedule

ING 401(k) Plan for ILIAC Agents EIN-71-0294708 Plan-005 Schedule H, Line 4(i)
Schedule of Assets (Held at End of Year) At December 31, 2002

Edgar Filing: ING GROEP NV - Form 11-K

(a)	(b)	(c)
Identity of Issuer, Borrower, Lessor or Similar Party		Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value
*	ING Fixed Account	Investments underlying the ING Fixed Account are managed with a goal of producing the highest sustainable credited interest rates. An emphasis on high-credit, mortgage backed securities, and careful monitoring of the portfolio's risk to changes in interest rates are key strategies for maintaining competitive rates. The fixed account credited rate is 5.65% in 2002.
*	ING GNMA Income Fund	This separate account seeks a high level of current income, consistent with liquidity and safety of principal, through investment primarily in mortgage-backed GNMA certificates that are guaranteed as to the timely payment of principal and interest by the United States Government. 27,732 units at \$9.03 per unit
*	ING Intermediate Bond Fund	This separate account seeks to provide investors with a high level of current income, consistent with the preservation of capital and liquidity. 39,666 units at \$10.44 per unit.
	Fidelity Puritan Fund	This separate account seeks income and capital growth consistent with reasonable risk. 23,245 units at \$15.79 per unit
	Merrill Lynch Equity Equity Index Trust	This separate account seeks to provide investment results that, before expenses, replicate the total return of the Standard & Poor's 500 Composite Stock Price Index. 6,218 units at \$64.56 per unit
	Fidelity Blue Chip Growth Fund	This separate account seeks growth of capital over the long term. 62,219 units at \$31.94 per unit
*	ING Growth Fund - Class I	This separate account seeks growth of capital through investment in a diversified portfolio consisting primarily of common stocks and securities convertible into common stocks believed to offer growth potential. 178,360 units at \$9.11 per unit
*	ING LargeCap Growth Fund - Class I	This separate account seeks long-term capital appreciation. 2,649 units at \$12.92 per unit
*	ING Value Opportunity Fund - Class I	This separate account seeks growth of capital primarily through investment in a diversified portfolio of common stocks and securities convertible into common stock. 64,015 units at \$8.07 per unit
	MFS Capital Opportunities Fund- Class A	This separate account seeks capital appreciation 79,333 units at \$9.40 per unit

Edgar Filing: ING GROEP NV - Form 11-K

(a)	(b)	(c)
Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	
	AIM Small Cap Growth Fund - Class R	This separate account seeks long-term growth of capital. 11,603 units at \$18.48 per unit
*	ING Index Plus MidCap Fund - Class I	This separate account seeks to outperform the total return performance of the Standard & Poor's MidCap 400 Index while maintaining a market level of risk. 56,581 units at \$10.68 per unit
*	ING Index Plus LargeCap Fund (I)	This separate account seeks to outperform the total return performance of the Standard & Poor's 500 Composite Index while maintaining a market level of risk. 46,380 units at \$11.37 per unit
*	ING Small Company Fund - Class I	This separate account seeks growth of capital primarily through investment in a diversified portfolio of common stocks and securities convertible into common stocks of companies with smaller market capitalization. 222,866 units at \$11.20 per unit
*	ING SmallCap Opportunities Fund - Class A	This separate account seeks capital appreciation. 3,311 units at \$16.60 per unit
*	ING Global Technology Fund - Class I	This separate account seeks long-term capital appreciation. 27,204 units at \$3.39 per unit
*	ING International Fund - Class I	This separate account seeks long-term growth of capital. 3,816 units at \$7.10 per unit
*	ING International Value Fund - Class I	This separate account seeks long-term capital appreciation. 113,967 units at \$10.28 per unit
	Janus Worldwide Fund	This separate account seeks long-term growth of capital in a manner consistent with the preservation of capital. 1,830 units at \$32.13 per unit
	ING Market Stock Fund	This separate account seeks to invest primarily in ING American Depositary Shares ("ING ADSs").
	Participant loans	

Note: Column (d) cost information is omitted for all participant directed investments.

* Indicates a party-in-interest to the Plan.

Signature

Pursuant to the requirements of the Securities and Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ING 401(k) PLAN FOR ILIAC AGENTS

Dated: July 15, 2003

By: ING US PENSION COMMITTEE

By: /s/ Darryl L. Harris

Name: Darryl L. Harris

Title: Chairman, ING U.S. Pension Committee

Exhibit 1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-14254) pertaining to the ING 401(k) Plan for ILIAC Agents of ING Groep N.V. and affiliates of our report dated July 10, 2003, with respect to the financial statements and schedule of the ING 401(k) Plan for ILIAC Agents included in this Annual Report (Form 11-K) for the year ended December 31, 2002.

/s/ Ernst & Young LLP

Atlanta, Georgia
July 10, 2003

Exhibit 99.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Annual Report on Form 11-K of the ING 401(k) Plan for ILIAC Agents (the "Plan") for the year ended December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the

Edgar Filing: ING GROEP NV - Form 11-K

undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of such officer's knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Plan.

Date: July 15, 2003

By: /s/ Darryl L. Harris

Name: Darryl L. Harris

Title: Chairman, ING U.S. Pension Committee

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent that this Exhibit 99.1 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by Section 906 has been provided to the Plan and will be retained by the Plan and furnished to the Securities and Exchange Commission or its staff upon request.