

ING GROEP NV  
Form 11-K  
June 27, 2008

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 11-K**

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

**For the Fiscal Year ended December 31, 2007**

**OR**

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

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 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

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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

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**ING 401(k) PLAN FOR ILIAC AGENTS**

**Contents of Audited Financial Statements and Supplemental Schedule**

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I. The following financial statements and supplemental schedule for the ING 401(k) Plan for ILIAC Agents are being filed herewith:	
Audited Financial Statements and Supplemental Schedule December 31, 2007 and 2006, and the years then ended:	
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Statements of Changes in Net Assets Available for Benefits for the years ended: December 31, 2007 and 2006	3
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II. The following exhibits are being filed herewith:	
Exhibit No.	Description
1	Consent of Independent Registered Public Accounting Firm - 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 Registered Public Accounting Firm

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, 2007 and 2006, and 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.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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, 2007 and 2006, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were 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, 2007, is presented for purposes 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 our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Atlanta, Georgia

June 26, 2008



**ING 401(k) PLAN FOR ILIAC AGENTS**

**Statements of Net Assets Available for Benefits**

**As of December 31, 2007 and 2006**

	<b>2007</b>	<b>2006</b>
<b>Assets</b>		
Contribution receivable	\$ 78,677	\$ -
Total receivable	78,677	-
Investments, at fair value:		
Mutual funds	35,943,475	30,720,738
ING Groep shares	3,062,642	3,542,695
Participant loans	1,555,703	1,241,848
Guaranteed investment contract	7,882,831	6,487,139
Net assets available for benefits at fair value	48,444,651	41,992,420
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	182,965	399,754
Net assets available for benefits at contract value	\$ 48,706,293	\$ 42,392,174

*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, 2007 and 2006

	<b>2007</b>	<b>2006</b>
Additions:		
Interest and dividends	\$ 2,990,746	\$ 1,997,751
Contributions - participants	4,868,093	4,404,156
Contributions - employer	1,766,892	1,615,923
Contributions - receivable	78,677	-
Rollover contributions	148,176	244,508
Net (depreciation) appreciation in fair value of investments	(1,442,744)	3,148,794
Other	60,155	-
Total additions	8,469,995	11,411,132
Deductions:		
Benefits paid to participants	2,112,688	1,392,960
Deemed distributions	39,288	49,977
Administrative expenses	3,900	3,149
Total deductions	2,155,876	1,446,086
Net increase	6,314,119	9,965,046
Net assets available for benefits:		
Beginning of year	42,392,174	32,427,128
End of year	\$ 48,706,293	\$ 42,392,174

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

**ING 401(k) PLAN FOR ILIAC AGENTS**

**Notes to Financial Statements**

**December 31, 2007**

**1. Description of Plan**

**General**

The following description of the ING 401(k) Plan for ING Life Insurance and Annuity Company ( ILIAC ) Agents, formerly the Agents of Aetna Life Insurance and Annuity Company Incentive Savings Plan (the Plan ), provides only general information. Participants should refer to the Plan documents, including the Summary Plan Description, for a more complete description of the Plan s provisions, including those described herein.

The Plan is a voluntary defined contribution plan available to all full-time insurance salespersons who, as defined in the Plan document, have entered into a Career Agent Agreement with ILIAC. The Plan is intended to meet the requirements of Internal Revenue Code ( IRC ) Section 401(a). The Plan contains a salary reduction feature intended to meet the requirements applicable to cash or deferred arrangements under Section 401(k) of the IRC. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ( ERISA ).

ILIAC is the Plan sponsor ( Plan Sponsor ) and the ING U.S. Pension Committee is the Plan administrator ( Plan Administrator ). ING National Trust is the trustee ( Trustee ) of the Plan.

**Investment Options**

At December 31, 2007, the Plan s assets were invested in the following investment vehicles: Blackrock Equity Index Trust, ING Fixed Account, ING Intermediate Bond Fund - Class I, ING International Value Fund - Class I, ING Market Stock Fund, ING Real Estate Fund - Class I, ING Solution 2015 Portfolio - Initial Class, ING Solution 2025 Portfolio - Initial Class, ING Solution 2035 Portfolio - Initial Class, ING Solution 2045 Portfolio - Initial Class, ING Solution Income Portfolio - Initial Class, ING VP Index Plus LargeCap Portfolio - Class I, ING VP Index Plus MidCap Portfolio - Class I, ING VP Index Plus SmallCap Portfolio - Class I, ING VP Small Cap Opportunities Portfolio - Initial Class, Mainstay Large Cap Growth Fund, MFS Institutional International Equity Fund, Nuveen NWQ Small/Mid-Cap Value Fund - Class R and Washington Mutual Investors Fund - Class R-5.

**Concentrations of Risk**

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At December 31, 2007 and 2006, the Plan's assets were significantly concentrated in ING mutual funds and shares of ING Groep N.V. (the Company, a Netherlands corporation which is the parent of the Plan Sponsor) stock, the value of which is subject to fluctuations related to corporate, industry and economic factors.

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## **ING 401(k) PLAN FOR ILIAC AGENTS**

### **Notes to Financial Statements**

#### **Eligibility**

All employees meeting the qualifying requirements, as specified in the Plan documents, are immediately eligible to participate in the Plan. Generally, Plan participation is limited to Career Agents, as defined in the Plan documents.

#### **Participant Accounts**

Each participant's account is credited with the participant's contribution and ILIAC's contribution. ILIAC contributions are based on participant deferrals and eligible earnings. Each participant's account is also credited with allocations of Plan investment results. Participant accounts are reduced by any administrative fee or expenses charged against the account and are allocated in proportion to the participant's account balance. All earnings or losses are allocated to each participant's account as soon as practicable. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account at the time benefit payments are made.

#### **Vesting**

Participants are immediately vested in their contributions plus actual earnings thereon. Participants who enter into a Career Agent contract with ILIAC will vest in ILIAC matching contributions over four years of service at the rate of 25% after the first year, 50% after the second year, 75% after the third year, and 100% after the fourth year. Participants who entered into a Career Agent contract with ILIAC prior to January 1, 2002 will vest in ILIAC matching contributions over three years of service at a rate of 50% after the first year, 75% after the second year and 100% after the third year. Participants are immediately fully vested when any of the following occur: (1) reaching age 65 while actively employed, (2) dying while actively employed, (3) obtaining eligibility for benefits under ILIAC's managed long term disability plan while actively employed, or (4) termination or partial termination of the Plan.

The amount of cumulative forfeited nonvested participant accounts as of December 31, 2007 and 2006 is \$83,608 and \$67,479, respectively. Forfeitures are used to pay Plan expenses as permitted by the Plan documents.

#### **Participant Contributions**

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Participants may contribute up to 50% of their pre-tax eligible earnings for the Plan year. Participants may also contribute eligible amounts representing distributions from other qualified plans in a tax-free rollover ( rollover ). Participant contributions, other than rollovers, are subject to limitations imposed by the IRC.

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## **ING 401(k) PLAN FOR ILIAC AGENTS**

### **Notes to Financial Statements**

#### **Employer Contributions**

As of December 31, 2007, ILIAC matches participants' pre-tax contributions at 60% of each participant's contributions up to the first 6% of total eligible earnings. The IRC limits can affect certain highly paid participants' eligibility to receive matching contributions. ILIAC matching contributions are made in cash, and are allocated with consideration to each participant's investment elections.

#### **Participant Loans**

Subject to the provisions of the Plan, participants may borrow against his/her 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 (taking into account the outstanding balance of all Plan loans made within the prior twelve months).

Each loan will bear an interest rate as prescribed by the Plan's applicable provisions, currently the 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.

#### **Deemed Distribution**

The Plan treats participant loans that are in default due to a missed payment, and outstanding loan balances when a terminated participant takes a distribution, as deemed distributions. In accordance with Internal Revenue Service ("IRS") regulations, a participant who repays a loan after a deemed distribution will receive credits pursuant to IRS requirements.

#### **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 his/her vested account balance. Additionally, upon resignation or termination, a participant may elect to receive a lump sum distribution of his/her vested account balance. A participant may elect to receive his/her benefit in Company stock (defined as American Depository Shares ( Groep Shares )) to the extent his or her account is invested in Company stock. As defined in the Plan

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documents, certain participants are also eligible for hardship withdrawals, consistent with the provisions of the IRC.

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## **ING 401(k) PLAN FOR ILIAC AGENTS**

### **Notes to Financial Statements**

#### **Administrative Expenses**

The Plan is responsible for paying all Plan expenses, unless ILIAC determines to pay them. Forfeitures may also be used to pay Plan expenses as permitted by the Plan documents. Administrative expenses, net of forfeitures, were \$3,900 and \$3,149 for the years ended December 31, 2007 and 2006, respectively.

#### **Plan Termination**

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

## **2. Summary of Significant Accounting Policies**

### **Basis of Accounting**

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

In December 2005, the Financial Accounting Standards Board (FASB) issued FASB Staff Position AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP). The FSP defines the circumstances in which an investment contract is considered fully benefit responsive and provides certain reporting and disclosure requirements for fully benefit responsive investment contracts in defined contribution health and welfare and pension plans. The financial statement presentation and disclosure provisions of the FSP are effective for financial statements issued for annual periods ending after December 15, 2006 and are required to be applied retroactively to all prior periods presented for comparative purposes. The Plan has adopted the provisions of the FSP at December 31, 2006.

As required by the FSP, investments in the accompanying Statements of Net Assets Available for Benefits include fully benefit responsive investment contracts recognized at fair value. AICPA Statement of Position 94-4-1, *Reporting of Investment Contracts Held by Health and*

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*Welfare Benefit Plans and Defined Contribution Pension Plans*, as amended, requires fully benefit responsive investment contracts to be reported at fair value in the Plan's Statement of Net Assets Available for Benefits with a corresponding adjustment to reflect these investments at contract value. Adoption of the FSP had no effect on the Statement of Changes in Net Assets Available for Benefits for any period presented.

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**ING 401(k) PLAN FOR ILIAC AGENTS**

**Notes to Financial Statements**

**New Accounting Pronouncement**

*Fair Value Measurements*

In September 2006, the FASB issued FAS No. 157, Fair Value Measurements ( FAS No. 157 ). FAS No. 157 provides guidance for using fair value to measure assets and liabilities whenever other standards require (or permit) assets or liabilities to be measured at fair value. FAS No. 157 does not expand the use of fair value to any new circumstances. Under FAS No. 157, the FASB clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, FAS No. 157 establishes a fair value hierarchy that prioritizes the information used to develop such assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. FAS No. 157 also requires separate disclosure of fair value measurements by level within the hierarchy and expanded disclosure of the effect on earnings for items measured using unobservable data. The Company will adopt FAS 157 on its effective date. The Company is in the process of determining the impact of adopting FAS No. 157 on the Plan.

**Investment Valuation and Income Recognition**

The Plan provides for investments in Groep shares, guaranteed investment contracts ( GICs ), and mutual funds. Mutual funds are stated at fair value, which is the quoted market price in an active market on the last day of the Plan year. Investments in Groep shares are based on the quoted market price in an active market of the common shares of the Company on the last day of the Plan year. As discussed in Note 2 above, in 2006 the Plan adopted FSP AAG INV-1 and SOP 94-1-1, *Reporting of Investment Contracts Held by Health and Welfare Benefit Plans and Defined Contribution Pension Plans*. Generally, contract value of the ING Fixed Account is equal to participant deposits minus participant withdrawals plus credited interest. Interest credited is net of expenses. Contract value may be subject to adjustments in connection with contractholder directed withdrawals that are subject to a market value adjustment. Under limited circumstances (certain in-service participant withdrawals) contract value may be adjusted as a result of a market value adjustment. The fair value of the ING Fixed Account is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations.

Loans to participants are valued at their outstanding balances, which approximate fair value.



**ING 401(k) PLAN FOR ILIAC AGENTS**

**Notes to Financial Statements**

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 U.S. generally accepted accounting principles 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.

**Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

**3. Income Tax Status**

The Plan received a determination letter from the IRS dated March 27, 2003, stating that the Plan is qualified under Section 401(a) of the IRC and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.



**ING 401(k) PLAN FOR ILIAC AGENTS****Notes to Financial Statements****4. Investments**

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

	<b>2007</b>	<b>2006</b>
ING Fixed Account	\$ 8,065,796	\$ 6,886,893
ING Intermediate Bond Fund - Class I	2,460,448	*
ING International Value Fund - Class I	6,924,147	6,096,938
ING Market Stock Fund	3,062,642	3,542,695
ING Real Estate Fund - Class I	*	3,284,252
ING VP Growth Portfolio - Class I	*	2,150,138
ING VP Index Plus LargeCap Portfolio - Class I	*	2,308,538
ING VP Index Plus MidCap Portfolio - Class I	3,889,243	3,732,967
ING VP Index Plus SmallCap Portfolio - Class I	*	2,196,350
Mainstay Large Cap Growth Fund	4,882,167	*
Washington Mutual Investors Fund - Class R-5	3,792,512	3,699,794

\* Investment not greater than 5%

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

	<b>2007</b>	<b>2006</b>
Mutual funds	\$ (1,233,809)	\$ 2,468,032
ING Groep shares	(208,935)	680,762
Net appreciation in fair value	\$ (1,442,744)	\$ 3,148,794

**5. Investment in Insurance Contracts**

As of December 31, 2007, the Plan maintained one GIC related investment option, the ING Fixed Account. The contract underlying this investment option is considered to be fully benefit responsive in accordance with FSP AAG INV-1 and AICPA SOP 94-4-1. As of December 31, 2007 and 2006, the contract value of the investment in the ING Fixed Account is \$8,065,796 and \$6,886,893, respectively.



## **ING 401(k) PLAN FOR ILIAC AGENTS**

### **Notes to Financial Statements**

The average yields based on actual earnings for the contract for the years ended December 31, 2007 and 2006, were 3.83% and 3.65%, respectively. The crediting interest rates to participants for the contract as of December 31, 2007 and 2006 were 3.65% and 3.65%, respectively. The guaranteed minimum crediting interest rates for the contract for the years ended December 31, 2007 and 2006 were 3.30% and 3.30%, respectively. ILIAC makes this guarantee, and although ILIAC may credit a higher interest rate, the credited rate will never fall below the lifetime guaranteed minimum of 3.30%.

ILIAC's determination of credited interest rates reflects a number of factors, including mortality and expense risks, interest rate guarantees, the investment income earned on invested assets and the amortization of any capital gains and/or losses realized on the sale of invested assets. A market value adjustment may apply to amounts withdrawn at the request of the contractholder.

The underlying contract has no restrictions on the use of Plan assets and there are no valuation reserves recorded to adjust contract amounts.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (i) amendments to the plan documents (including complete or partial plan termination or merger with another plan) (ii) changes to plan's prohibition on competing investment options or deletion of equity wash provisions; or (iii) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with participants, is probable.

#### **6. Parties-in-Interest to the Plan**

The Plan holds investments in several mutual funds and Groep shares that are managed by affiliated companies of the Plan Sponsor. These affiliated companies are considered parties-in-interest (as defined in ERISA) to the Plan. At December 31, 2007 and 2006, funds of \$33,581,634 and \$33,971,388, respectively, were held in such investments and are considered party-in-interest transactions.



# Supplemental Schedule

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**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, 2007**

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment	(e) Current Value	
	Blackrock Equity Index Trust	Mutual Fund Shares	\$ 2,356,088	
*	ING Fixed Account	Guaranteed Investment Contract	8,065,796	***
*	ING Intermediate Bond Fund - Class I	Mutual Fund Shares	2,460,448	
*	ING International Value Fund - Class I	Mutual Fund Shares	6,924,147	
*	ING Market Stock Fund	Shares of Company Stock	3,062,642	
*	ING Real Estate Fund - Class I	Mutual Fund Shares	2,052,743	
*	ING Solution 2015 Portfolio - Initial Class	Mutual Fund Shares	294,169	
*	ING Solution 2025 Portfolio - Initial Class	Mutual Fund Shares	497,372	
*	ING Solution 2035 Portfolio - Initial Class	Mutual Fund Shares	443,752	
*	ING Solution 2045 Portfolio - Initial Class	Mutual Fund Shares	1,384,985	
*	ING Solution Income Portfolio - Initial Class	Mutual Fund Shares	312,673	
*	ING VP Index Plus LargeCap Portfolio - Class I	Mutual Fund Shares	2,027,009	
*	ING VP Index Plus MidCap Portfolio - Class I	Mutual Fund Shares	3,889,243	
*	ING VP Index Plus SmallCap Portfolio - Class I	Mutual Fund Shares	1,799,256	
*	ING VP Small Cap Opportunities Portfolio - Initial Class	Mutual Fund Shares	367,398	
	Mainstay Large Cap Growth Fund	Mutual Fund Shares	4,882,167	
	MFS Institutional International Equity Fund	Mutual Fund Shares	2,424,810	
	Nuveen NWQ Small/Mid-Cap Value Fund - Class R	Mutual Fund Shares	34,703	
*	Participant Loans	**	1,555,703	
	Washington Mutual Investors Fund - Class R-5	Mutual Fund Shares	3,792,512	
			\$ 48,627,616	

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

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

\*\* Each loan will bear an interest rate as prescribed by the Plan's applicable provisions when the loan is issued, currently the prime interest rate plus 1%. Current interest rates on Participant Loans range from 5% to 9.25% as of December 31, 2007. Loan repayment periods are for a maximum of five years. Current maturity dates on Participant Loans range from January 2008 to December 2012 as of December 31, 2007.

\*\*\* Stated at contract value.



SIGNATURE

Pursuant to the requirements of the Securities 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

By: ING US PENSION COMMITTEE

June 24, 2008  
Dated

By: /s/ David A. Wheat  
Name: David A. Wheat  
Title: Chairman, ING U.S. Pension Committee