

BARING BROTHERS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1999



**Registered No. 3021535
A10/P10**

27-Oct-00 at 10:52

BARING BROTHERS LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

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BARING BROTHERS LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

C.E. Bourne	(Appointed 17 February 2000)
O.van den Broek	(Resigned 27 May 1999, re-appointed 17 February 2000)
D.A. Horton	(Appointed 27 May 1999)
D.W. Hudson	(Resigned 27 May 1999)
J.J. Longden	(Appointed 17 February 2000)
A.N. Marsh	(Appointed 27 May 1999)
M. Le May	(Resigned 27 May 1999)
T.P. Odgers	(Appointed 27 May 1999)
J.R. Peers	
Hon. J.H.T. Russell	(Resigned 27 May 1999)
C.J. Steane	(Appointed 17 February 2000)

SECRETARY

A.N. Marsh

REGISTERED OFFICE

60 London Wall
London
EC2M 5TQ

AUDITORS

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

BARING BROTHERS LIMITED

DIRECTORS' REPORT **FOR THE YEAR ENDED 31 DECEMBER 1999**

The directors present the report and the audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES

Baring Brothers Limited is an intermediate holding company of a group of companies within the ING Barings investment banking business.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The profit and loss account for the period is set out on page 5.

On 17 August 1998, the company agreed to transfer all of its business, other than its emerging markets corporate finance advisory business, to an indirect parent company, ING Bank N.V., London branch. On 23 December 1998, to reflect its reduced level of activity, the company repurchased 50,000,000 of its own shares of £1 each at par. On 1 March 1999, the company agreed to transfer its emerging markets corporate finance advisory business to an associated company, ING Barings Limited, and the business of its Hong Kong branch to another associated company, ING Barings Asia Limited. With effect from 31 March 1999, the company ceased all banking activities and terminated its registration with the Securities and Futures Authority and its licence under the Banking Act 1987. On 21 December 1999 the company repurchased 37,037,150 of its own shares of £1 each at par. The company will now act as a holding company for other companies in the ING Barings group and to hold various investments. The directors expect an acceptable level of performance in the coming year.

DIVIDENDS AND TRANSFERS FROM RESERVES

The directors do not recommend the payment of a dividend. The retained profit for the financial period of £12,950,621 has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year ended 31 December 1999 are listed on page 1 of these financial statements.

The directors holding office at 31 December 1999 did not hold any disclosable interests (either directly or indirectly) in the shares of the company or in any other group company as at 1 January 1999 or at 31 December 1999.

YEAR 2000

As of 31 December 1999, the company completed its preparation for Year 2000 compliance. Whilst no problems have been identified since that date, management continues to check for any Year 2000 related problems both within its own systems and those of the third parties with which it deals. As is the case with all computerised systems there can be no certainty that errors or failures related to the Year 2000 issue may not arise in the future, including those as a result of errors or failures at third parties with which it deals.

FIXED ASSETS

The significant changes in fixed assets are summarised in note 15 to the financial statements.

BARING BROTHERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1999

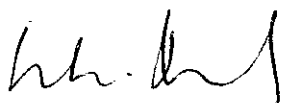
DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made reasonable and prudent judgments and estimates;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors
and signed on behalf of the Board



A.N.Marsh
Secretary

31 October 2000

BARING BROTHERS LIMITED

AUDITORS' REPORT TO THE MEMBERS OF BARING BROTHERS LIMITED

We have audited the financial statements on pages 5 to 20.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1999 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc.
Chartered Accountants and Registered Auditor
London

31 October 2000

BARING BROTHERS LIMITED

PROFIT AND LOSS ACCOUNT **FOR THE YEAR ENDED 31 DECEMBER 1999**

	Notes	Year ended 31 December 1999 £'000	Year ended 31 December 1998 £'000
Interest receivable and similar income:			
Arising from debt securities		-	9,413
Other		1,013	25,536
		1,013	34,949
Interest payable		(505)	(27,470)
NET INTEREST INCOME		508	7,479
Fees and commissions receivable		4,614	13,616
Other operating income		5,522	(641)
OPERATING INCOME		10,644	20,454
Administrative expenses		(7,605)	(43,424)
Depreciation and amortisation	15	-	(10,972)
OPERATING PROFIT/(LOSS)		3,039	(33,942)
Income from shares in group undertakings		9,947	-
Profit on disposal of interests in subsidiary undertakings	5	-	1,918
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX	6	12,986	(32,024)
Tax on profit/(loss) on ordinary activities	7	(35)	2,482
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	23	12,951	(29,542)

Movements on reserves can be found in note 23.

There are no recognised gains or losses for the current financial year or comparative period other than as stated in the profit and loss account.

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historic cost basis.

The notes on pages 9 to 20 form an integral part of these financial statements.

BARING BROTHERS LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	Year ended 31 December 1999 £'000	Year ended 31 December 1998 £'000
Profit/(loss) for the financial period	23	12,951	(29,542)
Repayment of Capital		(37,037)	(50,000)
FX on opening balances		137	(39)
Net decrease in shareholders' funds		(23,949)	(79,581)
Opening shareholders' funds		39,055	118,636
Closing shareholders' funds		15,106	39,055

The notes on pages 9 to 20 form an integral part of these financial statements.

BARING BROTHERS LIMITED

BALANCE SHEET AT 31 DECEMBER 1999

	Notes	1999 £'000	1998 £'000
ASSETS			
Loans and advances to banks	8	731	17,592
Loans and advances to customers	9	-	2,017
Debt securities	11	-	884
Equity shares	12	4,309	5,521
Amounts due from group undertakings	13	11,205	96,696
Shares in group undertakings	14	62	110
Tangible fixed assets	15	-	-
Other assets	16	5,440	7,695
Prepayments and accrued income		5	19,335
TOTAL ASSETS		21,752	149,850

The notes on pages 9 to 20 form an integral part of these financial statements.

BARING BROTHERS LIMITED

BALANCE SHEET AT 31 DECEMBER 1999

	Notes	1999 £'000	1998 £'000
LIABILITIES			
Deposits by banks	17	-	6,511
Customer accounts	18	-	2,894
Other liabilities	19	4,804	5,846
Amounts due to group undertakings	20	1,842	94,863
Accruals and deferred income		-	681
Provisions for liabilities and charges	21	-	-
Called up share capital	22	52,963	90,000
Share premium account	23	30,000	30,000
Reserves	23	(67,857)	(80,945)
Shareholders' funds - equity		15,106	39,055
TOTAL LIABILITIES		21,752	149,850

MEMORANDUM ITEMS

Contingent liabilities:

Guarantees and assets pledged as collateral security	26	-	605
Other contingent liabilities	27	-	496

The notes on pages 9 to 20 form an integral part of these financial statements.

The accounts were approved by the Board of Directors on 21 October 2000.
Signed on behalf of the Board of Directors.


Director

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 1999**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards on a historical cost basis, modified to include certain dealing assets and liabilities at market value as set out below. A summary of the more important accounting policies is set out below. These have been applied consistently throughout the period under review. Although it is no longer formally applicable, the company decided to prepare these financial statements in accordance with the special provisions of part VII of the Companies Act 1985 relating to banking companies.

Foreign currencies

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction or, where appropriate, at the rate of exchange in a related forward exchange contract.

Assets and liabilities denominated in foreign currency at the balance sheet date are translated at the rate of exchange prevailing at that date or, where appropriate, at the rate of exchange in a related forward foreign exchange contract.

Net dealing income

Net dealing income arises from market making and trading activity, including money market trading, and is calculated on a mark to market basis, net of funding costs. Transactions are accounted for on deal date.

Fees receivable

Fees receivable that represent a return for services provided are brought into the profit when the related service is performed.

Interest receivable and payable

Interest receivable and payable is accrued on assets that were held in the banking portfolio, the associated funding deposits and amounts deposited with other group undertakings.

Shares in group undertakings

Shares in subsidiary and associated companies are stated at the lower of cost and directors' valuation.

Dealing assets and liabilities

All dealing assets and liabilities are marked to market at the balance sheet date.

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

Investment securities

Debt securities, equities and other assets intended for use on a continuing basis in the Company's activities are classified as investment securities. Equities held as investment securities are stated at cost less provision for permanent diminution in value.

Loans and advances

Loans and advances are stated at cost less any amounts written off and specific provisions.

Hedging transactions

Hedging contracts are valued on an equivalent basis to the assets, liabilities or positions being hedged.

Tangible fixed assets

Tangible fixed assets are stated at cost less amounts written off and are depreciated over their estimated useful lives on a straight line basis as follows:

Freehold and leasehold property	The shorter of 50 years or the period of the lease
Fixtures and fittings on short leasehold property	Period of the lease
Mainframe, personal computers, and computer software	3 years
Other tangible fixed assets	5 years

Deferred taxation

Deferred taxation is provided using the liability method for all timing differences which, in the opinion of the Directors, will reverse in the foreseeable future.

Group accounts

The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare group accounts and to deliver them to the Registrar of Companies, since it is a wholly-owned subsidiary of ING Groep N.V., a company incorporated in the Netherlands, in whose consolidated financial statements the financial statements of the company are included. These financial statements present information about the company as an individual undertaking and not about its group.

Cashflow statement

Under FRS 1, the company is exempt from the requirement to prepare a cashflow statement as it is a wholly-owned subsidiary of ING Groep N.V. and its cash flows are included in the consolidated cashflow statement within that group's financial statements.

Related party transactions

Under paragraph 3(c) of FRS 8 the company is exempted from making the related party disclosures required by that standard in respect of entities within the ING Groep N.V.. This is because more than 90% of the company's voting rights are controlled by that group, and consolidated accounts for ING Groep N.V., which include the company, are publicly available.

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

2. INCOME

Income comprises profits from securities trading, interest, fees and commissions receivable in respect of the provision of corporate finance advice and other income. The directors are of the opinion that it would not be in the interests of the company to give separate disclosure in respect of each class of business and each geographical market.

3. EMPLOYEE INFORMATION

The company does not directly employ any staff. All employees are employed by a subsidiary and staff costs of £523,417 were recharged for the year (1998: £6,149,178).

4. DIRECTORS' EMOLUMENTS

	1999	1998
	£'000	£'000
Aggregate disclosure:		
Aggregate emoluments	-	3,228
Company pension contributions to money purchase schemes	-	41

	1999	1998
	£'000	£'000
Highest paid director:		
Aggregate emoluments	-	379
Company pension contributions to money purchase schemes	-	-

	1999	1998
	£'000	£'000
Defined benefit pension scheme:		
Accrued pension at the end of year	-	32
Accrued lump sum at the end of year	-	-

The emoluments of the directors for 1999 are paid and borne by a fellow subsidiary. Accordingly, no emoluments have been included here in respect of the directors.

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

5. PROFIT ON DISPOSAL OF INTERESTS IN SUBSIDIARY UNDERTAKINGS

	1999 £'000	1998 £'000
ING Barings (France) S.A. (formerly Baring Brothers France S.A.)	-	1,918
	<u>-</u>	<u>1,918</u>

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1999 £'000	1998 £'000
Profit on ordinary activities before taxation is stated:		
After crediting:		
Aggregate amounts receivable under finance leases	9	22
Income from investments - unlisted	1,878	308
Profit on disposal of interests in subsidiary undertakings (see note 5)	-	1,918
Rental income	-	22
After charging:		
Operating lease rentals:		
Land and buildings	-	6,567
Auditors' remuneration:		
Audit fees	14	75
Other fees	-	27
	<u>-</u>	<u>-</u>

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1999 £'000	1998 £'000
UK corporation tax at 30.25 per cent. (1998: 31 per cent)	-	(2,487)
(Over)/under provision in respect of previous years	35	-
Overseas Taxation	-	5
	<u>35</u>	<u>(2,482)</u>

No payment will be made for any tax losses surrendered to the company as group relief. Profits for the year are sheltered by tax losses in fellow subsidiaries of ING Bank NV.

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

8. LOANS AND ADVANCES TO BANKS	1999	1998
	£'000	£'000
Repayable:		
On demand	731	16,708
Three months or less	-	884
More than five years	-	-
Provisions (see note 10)	-	-
	<u>731</u>	<u>17,592</u>

9. LOANS AND ADVANCES TO CUSTOMERS	1999	1998
	£'000	£'000
Repayable:		
On demand	100	1,457
Three months or less	-	516
One year or less but over three months	-	144
Five years or less but over one year	-	-
Provisions (see note 10)	(100)	(100)
	<u>-</u>	<u>2,017</u>

10. PROVISION FOR LOANS AND ADVANCES

Loans and advances to banks and to customers are stated net of the following specific provisions:

	1999	1998
	£'000	£'000
Opening balance	100	244
Write back to P&L	-	(144)
Closing balance	<u>100</u>	<u>100</u>

The closing balance comprises provisions against:

Loans and advances to banks	-	-
Loans and advances to customers	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

11. DEBT SECURITIES

	1999 £'000	1998 £'000
Held for investment purposes	-	884

The market value of the securities held for investment purposes is £ Nil (1998: £884,300).

Analysed by maturity:

Due within one year	-	-
Due after one year	-	884
	-	884

Analysed by listing status:

Listed on a recognised UK stock exchange	-	-
Listed elsewhere	-	-
Unlisted	-	884
	-	884

The movement on debt securities held for investment purposes is as follows:

	1999 £'000	1998 £'000
Opening cost	884	133,739
Additions	-	-
Disposals	-	(30,475)
Sale to ING Group companies	(884)	(102,380)
Amortisation of premium	-	-
Closing cost	-	884
Unamortised premiums as at 31 December	-	-

There were no provisions against cost at 31 December 1998.

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

12. EQUITY SHARES

Equity shares are all unlisted and held for investment purposes.

The market value of equity shares held for investment is £4,485,085 (1998: £5,872,098).

	1999	1998
	£'000	£'000
Movement on equity shares held for investment purposes is as follows:		
Opening balance	5,521	1,667
Additions	-	5,000
Diminution & write off	(1,102)	(848)
Disposals	(110)	(298)
Closing balance	<u>4,309</u>	<u>5,521</u>

13. AMOUNTS DUE FROM GROUP UNDERTAKINGS

	1999	1998
	£'000	£'000
Amounts due from parent companies	11,014	32,796
Amounts due from subsidiary undertakings	1	2,946
Amounts due from fellow subsidiary undertakings	190	60,954
	<u>11,205</u>	<u>96,696</u>
Loans and advances to banks	10,130	38,037
Loans and advances to customers	-	2,727
Other assets	1,075	55,932
	<u>11,205</u>	<u>96,696</u>

14. SHARES IN GROUP UNDERTAKINGS

	1999	1998
	£'000	£'000
Opening balance	110	16,361
Proceeds from dissolutions	(48)	-
Disposals	-	(16,139)
Written off	-	(112)
Closing balance	<u>62</u>	<u>110</u>

Shares in group undertakings, all of which are unlisted, are stated at cost less provision for permanent diminution in value.

The proceeds from dissolutions are the proceeds received on the wind-up of two former subsidiaries, Baring Brothers BV and Bishopscourt Securities Ltd.

The details given below relate only to those subsidiaries which, in the opinion of the directors, are most significant. As at 31 December 1999 the principal subsidiary companies, all of which have 31 December year ends, are:

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

14. Continued

	Shares Held %	Class of share capital	Country of Incorporation, registration And operation
ING Baring Services Limited	100	Ordinary	England & Wales
ING Barings London Limited (formerly Bishopscourt Leasing (Holdings) Limited)	100	Ordinary	England & Wales

15. TANGIBLE FIXED ASSETS

	Long leasehold property £'000	Short leasehold property £'000	Plant and equipment £'000	Vehicles, furniture and fittings £'000	Total £'000
Cost					
At 1 January 1999	-	7,733	37,250	311	45,294
Additions	-	-	-	-	-
Disposals	-	(7,733)	(37,250)	(311)	(45,294)
At 31 December 1999	-	-	-	-	-
Accumulated depreciation					
At 1 January 1999	-	7,733	37,250	311	45,294
Charge for the period	-	-	-	-	-
Disposals	-	(7,733)	(37,250)	(311)	(45,294)
At 31 December 1999	-	-	-	-	-
Net book value					
At 31 December 1999	-	-	-	-	-
At 31 December 1998	-	-	-	-	-

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

16. OTHER ASSETS

	1999 £'000	1998 £'000
Works of art and historical archive	4,337	-
Foreign exchange, interest rate contracts and other derivative products	-	776
Trade debtors	-	1,022
Other sundry debtors	1,103	5,897
	<u>5,440</u>	<u>7,695</u>

17. DEPOSITS BY BANKS

	1999 £'000	1998 £'000
Repayable:		
On demand	-	6,376
Three months or less	-	135
One year or less but over three months	-	-
	<u>-</u>	<u>6,511</u>

18. CUSTOMER ACCOUNTS

	1999 £'000	1998 £'000
Repayable:		
On demand	-	1,754
Three months or less	-	-
One year or less but over three months	-	1,140
Five years or less but over one year	-	-
	<u>-</u>	<u>2,894</u>

19. OTHER LIABILITIES

	1999 £'000	1998 £'000
Foreign exchange and interest rate contracts and other derivative products	12	63
Corporation tax payable	4,120	4,146
Other liabilities	672	1,637
	<u>4,804</u>	<u>5,846</u>

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

20. AMOUNTS DUE TO GROUP UNDERTAKINGS

	1999 £'000	1998 £'000
Amounts due to parent companies	-	60,414
Amounts due to subsidiary undertakings	-	15,486
Amounts due to fellow subsidiary undertakings	1,842	18,963
	<u>1,842</u>	<u>94,863</u>
Deposits by banks	-	28,324
Customer accounts	-	1
Securities trading balances	-	-
Other liabilities	1,842	66,047
Accruals and deferred income	-	491
	<u>1,842</u>	<u>94,863</u>

21. PROVISION FOR LIABILITIES AND CHARGES

	1999 £'000	1998 £'000
Opening balance	-	8,257
Decrease/increase in provision	-	(1,258)
Transfer	-	(6,999)
Closing balance	<u>-</u>	<u>-</u>

The provisions which related principally to future lease commitments on vacant properties are now reported in ING Groep N.V.

22. CALLED UP SHARE CAPITAL

	1999 £'000	1998 £'000
Authorised:		
500,000,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, issued and fully paid:		
52,962,852 ordinary shares of £1 each (1998: 90,000,002 ordinary shares of £1 each)	<u>52,963</u>	<u>90,000</u>

On 21 December 1999 the company repurchased 37,037,150 of its own shares of £1 each at par.

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

23. MOVEMENT ON RESERVES

	Share premium		Profit and loss account	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Opening balance	30,000	30,000	(80,945)	(51,364)
Retained loss for the year	-	-	12,951	(29,542)
FX	-	-	137	(39)
Closing balance	30,000	30,000	(67,857)	(80,945)

24. FORWARD FUTURE AND OPTION CONTRACTS

	1999 £'000	1998 £'000
<u>Interest rate contracts</u>		
- underlying principal amounts	-	18,196
- credit risk weighted amount	-	412
- replacement cost	-	815
<u>Interest Rate Options</u>		
- underlying principal amounts	-	-
- credit risk weight amount	-	-
- replacement cost	-	-

Interest and exchange rate contracts are held for hedging purposes.

25. ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

	1999 £'000	1998 £'000
Assets denominated in sterling	21,743	128,206
Assets denominated in currencies other than sterling	9	21,644
Total assets	21,752	149,850
Liabilities denominated in sterling	21,752	124,455
Liabilities denominated in currencies other than sterling	-	25,395
Total liabilities	21,752	149,850

As at 31 December 1998 the existence of off-balance sheet items means that the above should not be taken as a measure of the company's exposure to foreign exchange risk.

BARING BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

26. GUARANTEES AND ASSETS PLEDGED AS COLLATERAL SECURITIES

	1999 £'000	1998 £'000
Guarantees and irrevocable letters of credit	-	605
	-	605

27. OTHER CONTINGENT LIABILITIES

Other contingent liabilities arise in the normal course of banking business.

28. ULTIMATE HOLDING COMPANY

The directors regard ING Groep N.V., a company incorporated in the Netherlands as the ultimate holding company.

ING Groep N.V. and ING Bank N.V. are the only undertakings preparing financial statements which include, by way of consolidation, the financial statements of Baring Brothers Limited.

Copies of these consolidated financial statements may be obtained from the secretary, ING Groep N.V., Strawinskylaan 2631, 1077 ZZ Amsterdam, The Netherlands.

29. POST BALANCE SHEET EVENTS

Since the year-end the company has acquired Bishopscourt Asset Finance Ltd as a direct subsidiary from Bishopscourt Leasing (Holdings) Ltd, another direct subsidiary. This acquisition has no material impact on the profit and loss account or reserves of Baring Brothers Ltd. Bishopscourt Leasing (Holdings) Ltd has since changed its name to ING Barings (London) Ltd.