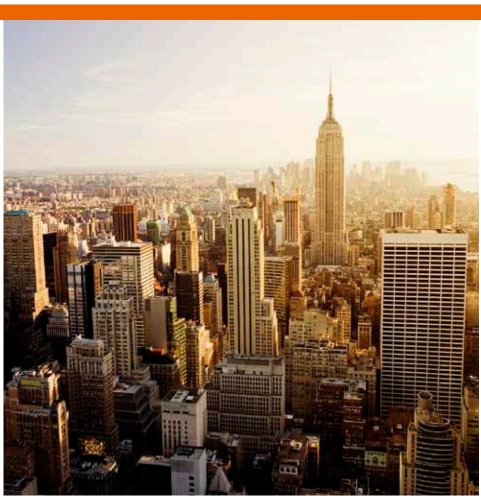
ING GROUP


Condensed consolidated interim financial information for the period ended 30 September 2012

Contents

Condensed consolidated interim accounts

Condensed consolidated balance sheet of ING Group

as at

amounts in millions of euros	30 September 2012	31 December 2011
ASSETS		
Cash and balances with central banks	**28,367**	31,194
Amounts due from banks	**44,788**	45,323
Financial assets at fair value through profit and loss 2	**251,432**	262,722
Investments 3	**199,334**	217,407
Loans and advances to customers 4	**572,873**	602,525
Reinsurance contracts	**5,461**	5,870
Investments in associates	**2,235**	2,370
Real estate investments	**1,339**	1,670
Property and equipment	**2,689**	2,886
Intangible assets 5	**2,707**	3,558
Deferred acquisition costs	**4,634**	10,204
Assets held for sale 6	**103,714**	62,483
Other assets	**28,523**	31,016
Total assets	**1,248,096**	1,279,228
EQUITY		
Shareholders' equity (parent)	**52,877**	46,663
Non-voting equity securities	**3,000**	3,000
	55,877	49,663
Minority interests	**1,020**	777
Total equity	**56,897**	50,440
LIABILITIES		
Subordinated loans	**8,938**	8,858
Debt securities in issue	**159,961**	139,861
Other borrowed funds	**18,060**	19,684
Insurance and investment contracts	**233,747**	278,833
Amounts due to banks	**51,367**	72,233
Customer deposits and other funds on deposit	**444,954**	467,547
Financial liabilities at fair value through profit and loss 7	**136,291**	142,868
Liabilities held for sale 6	**106,473**	64,265
Other liabilities	**31,408**	34,639
Total liabilities	**1,191,199**	1,228,788
Total equity and liabilities	**1,248,096**	1,279,228

References relate to the accompanying notes. These form an integral part of the condensed consolidated interim accounts.

Condensed consolidated profit and loss account of ING Group

for the three and nine month period ended

	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011
Continuing operations				
Interest income banking operations	**14,950**	15,401	**45,416**	48,933
Interest expense banking operations	**-11,916**	-12,103	**-36,410**	-38,929
Interest result banking operations	**3,034**	3,298	**9,006**	10,004
Gross premium income	**4,609**	4,374	**15,400**	15,327
Investment income 8	**1,948**	1,045	**5,669**	3,765
Commission income	**873**	954	**2,665**	3,053
Other income 9	**-897**	3,058	**-830**	3,636
Total income	**9,567**	12,729	**31,910**	35,785
Underwriting expenditure 10	**4,831**	7,059	**17,145**	19,144
Addition to loan loss provision	**555**	438	**1,536**	1,141
Intangible amortisation and other impairments 11	**54**	80	**190**	234
Staff expenses	**1,814**	1,804	**5,007**	5,557
Other interest expenses	**86**	14	**252**	78
Other operating expenses	**1,312**	1,439	**4,388**	4,289
Total expenses	**8,652**	10,834	**28,518**	30,443
Result before tax from continuing operations	**915**	1,895	**3,392**	5,342
Taxation	**286**	270	**946**	1,155
Net result from continuing operations	**629**	1,625	**2,446**	4,187
Discontinued operations				
Net result from discontinued operations 19	**198**	75	**472**	447
Net result from classification as discontinued operations 19	**-200**		**-380**	
Net result from disposal of discontinued operations 19	**16**		**16**	
Total net result from discontinued operations	**14**	75	**108**	447
Net result from continuing and discontinued operations (before minority interests)	**643**	1,700	**2,554**	4,634

	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011
Net result attributable to:				
Equityholders of the parent	**609**	1,692	**2,460**	4,580
Minority interests	**34**	8	**94**	54
	643	1,700	**2,554**	4,634
Net result from continuing operations attributable to:				
Equityholders of the parent	**595**	1,618	**2,352**	4,134
Minority interests	**34**	7	**94**	53
	629	1,625	**2,446**	4,187
Net result from discontinued operations attributable to:				
Equityholders of the parent	**14**	74	**108**	446
Minority interests		1		1
	14	75	**108**	447

Condensed consolidated profit and loss account of ING Group continued

for the three and nine month period ended

	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
amounts in euros	**2012**	2011	**2012**	2011
Earnings per share 12				
Basic earnings per ordinary share	**0.16**	0.41	**0.58**	0.84
Diluted earnings per ordinary share	**0.16**	0.41	**0.58**	0.84
Earnings per share from continuing operations 12				
Basic earnings per ordinary share from continuing operations	**0.16**	0.39	**0.55**	0.72
Diluted earnings per ordinary share from continuing operations	**0.16**	0.39	**0.55**	0.72
Earnings per share from discontinued operations 12				
Basic earnings per ordinary share from discontinued operations	**0.00**	0.02	**0.03**	0.12
Diluted earnings per ordinary share from discontinued operations	**0.00**	0.02	**0.03**	0.12

References relate to the accompanying notes. These form an integral part of the condensed consolidated interim accounts.

Condensed consolidated statement of comprehensive income of ING Group

for the three and nine month period ended

	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011
Net result for the period from continuing and discontinued operations	**643**	1,700	**2,554**	4,634
Unrealised revaluations after taxation	**3,403**	2,183	**5,852**	1,462
Realised gains/losses transferred to profit and loss	**-506**	404	**-733**	617
Changes in cash flow hedge reserve	**90**	1,115	**494**	907
Transfer to insurance liabilities/DAC	**-1,005**	-1,863	**-1,973**	-1,772
Exchange rate differences	**-281**	669	**-83**	-1,272
Other revaluations	**18**		**28**	
Total amount recognised directly in equity (other comprehensive income)	**1,719**	2,508	**3,585**	-58
Total comprehensive income	**2,362**	4,208	**6,139**	4,576
Comprehensive income attributable to:				
Equityholders of the parent	**2,285**	4,174	**5,980**	4,512
Minority interests	**77**	34	**159**	64
	2,362	4,208	**6,139**	4,576

For the three month period 1 July 2012 to 30 September 2012 the Unrealised revaluations after taxation comprises EUR 10 million (1 July 2011 to 30 September 2011: EUR -16 million) related to the share of other comprehensive income of associates.

For the nine month period 1 January 2012 to 30 September 2012 the Unrealised revaluations after taxation comprises EUR -25 million (1 January 2011 to 30 September 2011: EUR -13 million) related to the share of other comprehensive income of associates.

For the three month period 1 July 2012 to 30 September 2012 the Exchange rate differences comprises EUR -8 million (1 July 2011 to 30 September 2011: EUR -50 million) related to the share of other comprehensive income of associates.

For the nine month period 1 January 2012 to 30 September 2012 the Exchange rate differences comprises EUR -5 million (1 January 2011 to 30 September 2011: EUR -67 million) related to the share of other comprehensive income of associates.

Condensed consolidated statement of cash flows of ING Group

for the nine month period ended

amounts in millions of euros		30 September 2012	30 September 2011
Result before tax		**3,678**	5,950
Adjusted for:	– depreciation	**578**	1,291
	– deferred acquisition costs and value of business acquired	**-468**	-122
	– increase in provisions for insurance and investment contracts	**-400**	3,993
	– addition to loan loss provisions	**1,536**	1,141
	– other	**3,381**	-2,229
Taxation paid		**-427**	-832
Changes in:	– amounts due from banks, not available on demand	**3,617**	-2,194
	– trading assets	**-4,755**	-12,325
	– non-trading derivatives	**-406**	1,305
	– other financial assets at fair value through profit and loss	**288**	193
	– loans and advances to customers	**-4,087**	-24,539
	– other assets	**-1,814**	1,425
	– amounts due to banks, not payable on demand	**-17,426**	1,766
	– customer deposits and other funds on deposit	**16,229**	21,441
	– trading liabilities	**-7,173**	11,002
	– other financial liabilities at fair value through profit and loss	**-240**	-295
	– other liabilities	**224**	-2,906
Net cash flow from (used in) operating activities		**-7,665**	4,065
Investments and advances	– available-for-sale investments	**-110,195**	-170,599
	– investments for risk of policyholders	**-48,386**	-42,184
	– other investments	**-628**	-1,975
Disposals and redemptions	– available-for-sale investments	**106,445**	162,732
	– investments for risk of policyholders	**52,717**	46,151
	– other investments	**-4,011**	4,266
Net cash flow from (used in) investing activities		**-4,058**	-1,609
Proceeds from borrowed funds and debt securities		**292,668**	304,217
Repayments of borrowed funds and debt securities		**-277,092**	-300,751
Repayment of non-voting equity securities			-2,000
Repurchase premium			-1,000
Other net cash flow from financing activities		**144**	45
Net cash flow from financing activities		**15,720**	511
Net cash flow		**3,997**	2,967
Cash and cash equivalents at beginning of period		**34,279**	20,740
Effect of exchange rate changes on cash and cash equivalents		**-130**	-239
Cash and cash equivalents at end of period		**38,146**	23,468
Cash and cash equivalents comprises the following items:			
Treasury bills and other eligible bills		**4,318**	2,813
Amounts due from/to banks		**4,051**	-7,708
Cash and balances with central banks		**28,367**	25,077
Cash and cash equivalents classified as Assets held for sale		**1,410**	3,286
Cash and cash equivalents at end of period		**38,146**	23,468

Condensed consolidated statement of changes in equity of ING Group

for the nine month period ended

amounts in millions of euros	Share capital	Share premium	Reserves	Total share-holders' equity (parent)	Non-voting equity securities	Minority interests	Total
Balance at 1 January 2012	919	16,034	29,710	46,663	3,000	777	50,440
Unrealised revaluations after taxation			5,834	5,834		18	5,852
Realised gains/losses transferred to profit and loss			-733	-733			-733
Changes in cash flow hedge reserve			494	494			494
Transfer to insurance liabilities/DAC			-1,973	-1,973			-1,973
Exchange rate differences			-102	-102		19	-83
Other revaluations						28	28
Total amount recognised directly in equity			3,520	3,520		65	3,585
Net result for the period			2,460	2,460		94	2,554
Total comprehensive income			5,980	5,980		159	6,139
Changes in the composition of the group						84	84
Purchase/sale of treasury shares			254	254			254
Employee stock option and share plans			-20	-20			-20
Balance at 30 September 2012	919	16,034	35,924	52,877	3,000	1,020	56,897

amounts in millions of euros	Share capital	Share premium	Reserves	Total share-holders' equity (parent)	Non-voting equity securities	Minority interests	Total
Balance at 1 January 2011	919	16,034	23,951	40,904	5,000	729	46,633
Unrealised revaluations after taxation			1,448	1,448		14	1,462
Realised gains/losses transferred to profit and loss			617	617			617
Changes in cash flow hedge reserve			907	907			907
Transfer to insurance liabilities/DAC			-1,772	-1,772			-1,772
Exchange rate differences			-1,268	-1,268		-4	-1,272
Total amount recognised directly in equity			-68	-68		10	-58
Net result for the period			4,580	4,580		54	4,634
Total comprehensive income			4,512	4,512		64	4,576
Repayment of non-voting equity securities					-2,000		-2,000
Repurchase premium [1]			-1,000	-1,000			-1,000
Changes in the composition of the group						-15	-15
Dividends						-30	-30
Purchase/sale of treasury shares			60	60			60
Employee stock option and share plans			52	52			52
Balance at 30 September 2011	919	16,034	27,575	44,528	3,000	748	48,276

[1] Repurchase premium paid on the repayment of EUR 2 billion non-voting equity securities

Notes to the condensed consolidated interim accounts

1 BASIS OF PRESENTATION

These condensed consolidated interim accounts have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’. The accounting principles used to prepare these condensed consolidated interim accounts comply with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and are consistent with those set out in the notes to the 2011 ING Group Consolidated Annual Accounts, except for the amendments referred to below.

These condensed consolidated interim accounts should be read in conjunction with the 2011 ING Group Consolidated Annual Accounts.

Amendments to IFRS 7 ‘Disclosures – Transfers of Financial Assets’ became effective for ING Group in 2012. Amendments to IAS 12 ‘Deferred tax – Recovery of Underlying Assets’ is effective as of 2012, but not yet endorsed by the EU, and therefore not yet part of IFRS-EU. Neither of these has a significant effect on ING Group.

The following new or revised standards and interpretations were issued by the International Accounting Standards Board (IASB), which become effective for ING Group after 2012, if and when endorsed by the EU:

- IFRS 10 ‘Consolidated Financial Statements’, effective as of 2013;
- IFRS 11 ‘Joint Arrangements’, effective as of 2013;
- IFRS 12 ‘Disclosure of Interests in Other Entities’, effective as of 2013;
- IFRS 13 ‘Fair Value Measurement’, effective as of 2013;
- IAS 28 ‘Investments in Associates and Joint Ventures’, effective as of 2013;
- Amendments to IAS 1 ‘Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income’, effective as of 2013;
- Amendments to IFRS 7 ‘Disclosures – Offsetting Financial Assets and Financial Liabilities’, effective as of 2013;
- Annual Improvements 2009 – 2011 Cycle, effective as of 2013; and
- Amendments to IAS 32 ‘Offsetting Financial Assets and Financial Liabilities’, effective as of 2014.

Although these new requirements are still being analysed and the final impact is not yet known, ING Group does not expect the adoption of these new or revised standards and interpretations to have a significant effect on equity and/or result of ING Group.

Furthermore, in 2009 IFRS 9 ‘Financial Instruments-Classification and measurement’ was issued, which was initially effective as of 2013. However in December 2011 the International Accounting Standards Board decided to amend this standard and to postpone the mandatory application of IFRS 9 until 2015. This standard is not yet endorsed by the EU and, therefore, is not yet part of IFRS-EU. Implementation of IFRS 9 – if and when endorsed by the EU – may have a significant impact on equity and/or result of ING Group.

In June 2011 the revised IAS 19 ‘Employee Benefits’ was issued, which will become effective as of 2013. At this moment, ING is working on the implementation of the revised standard. The most significant change in the revised standard is the immediate recognition in equity of ‘unrecognised actuarial gains and losses’ as of the effective date. Actuarial gains and losses will no longer be recognised in the profit and loss account as part of curtailment gains/losses. The actual impact on equity and (potentially) capital of this change at implementation is expected to be significant but fully depends on the market interest rate and other assumptions at the implementation date and is therefore not yet known. Unrecognised actuarial gains and losses are disclosed in Note 21 ‘Other liabilities’ in the 2011 ING Group Consolidated Annual Accounts and amounted to EUR 481 million (pre-tax) as per 31 December 2011 (2010: EUR -1,731 million pre-tax). The impact of the revised standard will be affected by movements in unrecognised actuarial gains and losses until the effective date and the impact of other changes in the revised standard. The estimated impact of recognising unrecognised actuarial gains and losses in equity as at 30 September 2012 would have been approximately EUR -1.4 billion for ING Bank and approximately EUR -0.9 billion for ING Insurance (after tax). Furthermore the revised standard requires the expected return on plan assets to be determined based on a high-quality corporate bond rate, equal to the discount rate of the liability, instead of management’s best estimate. The impact of this change for 2013 will depend on the level of the discount rate at the implementation date.

International Financial Reporting Standards as adopted by the EU provide several options in accounting principles. ING Group's accounting principles under International Financial Reporting Standards as adopted by the EU and its decision on the options available are set out in the section ‘Principles of valuation and determination of results’ in the 2011 ING Group Consolidated Annual Accounts.

Certain amounts recorded in the condensed consolidated interim accounts reflect estimates and assumptions made by management. Actual results may differ from the estimates made. Interim results are not necessarily indicative of full-year results.

Notes to the condensed consolidated interim accounts continued

In 2011, the accounting policy was changed for insurance provisions for Guaranteed Minimum Benefits for Life as disclosed in the Accounting policies and in Note 56 'Impact of change in accounting policy' of the 2011 ING Group Consolidated Annual Accounts. In 2012, changes were made to the segment reporting as disclosed in Note 13 'Segment Reporting' of these condensed consolidated interim accounts.

The presentation of and certain terms used in these condensed consolidated interim accounts has been changed to provide additional and more relevant information or (for changes in comparative information) to better align with the current period presentation. The impact of these changes is explained in the relevant notes when significant. The presentation of the cash flow statement was amended to separately present the cash amount included in discontinued operations/businesses held for sale. This amendment resulted in an increase of Cash and cash equivalents at the beginning of the period of EUR 4,980 million due to inclusion of balances classified as Assets held for sale.

The comparison of balance sheet items between 30 September 2012 and 31 December 2011 is impacted by the disposed companies as disclosed in Note 14 'Acquisitions and disposals' and by the held for sale classification as disclosed in Note 6 'Assets and liabilities held for sale' and Note 19 'Discontinued operations'.

2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial assets at fair value through profit and loss

amounts in millions of euros	**30 September 2012**	31 December 2011
Trading assets	**129,561**	123,688
Investment for risk of policyholders	**100,768**	116,438
Non-trading derivatives	**15,804**	17,159
Designated as at fair value through profit and loss	**5,299**	5,437
	251,432	262,722

3 INVESTMENTS

Investments by type

amounts in millions of euros	**30 September 2012**	31 December 2011
Available-for-sale		
– equity securities	**7,638**	9,305
– debt securities	**184,809**	199,234
	192,447	208,539
Held-to-maturity		
– debt securities	**6,887**	8,868
	6,887	8,868
	199,334	217,407

Notes to the condensed consolidated interim accounts continued

Exposure to debt securities

ING Group's exposure to debt securities is included in the following balance sheet lines:

Debt securities

amounts in millions of euros	30 September 2012	31 December 2011
Available-for-sale investments	**184,809**	199,234
Held-to-maturity investments	**6,887**	8,868
Loans and advances to customers	**29,869**	29,117
Amounts due from banks	**5,636**	7,321
Available-for-sale investments and Assets at amortised cost	**227,201**	244,540
Trading assets	**16,924**	18,251
Investments for risk of policyholders	**8,819**	9,612
Designated as at fair value through profit and loss	**2,963**	2,967
Financial assets at fair value through profit and loss	**28,706**	30,830
	255,907	275,370

Debt securities by type and balance sheet line (Available-for-sale investments and Assets at amortised cost)

	Available-for-sale investments		Held-to-maturity investments		Loans and advances to customers		Amounts due from banks		Total	
amounts in millions of euros	**30 September 2012**	31 December 2011	**30 September 2012**	31 December 2011	**30 September 2012**	31 December 2011	**30 September 2012**	31 December 2011	**30 September 2012**	31 December 2011
Government bonds	**95,805**	101,988	**330**	881	**6,978**	1,081			**103,113**	103,950
Covered bonds	**8,278**	7,655	**5,899**	7,209	**5,804**	7,468	**5,337**	6,591	**25,318**	28,923
Corporate bonds	**42,942**	46,348			**459**	425			**43,401**	46,773
Financial Institutions' bonds	**23,385**	26,892	**302**	421	**133**	134	**299**	736	**24,119**	28,183
Bond portfolio (excluding ABS)	**170,410**	182,883	**6,531**	8,511	**13,374**	9,108	**5,636**	7,327	**195,951**	207,829
US agency RMBS	**5,463**	5,630							**5,463**	5,630
US prime RMBS	**1,139**	1,398							**1,139**	1,398
US Alt-A RMBS	**475**	451							**475**	451
US subprime RMBS	**758**	774							**758**	774
Non-US RMBS	**576**	1,640			**11,506**	14,066		-6	**12,082**	15,700
CDO/CLO	**312**	238			**490**	921			**802**	1,159
Other ABS	**1,701**	1,900	**356**	357	**3,590**	3,536			**5,647**	5,793
CMBS	**3,975**	4,320			**909**	1,486			**4,884**	5,806
ABS portfolio	**14,399**	16,351	**356**	357	**16,495**	20,009		-6	**31,250**	36,711
	184,809	199,234	**6,887**	8,868	**29,869**	29,117	**5,636**	7,321	**227,201**	244,540

In connection with the divestment of ING Direct USA, ING completed the restructuring of the agreement with the Dutch State concerning the Illiquid Assets Back-Up Facility (IABF), which was announced on 16 June 2011. As a result of the restructuring, EUR 7.3 billion (USD 9.5 billion) of the loan due from the Dutch State was converted into Dutch Government Debt Securities. These debt securities are classified as Loans and advances to customers. The remaining balance as at 30 September 2012 amounts to EUR 5.8 billion (USD 7.5 billion). Reference is made to Note 14 'Acquisitions and disposals'.

Notes to the condensed consolidated interim accounts continued

Greece, Italy, Ireland, Portugal, Spain and Cyprus

In the first half of 2010 concerns arose regarding the creditworthiness of certain southern European countries, which later spread to a few other European countries. As a result of these concerns the value of sovereign debt decreased and exposures in those countries are being monitored closely. With regard to the sovereign debt crisis, ING Group's main focus is on Greece, Italy, Ireland, Portugal, Spain and Cyprus as these countries have either applied for support from the European Financial Stability Facility ('EFSF') or received support from the ECB via government bond purchases in the secondary market. Within these countries, ING Group's main focus is on exposure to Government bonds and Unsecured Financial institutions' bonds.

At 30 September 2012, ING Group's balance sheet value of 'Government bonds' and 'Unsecured Financial institutions' bonds to Greece, Italy, Ireland, Portugal, Spain and Cyprus and the related pre-tax revaluation reserve in equity was as follows:

Greece, Italy, Ireland, Portugal, Spain and Cyprus - Government bonds and Unsecured Financial institutions' bonds [1]

	30 September 2012				
amounts in millions of euros	Balance sheet value	Pre-tax revaluation reserve	Pre-tax impair-ments	Amortised cost value	Fair value of invest-ments held-to-maturity
Greece					
Government bonds available-for-sale	39	-5		44	
Italy					
Government bonds available-for-sale	2,243	-161		2,404	
Government bonds at amortised cost (loans)	105			105	
Financial institutions available-for-sale	506	-14		520	
Financial institutions at amortised cost (held-to-maturity)	30			30	31
Ireland					
Government bonds available-for-sale	53			53	
Financial institutions available-for-sale	30			30	
Financial institutions at amortised cost (held-to-maturity)	34			34	34
Portugal					
Government bonds available-for-sale	593	-51		644	
Financial institutions available-for-sale	75	-1		76	
Spain					
Government bonds available-for-sale	1,061	-290		1,351	
Government bonds at amortised cost (held-to-maturity)	50			50	51
Financial institutions available-for-sale	130	-14	-11	155	
Cyprus					
Government bonds available-for-sale	15	-4		19	
Total	4,964	-540	-11	5,515	116

[1] Exposures are included based on the country of residence.

The revaluation reserve on debt securities includes EUR 6,645 million (pre-tax) related to Government bonds. This amount comprises EUR 511 million negative revaluation reserve for Government bonds from Greece, Italy, Ireland, Portugal, Spain and Cyprus, which is more than offset by EUR 7,156 million of positive revaluation reserves for Government bonds from other countries.

Notes to the condensed consolidated interim accounts continued

Greece, Italy, Ireland, Portugal, Spain and Cyprus - Government bonds and Unsecured Financial institutions' bonds [1]

					31 December 2011
amounts in millions of euros	Balance sheet value	Pre-tax revaluation reserve	Pre-tax impairments [2]	Amortised cost value	Fair value of investments held-to-maturity
Greece					
Government bonds available-for-sale	255		-940	1,195	
Italy					
Government bonds available-for-sale	2,033	-443		2,476	
Government bonds at amortised cost (loans)	97			97	
Financial institutions available-for-sale	632	-62		694	
Financial institutions at amortised cost (held-to-maturity)	30			30	28
Financial institutions at amortised cost (loans)	131			131	
Ireland					
Government bonds available-for-sale	43	-10		53	
Financial institutions available-for-sale	59	-1		60	
Financial institutions at amortised cost (held-to-maturity)	34			34	35
Financial institutions at amortised cost (loans)	122			122	
Portugal					
Government bonds available-for-sale	533	-299		832	
Financial institutions available-for-sale	125	-32		157	
Spain					
Government bonds available-for-sale	1,190	-203		1,393	
Government bonds at amortised cost (held-to-maturity)	170			170	170
Financial institutions available-for-sale	258	-35		293	
Financial institutions at amortised cost (loans)	85	-1		86	
Cyprus					
Government bonds available-for-sale	12	-7		19	
Total	5,809	-1,093	-940	7,842	233

[1] Exposures are included based on the country of residence.
[2] Pre-tax impairments relate to bonds held at 31 December 2011. In addition, EUR 38 million and EUR 189 million impairments were recognised in 2011 on Greek government bonds and Irish unsecured Financial institutions' bonds that were no longer held at 31 December 2011. The total amount of impairments recognised on Greek Government bonds and Irish unsecured Financial institutions' bonds in 2011 is therefore EUR 978 million and EUR 189 million as explained below.

On 21 July 2011 a Private Sector Involvement to support Greece was announced. This initiative involved a voluntary exchange of existing Greek government bonds together with a Buyback Facility. Based on this initiative, ING impaired its Greek government bonds maturing up to 2020 in the second quarter of 2011 (Bank: EUR 187 million, Insurance: EUR 123 million). The decrease in market value in the third quarter of 2011 of these impaired bonds is recognised as re-impairment (Bank: EUR 91 million, Insurance: EUR 70 million). Due to the outcome of the EC meeting on 26 October 2011, the Greek government bonds maturing as from 2020 were impaired in the third quarter of 2011 (Bank: EUR 177 million, Insurance: EUR 130 million). ING Group impaired all its Greek Government bonds to market value at 31 December 2011. This resulted in a re-impairment in the fourth quarter of 2011 of EUR 200 million (Bank: EUR 133 million, Insurance: EUR 67 million), bringing the total impairments on Greek government bonds to EUR 978 million (Bank: EUR 588 million, Insurance: EUR 390 million). The total Greek government bond portfolio was written down by approximately 80% as at 31 December 2011.

In the first quarter of 2012, the agreement under the Private Sector Involvement ('PSI') to exchange Greek Government bonds into new instruments was executed. Under this exchange, ING received new listed Greek Government bonds (for a notional amount of 31.5% of the notional of the exchanged bonds, maturities between 2023 and 2042), listed European Financial Stability Facility ('EFSF') notes (for a notional amount of 15% of the notional of the exchanged bonds, maturities of one to two years) and listed short-term EFSF notes (maturity of 6 months, in discharge of all unpaid interest accrued on the exchanged bonds). These new securities are recognised as available-for-sale instruments. Furthermore, ING received listed GDP-linked securities issued by Greece (notional equal to notional of the new Greek Government bonds, maturity 2042). The exchange was executed on 12 March 2012. The exchanged bonds were derecognised and the new instruments were recognised at fair value on the exchange date. The exchange resulted in a gain of EUR 15 million (Bank: EUR 22 million; Insurance: EUR -7 million) in the first quarter of 2012, being the difference between amortised cost (net of cumulative impairments) of the exchanged bonds and fair value of the new instruments at the date of exchange. This result is included in 'Investment income'.

In 2011 ING Insurance recognised a total impairment of EUR 189 million on subordinated debt from Irish banks.

Notes to the condensed consolidated interim accounts continued

Reference is made to Note 8 ‘Investment income’ for impairments on available-for-sale debt securities. Further information on ING Group’s risk exposure with regard to Greece, Italy, Ireland, Portugal, Spain and Cyprus is provided in Note 20 'Risk exposures Greece, Italy, Ireland, Portugal, Spain and Cyprus' and the Risk management section of the 2011 ING Group Consolidated Annual Accounts for more details on ING Group’s risk exposures to Greece, Italy, Ireland, Portugal and Spain.

Reclassifications to Loans and advances to customers and Amounts due from banks (2009 and 2008)
Reclassifications out of available-for-sale investments to loans and receivables are allowed under IFRS-EU as of the third quarter of 2008. In the second and first quarter of 2009 and in the fourth quarter of 2008 ING Group reclassified certain financial assets from Investments available-for-sale to Loans and advances to customers and Amounts due from banks. The Group identified assets, eligible for reclassification, for which at the reclassification date it had the intention to hold for the foreseeable future. The table below provides information on the three reclassifications made in the second and first quarter of 2009 and the fourth quarter of 2008. Information is provided for each of the three reclassifications (see columns) as at the date of reclassification and as at the end of the subsequent reporting periods (see rows). This information is disclosed under IFRS-EU as long as the reclassified assets continue to be recognised in the balance sheet. Certain information on prior financial periods was amended to reflect more detailed information that became available compared to previous years.

Reclassifications to Loans and advances to customers and Amounts due from banks

amounts in millions of euros	Q2 2009	Q1 2009	Q4 2008
As per reclassification date			
Fair value	6,135	22,828	1,594
Range of effective interest rates (weighted average)	1.4%–24.8%	2.1%–11.7%	4.1%–21%
Expected recoverable cash flows	7,118	24,052	1,646
Unrealised fair value losses in shareholders’ equity (before tax)	-896	-1,224	-69
Recognised fair value gains (losses) in shareholders’ equity (before tax) between the beginning of the year in which the reclassification took place and the reclassification date	173	nil	-79
Recognised fair value gains (losses) in shareholders’ equity (before tax) in the year prior to reclassification	-971	-192	-20
Recognised impairment (before tax) between the beginning of the year in which the reclassification took place and the reclassification	nil	nil	nil
Recognised impairment (before tax) in the year prior to reclassification	nil	nil	nil
Impact on the financial periods after reclassification:			
2012			
Carrying value as at 30 September	**1,870**	**10,329**	**444**
Fair value as at 30 September	**1,790**	**9,735**	**502**
Unrealised fair value losses recognised in shareholders’ equity (before tax) as at 30 September	**-202**	**-274**	**-2**
Effect on shareholders’ equity (before tax) as at 30 September if reclassification had not been made	**-80**	**-594**	**58**
Effect on result (before tax) for the nine month period ended 30 September if reclassification had not been made	**nil**	**nil**	**nil**
Effect on result (before tax) for the nine month period ended 30 September (interest income and sales results)	**-22**	**217**	**17**
Recognised impairments (before tax) for the nine month period ended 30 September	**nil**	**nil**	**nil**
Recognised provision for credit losses (before tax) for the nine month period ended 30 September	**nil**	**nil**	**nil**
2011			
Carrying value as at 31 December	3,057	14,419	633
Fair value as at 31 December	2,883	13,250	648
Unrealised fair value losses recognised in shareholders’ equity (before tax) as at 31 December	-307	-446	-8
Effect on shareholders’ equity (before tax) if reclassification had not been made	-174	-1,169	15
Effect on result (before tax) if reclassification had not been made	nil	nil	nil
Effect on result (before tax) for the year (mainly interest income)	90	390	28
Recognised impairments (before tax)	nil	nil	nil
Recognised provision for credit losses (before tax)	nil	nil	nil

Notes to the condensed consolidated interim accounts continued

Reclassifications to Loans and advances to customers and Amounts due from banks (continued)

amounts in millions of euros	Q2 2009	Q1 2009	Q4 2008
2010			
Carrying value as at 31 December	4,465	16,906	857
Fair value as at 31 December	4,594	16,099	889
Unrealised fair value losses recognised in shareholders' equity (before tax) as at 31 December	-491	-633	-65
Effect on shareholders' equity (before tax) if reclassification had not been made	129	-807	32
Effect on result (before tax) if reclassification had not been made	nil	nil	nil
Effect on result (before tax) for the year (mainly interest income)	89	467	34
Recognised impairments (before tax)	nil	nil	nil
Recognised provision for credit losses (before tax)	nil	nil	nil
2009			
Carrying value as at 31 December	5,550	20,551	1,189
Fair value as at 31 December	5,871	20,175	1,184
Unrealised fair value losses recognised in shareholders' equity (before tax) as at 31 December	-734	-902	-67
Effect on shareholders' equity (before tax) as at 31 December if reclassification had not been made	321	-376	-5
Effect on result (before tax) as at 31 December if reclassification had not been made	nil	nil	nil
Effect on result (before tax) after the reclassification until 31 December (mainly interest income)	121	629	n/a
Effect on result (before tax) for the year (mainly interest income)	n/a	n/a	47
Recognised impairments (before tax)	nil	nil	nil
Recognised provision for credit losses (before tax)	nil	nil	nil
2008			
Carrying value as at 31 December			1,592
Fair value as at 31 December			1,565
Unrealised fair value losses recognised in shareholders' equity (before tax) as at 31 December			-79
Effect on shareholders' equity (before tax) as at 31 December if reclassification had not been made			-28
Effect on result (before tax) if reclassification had not been made			nil
Effect on result (before tax) after the reclassification until 31 December (mainly interest income)			9
Recognised impairments (before tax)			nil
Recognised provision for credit losses (before tax)			nil

4 LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers by banking and insurance operations

amounts in millions of euros	30 September 2012	31 December 2011
Banking operations	**551,553**	577,919
Insurance operations	**27,144**	32,972
	578,697	610,891
Eliminations	**-5,824**	-8,366
	572,873	602,525

Loans and advances to customers by type – banking operations

amounts in millions of euros	30 September 2012	31 December 2011
Loans to, or guaranteed by, public authorities	**47,702**	58,925
Loans secured by mortgages	**314,101**	325,009
Loans guaranteed by credit institutions	**6,798**	8,639
Personal lending	**24,927**	24,401
Asset backed securities	**10,134**	13,328
Corporate loans	**153,301**	152,560
	556,963	582,862
Loan loss provisions	**-5,410**	-4,943
	551,553	577,919

Notes to the condensed consolidated interim accounts continued

Changes in loan loss provisions

	Banking operations		Insurance operations		Total	
amounts in millions of euros	**9 month period ended 30 September 2012**	year ended 31 December 2011	**9 month period ended 30 September 2012**	year ended 31 December 2011	**9 month period ended 30 September 2012**	year ended 31 December 2011
Opening balance	**4,950**	5,195	**124**	117	**5,074**	5,312
Changes in the composition of the group		-3	**-4**	-2	**-4**	-5
Write-offs	**-1,146**	-1,304	**-27**	-24	**-1,173**	-1,328
Recoveries	**83**	112		2	**83**	114
Increase in loan loss provisions	**1,536**	1,670	**24**	33	**1,560**	1,703
Exchange rate differences	**54**	-83	**2**	-2	**56**	-85
Other changes	**-46**	-637			**-46**	-637
Closing balance	**5,431**	4,950	**119**	124	**5,550**	5,074

Changes in loan loss provisions relating to insurance operations are presented under Investment income. Changes in the loan loss provisions relating to banking operations are presented under Addition to loan loss provision on the face of the profit and loss account.

In 2011, Other changes relates for EUR 565 million to the reclassification of ING Direct USA as a disposal group held for sale. Reference is made to Note 6 ‘Assets and liabilities held for sale’.

The loan loss provision relating to banking operations at 30 September 2012 of EUR 5,431 million (31 December 2011: EUR 4,950 million) is presented in the balance sheet under Loans and advances to customers and Amounts due from banks for EUR 5,410 million (31 December 2011: EUR 4,943 million) and EUR 21 million (31 December 2011: EUR 7 million) respectively.

5 INTANGIBLE ASSETS

Intangible assets

amounts in millions of euros	**30 September 2012**	31 December 2011
Value of business acquired	**522**	871
Goodwill	**1,364**	1,794
Software	**625**	611
Other	**196**	282
	2,707	3,558

Allocation of Goodwill to reporting units

The allocation of goodwill to reporting units was changed as a consequence of the changes in segments as disclosed in the first quarter of 2012. There was no impact on the impairment test.

Goodwill is allocated to reporting units as follows:

Goodwill allocation to reporting units

amounts in millions of euros	**30 September 2012**	31 December 2011
Retail Banking Netherlands	**1**	1
Retail Banking Belgium	**50**	50
Retail Banking Germany	**349**	349
Retail Banking Central Europe	**776**	738
Retail Banking International – Other		15
Commercial Banking	**24**	25
Insurance Benelux	**48**	48
Insurance Central & Rest of Europe	**116**	112
Insurance Asia/Pacific – South Korea		192
Insurance Asia/Pacific – Rest of Asia		44
ING Investment Management		220
	1,364	1,794

Notes to the condensed consolidated interim accounts continued

Goodwill of Retail Banking International – Other, Insurance Asia/Pacific South Korea, Insurance Asia/Pacific Rest of Asia and part of the goodwill of ING Investment Management is no longer included in the table above as at 30 September 2012, following the classification as held for sale. Other movements are mainly due to changes in currency exchange rates. Reference is made to Note 6 ‘Assets and liabilities held for sale’ and to Note 19 ‘Discontinued operations’.

6 ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale include disposal groups whose carrying amount will be recovered principally through a sale transaction rather than through continuing operations. This relates to businesses for which a sale is agreed upon or a sale is highly probable at the balance sheet date but for which the transaction has not yet fully closed. As at 30 September 2012 this relates to ING’s Insurance and Investment Management businesses in Asia (‘Asia’) as disclosed in Note 19 ‘Discontinued operations’, ING Direct Canada and ING Direct UK. As at 31 December 2011 this related to ING Direct USA. The sale of ING Direct USA to Capital One was closed in February 2012. Reference is made to Note 14 ‘Acquisitions and disposals’.

Assets held for sale

amounts in millions of euros	30 September 2012	31 December 2011
Cash and balances with central banks	**1,410**	4,980
Amounts due from banks	**935**	314
Financial assets at fair value through profit and loss	**25,176**	3
Available-for-sale investments	**32,683**	22,605
Held-to-maturity investments		444
Loans and advances to customers	**35,582**	31,805
Reinsurance contracts	**113**	
Investments in associates	**39**	
Real estate investments	**88**	
Property and equipment	**103**	75
Intangible assets	**279**	166
Deferred acquisition costs	**5,977**	
Other assets	**1,329**	2,091
	103,714	62,483

Liabilities held for sale

amounts in millions of euros	30 September 2012	31 December 2011
Subordinated loans	**253**	
Insurance and investments contracts	**57,894**	
Amounts due to banks	**20**	
Customer deposits and other funds on deposit	**43,252**	64,103
Financial liabilities at fair value through profit and loss	**1,583**	
Other liabilities	**3,471**	162
	106,473	64,265

In the second quarter of 2012, EUR 180 million of goodwill in IIM Korea was written off. In the third quarter of 2012 EUR 16 million of goodwill in ING Direct UK and EUR 200 million of goodwill in ING Life Korea was written off. Reference is made to Note 14 ‘Acquisitions and disposals’ and to Note 19 ‘Discontinued operations’.

Cumulative other comprehensive income (included in Shareholders' equity) includes EUR 2,045 million (31 December 2011: EUR 244 million) related to Assets and liabilities held for sale.

ING Group is considering other potential divestments, including those that are listed under the European Commission Restructuring Plan in Note 33 ‘Related parties’ in the 2011 ING Group Consolidated Annual Accounts. However, none of these businesses qualify as held for sale as at 30 September 2012 as the potential divestments are not yet available for immediate sale in their present condition and/or a sale is not yet highly probable to occur.

Notes to the condensed consolidated interim accounts continued

7 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial liabilities at fair value through profit and loss

amounts in millions of euros	30 September 2012	31 December 2011
Trading liabilities	**100,459**	107,682
Non-trading derivatives	**21,867**	22,165
Designated as at fair value through profit and loss	**13,965**	13,021
	136,291	142,868

The change in the fair value of financial liabilities designated as at fair value through profit and loss attributable to changes in credit risk in the first nine months of 2012 includes EUR -533 million (first nine months of 2011: EUR 295 million; entire year 2011: EUR 377 million) and EUR 63 million (31 December 2011: EUR 595 million) on a cumulative basis.

8 INVESTMENT INCOME

Investment income

3 month period	Banking operations		Insurance operations		Total	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011	**2012**	2011
Income from real estate investments	**5**	4	**13**	13	**18**	17
Dividend income	**28**	29	**37**	74	**65**	103
Income from investments in debt securities			**1,054**	1,261	**1,054**	1,261
Income from loans			**315**	260	**315**	260
Realised gains/losses on disposal of debt securities	**32**	23	**51**	-147	**83**	-124
Impairments of available-for-sale debt securities	**-4**	-317	**-15**	-254	**-19**	-571
Reversals of impairments of available-for-sale debt securities		28	**5**		**5**	28
Realised gains/losses on disposal of equity securities	**348**	16	**135**	166	**483**	182
Impairments of available-for-sale equity securities	**-6**	-29	**-43**	-83	**-49**	-112
Change in fair value of real estate investments	**-8**	-1	**1**	2	**-7**	1
	395	-247	**1,553**	1,292	**1,948**	1,045

In September 2012, ING announced that it agreed to sell all of its 54 million shares in Capital One Financial Corporation, a U.S.-based financial holding company, in an underwritten public offering for a total value of approximately EUR 2.4 billion. ING obtained the shares in February 2012 as part of the consideration for the sale of ING Direct USA to Capital One. The transaction resulted in a gain of EUR 0.3 billion (before and after tax), and is recorded in the third quarter of 2012 in investment income.

In the third quarter of 2011 impairments include EUR 467 million on Greek government bonds that were impacted by the restructuring proposals of July 2011. Reference is made to Note 3 'Investments'.

Investment income

9 month period	Banking operations		Insurance operations		Total	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011	**2012**	2011
Income from real estate investments	**17**	20	**42**	40	**59**	60
Dividend income	**62**	43	**178**	199	**240**	242
Income from investments in debt securities			**3,612**	3,674	**3,612**	3,674
Income from loans			**1,059**	743	**1,059**	743
Realised gains/losses on disposal of debt securities	**196**	76	**16**	-103	**212**	-27
Impairments of available-for-sale debt securities	**-13**	-539	**-42**	-645	**-55**	-1,184
Reversals of impairments of available-for-sale debt securities		70	**5**	4	**5**	74
Realised gains/losses on disposal of equity securities	**363**	38	**339**	313	**702**	351
Impairments of available-for-sale equity securities	**-18**	-42	**-99**	-107	**-117**	-149
Change in fair value of real estate investments	**-12**	-19	**-36**		**-48**	-19
	595	-353	**5,074**	4,118	**5,669**	3,765

Notes to the condensed consolidated interim accounts continued

In the first nine months of 2012 impairments include EUR 11 million on Spanish Financial Institutions' bonds. Reference is made to Note 3 'Investments'.

In the first nine months of 2011 impairments include EUR 957 million (full year 2011: EUR 1,167 million) on subordinated debt from Irish banks and Greek government bonds that were impacted by the restructuring proposals of July 2011. Reference is made to Note 3 'Investments'.

A gain of EUR 15 million was recognised in the first quarter of 2012 in 'Realised gains/losses on disposal of debt securities' resulting from the exchange of the Greek Government bonds. Reference is made to Note 3 'Investments'.

Impairments/reversals of impairments on investments per segment

3 month period	Impairments		Reversal of impairments	
	1 July to 30 September		1 July to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011
Retail Belgium		-8		
Retail Rest of World		-114		27
Commercial Banking	**-6**	-215		1
Insurance Benelux	**-42**	-127		
Insurance CRE		-153		
Insurance US	**-15**	-54	**5**	
Corporate Line Banking	**-4**	-9		
Corporate Line Insurance	**-1**	-3		
	-68	-683	**5**	28

Impairments/reversals of impairments on investments per segment

9 month period	Impairments		Reversal of impairments	
	1 January to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011
Retail Belgium	**-1**	-15		
Retail Rest of World		-316		27
Commercial Banking	**-22**	-240		43
Insurance Benelux	**-112**	-344		
Insurance CRE		-274		
Insurance US	**-27**	-130	**5**	4
Corporate Line Banking	**-8**	-10		
Corporate Line Insurance	**-2**	-4		
	-172	-1,333	**5**	74

9 OTHER INCOME

Other income

3 month period	Banking operations		Insurance operations		Total	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011	**2012**	2011
Result on disposal of group companies	**-16**	535		-5	**-16**	530
Valuation results on non-trading derivatives	**-412**	419	**-834**	2,347	**-1,246**	2,766
Net trading income	**443**	-260	**74**	-142	**517**	-402
Result from associates	**11**	7		62	**11**	69
Other	**-206**	62	**43**	33	**-163**	95
	-180	763	**-717**	2,295	**-897**	3,058

Other income includes CVA/DVA adjustments of EUR 164 million negative in the third quarter of 2012, mainly reflecting a tightening of ING Bank's credit spread, compared with EUR 146 million of positive CVA/DVA adjustments in the third quarter of 2011.

Other income - Other includes losses on disposal of Loans and advances to customers of EUR 251 million in the third quarter of 2012.

Notes to the condensed consolidated interim accounts continued

Result from associates

3 month period	Banking operations		Insurance operations		Total	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011	**2012**	2011
Share of results from associates	**11**	12		62	**11**	74
Impairments		-5				-5
	11	7		62	**11**	69

Other income

9 month period	Banking operations		Insurance operations		Total	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011	**2012**	2011
Result on disposal of group companies	**727**	577		-5	**727**	572
Valuation results on non-trading derivatives	**-822**	787	**-1,674**	1,878	**-2,496**	2,665
Net trading income	**1,091**	-196	**39**	75	**1,130**	-121
Result from associates	**21**	54	**41**	170	**62**	224
Other	**-282**	221	**29**	75	**-253**	296
	735	1,443	**-1,565**	2,193	**-830**	3,636

Result from associates

9 month period	Banking operations		Insurance operations		Total	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011	**2012**	2011
Share of results from associates	**21**	73	**41**	170	**62**	243
Impairments		-19				-19
	21	54	**41**	170	**62**	224

Results on disposal of group companies includes the sale of ING Direct USA. Reference is made to Note 14 ‘Acquisition and disposals’.

Included in the Valuation results on non-trading derivates are the fair value movements on derivatives used to economically hedge exposures, but for which no hedge accounting is applied. For insurance operations, these derivatives hedge exposures in Insurance contract liabilities. The fair value movements on the derivates are influenced by changes in the market conditions, such as stock prices, interest rates and currency exchange rates. The change in fair value of the derivatives is largely offset by changes in Insurance contract liabilities, which are included in Underwriting expenditure. Reference is made to Note 10 'Underwriting expenditure'.

Valuation results on non-trading derivatives are reflected in the condensed consolidated statement of cash flows in the line 'Result before tax - Adjusted for: other'.

10 UNDERWRITING EXPENDITURE

Underwriting expenditure

	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011
Gross underwriting expenditure				
– before effect of investment result for risk of policyholders	**5,221**	7,454	**18,584**	20,370
– effect of investment result for risk of policyholders	**4,189**	-7,813	**9,627**	-5,337
	9,410	-359	**28,211**	15,033
Investment result for risk of policyholders	**-4,189**	7,813	**-9,627**	5,337
Reinsurance recoveries	**-390**	-395	**-1,439**	-1,226
Underwriting expenditure	**4,831**	7,059	**17,145**	19,144

Notes to the condensed consolidated interim accounts continued

Underwriting expenditure	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011
Expenditure from life underwriting				
Reinsurance and retrocession premiums	**303**	325	**1,000**	960
Gross benefits	**5,912**	5,140	**18,636**	16,378
Reinsurance recoveries	**-388**	-393	**-1,432**	-1,220
Change in life insurance provisions for risk of company	**-1,365**	1,207	**-3,228**	520
Costs of acquiring insurance business	**-26**	320	**373**	634
Other underwriting expenditure	**173**	124	**473**	371
Profit sharing and rebates	**8**	36	**111**	177
	4,617	6,759	**15,933**	17,820
Expenditure from non-life underwriting				
Reinsurance and retrocession premiums	**5**	5	**34**	34
Gross claims	**283**	280	**827**	808
Reinsurance recoveries	**-2**	-2	**-6**	-6
Change in provision for unearned premiums	**-109**	-109	**128**	134
Change in claims provision	**13**	-13	**92**	-1
Costs of acquiring insurance business	**68**	65	**200**	196
Other underwriting expenditure			**1**	-1
	258	226	**1,276**	1,164
Expenditure from investment contracts				
Costs of acquiring investment contracts	**1**	1	**2**	3
Other changes in investment contract liabilities	**-45**	73	**-66**	157
	-44	74	**-64**	160
	4,831	7,059	**17,145**	19,144

11 INTANGIBLE AMORTISATION AND OTHER IMPAIRMENTS

Intangible amortisation and (reversals of) impairments	Impairment losses		Reversals of impairments		Total	
3 month period	1 July to 30 September		1 July to 30 September		1 July to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011	**2012**	2011
Property and equipment	**7**	3	**-1**	-1	**6**	2
Property development	**37**	61			**37**	61
Software and other intangible assets		3				3
(Reversals of) other impairments	**44**	67	**-1**	-1	**43**	66
Amortisation of other intangible assets					**11**	14
					54	80

In the third quarter of 2012 EUR 37 million impairments are recognised on Property development (Commercial Banking segment) relating to various real estate development projects (including the United Kingdom, Italy, Spain and Germany) due to worsening market conditions.

In the third quarter of 2011 EUR 61 million impairments are recognised on Property development (Commercial Banking segment) that are mainly based on the reassessment of Dutch (EUR 39 million) and Spanish (EUR 16 million) real estate development projects.

Notes to the condensed consolidated interim accounts continued

Intangible amortisation and (reversals of) impairments						
9 month period	Impairment losses		Reversals of impairments		Total	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011	**2012**	2011
Property and equipment	**17**	11	**-5**	-4	**12**	7
Property development	**140**	162			**140**	162
Software and other intangible assets	**1**	24			**1**	24
(Reversals of) other impairments	**158**	197	**-5**	-4	**153**	193
Amortisation of other intangible assets					**37**	41
					190	234

In the first nine months of 2012 EUR 140 million impairments are recognised on Property development (Commercial Banking segment) relating to various real estate development projects (including the United Kingdom, Italy, Spain and Germany) due to worsening market conditions.

In the first nine months of 2011 EUR 162 million impairments are recognised on Property development (Commercial Banking segment) of which EUR 59 million is due to the sale or termination of large projects in Germany and the Netherlands and EUR 98 million is based on the reassessment of Dutch and Spanish real estate development projects and a small part relates to foreclosure property in the United States.

12 EARNINGS PER ORDINARY SHARE

Earnings per ordinary share						
3 month period	Amount (in millions of euros)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in euros)	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
	2012	2011	**2012**	2011	**2012**	2011
Net result	**609**	1,692	**3,801.3**	3,784.4		
Attribution to non-voting equity securities		-154				
Basic earnings	**609**	1,538	**3,801.3**	3,784.4	**0.16**	0.41
Dilutive instruments:						
Stock option and share plans			**6.3**	5.1		
			6.3	5.1		
Diluted earnings	**609**	1,538	**3,807.6**	3,789.5	**0.16**	0.41

Attribution to non-voting equity securities
The attribution to non-voting equity securities represents the amount that would be payable on the non-voting equity securities if and when the entire net result for the period would be distributed as dividend. This amount is only included for the purpose of determining earnings per share under IFRS-EU and does not represent a payment (neither actual nor proposed) to the holders of the non-voting equity securities.

The attribution in 2011 also includes the premium of EUR 1 billion paid in relation to the repurchase of the EUR 2 billion non-voting equity securities in the second quarter of 2011.

Dilutive instruments
Diluted earnings per share is calculated as if the stock options and share plans outstanding at the end of the period had been exercised at the beginning of the period and assuming that the cash received from exercised stock options and share plans is used to buy own shares against the average market price during the period. The net increase in the number of shares resulting from exercising stock options and share plans is added to the average number of shares used for the calculation of diluted earnings per share.

The potential conversion of the non-voting equity securities has an anti-dilutive effect on the earnings per share calculation in 2012 and 2011 (the diluted earnings per share becoming higher or less negative than the basic earnings per share). Therefore, the potential conversion is not taken into account in the calculation of diluted earnings per share for these periods.

Notes to the condensed consolidated interim accounts continued

Earnings per ordinary share from continuing operations

3 month period

	Amount (in millions of euros)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in euros)	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
	2012	2011	**2012**	2011	**2012**	2011
Basic earnings	**609**	1,538	**3,801.3**	3,784.4		
Less: Net result from discontinued operations	**14**	74				
Basic earnings from continuing operations	**595**	1,464	**3,801.3**	3,784.4	**0.16**	0.39
Dilutive instruments:						
Stock option and share plans			**6.3**	5.1		
			6.3	5.1		
Diluted earnings from continuing operations	**595**	1,464	**3,807.6**	3,789.5	**0.16**	0.39

Earnings per ordinary share from discontinued operations

3 month period

	Amount (in millions of euros)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in euros)	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
	2012	2011	**2012**	2011	**2012**	2011
Net result from discontinued operations	**198**	74				
Net result from classification as discontinued operations	**-200**					
Net result from disposal of discontinued operations	**16**					
Total net result from discontinued operations	**14**	74	**3,801.3**	3,784.4		
Basic earnings from discontinued operations	**14**	74	**3,801.3**	3,784.4	**0.00**	0.02
Dilutive instruments:						
Stock option and share plans			**6.3**	5.1		
			6.3	5.1		
Diluted earnings from discontinued operations	**14**	74	**3,807.6**	3,789.5	**0.00**	0.02

Earnings per ordinary share

9 month period

	Amount (in millions of euros)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in euros)	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
	2012	2011	**2012**	2011	**2012**	2011
Net result	**2,460**	4,580	**3,794.3**	3,783.7		
Attribution to non-voting equity securities	**-255**	-1,414				
Basic earnings	**2,205**	3,166	**3,794.3**	3,783.7	**0.58**	0.84
Dilutive instruments:						
Stock option and share plans			**6.3**	5.1		
			6.3	5.1		
Diluted earnings	**2,205**	3,166	**3,800.6**	3,788.8	**0.58**	0.84

Notes to the condensed consolidated interim accounts continued

Earnings per ordinary share from continuing operations

9 month period	Amount (in millions of euros)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in euros)	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
	2012	2011	**2012**	2011	**2012**	2011
Basic earnings	**2,205**	3,166	**3,794.3**	3,783.7		
Less: Net result from discontinued operations	**108**	446				
Basic earnings from continuing operations	**2,097**	2,720	**3,794.3**	3,783.7	**0.55**	0.72
Dilutive instruments:						
Stock option and share plans			**6.3**	5.1		
			6.3	5.1		
Diluted earnings from continuing operations	**2,097**	2,720	**3,800.6**	3,788.8	**0.55**	0.72

Earnings per ordinary share from discontinued operations

9 month period	Amount (in millions of euros)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in euros)	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
	2012	2011	**2012**	2011	**2012**	2011
Net result from discontinued operations	**472**	446				
Net result from classification as discontinued operations	**-380**					
Net result from disposal of discontinued operations	**16**					
Total net result from discontinued operations	**108**	446	**3,794.3**	3,783.7		
Basic earnings from discontinued operations	**108**	446	**3,794.3**	3,783.7	**0.03**	0.12
Dilutive instruments:						
Stock option and share plans			**6.3**	5.1		
			6.3	5.1		
Diluted earnings from discontinued operations	**108**	446	**3,800.6**	3,788.8	**0.03**	0.12

13 SEGMENT REPORTING

a. General

ING Group's segments relate to the internal segmentation by business lines. As of 2012 the internal management reporting structure for the banking operations was changed in order to improve transparency and to reflect the impact of the divestments of ING Direct USA and ING Real Estate Investment Management. The segments have changed accordingly. The comparatives have been adjusted to reflect the new segment structure for the banking operations. ING Group identifies the following segments:

Segments of ING Group

Banking	**Insurance**
Retail Netherlands	Insurance Benelux
Retail Belgium	Insurance Central & Rest of Europe (CRE)
Retail Germany	Insurance United States (US)
Retail Rest of World	Insurance US Closed Block VA
Commercial Banking	ING Investment Management (IM)

As disclosed in Note 19 'Discontinued operations' as of 30 June 2012 the segment Insurance Asia/Pacific ceased to exist.

In 2011, ING Group identified the following segments for banking operations: Retail Netherlands, Retail Belgium, ING Direct, Retail Central Europe, Retail Asia, Commercial Banking (excluding Real Estate) and ING Real Estate.

Retail Banking Germany (previously part of ING Direct) is now a separate segment. The remainder of ING Direct is combined with Retail Central Europe and Retail Asia into one new segment Retail Rest of World. ING Real Estate is included in Commercial Banking.

Notes to the condensed consolidated interim accounts continued

The Executive Board of ING Group, the Management Board Banking and the Management Board Insurance set the performance targets and approve and monitor the budgets prepared by the business lines. Business lines formulate strategic, commercial and financial policy in conformity with the strategy and performance targets set by the Executive Board, the Management Board Banking and the Management Board Insurance.

The accounting policies of the segments are the same as those described under 'Accounting policies for the consolidated annual accounts of ING' in the 2011 ING Group Consolidated Annual Accounts. Transfer prices for inter-segment transactions are set at arm's length. Corporate expenses are allocated to business lines based on time spent by head office personnel, the relative number of staff, or on the basis of income, expenses and/or assets of the segment.

ING Group evaluates the results of its segments using a financial performance measure called underlying result. The information presented in this note is in line with the information presented to the Executive and Management Board. Underlying result is defined as result under IFRS-EU excluding the impact of divestments and special items. Disclosures on comparative periods also reflect the impact of current period's divestments.

The following table specifies the main sources of income of each of the segments:

Specification of the main sources of income of each of the segments

Segment	Main source of income
Retail Netherlands	Income from retail and private banking activities in the Netherlands, including the SME and mid-corporate segments. The main products offered are current and savings accounts, business lending, mortgages and other consumer lending in the Netherlands.
Retail Belgium	Income from retail and private banking activities in Belgium, including the SME and mid-corporate segments. The main products offered are similar to those in the Netherlands.
Retail Germany	Income from retail and private banking activities in Germany. The main products offered are current and savings accounts, mortgages and other customer lending.
Retail Rest of World	Income from retail banking activities in the rest of the world, including the SME and mid-corporate segments in specific countries. The main products offered are similar to those in the Netherlands.
Commercial Banking	Income from wholesale banking activities (a full range of products is offered from cash management to corporate finance), real estate and lease.
Insurance Benelux	Income from life insurance, non-life insurance and retirement services in the Benelux.
Insurance CRE	Income from life insurance, non-life insurance and retirement services in Central and Rest of Europe.
Insurance US	Income from life insurance and retirement services in the United States.
Insurance US Closed Block VA	Consists of ING's Closed Block Variable Annuity business in the United States, which has been closed to new business since early 2010 and which is now being managed in run-off.
ING IM	Income from investment management activities.

In addition to these segments, ING Group reconciles the total segment results to the total result of ING Banking and ING Insurance using the Corporate Line Banking and Corporate Line Insurance. The Corporate Line Banking is a reflection of capital management activities and certain expenses that are not allocated to the banking businesses. ING Group applies a system of capital charging for its banking operations in order to create a comparable basis for the results of business units globally, irrespective of the business units' book equity and the currency they operate in. The Corporate Line Insurance contains items related to capital management, run-off portfolios, Corporate Reinsurance and remaining activities in Latin America.

Notes to the condensed consolidated interim accounts continued

b. ING Group

Segments ING Group total

3 month period
1 July to 30 September 2012

amounts in millions of euros	Total Banking	Total Insurance	Elimi-nations	Total
Underlying income				
– Gross premium income		4,609		4,609
– Net interest result - banking operations	3,060		-26	3,034
– Commission income	525	351		876
– Total investment and other income	228	847	-11	1,064
Total underlying income	3,813	5,807	-37	9,583
Underlying expenditure				
– Underwriting expenditure		4,811		4,811
– Operating expenses	2,186	825		3,012
– Other interest expenses		123	-37	86
– Additions to loan loss provision	555			555
– Other impairments	51	3		54
Total underlying expenses	2,792	5,763	-37	8,518
Underlying result before taxation	1,021	44		1,065
Taxation	265	48		312
Minority interests	24	10		34
Underlying net result	732	-13		719

Segments ING Group total

3 month period
1 July to 30 September 2011

amounts in millions of euros	Total Banking	Total Insurance	Elimi-nations	Total
Underlying income				
– Gross premium income		4,373		4,373
– Net interest result - banking operations	2,995		1	2,996
– Commission income	548	343		891
– Total investment and other income	-92	3,697	-101	3,503
Total underlying income	3,451	8,413	-100	11,764
Underlying expenditure				
– Underwriting expenditure		7,059		7,059
– Operating expenses	2,152	763		2,914
– Other interest expenses		117	-100	17
– Additions to loan loss provision	348			348
– Other impairments	73	5		78
Total underlying expenses	2,573	7,944	-100	10,417
Underlying result before taxation	878	469		1,347
Taxation	268	-27		241
Minority interests	20	-13		7
Underlying net result	590	509		1,099

Notes to the condensed consolidated interim accounts continued

Reconciliation between Underlying and IFRS-EU income, expenses and net result

3 month period 1 July to 30 September amounts in millions of euros	Income 2012	 2011	Expenses 2012	 2011	Net result 2012	 2011
Underlying	9,583	11,764	8,518	10,417	719	1,099
Divestments	-16	968		264	-16	641
Special items		-3	135	153	-108	-122
IFRS-EU (continuing operations)	9,567	12,729	8,652	10,834	595	1,618
Net result from discontinued operations	2,675	3,155	2,404	3,041	198	74
Net result from classification as discontinued operations					-200	
Net result from disposal of discontinued operations					16	
IFRS-EU (continuing and discontinued operations)	12,242	15,884	11,057	13,875	609	1,692

Divestments in the third quarter of 2011 reflect the result on the sale of Clarion Real Estate Securities and ING Car Lease as well as the operating results of the in 2011 and 2012 divested units.

Special items in the third quarter of 2012 includes mainly costs related to various restructuring programmes, separation and IPO preparation. Special items in the third quarter of 2011 include costs related to the restructuring of the Dutch retail and insurance activities and costs related to the separation of Banking and Insurance.

Reference is made to Note 19 'Discontinued operations' for information on Discontinued operations.

Segments ING Group total

9 month period 1 January to 30 September 2012 amounts in millions of euros	Total Banking	Total Insurance	Elimi-nations	Total
Underlying income				
– Gross premium income		15,399		15,399
– Net interest result - banking operations	9,065		-60	9,006
– Commission income	1,639	1,035		2,675
– Total investment and other income	598	3,562	-53	4,107
Total underlying income	11,303	19,996	-112	31,186
Underlying expenditure				
– Underwriting expenditure		17,099		17,099
– Operating expenses	6,451	2,478		8,928
– Other interest expenses		364	-112	252
– Additions to loan loss provision	1,536			1,536
– Other impairments	175	15		190
Total underlying expenses	8,162	19,956	-112	28,005
Underlying result before taxation	3,141	40		3,181
Taxation	878	-98		781
Minority interests	71	23		94
Underlying net result	2,192	114		2,306

Notes to the condensed consolidated interim accounts continued

Segments ING Group total

9 month period 1 January to 30 September 2011 amounts in millions of euros	Total Banking	Total Insurance	Eliminations	Total
Underlying income				
– Gross premium income		15,327		15,327
– Net interest result - banking operations	9,140		-4	9,136
– Commission income	1,724	1,066		2,790
– Total investment and other income	287	6,627	-309	6,605
Total underlying income	11,151	23,020	-313	33,858
Underlying expenditure				
– Underwriting expenditure		19,144		19,144
– Operating expenses	6,516	2,288		8,803
– Other interest expenses		388	-313	75
– Additions to loan loss provision	895			895
– Other impairments	185	11		196
Total underlying expenses	7,595	21,831	-313	29,114
Underlying result before taxation	3,556	1,188		4,744
Taxation	948	148		1,097
Minority interests	56	-4		53
Underlying net result	2,551	1,044		3,595

Reconciliation between Underlying and IFRS-EU income, expenses and net result

9 month period 1 January to 30 September	Income		Expenses		Net result	
amounts in millions of euros	**2012**	2011	**2012**	2011	**2012**	2011
Underlying	**31,186**	33,858	**28,005**	29,114	**2,306**	3,595
Divestments	**727**	1,963	**18**	881	**463**	887
Special items	**-5**	-36	**495**	448	**-417**	-347
IFRS-EU (continuing operations)	**31,910**	35,785	**28,518**	30,443	**2,352**	4,134
Net result from discontinued operations	**7,155**	7,818	**6,505**	7,211	**472**	446
Net result from classification as discontinued operations					**-380**	
Net result from disposal of discontinued operations					**16**	
IFRS-EU (continuing and discontinued operations)	**39,063**	43,603	**35,023**	37,654	**2,460**	4,580

Divestments in the table above in the first nine months of 2012 reflect mainly the result on the sale of ING Direct USA. Divestments in the first nine months of 2011 reflect the results on the sale of Clarion Partners, Clarion Real Estate Securities, ING Car Lease and Pacific Antai Life Insurance Company Ltd as well as the operating results of the in 2011 and 2012 divested units.

Special items in the first nine months of 2012 include the impact (net of tax) of the settlement with US authorities as disclosed in Note 21 ‘Update on regulatory measures and law enforcement agencies investigations’, costs related to restructuring programmes, separation expenses, IPO preparation expenses and an offsetting impact (net of tax) related to the new pension scheme for employees in the Netherlands as disclosed in Note 22 ‘Important events and transactions’. Special items in the first nine months of 2011 include costs related to the combination of the Dutch retail activities and insurance activities and, costs related to the separation of Banking and Insurance.

Reference is made to Note 19 ‘Discontinued operations’ for information on Discontinued operations.

Notes to the condensed consolidated interim accounts continued

c. Banking activities

Segments Banking

3 month period

1 July to 30 September 2012

amounts in millions of euros	**Retail Nether-lands**	**Retail Belgium**	**Retail Germany**	**Retail Rest of World**	**Commer-cial Banking**	**Corporate Line Banking**	**Total Banking**
Underlying income							
– Net interest result	**840**	**450**	**280**	**546**	**874**	**69**	**3,060**
– Commission income	**117**	**79**	**21**	**78**	**222**	**7**	**525**
– Total investment and other income	**15**	**40**	**7**	**-200**	**174**	**191**	**228**
Total underlying income	**972**	**570**	**309**	**425**	**1,270**	**268**	**3,813**
Underlying expenditure							
– Operating expenses	**565**	**362**	**168**	**460**	**579**	**53**	**2,186**
– Additions to loan loss provision	**181**	**54**	**17**	**67**	**235**		**555**
– Other impairments *	**5**	**1**			**37**	**7**	**51**
Total underlying expenses	**751**	**417**	**185**	**527**	**851**	**60**	**2,792**
Underlying result before taxation	**221**	**152**	**124**	**-103**	**419**	**207**	**1,021**
Taxation	**55**	**42**	**52**	**7**	**88**	**21**	**265**
Minority interests		**1**	**1**	**17**	**6**		**24**
Underlying net result	**165**	**109**	**72**	**-126**	**326**	**187**	**732**

* analysed as a part of operating expenses.

Segments Banking

3 month period

1 July to 30 September 2011

amounts in millions of euros	Retail Nether-lands	Retail Belgium	Retail Germany	Retail Rest of World	Commer-cial Banking	Corporate Line Banking	Total Banking
Underlying income							
– Net interest result	920	401	311	525	888	-50	2,995
– Commission income	122	78	32	78	241	-2	548
– Total investment and other income	10	13	-42	-40	-158	126	-92
Total underlying income	1,051	491	301	562	970	75	3,451
Underlying expenditure							
– Operating expenses	604	359	161	433	556	39	2,152
– Additions to loan loss provision	99	35	25	46	143		348
– Other impairments *	4	1	-1		62	7	73
Total underlying expenses	707	395	185	479	760	46	2,573
Underlying result before taxation	344	96	116	83	210	29	878
Taxation	85	24	50	20	63	26	268
Minority interests				14	7		20
Underlying net result	259	72	66	49	140	3	590

* analysed as a part of operating expenses.

Notes to the condensed consolidated interim accounts continued

Segments Banking

9 month period

1 January to 30 September 2012

amounts in millions of euros	Retail Nether-lands	Retail Belgium	Retail Germany	Retail Rest of World	Commer-cial Banking	Corporate Line Banking	Total Banking
Underlying income							
– Net interest result	2,549	1,287	857	1,562	2,633	179	9,065
– Commission income	368	258	67	232	702	12	1,639
– Total investment and other income	31	115	-17	-269	628	111	598
Total underlying income	2,947	1,660	907	1,524	3,963	302	11,303
Underlying expenditure							
– Operating expenses	1,729	1,046	495	1,383	1,693	103	6,451
– Additions to loan loss provision	472	126	57	201	680		1,536
– Other impairments *	13	1			140	22	175
Total underlying expenses	2,214	1,174	552	1,584	2,513	125	8,162
Underlying result before taxation	733	486	354	-60	1,450	177	3,141
Taxation	182	138	126	42	375	15	878
Minority interests		3	1	46	20		71
Underlying net result	551	345	228	-147	1,054	162	2,192

* analysed as a part of operating expenses.

Segments Banking

9 month period

1 January to 30 September 2011

amounts in millions of euros	Retail Nether-lands	Retail Belgium	Retail Germany	Retail Rest of World	Commer-cial Banking	Corporate Line Banking	Total Banking
Underlying income							
– Net interest result	2,716	1,195	955	1,578	2,765	-68	9,140
– Commission income	357	258	93	243	780	-7	1,724
– Total investment and other income	41	67	-114	-101	313	82	287
Total underlying income	3,114	1,520	934	1,720	3,857	6	11,151
Underlying expenditure							
– Operating expenses	1,799	1,064	475	1,317	1,744	116	6,516
– Additions to loan loss provision	266	103	80	129	317		895
– Other impairments *	9	1	-1		154	22	185
Total underlying expenses	2,074	1,168	554	1,447	2,214	138	7,595
Underlying result before taxation	1,041	351	379	274	1,643	-132	3,556
Taxation	260	93	136	66	383	8	948
Minority interests		-1	1	42	14		56
Underlying net result	779	259	242	166	1,246	-141	2,551

* analysed as a part of operating expenses.

d. Insurance activities

With regard to insurance activities, ING Group analyses, the underlying result through a margin analysis, which includes the following components:

- Operating result; and
- Non-operating items.

Both are analysed into various sub-components. The total of operating result and non-operating items (gains/losses and impairments, revaluations and market & other impacts) equals underlying result before tax.

Notes to the condensed consolidated interim accounts continued

To determine the operating result the following non-operating items are adjusted in the reported Underlying result before tax:

- Realised capital gains/losses and impairments on debt and equity securities;
- Revaluations on assets marked to market through the profit and loss account; and
- Other non-operating impacts, e.g. provision for guarantees on separate account pension contracts, equity related and other DAC unlocking, VA/FIA Guaranteed Benefit Reserve unlocking and DAC offset on gains/losses on debt securities.

The operating result for the life insurance business is also broken down into expenses and the following sources of income:

- Investment margin which includes the spread between investment income earned and interest credited to insurance liabilities (excluding market impacts, including dividends and coupons);
- Fees and premium-based revenues which includes the portion of life insurance premiums available to cover expenses and profit, fees on deposits and fee income on assets under management (net of guaranteed benefit costs in the United States);
- Technical margin which includes the margin between costs charged for benefits and incurred benefit costs; it includes mortality, morbidity and surrender results; and
- Non-modelled which is not significant and includes parts of the business for which no margins are provided.

Segments Insurance

3 month period

1 July to 30 September 2012

amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance US Closed Block VA	ING IM	Corporate Line Insurance	Total Insurance
Investment margin	117	14	280		-1		410
Fees and premium based revenues	137	111	306	21	208		784
Technical margin	44	44	23	10			122
Income non-modelled life business	-1	4					3
Life & ING IM operating income	297	174	609	31	207		1,319
Administrative expenses	145	72	218	24	168		628
DAC amortisation and trail commissions	44	55	196	38	1		334
Life & ING IM expenses	189	128	413	63	169		962
Life & ING IM operating result	108	47	195	-31	38		357
Non-life operating result	10	1					11
Corporate Line operating result						-130	-130
Operating result	118	48	195	-31	38	-130	238
Gains/losses and impairments	48	-6	40			2	85
Revaluations	-31	1	13		26	-5	4
Market & other impacts	-114		148	-316			-282
Underlying result before tax	20	43	398	-348	64	-132	44
Taxation	-29	7	134	-67	8	-4	48
Minority interests	-3	2			12	-2	10
Underlying net result	52	33	264	-280	44	-126	-13

Notes to the condensed consolidated interim accounts continued

Segments Insurance

3 month period

1 July to 30 September 2011

amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance US Closed Block VA	ING IM	Corporate Line Insurance	Total Insurance
Investment margin	187	19	230	-1			435
Fees and premium based revenues	146	108	259	39	197		749
Technical margin	36	45	14	5			100
Income non-modelled life business	9	3					12
Life & ING IM operating income	378	174	503	44	197		1,296
Administrative expenses	144	69	192	20	151		576
DAC amortisation and trail commissions	50	51	161	28	1		290
Life & ING IM expenses	193	119	353	48	152		865
Life & ING IM operating result	185	55	151	-4	45		430
Non-life operating result	36	2					38
Corporate Line operating result						-77	-77
Operating result	220	57	151	-4	45	-77	392
Gains/losses and impairments	-108	-160	-75			5	-339
Revaluations	230		62		1	1	293
Market & other impacts	199		-54	-23			123
Underlying result before tax	541	-103	85	-27	45	-72	469
Taxation	104	14	-112	-40	18	-10	-27
Minority interests	-13	2				-2	-13
Underlying net result	450	-119	196	13	27	-60	509

Segments Insurance

9 month period

1 January to 30 September 2012

amounts in millions of euros	**Insurance Benelux**	**Insurance CRE**	**Insurance US**	**Insurance US Closed Block VA**	**ING IM**	**Corporate Line Insurance**	**Total Insurance**
Investment margin	**441**	**40**	**826**	**2**			**1,309**
Fees and premium based revenues	**454**	**324**	**891**	**71**	**609**		**2,349**
Technical margin	**136**	**133**	**8**	**19**			**296**
Income non-modelled life business		**14**					**14**
Life & ING IM operating income	**1,032**	**511**	**1,725**	**93**	**609**		**3,969**
Administrative expenses	**454**	**223**	**661**	**75**	**485**		**1,897**
DAC amortisation and trail commissions	**146**	**165**	**552**	**112**	**2**		**976**
Life & ING IM expenses	**599**	**387**	**1,213**	**187**	**486**		**2,873**
Life & ING IM operating result	**432**	**123**	**512**	**-94**	**122**		**1,096**
Non-life operating result	**45**	**5**					**50**
Corporate Line operating result						**-346**	**-346**
Operating result	**477**	**128**	**512**	**-94**	**122**	**-346**	**800**
Gains/losses and impairments	**68**	**-35**	**65**	**16**	**1**	**9**	**123**
Revaluations	**-282**	**22**	**89**		**41**	**-21**	**-153**
Market & other impacts	**-361**		**68**	**-437**			**-731**
Underlying result before tax	**-99**	**115**	**734**	**-516**	**164**	**-358**	**40**
Taxation	**-108**	**29**	**232**	**-228**	**45**	**-69**	**-98**
Minority interests	**11**	**7**			**12**	**-7**	**23**
Underlying net result	**-2**	**79**	**501**	**-288**	**106**	**-283**	**114**

Notes to the condensed consolidated interim accounts continued

Segments Insurance

9 month period

1 January to 30 September 2011 amounts in millions of euros	Insurance Benelux	Insurance CRE	Insurance US	Insurance US Closed Block VA	ING IM	Corporate Line Insurance	Total Insurance
Investment margin	522	52	659	14			1,246
Fees and premium based revenues	452	352	787	157	587		2,334
Technical margin	259	133	60	18			471
Income non-modelled life business	27	7					34
Life & ING IM operating income	1,260	543	1,506	189	587		4,085
Administrative expenses	425	225	567	61	454		1,733
DAC amortisation and trail commissions	164	151	461	101	2		878
Life & ING IM expenses	588	376	1,028	163	456		2,611
Life & ING IM operating result	672	168	478	27	130		1,474
Non-life operating result	141	4					146
Corporate Line operating result						-311	-311
Operating result	813	172	478	27	130	-311	1,309
Gains/losses and impairments	-220	-277	-121	2	5	11	-600
Revaluations	246		224	3	13		486
Market & other impacts	-3		-68	64			-7
Underlying result before tax	837	-105	513	95	148	-300	1,188
Taxation	109	30	14	-26	55	-34	148
Minority interests	-4	8				-8	-4
Underlying net result	732	-143	499	121	92	-258	1,044

A net reserve inadequacy exists using a prudent (90%) confidence level for the segment Insurance US Closed Block VA. This inadequacy was offset by reserve adequacies in other segments, such that at the Group level there is a net adequacy at the prudent (90%) confidence level.

14 ACQUISITIONS AND DISPOSALS

Acquisitions

There were no acquisitions in the first nine months of 2012.

Disposals and expected disposals

ING's Insurance and asset management businesses in Asia ('Asia')

As of 30 June 2012 ING's Insurance and asset management businesses in Asia ('Asia') were classified as assets held for sale and discontinued operations. Since then, various individual transactions have been agreed. The specifics of these transactions are included below. These transactions do not impact ING's Asian banking activities. The process for the remaining businesses is on-going. Further announcements will be made if and when appropriate. The Asian Insurance and Investment Management businesses and the reinsured Japan SPVA businesses in Corporate Reinsurance were previously included respectively in the segments Insurance Asia/Pacific and ING Investment Management and in the Corporate Line Insurance before they were classified as discontinued operations. Reference is made to Note 6 'Assets and liabilities held for sale' and Note 19 'Discontinued operations'.

Insurance in Hong Kong, Macau, Thailand

In October 2012 ING announced that it has reached an agreement to sell its life insurance, general insurance, pension and financial planning units in Hong Kong and Macau, and its life insurance operation in Thailand to Pacific Century Group (PCG) for a combined consideration of USD 2.14 billion (approximately EUR 1.64 billion) in cash. At closing, ING expects the transaction to deliver a net gain of approximately EUR 1 billion. ING Investment Management's funds management businesses in Hong Kong and Thailand are outside the scope of this transaction. The transaction is subject to regulatory approvals and is expected to close in the first quarter of 2013.

Notes to the condensed consolidated interim accounts continued

Insurance businesses in Malaysia
In October 2012 ING announced that it has reached an agreement with AIA Group Ltd. (AIA) on the sale of ING's insurance operations in Malaysia, which include its life insurance business, its market-leading employee benefits business and its 60% stake in ING Public Takaful Ehsan Berhad. Under the terms agreed, ING is expected to receive a total consideration of approximately EUR 1.3 billion. At closing, ING expects the sale to deliver a net gain of approximately EUR 780 million, subject to potential adjustments at closing, customary for this type of transaction. ING Investment Management's funds management business in Malaysia is outside the scope of this transaction. Subject to regulatory approvals in Malaysia and the Netherlands, the transaction is expected to close in the first quarter of 2013.

China Merchants Fund
In October 2012 ING announced that it has reached an agreement for the sale of its 33.3% stake in China Merchants Fund, an investment management joint venture, to its joint venture partners China Merchants Bank Co., Ltd., and China Merchants Securities Co., Ltd. Under the terms agreed, ING will receive a total cash consideration of approximately EUR 98 million. At closing of the transaction, ING expects the transaction to realise a net gain of approximately EUR 64 million which will be recognised on closing of the transaction. This transaction is subject to regulatory approvals and is expected to close in the second quarter of 2013.

ING Direct UK, ING Direct Canada and ING Direct USA
ING Direct UK
In October 2012 ING announced that it has reached an agreement to sell ING Direct UK to Barclays. Under the terms of the agreement, the GBP 10.9 billion (approximately EUR 13.4 billion) of savings deposits and GBP 5.6 billion of mortgages (approximately EUR 6.9 billion) of ING Direct UK will be transferred to Barclays. The transfer is expected to result in an after tax loss of approximately EUR 260 million of which EUR 16 million is recognised in the third quarter of 2012; the remainder will be recognised in the fourth quarter of 2012. As of 30 September 2012, ING Direct UK is classified as held for sale. ING Direct UK is included in the segment Retail Rest of World. The transfer of ING Direct UK's savings deposits and mortgages is subject to various regulatory approvals and is expected to close in the second quarter of 2013.

ING Bank will retain part of the UK investment portfolio of approximately EUR 9 billion as per 31 August 2012 as part of ING Bank's total investment portfolio. Another part of the UK investment portfolio will mature or be liquidated in the coming months to facilitate the transaction which is expected to result in an after tax loss of approximately EUR 60 million to be recognised in the fourth quarter of 2012. Reference is made to Note 6 'Assets and liabilities held for sale'.

ING Direct Canada
In August 2012 ING announced that it reached an agreement to sell ING Direct Canada for a total consideration of CAD 3.1 billion (approximately EUR 2.5 billion) to Scotiabank, a leading Canadian financial services company. ING Direct Canada is profitable with a strong capital position and approximately CAD 40 billion in assets. The sale of ING Direct Canada is expected to lead to a transaction gain of approximately EUR 1.1 billion after tax. Under the terms of the sale agreement, Scotiabank will pay CAD 3.1 billion in cash for all of the shares in ING Bank of Canada, which is the formal name of ING Direct Canada. In addition to this, Scotiabank will assume the responsibility to redeem on the first call date after closing of the sale transaction a locally issued lower tier 2 bond (ISIN CA 456847AA01) with a total outstanding amount of CAD 321 million, which carries a guarantee from ING Bank N.V. As of 30 September 2012, ING Direct Canada is classified as held for sale. ING Direct Canada is included in the segment Retail Rest of World. The sale of ING Direct Canada is subject to customary regulatory approvals and is expected to close in the fourth quarter of 2012. Reference is made to Note 6 'Assets and liabilities held for sale'.

ING Direct USA
In June 2011 ING announced that it reached an agreement to sell ING Direct USA to Capital One Financial Corporation, a leading US-based financial holding company. In February 2012, ING announced that the transaction has been closed. Total proceeds of the transaction were approximately USD 9.0 billion (or approximately EUR 6.9 billion) including USD 6.3 billion in cash and USD 2.7 billion in the form of 54.0 million shares in Capital One, based on the share price of USD 49.29. These shares represented a 9.7% stake in Capital One at closing and were included in Available-for-sale equity securities under Investments. The transaction resulted in a positive result after tax of approximately EUR 0.5 billion. This result included the release of the currency translation reserve and the available-for-sale reserve. The net negative cash proceeds from the divestment of ING Direct USA of EUR 10.3 billion (being the net amount of cash received of EUR 4.8 billion and cash included in the divestment of EUR 15.1 billion) is included in the cash flow statement in 'Disposals and redemptions - other investments'. ING Direct USA was previously included in the segment ING Direct.

In connection with the divestment of ING Direct USA, ING also completed the adjustment of the agreement with the Dutch State concerning the structure of the Illiquid Assets Back-Up Facility (IABF) which was also announced on 16 June 2011. The amendment serves to de-link the IABF from ING Direct USA by putting ING Bank in its place as counterparty for the Dutch State. The IABF was further amended to ensure a continued alignment between ING and the State regarding exposure to the Alt-A portfolio. Only the part of the IABF covering ING Direct USA, currently approximately 85% of the total IABF-portfolio, was adjusted in the amendment. The ING Insurance part of the IABF remains unaltered. Reference is made to Note 33 'Related parties' in the 2011 ING Group Consolidated Annual Accounts for the details on the original agreement and the amendments made.

Notes to the condensed consolidated interim accounts continued

15 FAIR VALUE OF FINANCIAL ASSETS

The methods used to determine fair value of financial assets and liabilities are disclosed in the 2011 ING Group Consolidated Annual Accounts, including a breakdown of fair value determined by Reference to published price quotations in active markets (Level 1), by using Valuation techniques supported by observable inputs (Level 2) and by using Valuation techniques supported by unobservable inputs (Level 3).

16 RELATED PARTY TRANSACTIONS

In the normal course of business, the Group enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Transactions between related parties have taken place on an arm's length basis and include rendering or receiving of services, leases, transfers under finance arrangements and provisions of guarantees or collateral.

Transactions with related parties (Joint ventures and associates) and Key management personnel compensation are disclosed in Note 33 'Related parties' in the 2011 ING Group Consolidated Annual Accounts. Following the transactions as disclosed in Note 33 'Related parties', the Dutch State is also a related party of ING Group. All other transactions between ING Group and the Dutch State are of a normal business nature and on an at arm's length basis. In the first quarter of 2012, the agreement with the Dutch State on the IABF was adjusted as disclosed in Note 14 'Acquisitions and disposals'. No other material changes in related party transactions occurred.

17 DIVIDEND PAID

No dividend was paid in the first nine months of 2012.

18 ISSUANCES, REPURCHASES AND REPAYMENT OF DEBT AND EQUITY SECURITIES IN ISSUE

Issue of Debt securities in issue

In the third quarter of 2012, ING Bank issued EUR 10.3 billion of long-term debt. In total ING Bank issued EUR 26.4 billion debt with a tenor of more than one year in the capital markets (including both unsecured debt and covered bonds) during the first nine months of 2012. All issues are part of ING's regular medium and long-term funding operations.

On 8 March 2012, ING launched three separate exchange offers and consent solicitations on a total of three series of senior debt securities of ING Verzekeringen N.V. with a total nominal value of EUR 2.6 billion. Holders had the possibility to exchange the original securities into new securities issued by ING Group and / or consent to a modification of existing terms. On average 64% of the holders have accepted the offer to exchange into new securities issued by ING Group. The total nominal amount of new securities issued by ING Group in exchange for the existing ING Verzekeringen N.V. securities is EUR 1,654 million. Approximately 6% of the holders, representing EUR 151 million, accepted a modification of the existing terms of the securities. The transactions were completed on 30 March 2012. A charge of EUR 39 million (EUR 30 million after tax) was recognised in the first quarter of 2012. The settlement date of the exchange offers and consent solicitations was 4 April 2012.

ING U.S., Inc. (ING U.S.) announced on 16 July 2012 that it completed a private debt offering of USD 850 million principal amount of its 5.5% Senior Notes due 2022.

19 DISCONTINUED OPERATIONS

General

Discontinued operations applies to ING's Insurance and asset management businesses in Asia ('Asia') since 30 June 2012 and ING's pension life insurance and investment management activities in Latin America ('Latin America') since 30 June 2011.

Total net result from discontinued operations

	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011
Asia	**198**	61	**472**	366
Latin America		14		81
Net result from discontinued operations	**198**	75	**472**	447
Net result from classification as discontinued operations Asia	**-200**		**-380**	
Net result from disposal of discontinued operations	**16**		**16**	
Total net result from discontinued operations	**14**	75	**108**	447

Notes to the condensed consolidated interim accounts continued

Asia
Insurance/IM Asia was classified as held for sale as of June 2012. In October, ING agreed to sell its insurance operations in Malaysia, Hong Kong, Macau and Thailand and its 33.3% stake in China Merchants Fund. These divestments are expected to deliver net transaction gains of approximately EUR 1.9 billion in the first half of 2013. The process for the remaining units is ongoing.

ING continues to discuss various options for ING Life Japan, including its closed block VA business. However, the closing of sales of ING's other Asian insurance units may trigger a charge to strengthen reserves for the Japanese closed block VA under ING's reserve adequacy policy. ING measures reserve adequacy at business line level, where excess reserves in other Asian business units currently offset a shortfall related to the Japanese closed block VA. As transactions close, if the aggregate reserves for the remaining businesses falls below a 50% confidence level, the shortfall must be recognised immediately in the profit and loss account. The reserve inadequacy for the Japanese insurance business, including the VA guarantees reinsured to ING Re, was approximately EUR 0.5 billion at the 50% confidence level at 30 September 2012. This is comprised of an inadequacy of approximately EUR 1.1 billion for the closed block VA, offset by a sufficiency of EUR 0.6 billion for the corporate-owned life insurance business. The nature and timing of any profit and loss charge from such reserve inadequacy depends on the closing of other divestments in Asia as well as various options currently under investigation for ING Life Japan. Further announcements will be made if and when appropriate.

The above mentioned amounts refer to ING’s reserve adequacy policy under IFRS which does not affect the local solvency positions of ING Life Japan nor ING Re.

The Asian Insurance and Investment Management businesses and the reinsured Japan SPVA businesses in Corporate Reinsurance were previously included respectively in the segments Insurance Asia/Pacific and ING Investment Management and in the Corporate Line Insurance before they were classified as discontinued operations. The segment Insurance Asia/Pacific ceased to exist following the classification as discontinued operations as all activities previously included in this segment are now discontinued operations. The net result from discontinued operations is presented separately in the condensed consolidated profit and loss account. Reference is made to Note 14 ’Acquisitions and disposals’.

The third quarter of 2012 includes a net profit of EUR 198 million from Insurance and IM Asia, reported under net result from discontinued operations, as well as a goodwill write-off of EUR 200 million for ING Life Korea.

Result from discontinued operations in 2012 was as follows:

Results from discontinued operations 2012 - Asia (2011: Asia and Latin America)

	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
amounts in millions of euros	**2012**	2011	**2012**	2011
Total income	**2,675**	3,155	**7,155**	7,818
Total expenses	**2,404**	3,041	**6,505**	7,211
Result before tax from discontinued operations	**271**	114	**650**	607
Tax	**73**	39	**178**	160
Net result from discontinued operations	**198**	75	**472**	447

The net cash flow from discontinued operations in 2012 was as follows:

Net cash flow from discontinued operations 2012 - Asia (2011: Asia and Latin America)

	9 month period	
amounts in millions of euros	**1 January to 30 September 2012**	1 January to 30 September 2011
Operating cash flow	**2,465**	1,032
Investing cash flow	**-2,085**	-1,200
Financing cash flow	**-102**	-106
Net cash flow	**278**	-274

Notes to the condensed consolidated interim accounts continued

Latin America

In December 2011 ING completed the sale of its Latin American operations for a total consideration of EUR 2,637 million to Grupo de Inversiones Suramericana ('GRUPOSURA'). The sale was the first major step in the divestment of ING's insurance and investment management activities. Under the terms of the agreement, ING received EUR 2,572 million in cash and GRUPOSURA assumed EUR 65 million in debt. The sale resulted in a net profit of EUR 995 million. Included in the transaction were the mandatory pension and voluntary savings businesses in Chile, Colombia, Mexico, Uruguay and ING's 80% stake in AFP Integra S.A. in Peru; the life insurance businesses in Chile and Peru. As part of this transaction ING sold its 33.7% stake in Peruvian InVita Seguros de Vida S.A. to the Wiese Family, ING's joint venture partner in InVita. The transaction also included the local investment management capabilities in these five countries. Not included in the transaction was ING's 36% stake in the leading Brazilian insurer Sul America SA. ING's Commercial Banking activities in Mexico, Brazil and Argentina were not affected by the announcement. ING's Mortgage and ING's Leasing businesses in Mexico were also not part of the transaction.

In 2011 the Latin American operations were classified as disposal groups held for sale and as discontinued operations. The Latin American operations were previously included in the segments Insurance Latin America and ING Investment Management before they were classified as discontinued operations. The segment Insurance Latin America ceased to exist following this transaction as the majority of assets and liabilities were sold. The net result from discontinued operations was presented separately in the condensed consolidated profit and loss account. The results of the Latin American operations for the third quarter and first nine months of 2011 are presented below:

Result from discontinued operations 2011 - Latin America

amounts in millions of euros	3 month period 1 July to 30 September	9 month period 1 January to 30 September
Total income	178	562
Total expenses	156	454
Result before tax from discontinued operations	22	108
Tax	8	27
Result from discontinued operations	14	81

The net cash flow from discontinued operations Latin America operations was as follows:

Net cash flow from discontinued operations 2011 - Latin America

amounts in millions of euros	9 month period 1 January to 30 September
Operating cash flow	65
Investing cash flow	-55
Financing cash flow	-32
Net cash flow	-22

Notes to the condensed consolidated interim accounts continued

20 RISK EXPOSURES GREECE, ITALY, IRELAND, PORTUGAL, SPAIN AND CYPRUS

The table below provides information on ING's risk exposure with regard to Greece, Italy, Ireland, Portugal and Spain. Amounts represent risk exposure values. Exposures are included based on the country of residence, except for certain securitisations which are included based on the country of risk to better reflect the real country exposure. CDS exposures in all countries are to Financial institutions.

Greece, Italy, Ireland, Portugal and Spain - Total risk exposures [1] [2]

					30 September 2012	
amounts in millions of euros	Greece	Italy	Ireland	Portugal	Spain	Total
Residential mortgages and other consumer lending	14	7,361	4	4	9,468	16,851
Corporate Lending	320	8,800	764	1,090	5,996	16,970
Financial institutions Lending	9	1,110	2	71	802	1,994
Government Lending	0	203	0	0	46	249
Total Lending	**343**	**17,474**	**770**	**1,165**	**16,312**	**36,064**
RMBS	96	1,091	499	680	3,190	5,556
CMBS	0	0	12	0	0	12
Other ABS	0	212	168	94	185	659
Corporate Bonds	0	558	603	67	416	1,644
Covered Bonds	0	236	350	154	12,210	12,950
Financial Institutions' bonds (unsecured)	0	574	95	56	135	860
Government Bonds	44	2,471	53	637	1,312	4,517
CDS exposures in banking book [3]	0	0	0	0	-398	-398
Total Debt Securities	**140**	**5,142**	**1,780**	**1,688**	**17,050**	**25,800**
Real Estate [4]	**36**	**392**	**0**	**223**	**546**	**1,197**
Trading excluding CDS exposures	0	696	39	6	144	885
Sold CDS protection	0	13	2	1	34	50
Bought CDS protection	-6	-21	-11	-1	-25	-64
Trading including CDS protection	**-6**	**688**	**30**	**6**	**153**	**871**
Undrawn committed facilities	**162**	**1,201**	**299**	**172**	**2,823**	**4,657**
Pre-settlement exposures [5]	**81**	**548**	**405**	**20**	**837**	**1,891**
Total risk exposure	**756**	**25,445**	**3,284**	**3,274**	**37,721**	**70,480**

[1] Total risk exposures to companies registered in Cyprus were approximately EUR 1 billion as per end of September, which consisted mostly of corporate lending (EUR 0.8 billion) and Financial Markets trades (EUR 0.2 billion). Majority of the corporate lending risk exposures were either deals with country of risk outside of Cyprus, Letter of credits or Trade Commodity Finance with maturity less than 3 months. Therefore, net credit risk linked to Cyprus is not material for ING Bank. ING Insurance/IM has no credit risk linked to Cyprus.
[2] The exposures reported are credit, market and real estate exposures based on source systems and measurement criteria that can differ from those of similar exposures reported in Note 3 'Investments' of these condensed consolidated interim accounts.
[3] In the third quarter of 2012 ING Bank holds CDS protection on the Spanish government, Financial Institutions and covered bonds.
[4] Real Estate includes Real Estate Development, Real Estate Investments and Property in Own Use; it does not include (indirect) exposure through Real Estate Finance, which is reflected in Total Lending and Total Debt Securities.
[5] Pre-settlement exposure is exposure to dealing room products such as options, swaps, and securities financing transactions. This exposure is based on the replacement value (Marked-To-Market) of each product plus potential future volatility.

ING took proactive de-risking measures in the last nine months by selectively reducing its exposure to southern European debt. Total exposure to Greece, Italy, Ireland, Portugal and Spain were reduced by approximately EUR 10.9 billion compared to 31 December 2011, mainly in Spain (EUR -8.3 billion), Italy (EUR -0.5 billion) and Ireland (EUR -1.3 billion).

The exposure in Spain was reduced mainly by EUR 2.0 billion in the lending portfolio and EUR 6.4 billion in the debt securities portfolio. The total exposure to Italy decreased mainly due to debt securities (EUR -0.8 billion) offset by an increase in Financial Institutions lending due to a higher short-term money market deposit. The main reductions in Irish exposures were in ABS (EUR -1.1 billion).

Notes to the condensed consolidated interim accounts continued

Greece, Italy, Ireland, Portugal and Spain - Total risk exposures [1]

					31 December 2011	
amounts in millions of euros	Greece	Italy	Ireland	Portugal	Spain	Total
Residential mortgages and other consumer lending	14	7,027	4	3	9,176	16,224
Corporate Lending	307	9,061	502	996	7,092	17,958
Financial institutions Lending	6	853	57	139	2,038	3,093
Government Lending	0	195	0	0	55	250
Total Lending	327	17,136	563	1,138	18,361	37,525
RMBS	127	1,315	1,094	752	4,131	7,419
CMBS	0	0	310	0	0	310
Other ABS	0	400	371	101	170	1,042
Corporate Bonds	0	641	654	68	483	1,846
Covered Bonds [2]	0	236	350	172	16,835	17,593
Financial Institutions' bonds (unsecured)	0	769	249	164	366	1,548
Government Bonds	254	2,557	54	809	1,508	5,182
Total Debt Securities	381	5,918	3,082	2,066	23,493	34,940
Real Estate [2]	36	429	0	245	632	1,342
Trading excluding CDS exposures	0	569	33	7	261	870
Sold CDS protection	0	9	1	0	64	74
Bought CDS protection	-3	-29	0	0	-13	-45
Trading including CDS protection	-3	549	34	7	312	899
Undrawn committed facilities	411	1,229	523	140	2,302	4,605
Pre-settlement exposures [3]	70	670	425	14	909	2,088
Total risk exposure	1,222	25,931	4,627	3,610	46,009	81,399

[1] The exposures reported are credit, market and real estate exposures based on source systems and measurement criteria that can differ from those of similar exposures reported in Note 3 'Investments' of these condensed consolidated interim accounts.
[2] Real Estate includes Real Estate Development, Real Estate Investments and Property in Own Use; it does not include (indirect) exposure through Real Estate Finance, which is reflected in Total Lending and Total Debt Securities.
[3] Pre-settlement exposure is exposure to dealing room products such as options, swaps, and securities financing transactions. This exposure is based on the replacement value (Marked-To-Market) of each product plus potential future volatility.

During 2012, ING further improved the scope and the presentation of the disclosures of exposure on Greece, Italy, Ireland, Portugal and Spain. Furthermore, certain definitions have been improved and/or aligned. Comparative figures as per 31 December 2011 have been amended. The changes mainly relate to the inclusion of Pre-Settlement exposures, the presentation of Trading and Trading CDS exposure and the definitions for Real Estate and ABS exposure (for 'country at risk' versus 'country of residence' as mentioned above). In total these restatements did not have a material impact on ING's exposure on Greece, Italy, Ireland, Portugal and Spain.

21 UPDATE ON REGULATORY MEASURES AND LAW ENFORCEMENT AGENCIES INVESTIGATIONS

On 12 June 2012 ING Bank announced that it has entered into a Settlement Agreement with U.S. authorities, including the Office of Foreign Assets Control (OFAC) in relation to the investigation by those agencies into compliance with U.S. economic sanctions and U.S. dollar payment practices until 2007 by Commercial Banking.

Under the terms of the Deferred Prosecution Agreements, no further action will be taken against ING Bank if it meets the conditions set forth in the agreements. As part of the settlement, ING Bank paid a total penalty of EUR 473 million (USD 619 million) in June 2012.

Since 2006, prior to receiving inquiries from the U.S. Authorities, ING initiated two extensive internal investigations. Much of the findings, which were voluntarily disclosed to OFAC, focused on conduct relating to transactions associated with ING Bank's Cuban operations, as well as business with counterparties in other OFAC sanctioned countries. The discussions with authorities on these issues did not involve ING's Insurance and Investment Management operations, nor Retail Banking or ING Direct.

ING Bank has cooperated closely and constructively with regulators and other authorities throughout this process. The U.S. Authorities have recognised ING's substantial cooperation in the resolution and ING's efforts and commitment to continuously enhance compliance within the organisation.

Notes to the condensed consolidated interim accounts continued

22 IMPORTANT EVENTS AND TRANSACTIONS

ING announced on 3 July 2012 that it has finalised its agreement on a new pension scheme for employees in the Netherlands, following acceptance of the new scheme by both the unions and their members. The new pension scheme will take effect on 1 January 2014 and will apply to the approximately 19,000 staff members in the Netherlands of ING Bank and WestlandUtrecht Bank as well as to the approximately 8,000 staff members in the Netherlands of Insurance/Investment Management (IM). Under the agreement, two new and separate pension funds will be created, one for Banking and one for Insurance/IM.

As announced on 1 June 2012, the key elements of the new scheme are:

- ING contributes a yearly pre-defined premium to the funds. The employee contribution to the new scheme will gradually increase to one-third of the base pension premium
- The minimum salary level at which pensions are provided will be lowered to EUR 15,000.
- Pension benefit will be based on average wage over period of employment with a 2% annual accrual rate.
- The pension funds, not ING, will bear responsibility for funding adequacy; ING Bank and Insurance/IM to pay an additional risk premium.
- Responsibility for inflation indexation will move to the new funds.
- Standard retirement age will be raised to 67.

The new scheme qualifies as a defined contribution scheme under IFRS and will replace the existing defined benefit scheme in the Netherlands.

As of the start of the new defined contribution plan on 1 January 2014, the current defined benefit plan will stop accruing new pension benefits. Accruals built up under the defined benefit plan up to that date will remain valid. The change to the new pension scheme represents a curtailment under IFRS and has resulted in a release of provisions previously taken by ING to cover estimated future liabilities in the existing defined benefit plan that are now no longer required. This release amounts to a one-off after-tax gain of EUR 305 million. The curtailment is included in the line Staff expenses in the first nine months of 2012.

23 SUBSEQUENT EVENTS

In November 2012 ING announced two restructuring initiatives:

1. Following a strategic review at Commercial Banking earlier this year, ING Bank has decided to accelerate the implementation of strategic adaptations including the run-off of certain leasing units, right-sizing the equities businesses and further operational improvements in several businesses. An after-tax provision of approximately EUR 150 million is expected to be recorded in the fourth quarter of 2012.
2. Insurance Europe is accelerating its transformation programme in preparation for its stand-alone future. In response to changing customer preferences and market dynamics, Insurance Europe is undertaking actions to increase its agility in the current operating environment by delayering support staff in the Netherlands and sharpen the strategic focus of its business units, in particular Nationale-Nederlanden (NN). An after-tax redundancy provision of approximately EUR 150 million is expected to be recorded in the fourth quarter of 2012.

Review report

To: the Shareholders, the Supervisory Board and the Executive Board of ING Groep N.V.

REVIEW REPORT

Introduction
We have reviewed the accompanying condensed consolidated interim accounts for the nine month period ended 30 September 2012, of ING Groep N.V., Amsterdam, which comprises the condensed consolidated balance sheet as at 30 September 2012 and the related condensed consolidated profit and loss account, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and the related notes for the nine month period then ended. Management is responsible for the preparation and presentation of these condensed consolidated interim accounts in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these interim accounts based on our review.

Scope of Review
We conducted our review in accordance with Dutch law including Standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim accounts as at 30 September 2012 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

AMSTERDAM, 6 NOVEMBER 2012

Ernst & Young Accountants LLP
Signed by M.A. van Loo

Disclaimer

ING Group's Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU').

In preparing the financial information in this document, the same accounting principles are applied as in the 2011 ING Group Annual Accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) the implementation of ING's restructuring plan to separate banking and insurance operations, (5) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in investor, customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations, (14) changes in the policies of governments and/or regulatory authorities, (15) conclusions with regard to purchase accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit-ratings, (18) ING's ability to achieve projected operational synergies and (19) the other risks and uncertainties detailed in the Risk Factors section contained in the most recent annual report of ING Groep N.V.

Any forward-looking statements made by or on behalf of ING speak only as of the date they are made, and, ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.

ING Groep N.V.
Bijlmerplein 888, 1102 MG, Amsterdam, the Netherlands
P.O. Box 1800, 1000 BV, Amsterdam, the Netherlands
Telephone: +31 20 5639111
Fax: +31 20 5647236
Internet: www.ing.com
Commercial Register of Amsterdam, no. 33231073