

NEWS RELEASE

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ING Australia posts 50% increase in net profit

Australia's fourth largest retail fund manager and life insurer, owned 51% by ING Group and 49% by ANZ, has posted a 50% increase* in net profit after tax to \$215.4 million for the year ended December 2003.

ING Australia reduced its total expenses by 12.5 per cent to \$394.5 million, well ahead of the target outlined at the time of its formation as a joint venture on 1 May 2002.

Highlights were a strong profit result across the life risk portfolio and a rebound in investment earnings.

Paul Bedbrook, who took over as CEO in July 2003 said:

"It's a good result in what has been a challenging operating environment. Given that investment markets and investor sentiment are recovering we are now well positioned for future growth. Our improved financial management means that any business growth should directly improve the bottom line.

"Since the joint venture was formed we have held market share, substantially reduced our cost base and integrated the respective ING and ANZ operations. This has been achieved through a period of volatile investment markets, low investor confidence and substantial regulatory change.

"We are now developing a strong channel distribution focus to better leverage our distribution strengths. With a very strong brand, full service capability, and ability to distribute through the bank network, our own dealer groups, other dealer groups and the so-called 'boutique' planner groups, we are well placed for the future.

"Our challenge now is to continue to drive efficiencies throughout the company and work closely with our major distribution partners to grow the business."

Other 2003 business highlights included:

- Launched ANZ OneAnswer investment, superannuation and retirement income product suite in June 2003
- Very strong inflows of ANZ loan-linked insurance
- Transition of ANZ multi-manager funds to ING's multi-manager Optimix, which now has \$4 billion in funds under management and has been included on all major ING and ANZ product platforms
- Reorganised sales and distribution structure to leverage major distribution channels
- Developed new business model and reorganised ING-owned dealer groups

- Strengthened risk management and prepared for licensing under the new Financial Services Regime
- Established common employment terms and conditions for staff from both ING and ANZ under a new Certified Agreement

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Note to the editor: * All financial results comparisons to the previous year 2002 are based on annualised results for the eight months following the joint venture's formation on 1 May 2002.

About ING

ING Australia Limited (ING Australia) is one of Australia's leading fund managers and life insurers with over \$38 billion in assets under management and 2,000 staff. ING Australia is a joint venture between the global ING Group, which owns 51%, and one of Australia's major banks, ANZ, which owns 49%.

ING Australia provides a broad range of financial products and services through an extensive network of professional financial advisers and financial institutions, including its own financial advice groups.

ING Group is one of the world's largest wealth managers with more than 60 million customers, \$800 billion in assets under management and 115,000 staff. ING Group's global head office is in Amsterdam, The Netherlands, with operational headquarters around the world including Sydney, Australia.