ING GROEP NV
Form 6-K
May 15, 2008

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 May 14, 2008
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.

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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).

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This Report contains a copy of the following:

(1) The Press Release issued on May 14, 2008.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ING Groep N.V.
(Registrant)

By: /s/ H. van Barneveld
H. van Barneveld
General Manager Group Finance & Control

By: /s/ W.A. Brouwer
W.A. Brouwer
Assistant General Counsel

Dated: May 14, 2008

CORPORATE COMMUNICATIONS

PRESS RELEASE 14 May 2008

ING s profit declines 15.2% on market downturn while commercial growth momentum remains robust

First-quarter earnings affected by the downturn in financial markets

Underlying net profit declines 15.2% to EUR 1,589 million; net earnings per share EUR 0.74

Underlying profit before tax from Insurance declines 31.2% while Banking increases slightly by 1.5%

Lower real estate and private equity valuations, lower equity gains account for EUR 436 million net decline vs 1Q07

Decline of most currencies against the euro has negative impact of EUR 55 million

Limited direct impact from credit and liquidity crisis in the first quarter

P&L impact from subprime, Alt-A and other pressurised asset classes limited to EUR 55 million after tax

Market values impacted by lack of liquidity, with EUR -2.3 billion revaluation after tax through shareholders equity

Capital position remains strong, with key ratios within target and a spare leverage capacity of EUR 6.2 billion

Strong commercial growth continued despite competitive and turbulent markets

Net inflow of client balances reaches EUR 34 billion with total client balances of EUR 1,456 billion

Interest result for banking up 17.2%, driven by volume growth and an improvement in the interest margin

New life sales up 23.1% excluding currency impacts and value of new business reached EUR 320 million

Chairman s Statement

The downturn in financial markets in the first quarter led to a decline in earnings, despite strong commercial growth momentum across the Group, said Michel Tilmant, CEO of ING. Market declines reduced investment income at the insurance businesses, particularly compared with the first quarter last year when investment returns were above long-term assumptions. That led to a 15.2% decline in underlying net profit for the quarter. Lower real estate and private equity valuations and lower realised gains on equities had a negative impact of EUR 436 million after tax compared with the first quarter last year. The decline in most currencies against the euro reduced earnings by EUR 55 million.

While the credit and liquidity crisis deepened in the first quarter, extending the disruption of global financial markets, ING s impairments on pressurised asset classes remained limited to EUR 55 million after tax. Market prices for these assets were inevitably impacted, with fluctuations in valuation reflected in shareholders equity. ING s capital position remained strong, with key ratios within target and a spare leverage capacity of EUR 6.2 billion at the end of March.

Commercial growth momentum was maintained across the group despite competitive and turbulent markets. The group generated a net inflow of EUR 34 billion in client balances in the quarter, with total client balances of EUR 1,456 billion at the end of March. Customer deposits at the banking businesses increased by EUR 14 billion excluding currency effects despite intense competition for savings as many banks face tight liquidity and higher wholesale funding costs. Higher volumes and an improvement in the interest margin drove the interest result on the banking side up 17.2%. Sales of life insurance and investment products remained robust despite the stock market volatility. New life sales were up 23.1% excluding currencies and the value of new business reached EUR 320 million.

As we saw in the first quarter, earnings and shareholders equity are affected by movements in fixed-income securities, equity and real estate markets. Although we have perceived some improvement in equity markets and credit spreads since the close of the first quarter, investment returns and asset values will likely remain under pressure with the correlated impact on earnings. However, with ING s broad client access and product range, strong capital base and solid liquidity position we remain confident that ING is well positioned to help our customers manage their financial future while generating long-term profitable growth for our shareholders.

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ING GROUP
ING Group: Key Figures

In EUR million	1Q2008	1Q2007	Change	4Q2007	Change
Underlying[1] profit before tax					
Insurance Europe	339	442	-23.3%	358	-5.3%
Insurance Americas	317	533	-40.5%	453	-30.0%
Insurance Asia/Pacific	182	159	14.5%	113	61.1%
Corporate line Insurance	-117	-84		896	
Underlying profit before tax from Insurance	**722**	**1,050**	**-31.2%**	**1,819**	**-60.3%**
Wholesale Banking	570	665	-14.3%	512	11.3%
Retail Banking	638	610	4.6%	522	22.2%
ING Direct	155	165	-6.1%	73	112.3%
Corporate line Banking	43	-56		45	
Underlying profit before tax from Banking	**1,405**	**1,384**	**1.5%**	**1,151**	**22.1%**
Underlying profit before tax	**2,127**	**2,434**	**-12.6%**	**2,970**	**-28.4%**
Taxation	514	495	3.8%	301	70.8%
Profit before minority interests	1,613	1,939	-16.8%	2,669	-39.6%
Minority interests	24	65	-63.1%	53	-54.7%
Underlying net profit	**1,589**	**1,874**	**-15.2%**	**2,617**	**-39.3%**
Net gains/losses on divestments	45			-37	
Net profit from divested units		20			
Special items after tax	-94			-98	
Net profit (attributable to shareholders)	**1,540**	**1,894**	**-18.7%**	**2,482**	**-38.0%**
Earnings per share (in EUR)	**0.74**	**0.88**	**-15.9%**	**1.18**	**-37.3%**
KEY FIGURES					
Net return on equity[2]	16.5%	20.8%		24.2%	
Assets under management (end of period)	620,800	619,400	0.2%	642,700	-3.4%
Total staff (FTEs end of period)	129,546	118,592	9.2%	124,634	3.9%

1 Underlying profit before tax and underlying

net profit are non-GAAP measures for profit 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

Commercial momentum in challenging environment

The deterioration of financial markets continued through the first quarter as concerns about the US housing market deepened and the credit and liquidity crisis persisted.

ING continued to manage its business well in this challenging environment. There was limited direct impact from the credit and liquidity crisis in the first quarter. Losses on ING s investments in pressurised asset classes were limited to EUR 55 million after tax, reflecting the high structural credit protection of the securities in ING s subprime and Alt-A RMBS portfolios.

The business environment continued to become more challenging as equity markets declined and investment returns on real estate and private equity came down sharply compared with the first quarter of 2007. Competition for savings intensified as many banks faced tighter liquidity and increased funding costs on wholesale markets. However, credit issues in the US housing market have not yet led to contagion in the corporate mortgage market or significant losses in the corporate bond markets. Tighter liquidity has led to wider spreads on corporate lending. The reduction of short-term interest rates, particularly in the US, has led to an improvement in the interest margin of the banking operations, notably at ING Direct. Loan losses increased from previous quarters but remain well below expected over-the-cycle levels.

Despite the turmoil in financial markets, ING Group continued to show strong commercial momentum. Total client balances recorded a net inflow of EUR 34 billion. Acquisitions contributed another EUR 20 billion. That was offset by EUR 33 billion in negative currency effects and EUR 21 billion from declines in asset prices as markets deteriorated, bringing total client balances to EUR

1,456 billion at the end of March. Customer deposits of the banking business increased by EUR 14 billion excluding currency effects despite increased competition for savings. Lending grew by EUR 23.9 billion excluding currency impacts, driven by corporate lending and mortgages. Life insurance generated a net inflow of EUR 6.4 billion.
Sales of life insurance remained robust. New life sales were up 23.1% excluding currencies and the value of new business rose to EUR 320 million.
While commercial growth remained robust, the downturn in financial markets impacted investment returns.
Underlying net profit declined 15.2% to EUR 1,589 million.
Lower equity capital gains were realised due to market declines, resulting in a negative swing of EUR 232 million after tax compared with the first quarter last year. That was partially offset by EUR 115 million from hedges on the equity portfolio. Pressure on property prices led to negative revaluations of real estate investments in some markets, resulting in a negative swing of EUR 182 million after tax compared with a year ago. Negative revaluations of private equity and alternative assets resulted in a swing of EUR 137 million. Currency fluctuations had a negative impact of EUR 55 million. Excluding those items, and EUR 55 million after tax from the impairments on pressurised assets, profit would have increased 20.7%.
Operating expenses remained under control with mature businesses showing a decline of 3.2% from a year ago, while expenses at the growth businesses have been allowed to increase 16.7% to support expansion.

Insurance: Key Figures

In EUR million	1Q2008	1Q2007	Change
Gross premium income	12,574	11,426	10.0%
Operating expenses	1,349	1,344	0.4%
Underlying profit before tax	**722**	**1,050**	**-31.2%**
KEY FIGURES LIFE			
Underlying profit before tax	**529**	**832**	**-36.4%**
Expenses/premiums life insurance	14.4%	13.9%	
Expenses/AUM investment products	0.75%	0.76%	
Single-premium sales	7,038	6,311	11.5%
Annual-premium sales	1,167	1,046	11.6%
Total new sales (APE)	1,871	1,677	11.6%
Value of new business	320	168	90.5%
Internal rate of return (YTD)	15.3%	12.2%	
KEY FIGURES NON-LIFE			
Underlying profit before tax	**193**	**217**	**-11.1%**
Claims ratio	66.9%	68.6%	
Expense ratio	27.0%	27.9%	
Combined ratio	**94.0%**	**96.5%**	

The effective tax rate rose from 20.3% in the first quarter of 2007 to 24.2% this quarter. For the full-year, the effective tax rate is expected to be at the low end of the normal 20-25% range.

Net profit declined 18.7% to EUR 1,540 million. This includes a EUR 62 million gain on the sale of the Chilean health business, an additional loss of EUR 17 million on the sale of NRG and EUR 94 million restructuring provisions for the Dutch retail transformation. Net earnings per share were EUR 0.74, down from EUR 0.88 in the same quarter last year.

Insurance

Underlying profit before tax from insurance decreased by 31.2% to EUR 722 million, reflecting the impact of lower equity, real estate and private equity markets.

Profit from Insurance Europe declined 23.3%, reflecting lower investment income following negative revaluations on real estate and private equity investments as well as the upstream of EUR 5.0 billion in capital from the Dutch business last year. Profit from Central & Rest of Europe was up 17.1%, despite higher start-up investments in new operations in Russia and Romania.

Insurance Americas profit before tax fell 40.5%, as the market decline triggered EUR 101 million in DAC unlocking as well as EUR 46 million lower revaluation results on private equity and alternative assets. Credit losses amounted to EUR 51 million before DAC, including EUR 30 million on pressurised asset classes. The continued weakening of underwriting results at the non-life business in Canada led to a 35.3% decline in profit there.

Underlying profit from Insurance Asia/ Pacific increased 14.5%, mainly due to a positive swing on hedge results in Japan. Excluding Japan, underlying profit was down 28.7%, or 19.4% excluding currency effects, resulting from a EUR 13 million negative revaluation of a CDO in Korea.

Banking: Key Figures

In EUR million	1Q2008	1Q2007	Change
Total underlying income	3,920	3,757	4.3%
Operating expenses	2,417	2,373	1.9%
Gross result	1,503	1,384	8.6%
Addition to loan loss provision	98	0	
Underlying profit before tax	**1,405**	**1,384**	**1.5%**
KEY FIGURES			
Interest margin	1.02%	0.95%	
Underlying cost/income ratio	61.7%	63.2%	
Risk costs in bp of average CRWA	16	0	
Risk-weighted assets (end of period)	308,734	333,722	-7.5%
Underlying RAROC after tax	17.8%	23.4%	
Economic capital (average over period)	18,165	14,832	22.5%
Loans and advances to customers[1]	542,656	526,323	3.1%
Customer deposits[1]	533,450	528,197	1.0%

[1] 31 March 2008 compared with 31 December 2007

The Corporate Line Insurance recorded a loss of EUR 117 million, including interest on core debt as well as EUR 29 million higher impairments on equities. Realised gains on equities were less than the 3% notional income allocated to the three insurance business lines, with the balance reported in the Corporate Line.

Total gross premiums increased 10.0%, or 18.5% excluding currency impacts, driven by strong sales in Asia and the Americas. Operating expenses were flat, but increased 6.1% on a constant currency basis due to business growth in the Americas and Asia/Pacific and the pension acquisition in Latin America.

New life sales (APE) increased 23.1% and the value of new business more than doubled excluding currency impacts. VNB nearly tripled in Central & Rest of Europe, supported by the new pension fund in Romania, which added EUR 47 million in VNB. Latin America s VNB more than quadrupled, benefiting from the pension acquisition. Expense policy changes had a positive impact of EUR 20 million. Margins also improved, with the internal rate of return at 15.3%, up from 12.2%.

Banking

Underlying profit before tax from Banking increased 1.5% to EUR 1,405 million, supported by continued volume growth and an improvement of the interest margin. Risk costs increased, but remained well below normalised levels. Expenses showed a modest increase.

Profit before tax from Wholesale Banking declined 14.3%, mainly due to negative revaluations in the real estate investment portfolio and higher risk costs, which were partly mitigated by a record quarter for Financial Markets. The transfer of the mid-corporate business from Wholesale to Retail Banking took effect from the first quarter, and 2007 figures have been adjusted to reflect that change.

Profit from Retail Banking was up 4.6% from the first quarter and 22.2% from the fourth quarter supported by strong volume growth in Central Europe and cost control in the Benelux. The acquisition of Oyak Bank added EUR 18 million to profit, or EUR 52 million excluding internal capital charges.

Profit from ING Direct declined 6.1% compared with the first quarter last year, but more than doubled from the fourth quarter, driven by an improved interest rate environment in the US and a narrowing of losses in the UK. Excluding the

UK, profit before tax rose 12.5% from the first quarter last year.

The Corporate Line Banking recorded a profit of EUR 43 million, as higher income on the capital surplus more than offset expenses that are not allocated to the business lines.

Total underlying income from Banking rose 4.3% to EUR 3,920 million, driven by volume growth and an improved interest result. The interest margin increased to 1.02%, up 7 basis points from the first quarter of 2007 and 8 basis points from the fourth quarter, driven by an improvement in the interest rate environment, particularly in the US.

Total loans and advances to customers of the banking operations grew by EUR 23.8 billion, driven by corporate lending and mortgages. Including EUR 7.5 billion of negative currency effects, total loans and advances rose 3.1% to EUR 542.7 billion at the end of March. Corporate lending increased 4.7%, or EUR 12.5 billion, while personal lending was up 1.4%, or EUR 3.7 billion, driven by growth in mortgages.

Customer deposits and other funds on deposit grew by EUR 14 billion in the first quarter as the growth of current accounts outpaced the decrease in savings. Including negative currency effects of EUR 8.7 billion, customer deposits increased 1.0% to EUR 533.5 billion at the end of March.

Total risk-weighted assets declined 23.3% in the first quarter to EUR 308.7 billion, due to the implementation of Basel II from 1 January 2008. Basel II risk-weighted assets increased 5.4% from January to the end of March.

Operating expenses were up 1.9% as the acquisition of Oyak Bank and higher investments to support business growth were largely offset by lower expenses in the mature businesses.

Net risk costs remained low despite the ongoing turmoil in credit markets. In total, ING added EUR 98 million to the provision for loan losses, compared with nil in the first quarter of 2007.

Due to the introduction of Basel II, credit risk-weighted assets (CRWAs) have been reduced substantially. As a result, the risk costs expected over-the-cycle has increased from 25-30 bps of average Basel I CRWAs to 40-45 bps of Basel II CRWAs. In euro terms the expected loss is more or less unchanged.

Returns, measured by risk-adjusted return on capital (RAROC) after tax, declined to 17.8% from 23.4%, reflecting higher tax charges and a strong increase in economic capital. Higher economic capital stemmed from the acquisition of Oyak Bank and increases due to model refinements in Wholesale Banking.

Assets under Management

ING achieved a strong net inflow of EUR 11.0 billion in assets under management, despite the negative impact of the credit crisis on market sentiment. Lower asset prices for equity and fixed-income securities had a negative impact of EUR 23.6 billion on assets under management, while exchange rates reduced AUM by EUR 19.5 billion. Acquisitions added EUR 10.1 billion, bringing total assets under management to EUR 620.8 billion at the end of March.

Risk Management

ING continued to weather the credit and liquidity crisis well, with limited losses on distressed asset classes. Impairments, fair value changes and trading losses through the P&L totalled EUR 80 million before tax (EUR 55 million after tax) in the first quarter. Of that total, EUR 33 million before tax relates to US subprime RMBS, EUR 17 million to US Alt-A RMBS, EUR 16 million to CDOs/CLOs, EUR 4 million to monoline insurers and EUR 10 million to investments in SIVs and ABCP.

The lack of liquidity in the markets for pressurised assets had an impact on market valuations which declined sharply in March, resulting in negative pre-tax revaluations of EUR 3.6 billion before tax (EUR 2.3 billion after tax). This is reflected, on an after-tax basis, in shareholders equity because ING holds these assets as long-term investments to back savings and insurance liabilities. Only minimal exposure is held in the trading book.

At the end of the first quarter, ING s US subprime RMBS portfolio amounted to EUR 2.3 billion. Of the total, EUR 2.1 billion is held at Insurance Americas, which booked an impairment of EUR 7 million on the portfolio in the first quarter. Wholesale Banking recorded a pre-tax loss of EUR 26 million on its subprime exposure. ING s US subprime RMBS portfolio was fair valued at 81.4% of the amortised cost value at the end of March, down from 90.1% at year-end.

ING s US Alt-A RMBS portfolio declined from EUR 27.5 billion at 2007 year-end to EUR 22.8 billion in March. The EUR 4.7 billion decline was due to negative revaluations of EUR 3.3 billion before tax and EUR 1.7 billion in currency effects due to the depreciation of the dollar. The negative revaluation is driven by credit spread widening and market illiquidity. At the end of March the Alt-A RMBS portfolio was fair valued at 84.3% of amortised costs, against 96.7% at 2007 year-end.

Under IFRS, impairments are only taken on RMBS if it is probable that the cash flows from interest rate or principal repayments will not be recovered. In the first quarter of 2008 this applied to just 9 bonds in the Insurance Americas portfolio, which were impaired by EUR 17 million. There were no impairments in ING Direct s Alt-A RMBS portfolio as the cashflows from the RMBS continue to perform in line with contractual terms.

ING increased its CDO/CLO portfolio during the first quarter of 2008 to EUR 2.1 billion compared to EUR 1.9 billion at the end of 2007 as corporate credit spreads offered attractive yields. Only EUR 6 million of ING s CDO/CLO exposure is backed by US subprime mortgages. ING Group recorded EUR 16 million in losses on its CDO/CLO exposure in the first quarter, including EUR 13 million fair value changes at Insurance Asia/Pacific and EUR 3 million in impairments at Wholesale Banking.

Exposures to monoline insurers impacted ING s P&L by EUR 4 million in the first quarter reflecting a fair-value loss at Wholesale Banking on credit derivatives bought from a monoline insurer that was downgraded at the end of last year. ING Direct Canada impaired EUR 4 million of investments in third-party asset-backed commercial paper and EUR 6 million on investments by ING Canada in a third-party SIV.

ING s liquidity position remained sound with a well diversified funding base stemming mainly from customer deposits. ING Bank s funding costs in the money market remain well below LIBOR, reflecting the fact that ING is regarded as a safe haven. In the first quarter ING Bank further enhanced its funding profile with the inaugural EUR 1 billion issuance of a covered bond with a 5-year maturity.

Capital Management

The adverse market environment inevitably had a negative impact on ING s capital position, however all key capital ratios remained within target.

The debt/equity (D/E) ratio of ING Group increased marginally to 9.75% at the end of the first quarter from 9.53% at year-end. The D/E-ratio of ING Insurance decreased from 13.63% at year-end to 12.30%.

ING Bank s tier-1 ratio increased significantly from 7.4% at the end of 2007 under Basel I to 9.9% under Basel II at the start of 2008. The Basel II tier-1 ratio ended the first quarter at 8.3% following a dividend upstream to the Group, as well as growth in risk-weighted assets. Basel II risk-weighted assets rose 5.4% to EUR 309 billion at the end of the first quarter from EUR 293 billion on 1 January.

ING calculates spare leverage as cash that can be generated at Group level if all leverage and capital ratios are brought to target. The spare leverage declined from EUR 9.6 billion on 1 January 2008 to EUR 6.2 billion at the end of March due to the decline in equity markets, credit spread widening, lower interest rates and the impact of the share buyback. If needed for acquisitions or as an additional buffer in exceptional market circumstances, the debt/equity ratio for ING Group can potentially be extended to 15%. Including that additional capacity, the spare leverage would be EUR 9.0 billion.

INSURANCE EUROPE
Insurance Europe: Key Figures

	Total			Benelux		Central & Rest of Europe	
In EUR million	1Q2008	1Q2007	Change	1Q2008	1Q2007	1Q2008	1Q2007
Gross premium income	3,269	3,241	0.9%	2,648	2,687	621	554
Operating expenses	417	449	-7.1%	336	375	81	74
Underlying profit before tax	**339**	**442**	**-23.3%**	**250**	**364**	**89**	**78**
LIFE INSURANCE							
Underlying profit before tax	**236**	**342**	**-31.0%**	**147**	**266**	**89**	**76**
Single-premium sales	926	970	-4.5%	714	725	212	245
Annual-premium sales	179	126	42.1%	52	41	127	85
Total new sales (APE)	271	224	21.0%	123	114	148	110
Value of new business	123	53	132.1%	22	18	102	35
Internal rate of return (YTD)	17.6%	14.3%		12.3%	11.4%	22.4%	18.5%
NON-LIFE INSURANCE							
Underlying profit before tax	**104**	**100**	**4.0%**	**103**	**98**	**1**	**2**
Claims ratio	57.8%	58.8%		57.8%	58.6%		
Expense ratio	19.2%	22.3%		19.1%	23.2%		
Combined ratio	**76.9%**	**81.1%**		**76.9%**	**81.8%**		

Value of new business doubles

Romania pension fund boosts sales and VNB in Central Europe

Earnings decline on lower real estate and private equity valuations

Expenses in Benelux decline

Insurance Europe posted solid commercial growth in the first quarter, while results were dampened by lower investment income as turmoil in financial markets led to negative revaluations on real estate and private equity.

In Central & Rest of Europe, the new second-pillar pension fund in Romania extended its strong commercial performance in the last two weeks of the official registration period, contributing EUR 27 million to sales and EUR 47 million to VNB in the quarter. ING s fund signed up almost 1.4 million clients during the four-month application period, which ended in January. Excluding the new Romanian pension fund, life sales in Central & Rest of Europe rose 10.0%. Sales were driven by traditional products as stock market declines reduced customer appetite for investment products.

In the Benelux, life sales increased 7.9% and the value of new business rose 22.2%, reflecting higher sales of more profitable traditional life products as well as repricing of immediate annuities. That helped improve returns on new sales to 12.3%. Operating expenses in the Benelux declined as ING focuses on efficiency to increase value creation in this mature and competitive market.

The value of new life business in Europe more than doubled to EUR 123 million. Underlying profit before tax at Insurance Europe declined 23.3% to EUR 339 million, reflecting lower investment income, particularly at the Dutch life businesses. Turbulence in financial markets put pressure on asset valuations, resulting in EUR 126 million lower revaluations on real estate and EUR 85 million on private equity in the first quarter. That was partially offset by a superdividend of EUR 80 million on an equity investment. The upstream of EUR 5 billion in surplus capital from the Dutch businesses in 2007 had a negative impact of EUR 40 million. The transfer of a Dutch mortgage company to the Retail Banking business line had a negative impact of EUR 24 million.

Life results in the Benelux declined 44.7% on the lower investment results. Life results from Central & Rest of Europe increased 17.1% to EUR 89 million, despite EUR 5 million in higher greenfield start-up expenses in the first quarter. The non-life result increased 4.0% to EUR 104 million.

Premium income was flat at EUR 3.3 billion as higher life premiums in Central & Rest of Europe were offset by a decline in the Benelux. Operating expenses declined 7.1%, mainly driven by a reduction in the Benelux non-life businesses.

INSURANCE AMERICAS
Insurance Americas: Key Figures

	Total			United States		Canada		Latin America	
In EUR million	1Q2008	1Q2007	Change	1Q2008	1Q2007	1Q2008	1Q2007	1Q2008	1Q2007
Gross premium income	5,912	5,430	8.9%	4,913	4,398	571	557	427	475
Operating expenses	625	608	2.8%	357	367	138	129	130	112
Underlying profit before tax	**317**	**533**	**-40.5%**	**160**	**376**	**77**	**119**	**79**	**39**
LIFE INSURANCE									
Underlying profit before tax	**205**	**410**	**-50.0%**	**160**	**376**			**44**	**34**
Single-premium sales	3,984	3,682	8.2%	3,916	3,646			69	36
Annual-premium sales	543	518	4.8%	412	441			131	77
Total new sales (APE)	942	886	6.3%	803	805			138	81
Value of new business	90	33	172.7%	63	27			27	6
Internal rate of return (YTD)	13.7%	9.5%		12.8%	9.3%			18.7%	11.8%
NON-LIFE INSURANCE									
Underlying profit before tax	**113**	**123**	**-8.1%**			**77**	**119**	**35**	**5**
Claims ratio	72.0%	71.1%				74.1%	65.4%	65.5%	83.1%
Expense ratio	34.4%	33.3%				35.2%	35.0%	32.1%	30.2%
Combined ratio	**106.3%**	**104.4%**				**109.3%**	**100.4%**	**97.6%**	**113.3%**

Strong sales despite volatility in financial markets

Life sales +22.5% excluding FX

Limited impact from credit crisis

Earnings decline 35.0% excluding FX as steep decline in equity markets triggers DAC unlocking

Insurance Americas continued to post strong growth in sales and value of new business despite volatility in financial markets. Life sales for the region increased 6.3%, or 22.5% excluding currency effects. Variable annuity sales in the US jumped 82.9%, driven by the continued success of the LifePay Plus product introduced in August, although competitors are rapidly introducing similar products. Sales of retirement services products rose 16.9% on a US basis, thanks to increased distribution. Individual life sales jumped 61.0%.

The direct impact of the credit and liquidity crisis remained limited to EUR 30 million, including a EUR 7 million impairment on subprime RMBS, EUR 17 million on Alt-A RMBS, and EUR 6 million on a SIV.

Lower equity markets had a negative impact on earnings in the US. The S&P 500 Index declined 9.9% in the first quarter, its steepest quarterly decline in more than five years. That led to EUR 46 million in lower income from alternative assets and private equity, as well as negative DAC unlocking of EUR 101 million.

Underlying profit before tax for Insurance Americas declined 40.5%, or 35.0% excluding currency effects. Results from the US were down 51.1% excluding currencies to EUR 160 million, reflecting the DAC unlocking, lower income on alternative assets, and a total of EUR 38 million credit-related impairments net of DAC. That was partly mitigated by net interest and spread-related gains of EUR 88 million net of DAC. Life profit in Latin America rose 37.5% excluding currencies, driven by the pension business in Mexico and the acquisition of other pension businesses in Latin America.

Profit from the non-life business in Canada fell 36.4% excluding currencies to EUR 77 million due to winter storms, less favourable prior-year reserve development and the EUR 6 million impairment on a third-party SIV. Non-life results in Latin America improved from a weak first quarter of 2007.

Premium income rose 22.5% excluding currency impacts. Operating expenses increased 13.2% excluding currencies, due in part to the acquired pension businesses in Latin America.

The value of new life business climbed to EUR 90 million from EUR 33 million in the first quarter last year, driven by strong sales in the US. The captive reinsurance implemented in 2007 accounted for EUR 17 million of the increase. Latin America delivered EUR 27 million of the new business value.

INSURANCE ASIA/PACIFIC
Insurance Asia/Pacific: Key Figures

	Total			Australia & NZ		Japan		South Korea		Taiwan		Rest of Asia	
In EUR million	1Q08	1Q07	Change	1Q08	1Q07	1Q08	1Q07	1Q08	1Q07	1Q08	1Q07	1Q08	1Q07
Gross premium income	3,383	2,748	23.1%	50	44	1,075	913	979	918	936	646	343	227
Operating expenses &nb>													

Not applicable.

Item 4. Ownership:

OrbiMed Israel is the general partner of OrbiMed BioFund, which is the general partner of OrbiMed Israel Partners Limited Partnership, an Israel limited partnership (“OrbiMed Israel Partners”), which beneficially owns 1,018,500 shares of Common Stock. OrbiMed Israel, as the general partner of OrbiMed BioFund, and OrbiMed BioFund, as the general partner of OrbiMed Israel Partners, may be deemed to share beneficial ownership of the shares of the Issuer's Common Stock directly owned by OrbiMed Israel Partners. Each of OrbiMed Israel and OrbiMed BioFund disclaims any beneficial ownership over the shares of the other Reporting Persons. GP IV is the General Partner of OrbiMed Private Investments IV, LP (“OPI IV”), which beneficially owns 2,376,500 shares of Common Stock. Advisors is an investment advisor in accordance with §240.13d-1(b)(1)(ii)(E) and the Managing Member of GP IV. Isaly is the Managing Member of Advisors and a control person in accordance with §240.13d-1(b)(1)(ii)(G). On the basis of these relationships, GP IV, Advisors and Isaly may be deemed to share beneficial ownership of the shares of Common Stock directly owned by OPI IV. Each of GP IV, Advisors and Isaly disclaims any beneficial ownership over the shares of the other Reporting Persons.

(a) Amount beneficially owned: See the response(s) to Item 9 on the attached cover page(s).

(b) Percent of class: See the response(s) to Item 11 on the attached cover page(s).

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote: See the response(s) to Item 5 on the attached cover page(s).

(ii) Shared power to vote or to direct the vote: See the response(s) to Item 6 on the attached cover page(s).

(iii) Sole power to dispose or to direct the disposition of: See the response(s) to Item 7 on the attached cover page(s).

(iv) Shared power to dispose or to direct the disposition of: See the response(s) to Item 8 on the attached cover page(s).

Item 5. Ownership of Five Percent or Less of a Class.

If this Statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

See Item 4.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not applicable.

Item 8. Identification and Classification of Members of the Group.

Not applicable.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certifications.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

April 22, 2013

ORBIMED ISRAEL BIOFUND GP LIMITED PARTNERSHIP

By: OrbiMed Israel GP Ltd., its General Partner

By: /s/ Jonathan T. Silverstein
Name: Jonathan T. Silverstein
Title: Director

ORBIMED ISRAEL GP LTD.

By: /s/ Jonathan T. Silverstein
Name: Jonathan T. Silverstein
Title: Director

ORBIMED CAPITAL GP IV LLC

By: OrbiMed Advisors LLC, its Managing Member

By: /s/ Samuel D. Isaly
Name: Samuel D. Isaly
Title: Managing Member

ORBIMED ADVISORS LLC

By: /s/ Samuel D. Isaly
Name: Samuel D. Isaly
Title: Managing Member

SAMUEL D. ISALY

By: /s/ Samuel D. Isaly

EXHIBIT A

JOINT FILING AGREEMENT

Pursuant to Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended, the undersigned hereby consent to the joint filing on their behalf of a single Schedule 13G and any amendments thereto, with respect to the beneficial ownership by each of the undersigned of the common stock of InspireMD, Inc. The undersigned hereby further agree that this Joint Filing Agreement be included as an exhibit to such statement and any such amendment. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning it contained herein and therein, but shall not be responsible for the completeness and accuracy of the information concerning the others. The undersigned hereby further agree that this Joint Filing Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all of which counterparts shall together constitute one and the same instrument.

April 22, 2013

ORBIMED ISRAEL BIOFUND GP LIMITED PARTNERSHIP

By: OrbiMed Israel GP Ltd., its General Partner

By: /s/ Jonathan T. Silverstein
Name: Jonathan T. Silverstein
Title: Director

ORBIMED ISRAEL GP LTD.

By: /s/ Jonathan T. Silverstein
Name: Jonathan T. Silverstein
Title: Director

ORBIMED CAPITAL GP IV LLC

By: OrbiMed Advisors LLC, its Managing Member

By: /s/ Samuel D. Isaly
Name: Samuel D. Isaly
Title: Managing Member

ORBIMED ADVISORS LLC

By: /s/ Samuel D. Isaly
Name: Samuel D. Isaly
Title: Managing Member

SAMUEL D. ISALY

By: /s/ Samuel D. Isaly