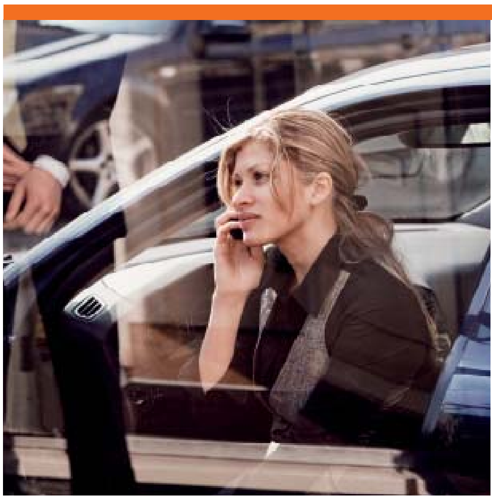
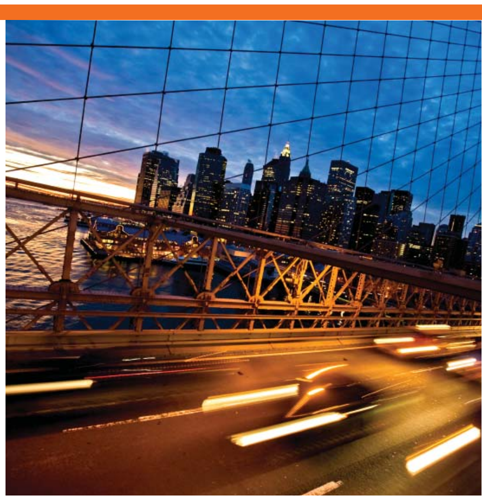
ING GROUP QUARTERLY REPORT


Second quarter 2014

ING

SHARE INFORMATION

Financial calendar
Publication results 3Q2014: Wednesday, 5 November 2014
(This date is provisional.)

Investor relations
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ING Group investor relations and media app
Available for download in the Apple App Store and for Android on Google Play.

Listing information
ING ordinary shares are registered shares with a par value of EUR 0.24 per share. The (depositary receipts for) ordinary shares of ING Group are listed on the exchanges of Amsterdam, Brussels and New York (NYSE).

Stock exchanges	Tickers (Bloomberg, Reuters)	Security codes (ISIN, SEDOL1)
Euronext Amsterdam	INGA NA, ING.AS	NL0000303600, 7154182 NL
New York Stock Exchange	Voya Financial, Inc., ING.N	US456837103, 2452643 US

American Depositary Receipts (ADRs)
For questions related to the ING ADR program, please contact
J.P. Morgan shareholder services:
J.P. Morgan Depositary Bank
1 Chase Manhattan Plaza, Floor 58
New York, NY 10005
In the U.S.: (866) JPM-ADRS
Outside the U.S.: (+1 866 576-2377)

J.P. Morgan Transfer Agent Service Center
ADR Shareholders can contact:
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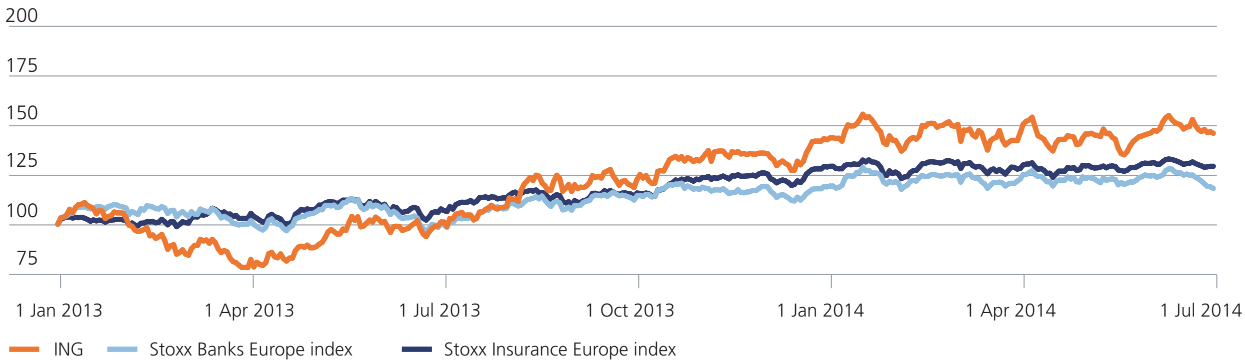
e-mail: jpmorgan.adr@wellsfargo.com

Or visit J.P. Morgan Depositary Receipts Services. Web: www.adr.com

Comparative performance of share price
1 JANUARY 2013 TO 1 JULY 2014



OUR QUARTERLY PUBLICATIONS

This ING Group Quarterly Report contains our quarterly financial reporting and analysis, including commentary on the progress of our businesses, sustainability developments and key strategic initiatives.

The following other quarterly financial publications are available at www.ing.com/investorrelations in the Results and Interim Accounts section.

Press release
The press release on ING's quarterly results contains the chairman's statement, financial highlights and key developments concerning the balance sheet and capital management.

Analyst presentation
The analyst presentation of ING's quarterly results contains a detailed review of the drivers of results and addresses key issues raised by analysts and investors.

ING Group historical trend data
The Historical Trend Data (HTD) document is the combined former ING Group Statistical Supplement and ING Group Historical Trend Data. The HTD includes quarterly financial trend data and details of restatements. It is available in PDF and Excel format.

ING Group interim accounts
These condensed consolidated interim accounts have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. ING publishes interim accounts under IAS 34 on a quarterly basis, including a review report by EY.

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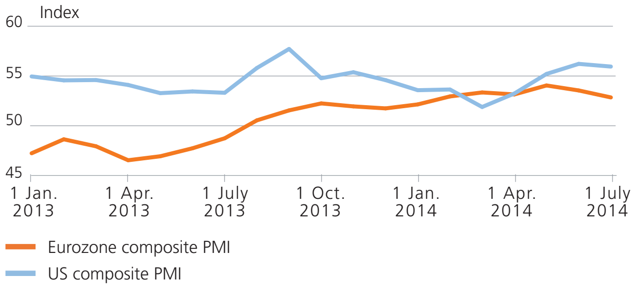
ECONOMIC ENVIRONMENT

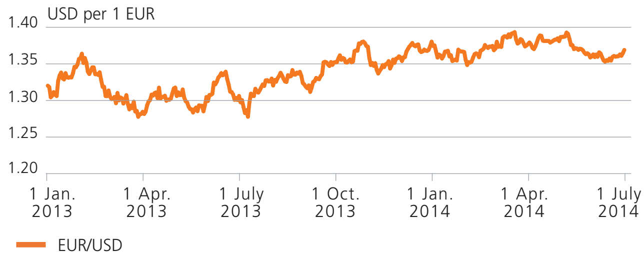
ECONOMIC ACTIVITY

- The composite purchasing managers' index for the eurozone improved further in the first part of the second quarter, but retreated somewhat later in the quarter. This indicates that although the recovery continues, it is not yet robust. In the US, the composite PMI rebounded in the second quarter after the weather-induced slowdown in Q1 2014
- The PMIs are regarded as timely indicators of underlying trends in economic activity.



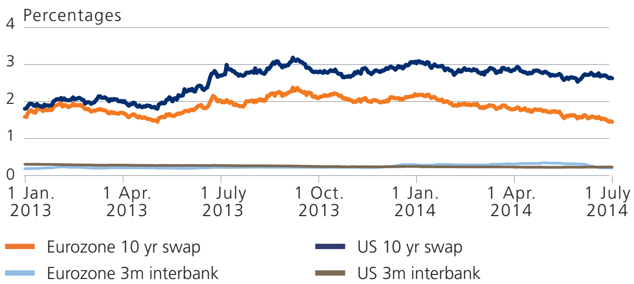
CURRENCY MARKETS

- Volatility in the EUR/USD remained relatively low in the second quarter of 2014. The EUR/USD ended the quarter at about the same level as in 1Q and 4Q2013 (1.37).
- However, as some emerging market currencies bounced back, the euro's broad trade-weighted value depreciated somewhat.



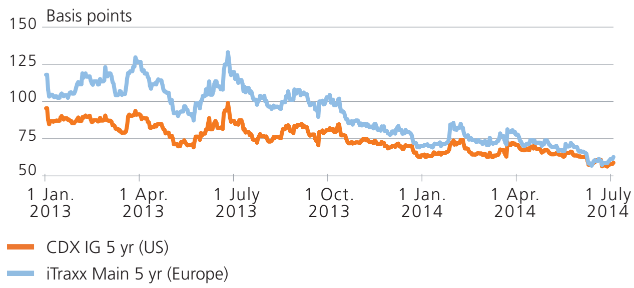
YIELD CURVE

- In the eurozone and, to a lesser extent, in the US, the slope of the yield curve flattened in 2Q14, as (hopes of further) ECB easing and concerns about secular stagnation supported investor demand for longer-term government bonds.



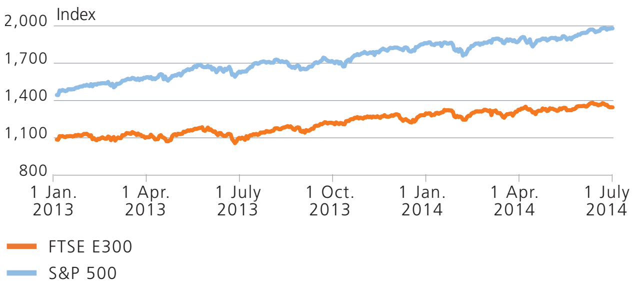
CREDIT MARKETS

- In the eurozone and the US, credit market sentiment improved during the second quarter, with credit spreads hitting their lowest levels since the start of the financial crisis on the back of investors' search for yield.



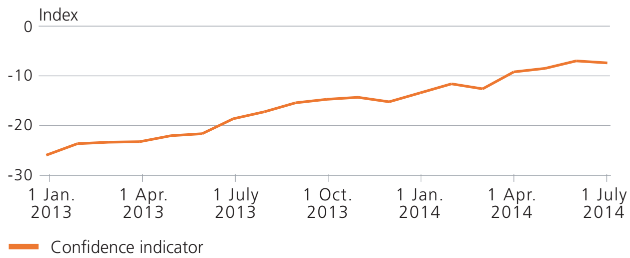
STOCK MARKETS

- Equity indices in the eurozone and the US remained on an upward trend in the second quarter of 2014, despite increased geopolitical risks (Iraq, Ukraine).



CONSUMER CONFIDENCE

- Notwithstanding the high level of unemployment in the eurozone and the increased geopolitical tensions, the mood of consumers in the eurozone improved somewhat further in 2Q2014.



Source: ING Economics Department

CEO STATEMENT

The successful IPO of NN Group in early July was a pivotal moment for ING Group. This step represents the final major transaction in our restructuring and in the repositioning of ING as a leading European bank. It has unlocked significant financial flexibility for the Group, with the EUR 8.1 billion combined market values of our remaining stakes in NN Group and Voya Financial, Inc. comfortably exceeding the pro-forma Group core debt of EUR 2.4 billion.

ING Group's second-quarter financial performance was strong, with an underlying net result of EUR 1,181 million that was primarily attributable to ING Bank. The Bank's quarterly underlying result before tax was EUR 1,278 million, up 11.4% year-on-year and 8.7% sequentially. The improvement compared with both prior quarters mainly reflects solid income generation, despite the impact of negative CVA/DVA adjustments and the deconsolidation of ING Vysya Bank, and a further decline in risk costs. ING Bank's underlying return on IFRS-EU equity rose to 10.7% for the first half of 2014, which is within the Ambition 2017 target-range for return on IFRS-EU equity of 10-13%. ING Bank's capitalisation strengthened further, leading to a fully-loaded common equity Tier 1 ratio of 10.5% at the end of June.

Our unwavering commitment to our customers contributed to robust business growth during the quarter, with ING Bank extending EUR 7.4 billion of net lending and attracting EUR 7.4 billion of net funds entrusted. During the first six months of 2014, ING Bank gained over half a million new individual customers, demonstrating the strength of our franchise and the attractiveness of our customer proposition. In May, ING Direct Spain celebrated its 15th anniversary and recently welcomed its three-millionth customer. We are grateful that our customers choose to do business with us and we remain committed to supporting their financial needs anytime, anywhere, and making the experience of banking with us truly differentiating. I am convinced that our Chief Innovation Officer will drive our strategic innovation agenda and think beyond traditional banking to serve our customers' changing needs.

The 2 July listing of NN Group marked the official beginning of the company's standalone future. We congratulate NN Group on this milestone and wish CEO Lard Friese and his team every success. For the second quarter of 2014, ING continued to consolidate 100% of NN Group in our results. The underlying result before tax of NN Group improved to EUR 337 million from EUR 101 million in the second quarter of 2013 and EUR 210 million in the previous quarter. As a result of the IPO, ING Group's stake in NN Group was reduced to 68.1%; this change will be reflected in our third-quarter shareholders' equity.

We are very proud of the progress that we have made with the restructuring over the past several years, which has brought ING Group well into the end stage of our transformation. We are moving forward as a stronger, simpler and more sustainable company. I am confident that we are well placed to achieve the strategic priorities of ING Bank while continuing to serve our customers and the communities in which we operate to the best of our ability

Ralph Hamers

Ralph Hamers
CEO of ING Group

KEY FIGURES

Group	2Q2014	2Q2013[1)]	Change	1Q2014	Change	1H2014	1H2013[1)]	Change
Profit and loss data (in EUR million)								
Underlying result before tax	1,620	1,241	30.6%	1,384	17.1%	3,004	2,852	5.3%
Taxation / minority interest	440	340	29.4%	396	11.1%	836	783	6.8%
Underlying net result	**1,181**	**901**	**31.1%**	**988**	**19.5%**	**2,169**	**2,071**	**4.7%**
Net gains/losses on divestments	-3	-16		-1,764		-1,767	923	
Net result from divested units							-38	
Net result from discontinued operations Insurance/IM Asia	2	65		5		7	131	
Net result from discontinued operations Voya Financial	22	-23		53		75	-218	
Special items after tax	-135	-33		-1,200		-1,335	-79	
Net result	**1,067**	**895**	**19.2%**	**-1,917**		**-851**	**2,791**	**-130.5%**
Net result per share (in EUR)[2)]	0.28	0.23	21.7%	-0.50		-0.22	0.73	-130.1%
Capital ratios (end of period)								
Shareholders' equity (in EUR billion)				45	6.8%	48	50	-2.3%
ING Group debt/equity ratio				7.3%		8.6%	7.2%	
Other data (end of period)								
Underlying return on equity based on IFRS-EU equity[3)]	10.1%	7.0%		8.7%		9.4%	7.9%	
Employees (FTEs, end of period, adjusted for divestments)				75,606	-14.5%	64,649	76,589	-15.6%

Banking	2Q2014	2Q2013	Change	1Q2014	Change	1H2014	1H2013	Change
Profit and loss data (in EUR million)								
Interest result	2,985	3,006	-0.7%	3,027	-1.4%	6,012	5,922	1.5%
Total underlying income	3,781	3,853	-1.9%	3,818	-1.0%	7,599	7,716	-1.5%
Operating expenses	2,098	2,090	0.4%	2,174	-3.5%	4,272	4,224	1.1%
Addition to loan loss provision	405	616	-34.3%	468	-13.5%	872	1,176	-25.9%
Underlying result before tax	**1,278**	**1,147**	**11.4%**	**1,176**	**8.7%**	**2,454**	**2,316**	**6.0%**
Key figures								
Common equity Tier 1 ratio phased in				10.0%		10.8%	n.a.	
Common equity Tier 1 ratio fully loaded				10.1%		10.5%	n.a.	
Underlying interest margin	1.46%	1.42%		1.50%		1.48%	1.40%	
Underlying cost/income ratio	55.5%	54.3%		56.9%		56.2%	54.7%	
Underlying risk costs in bp of average RWA	55	89		65		60	85	
RWA (end of period, in EUR billion)				291	0.9%	293	278	5.7%
Underlying return on equity based on IFRS-EU equity[3)]	11.1%	9.5%		10.2%		10.7%	9.3%	

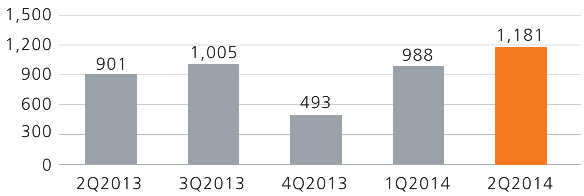
NN Group	2Q2014	2Q2013[1)]	Change	1Q2014	Change	1H2014	1H2013[1)]	Change
Profit and loss data (in EUR million)								
Operating result Netherlands Life	148	199	-25.6%	147	0.7%	295	331	-10.9%
Operating result Netherlands Non-life	39	42	-7.1%	22	77.3%	61	39	56.4%
Operating result Insurance Europe	44	53	-17.0%	45	-2.2%	90	95	-5.3%
Operating result Japan Life	24	30	-20.0%	66	-63.6%	90	113	-20.4%
Operating result Investment Management	38	41	-7.3%	39	-2.6%	77	72	6.9%
Operating result Other	-44	-97		-46		-91	-212	
Operating result ongoing business	**249**	**268**	**-7.1%**	**274**	**-9.1%**	**522**	**438**	**19.2%**
Non-operating items ongoing business	10	-71		-28		-18	-56	
Japan Closed Block VA	79	-97		-36		43	65	-33.8%
Underlying result before tax	**337**	**101**	**233.7%**	**210**	**60.5%**	**547**	**448**	**22.1%**
Special items before tax	-25	-12		-572		-597	-42	
Result on divestments and discontinued operations	-2	24		-11		-13	1,053	
Result before tax	**310**	**113**	**174.3%**	**-372**		**-63**	**1,459**	**-104.3%**
Key figures								
New sales life insurance (APE)	305	266	14.7%	439	-30.5%	744	664	12.0%
Total administrative expenses ongoing business	439	447	-1.8%	437	0.5%	876	907	-3.4%
Cost/income ratio (adm. exp./operating income) ongoing business)	37.1%	36.5%		35.2%		36.1%	36.9%	
Combined ratio (Netherlands Non-life)[4)]	98.5%	98.2%		100.2%		99.4%	102.4%	
IM Assets under Management (end of period, in EUR billion)				168	5.4%	177	176	0.6%
Net operating ROE ongoing business[5)]	8.4%	10.5%		9.2%		8.8%	9.7%	
NN Group IGD Solvency I ratio[6)]				245%		272%	255%	
NN Life Solvency I ratio[6)]				235%		250%	230%	

The footnotes relating to 1-5 can be found on page 7.
Note: Underlying figures and Operating results are non-GAAP measures. These are derived from figures according to IFRS-EU by excluding impact from divestments, discontinued operations and special items and, for Operating results only, gains/losses and impairments, revaluations and market & other impacts.

CONSOLIDATED RESULTS

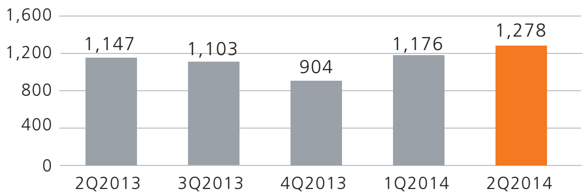
ING Group posted an underlying net result of EUR 1,181 million in the second quarter of 2014 compared with EUR 901 million in the same quarter of 2013 and EUR 988 million in the first quarter of 2014.

UNDERLYING NET RESULT - GROUP (in EUR million)



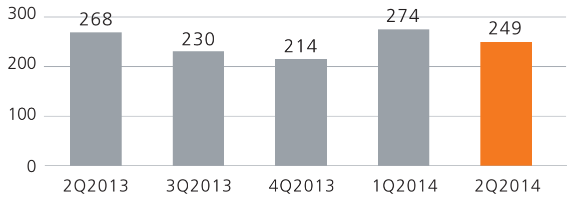
ING Group's strong second-quarter results were driven primarily by ING Bank, which reported an underlying result before tax of EUR 1,278 million, up 11.4% year-on-year and 8.7% higher sequentially. The improvement in the Bank's results compared with both prior periods mainly reflects solid income generation and a further decline in risks costs. ING Bank's interest margin was 1.46%, up four basis points compared with the second quarter of 2013, but four basis points lower than in the previous quarter. ING Bank's underlying return on IFRS-EU equity for the second quarter of 2014 was 11.1%; for the first six months of 2014, it was 10.7%.

UNDERLYING RESULT BEFORE TAX - BANK (in EUR million)



ING Bank's commitment to supporting its customers' financial needs was evident in the strong commercial momentum in the second quarter of 2014. ING Bank extended EUR 7.4 billion of total net lending (adjusted for currency impacts and additional transfers of WUB mortgages to NN Bank) to retail and corporate clients. Lending growth was funded by EUR 7.4 billion of net funds entrusted, which were generated by all regions within Retail Banking.

OPERATING RESULT ONGOING BUSINESS - NN GROUP (in EUR mln)

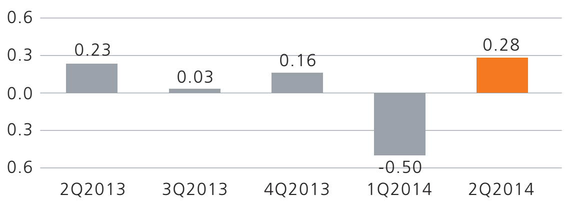


The second-quarter 2014 operating result for the ongoing business of NN Group was EUR 249 million, and the quarterly underlying result before tax was EUR 337 million. As of the second quarter of 2014, NN Group publishes its own standalone quarterly earnings release. For more information, please visit: www.nn-group.com

ING Group's second-quarter net result was EUR 1,067 million, compared with EUR 895 million in the second quarter of 2013. In the first quarter of 2014, ING Group reported a EUR 1,917 million net loss, primarily due to the impact of the deconsolidation of Voya Financial, Inc. and a special item due to the successful finalisation of the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent.

In the second quarter of 2014, special items after tax totalled EUR -135 million. This amount mainly consists of the second payment of EUR 101 million related to the nationalisation of SNS and EUR 16 million for the previously-announced restructuring programmes in Retail Netherlands. The net results from the discontinued operations of Voya Financial and Insurance/IM Asia were EUR 22 million and EUR 2 million, respectively. Net gains/losses on divestments were negligible.

NET RESULT PER SHARE (in EUR)



ING Group's second-quarter 2014 net result per share was EUR 0.28. The Group's underlying net return on IFRS-EU equity was 10.1% for the quarter and 9.4% for the first six months of 2014.

Subsequent events

NN Group initial public offering

On 2 July 2014, ING sold 77 million existing ordinary shares in the initial public offering of NN Group at EUR 20.00 per share. On 10 July 2014, the joint global coordinators, on behalf of the underwriters, exercised an over-allotment option to purchase

1) The figures of this period have been restated to reflect the change in accounting policy, i.e. the move towards fair value accounting for Guaranteed Minimum Death Benefits reserves of the Japan Closed Block VA segment as of 1 January 2014.
2) Result per share differs from IFRS earnings per share in respect of attributions to the core Tier 1 securities.
3) Annualised underlying net result divided by average IFRS-EU shareholders' equity.
4) Quarter-to-date, excluding Mandema and Zicht broker business.
5) Net operating ROE is calculated as the (annualised) net operating result of the ongoing business divided by the average allocated equity of the ongoing business adjusted for revaluation reserves.
6) The 30 June 2014 capital ratios are not final until filed with the regulators.

11.55 million of additional existing shares in NN Group at the same price. At the time of the IPO, a first tranche of EUR 450 million of the mandatorily exchangeable subordinated notes (the pre-IPO investments from the three Asian-based investment firms RRJ Capital, Temasek and SeaTown Holdings International) was exchanged into NN Group shares. The remaining two tranches (each for an aggregate amount of EUR 337.5 million) will be mandatorily exchanged into NN Group shares from 2015 onwards.

Total gross proceeds from the NN Group IPO, including the exchange of the first tranche of subordinated notes into NN Group shares and the over-allotment option, amount to EUR 2.2 billion.

As a result of the above, ING's ownership in NN Group declined from 100% to 68.1%. This transaction did not impact the profit and loss account of ING Group, as NN Group will continue to be fully consolidated by ING Group. The transactions had a negative impact on shareholders' equity of ING Group of EUR 4,264 million, which will be recognised in the third quarter of 2014. This amount includes:

- EUR 2,590 million, being the difference between the net proceeds of the IPO to ING and the IFRS carrying value of the stake in NN Group divested in the IPO (including the exercise of the over-allotment option);
- EUR 661 million, being the difference between the market value of the NN Group shares exchanged for the first tranche of the mandatorily exchangeable subordinated notes and the related IFRS carrying value; and
- EUR 1,012 million, being the estimated difference between the market value of the NN Group shares to be exchanged for the second and third tranches of the mandatorily exchangeable notes and the related estimated IFRS carrying value.

If and when ING Group's remaining interest in NN Group qualifies as held for sale and discontinued operations under IFRS, the presentation of NN Group in the consolidated financial statements of ING Group will change accordingly. Upon classification as held for sale, the carrying amount of the disposal group (or group of assets) is compared to their fair value less cost to sell. If the fair value less cost to sell is lower than the carrying value, this expected loss is recognised through a reduction of the carrying value of any goodwill related to the disposal group and the carrying value of certain other non-current non-financial assets to the extent that the carrying value of those assets exceeds their fair value. A remaining expected loss is only recognised in the profit and loss account upon a divestment resulting in deconsolidation.

Upon deconsolidation, the divestment result will reflect ING Group's remaining share (at the transaction date) in the difference between the carrying value of NN Group and the fair value, plus ING Group's share in unrealised revaluations in equity plus the currency translation reserve related to NN Group. The actual divestment result depends on a number of variables, including the share price, the carrying value of NN Group, the level of unrealised reserves in equity and the stake held by ING Group at the date of the transaction. Such a divestment could have a sizeable impact on the profit and loss account and shareholders' equity of ING Group.

CONSOLIDATED BALANCE SHEET

ING Group: Consolidated balance sheet

in EUR million	30 June 14	31 Mar. 14	31 Dec. 13[1]
Assets			
Cash and balances with central banks	15,010	21,253	13,316
Amounts due from banks	43,185	49,481	42,996
Financial assets at fair value through P&L	177,493	166,374	165,172
Investments	161,465	146,414	140,995
Loans and advances to customers	539,517	532,141	531,655
Reinsurance contracts	270	275	252
Investments in associates and joint ventures	3,074	2,813	2,022
Real estate investments	1,137	1,055	1,046
Property and equipment	2,275	2,368	2,446
Intangible assets	1,835	1,816	1,841
Deferred acquisition costs	1,441	1,411	1,353
Other assets	20,779	19,973	21,339
Total assets excl. assets held for sale	**967,482**	**945,374**	**924,433**
Assets held for sale	3,036	3,074	156,884
Total assets	**970,517**	**948,448**	**1,081,317**

	30 June 14	31 Mar. 14	31 Dec. 13[1]
Equity			
Shareholders' equity	48,461	45,380	45,776
Minority interests	616	625	5,913
Non-voting equity securities	683	683	1,500
Total equity	**49,760**	**46,688**	**53,189**
Liabilities			
Subordinated loans	6,748	6,959	6,889
Debt securities in issue	135,420	131,662	127,727
Other borrowed funds	16,623	14,765	13,706
Insurance and investment contracts	116,036	113,836	111,769
Amounts due to banks	32,401	29,882	27,200
Customer deposits	489,254	482,648	474,312
Financial liabilities at fair value through P&L	101,522	100,718	98,501
Other liabilities	22,749	21,272	21,623
Total liabilities excl. liabilities held for sale	**920,753**	**901,742**	**881,727**
Liabilities held for sale	4	18	146,401
Total liabilities	**920,757**	**901,760**	**1,028,128**
Total equity and liabilities	**970,517**	**948,448**	**1,081,317**

1) The figures of this period have been restated to reflect the change in accounting policy, i.e. the move towards fair value accounting for Guaranteed Minimum Death Benefits reserves of the Japan Closed Block VA segment as of 1 January 2014. The comparative figures have also been restated to reflect the implementation of IFRS 10, which introduced amendments to the criteria for consolidation, and IFRS 11, which replaced proportional consolidation for joint ventures by equity accounting.

ING Group's balance sheet increased by EUR 22 billion during the second quarter to EUR 971 billion, reflecting strong commercial growth during the quarter. ING Group shareholders' equity increased by EUR 3.1 billion to EUR 48.5 billion, or EUR 12.59 per share. This increase was primarily due to the quarterly net profit of EUR 1.1 billion and positive revaluations of debt securities, mainly at NN Group.

Cash and balances with central banks

Cash and balances with central banks decreased by EUR 6 billion to EUR 15 billion, as excess cash was used to purchase investments at ING Bank. This was partly in response to the negative ECB deposit rate, as well as a shift to cash deposits with a maturity longer than three months at NN Group.

Amounts due from/and to banks

Amounts due from banks declined by EUR 6 billion to EUR 43 billion, as less cash was placed at banks in part due to the purchase of investments, while amounts due to banks increased by EUR 3 billion to EUR 32 billion.

Financial assets/liabilities at fair value through P&L

Financial assets/liabilities at fair value through P&L increased, respectively, by EUR 10 billion to EUR 177 billion and by EUR 1 billion to EUR 102 billion, both excluding currency translation effects.

At ING Bank, Financial assets at fair value through P&L increased by EUR 9 billion, due to higher Financial Markets activities combined with higher valuation of trading derivatives following a further decline of interest rates. Financial liabilities at fair value through P&L were stable. Financial assets and liabilities at fair value contain predominantly derivatives, securities and repos, which are mainly used to facilitate the servicing of ING's clients.

At NN Group, Financial assets at fair value increased by EUR 2 billion, mainly reflecting higher revaluations on non-trading derivatives following a further decline in interest rates, and higher Investments for risk of policyholders following positive revaluations.

Loans

Loans and advances to customers increased by EUR 5 billion, excluding currency impacts, to EUR 540 billion. Customer lending at ING Bank rose by EUR 5 billion, excluding currency impacts. This amount includes EUR 1 billion of residential mortgages, reflecting an increase in Germany and Belgium, partly offset by the Netherlands (including transfers to NN Bank), as well as EUR 3 billion for Other customer lending, driven by Commercial Banking Structured Finance, Retail Germany and Retail Belgium. Securities at amortised cost were EUR 1 billion lower due to run-off. At NN Group, Loans and advances to customers increased by EUR 1 billion, mainly reflecting mortgages granted by NN Bank and increased cash deposits with a maturity longer than three months.

Investments

Investments increased by EUR 15 billion to EUR 161 billion. At ING Bank, investments were up by EUR 12 billion, primarily reflecting the purchases of government bonds as a destination of excess cash that was previously placed at (central) banks. At NN Group, Debt securities available for sale increased by EUR 3 billion to EUR 61 billion due to declining interest rates in the quarter.

ING Group: Change in shareholders’ equity

	ING Group		ING Bank N.V.		NN Group N.V.		Holding/Eliminations	
in EUR million	2Q2014	1Q2014	2Q2014	1Q2014	2Q2014	1Q2014	2Q2014	1Q2014
Shareholders' equity beginning of period	**45,380**	**45,776**	**32,341**	**32,805**	**14,682**	**14,062**	**-1,643**	**-1,091**
Net result for the period	1,066	-1,917	872	294	252	-215	-58	-1,996
Unrealised revaluations of equity securities	29	87	88	-12	-52	76	-7	23
Unrealised revaluations of debt securities	1,639	2,052	252	281	1,387	1,323		448
Deferred interest crediting to life policyholders	-659	-861			-659	-620		-241
Realised gains/losses equity securities released to P&L	24	-3	-3	-5	46	2	-19	
Realised gains/losses debt securities transferred to P&L	-26	-87	-18	-67	-8	-20		
Change in cashflow hedge reserve	868	731	473	405	408	313	-13	13
Other revaluations	-175	88	-169	45	-6	44		-1
Defined benefit remeasurement	-76	-248	-56	-151	-19	-66	-1	-31
Exchange rate differences	365	-8	305	-32	62	36	-2	-12
Changes in treasury shares	-7	-32					-7	-32
Employee stock options and share plans	24	30	8	14	2	1	14	15
Repurchase premium non-voting equity securities		-408						-408
Dividend				-1,225		-315		1,540
Impact sale of Voya		87						87
Other	9	93	31	-11	844	61	-866	43
Total changes	**3,081**	**-396**	**1,783**	**-464**	**2,257**	**620**	**-959**	**-552**
Shareholders' equity end of period	**48,461**	**45,380**	**34,124**	**32,341**	**16,939**	**14,682**	**-2,602**	**-1,643**

ING Group: Shareholders’ equity

	ING Group		ING Bank N.V.		NN Group N.V.		Holding/Eliminations	
in EUR million	30 Jun. 14	31 Mar. 14	30 Jun. 14	31 Mar. 14	30 Jun. 14	31 Mar. 14	30 Jun. 14	31 Mar. 14
Share premium/capital	16,969	16,966	17,067	17,067	12,140	11,290	-12,238	-11,391
Revaluation reserve equity securities	2,198	2,145	1,106	1,021	1,091	1,097	1	27
Revaluation reserve debt securities	6,739	5,126	1,281	1,047	5,489	4,110	-31	-31
Revaluation reserve crediting to life policyholders	-3,857	-3,198			-3,858	-3,199	1	1
Revaluation reserve cashflow hedge	3,475	2,607	102	-371	3,447	3,039	-74	-61
Other revaluation reserves	336	344	307	318	22	19	7	7
Defined benefit remeasurement reserve	-574	-652	-489	-587	-83	-64	-2	-1
Currency translation reserve	-1,443	-1,642	-826	-975	-162	-215	-455	-452
Treasury shares	-71	-64					-71	-64
Retained earnings and other reserves	24,689	23,748	15,576	14,821	-1,147	-1,395	10,260	10,322
Total	**48,461**	**45,380**	**34,124**	**32,341**	**16,939**	**14,682**	**-2,602**	**-1,643**

Debt securities in issue

Debt securities in issue increased by EUR 3 billion, excluding currency impacts. CD/CPs were flat versus March. ING Bank issued EUR 5 billion of long-term debt, consisting of EUR 4 billion of senior unsecured debt and EUR 1 billion of RMBS. These issuances were partly offset by EUR 2 billion of maturing debt.

Insurance and investment contracts

Insurance and Investment contracts increased by EUR 2 billion, excluding currency impacts, to EUR 116 billion. This mainly reflects an increase in the Provision for risk of policyholders, as well as higher deferred profit sharing to policyholders following the positive revaluations of debt securities.

Customer deposits

Customer deposits increased by EUR 6 billion on a constant currency basis to EUR 489 billion, reflecting EUR 5 billion of higher savings, mainly due to net inflows in Germany, the Netherlands and Spain.

Total equity

Shareholders’ equity increased by EUR 3.1 billion to EUR 48.5 billion. The increase is mainly attributable to the quarterly net profit, positive revaluations of debt securities and the increase in the cash flow hedge reserve, both reflecting lower interest rates. These increases were partially offset by deferred interest crediting to life policyholders. The exchange rate differences of EUR 0.3 billion mainly reflect the depreciation of the euro against the Australian dollar, Japanese yen and Korean won. Shareholders’ equity per share increased from EUR 11.82 at the end of March 2014 to EUR 12.59 on 30 June 2014.

CAPITAL MANAGEMENT

Through the successful IPO of NN Group in July 2014, ING Group has unlocked significant financial flexibility in the final stage of its restructuring. Pro-forma Group leverage of EUR 2.4 billion is more than covered by the EUR 8.1 billion combined market values of ING Group's remaining stakes in Voya Financial Inc., and NN Group, leading to a net value surplus of EUR 5.7 billion. ING Bank remains well capitalised and its fully-loaded common equity Tier 1 ratio increased to 10.5% at the end of June 2014. The IGD ratio for NN Group increased further to 272%.

Capital base: ING Group

In EUR million unless stated otherwise	30 Jun. 14	31 Mar. 14
Shareholders' equity	48,461	45,380
Core Tier 1 securities	683	683
Group hybrid capital	6,036	7,486
Group leverage (core debt)	4,560	3,817
Total capitalisation (Bank + Ins. oper.)	**59,741**	**57,366**
Required regulatory adjustments	-7,015	-5,081
Group leverage (core debt)	-4,560	-3,817
Adjusted equity	**48,166**	**48,468**
Debt/equity ratio	8.6%	7.3%
Total required capital	34,418	34,141
FiCo ratio (Voya full deduction)	156%	155%

ING Group

The amount of core debt at ING Group increased to EUR 4.6 billion at the end of June 2014 from EUR 3.8 billion at the end of the first quarter. The increase primarily reflects a EUR 850 million capital injection from ING Group into NN Group ahead of its IPO in early July 2014. This was partly offset by EUR 170 million of proceeds related to the sale of ING's remaining 10% stake in SulAmérica, which was executed in June.

The net proceeds from the IPO of NN Group in the third quarter of 2014 totalled EUR 2.1 billion, including the exchange of the first tranche of subordinated notes into NN Group shares and the exercise of the underwriters' over-allotment option, and were used to further reduce core debt. On a pro-forma basis, Group leverage has been reduced to EUR 2.4 billion. This amount is more than sufficiently covered by the EUR 8.1 billion combined market values for Voya Financial and NN Group (on 1 August), resulting in a pro-forma excess value of EUR 5.7 billion. The amount of excess value offers ING Group significant financial flexibility in the final stage of its restructuring.

Group hybrid capital decreased to EUR 6.0 billion at the end of June from EUR 7.5 billion at 31 March 2014, reflecting the redemption of the EUR 1.5 billion 8% ING Perpetual Hybrid Capital Securities per the call date of 18 April 2014. The hybrid was partly on-lent to ING Bank for EUR 1.05 billion and to NN Group for EUR 0.45 billion.

The Group debt/equity ratio increased from 7.3% at the end of the first quarter 2014 to 8.6% at the end of the second quarter as changes in ING Group's shareholders' equity and required regulatory adjustments (both primarily reflecting an increase in revaluation reserves) were offset by the increase in core debt. The Financial Conglomerate Directive (FiCo) ratio for the Group increased marginally from 155% at the end of March to 156% at the end of June 2014.

ING Bank

ING Bank remains well capitalised and continued to grow its capital base, with a fully-loaded common equity Tier 1 ratio of 10.5%, up from 10.1% at the end of March 2014. The increase reflects EUR 0.9 billion of retained earnings, or 0.3%-points, and higher revaluation and FX reserves, which added 0.2%-points to the ratio. This was only partially offset by a EUR 2.6 billion increase in risk-weighted assets. The fully-loaded Tier 1 ratio improved from 11.9% to 12.0% at the end of the quarter as improvements in the fully-loaded common equity Tier 1 ratio were partially offset by the redemption of EUR 1.1 billion of hybrids in April 2014.

NN Group

In connection with the IPO recapitalisation activities, ING Group injected EUR 850 million of capital into NN Group in the second quarter of 2014. These funds were used to reduce debt owed to ING Group, to provide a subordinated loan to NN Life and to increase the cash capital position at the holding company. The Insurance Group Directive (IGD) ratio increased strongly to 272% from 245% at the end of March. The increase mainly reflects the pre-IPO EUR 850 million capital injection by ING Group and the positive net result for NN Group of EUR 252 million in the second quarter of 2014.
In April 2014, NN Group issued EUR 1 billion dated subordinated debt. The net proceeds were used to repay subordinated and senior debt to ING Group. In July 2014, NN Group issued a EUR 1.0 billion perpetual subordinated bond, callable after 11.5 years. The net proceeds were used to repay subordinated debt to ING Group.

Ratings

On 29 April 2014, Standard & Poor's took various rating actions on European banking groups to reflect its view that extraordinary government support is likely to diminish as regulators implement resolution frameworks. As a result, Standard & Poor's changed its outlook for both ING Group and ING Bank to negative from stable, and for NN Group from stable to developing. In June, S&P affirmed the rating and outlook for NN Group.

During the second quarter of 2014, Moody's affirmed its ratings and outlook for ING Group, ING Bank and NN Group.

On 30 April 2014, Fitch Ratings revised NN Group's outlook to stable from negative, reflecting reduced uncertainty associated with the divestment of NN Group. In July, Fitch affirmed the rating and outlook for ING Group and ING Bank as well as for NN Group, following the IPO.

Main credit ratings of ING at 5 August 2014	Standard & Poor's		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
ING Groep N.V.	A-	Negative	A3	Negative	A	Negative
ING Bank N.V.	A	Negative	A2	Negative	A+	Negative
NN Group N.V.	BBB+	Developing	Baa2	Negative	A-	Stable

Number of shares

The total number of shares was 3,858 at the end of June 2014, versus 3,844 million at the end of March 2014. The total number of shares equals the 3,850 million outstanding in the market plus treasury shares, which increased from 4.2 million at the end of March 2014 to 7.7 million at the end of June 2014.

Dividend

ING's policy is to pay dividends in relation to the long-term underlying development of cash earnings. Dividends will only be paid when the Executive Board considers such a dividend appropriate. Given the uncertain financial environment, increasing regulatory requirements and ING's priority to repay the remaining outstanding core Tier 1 securities, no interim dividend will be paid over the first six months of 2014.

BUSINESS & SUSTAINABILITY HIGHLIGHTS

ING Bank's strategy is to empower people to stay a step ahead in life and in business through its advice, products and services. The strategy of NN Group is to deliver an excellent customer experience by delivering transparent products and services through various channels. Sustainability is a priority at both companies: they aim to contribute to a reliable financial system that facilitates the sustainable development of the economy.

Extel Survey: ING best broker in the Benelux

In the 2014 Extel Survey, ING was named best broker in the Benelux for the fifth year in a row based on the input of more than 7,500 professional investors in 62 countries. Investors praised the quality of ING's equity analysis and its ability to provide companies with access to the capital markets.

The award is a recognition for ING's efforts to bring its corporate clients in the Benelux in direct contact with institutional investors through regular roadshows and investor conferences. One example is the 'Pan European Days' event in New York in May 2014, where ING introduced 16 Dutch Euronext-listed companies to more than 150 institutional investors in North America.

Commercial Banking: Focus on sustainable lending

In the second quarter, ING was involved in various transactions that underscore ING's efforts to fund the transition to a sustainable economy, including:

- Construction of the world's largest single-contract geothermal project is underway in Indonesia following the completion of a landmark USD 1.17 billion financing deal between Sarulla Operations Limited and international lenders, including ING Bank as the mandated lead arranger. Once operational, the Sarulla Geothermal Power Project will deliver 320 MW of clean, sustainable and reliable electricity to the Indonesian market and reduce annual carbon dioxide emissions by about 1.3 million tonnes. The venture is widely regarded as a breakthrough project in what is still largely considered an underdeveloped segment of the energy sector. The financing is in line with environmental, health, safety and social guidelines from the IFC Performance Standards, the Equator Principles, the Japan Bank for International Cooperation and the Asian Development Bank.
- Izmir, Turkey's third largest city, secured financing of EUR 165 million to construct two new light railway lines and deliver on its strategy of gradually reducing the public's reliance on cars and increasing the offer of fast, comfortable, safe and environmentally-friendly alternatives. ING Bank was part of the consortium of banks providing the financing. This financing follows a similar transaction in June 2013 of EUR 170 million to revitalise and expand the city's ferry transportation system with new passenger ships, vehicle ferries and wharves.

ING Group signs Green Bonds Principles

In May, ING Group joined a group of financial institutions as a member of the 'Green Bonds Principles' initiative. Green bonds enable capital-raising and investment in new and existing projects with environmental and social benefits. Recent activity shows that the market for green bonds is developing rapidly. The Green Bonds Principles are voluntary process guidelines that aim to promote transparency, disclosure and integrity in the green bond market by clarifying the approach for issuance of a green bond. Membership in this initiative is granted to organisations that have issued, underwritten or placed, or invested in a green bond. ING's membership will support its efforts to facilitate green bond issuances for clients that seek to raise capital for environmental innovation.

NN Group: Distinction for quality customer service

In the Netherlands, Nationale-Nederlanden (NN) received the 'Keurmerk Klantgericht Verzekeren', a quality mark for customer-focused insurance. In 2010, this quality mark was awarded for NN's retail operations only; now it has been extended to the entire company in the Netherlands.

One example of how NN has improved its service recently is the new 'claims manager at home'. Policyholders with home insurance who make a claim that involves significant damage to their home, or has a serious impact on their personal life (such as a fire or burglary), are eligible for this service. These claim managers, who have received special training in how to deal with grief, come to the customer's home to provide more personal attention and, if desired, to handle the entire claims-handling process for them. This new service is unique in the Netherlands and supports NN's aim to create a positive experience during the infrequent moments when most people have contact with their insurance company. In the second quarter, this service was used 1,250 times.

ING IM reports publicly under new PRI reporting framework

A growing number of clients and prospects of ING Investment Management (ING IM), part of NN Group, demand environmental, social and corporate governance (ESG) standards for their investments as well as tailor-made solutions and advice. Integrating ESG aspects is at the heart of ING IM's responsible investment approach. As a signatory to the Principles for Responsible Investment (PRI), ING IM reported publicly for the first time under the new PRI reporting framework. ING IM's PRI Transparency Report gives an assessment of the progress of ING IM's responsible investment and capabilities. The report can be downloaded at: www.ingimresponsibleinvesting.com

ING IM partners with Maastricht University's ECCE

ING IM and Maastricht University's European Centre for Corporate Engagement (ECCE) have entered into a partnership to investigate the relationship between a wide range of sustainability factors and the key value drivers associated with equity and corporate bonds. The multi-year partnership will include three research projects aimed at generating insights into how various ESG factors influence investment returns. Maastricht University's ECCE is one of the world's leading research institutes on sustainable finance and responsible investing.

Banking

CONSOLIDATED RESULTS

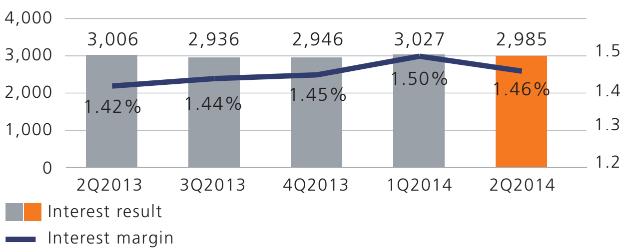
Banking: Consolidated profit and loss account								
In EUR million	2Q2014	2Q2013	Change	1Q2014	Change	1H2014	1H2013	Change
Profit & loss								
Interest result	2,985	3,006	-0.7%	3,027	-1.4%	6,012	5,922	1.5%
Commission income	595	582	2.2%	560	6.3%	1,155	1,136	1.7%
Investment income	38	52	-26.9%	105	-63.8%	144	176	-18.2%
Other income	163	212	-23.1%	125	30.4%	287	483	-40.6%
Total underlying income	**3,781**	**3,853**	**-1.9%**	**3,818**	**-1.0%**	**7,599**	**7,716**	**-1.5%**
Staff expenses	1,207	1,236	-2.3%	1,240	-2.7%	2,446	2,475	-1.2%
Other expenses	866	828	4.6%	921	-6.0%	1,787	1,683	6.2%
Intangibles amortisation and impairments	26	26	0.0%	13	100.0%	40	65	-38.5%
Operating expenses	**2,098**	**2,090**	**0.4%**	**2,174**	**-3.5%**	**4,272**	**4,224**	**1.1%**
Gross result	**1,683**	**1,762**	**-4.5%**	**1,644**	**2.4%**	**3,326**	**3,492**	**-4.8%**
Addition to loan loss provision	405	616	-34.3%	468	-13.5%	872	1,176	-25.9%
Underlying result before tax	**1,278**	**1,147**	**11.4%**	**1,176**	**8.7%**	**2,454**	**2,316**	**6.0%**
Taxation	338	283	19.4%	318	6.3%	657	614	7.0%
Minority interests	17	23	-26.1%	28	-39.3%	45	53	-15.1%
Underlying net result	**923**	**840**	**9.9%**	**830**	**11.2%**	**1,753**	**1,649**	**6.3%**
Net gains/losses on divestments	0	0		202		202	-6	
Net result from divested units	0	0		0		0	-37	
Special items after tax	-117	-22		-768		-885	-44	
Net result from Banking	**806**	**819**	**-1.6%**	**264**	**205.3%**	**1,070**	**1,563**	**-31.5%**
Client balances (in EUR billion)[1]								
Residential Mortgages	275.6	282.6	-2.5%	273.5	0.8%	275.6	282.6	-2.5%
Other Lending	223.9	222.0	0.9%	217.2	3.1%	223.9	222.0	0.9%
Funds Entrusted	478.5	467.1	2.4%	470.1	1.8%	478.5	467.1	2.4%
AUM/Mutual Funds	63.5	56.6	12.2%	61.2	3.8%	63.5	56.6	12.2%
Profitability and efficiency[1]								
Interest margin	1.46%	1.42%		1.50%		1.48%	1.40%	
Cost/income ratio	55.5%	54.3%		56.9%		56.2%	54.7%	
Return on equity based on IFRS-EU equity[2]	11.1%	9.5%		10.2%		10.7%	9.3%	
Employees (FTEs, end of period)	52,736	64,298	-18.0%	63,477	-16.9%	52,736	64,298	-18.0%
Risk[1]								
Non-performing loans/total loans	2.9%	2.8%		2.8%		2.9%	2.8%	
Stock of provisions/provisioned loans	38.0%	36.4%		38.6%		38.0%	36.4%	
Risk costs in bp of average RWA	55	89		65		60	85	
Risk-weighted assets (end of period)	293,399	277,632	5.7%	290,792	0.9%	293,399	277,632	5.7%

1) Key figures based on underlying figures except loans figures.
2) Underlying net result divided by average IFRS-EU equity (annualised).

ING Bank posted a strong second-quarter result. The underlying result before tax was EUR 1,278 million, up 11.4% from a year ago and 8.7% higher than in the previous quarter, reflecting a further decline in risk costs and a healthy development in underlying income. Total underlying income declined 1.9% year-on-year, but this was due to negative CVA/DVA impacts and the deconsolidation of ING Vysya Bank. Excluding these items, income rose 3.1% year-on-year and 0.9% quarter-on-quarter, supported by strong volume growth in both lending and funds entrusted. The interest margin increased year-on-year, driven by higher margins on both lending and funds entrusted. The underlying return on equity was 11.1% in the second quarter and 10.7% in the first half of 2014, in line with the Ambition 2017 target of 10-13%.

Strong commercial momentum continued in the second quarter of 2014 as ING Bank extended EUR 7.4 billion of net lending (adjusted for currency impacts and additional transfers of WUB mortgages to NN Bank) and attracted EUR 7.4 billion of net funds entrusted. Income and expenses were affected by the deconsolidation of ING Vysya Bank. Effective as of the second quarter of 2014, ING's share in the net profit of ING Vysya Bank is fully recorded under other income (share of profit from associates), whereas in previous quarters ING Vysya Bank was fully consolidated.

INTEREST RESULT (in EUR million) AND INTEREST MARGIN (in %)



Total underlying income

Total underlying income declined 1.9% year-on-year to EUR 3,781 million, including EUR 58 million of negative credit valuation and debt valuation adjustments (CVA/DVA) recorded in Commercial Banking and the Corporate Line, compared with EUR 52 million of positive impacts a year ago. ING's share in the net profit of ING Vysya Bank was EUR 9 million (recorded under other income), whereas the second quarter of last year included EUR 85 million of income from ING Vysya Bank, when it was still fully consolidated. Excluding these items, underlying income rose 3.1%, notably in Retail Benelux, Retail Germany and the Industry Lending business within Commercial Banking. Compared with the previous quarter, which included EUR 66 million of negative CVA/DVA impacts, total underlying income was 1.0% lower. However, income rose 0.9% when excluding the impact from CVA/DVA and the deconsolidation of ING Vysya Bank.

ING Bank generated strong business growth in the second quarter of 2014, including a substantial increase in customer lending, consistent with the long-term ambition to increase the asset side of the balance sheet. Total net lending (adjusted for currency impacts and the additional transfer of WUB mortgages to NN Bank) increased by EUR 7.4 billion. The net production of residential mortgages was EUR 1.6 billion and was generated entirely outside the Netherlands. Other lending rose by EUR 5.8 billion, of which EUR 3.9 billion was in Commercial Banking. This was driven by growth in Structured Finance and General Lending, which more than offset further declines in the Lease run-off business and Real Estate Finance. In Retail Banking, the net production of other lending was EUR 1.8 billion, mainly attributable to Belgium and Poland. Lending growth was funded through customer deposits, with ING Bank reporting a EUR 7.4 billion net inflow of funds entrusted (adjusted for currency impacts) during the second quarter. Retail Banking generated EUR 7.8 billion of net inflows, with contributions from all regions. Commercial Banking reported a small net outflow of EUR 0.4 billion.

The underlying interest result slipped only marginally by 0.7% to EUR 2,985 million from a year ago, despite the deconsolidation of ING Vysya Bank and the transfer and sale of WUB portfolios to NN Group since mid-2013. The interest result was furthermore negatively affected by lower interest results in the Corporate Line related to the capital management activities of the Bank. The interest result on customer lending activities increased slightly as the impact of lower volumes (caused by the deconsolidation of ING Vysya Bank and the transfer and sale of WUB assets) was compensated by higher margins on both mortgages and other lending. Average volumes of funds entrusted grew, and margins on savings increased compared with a year ago. On a sequential basis, the underlying interest result decreased 1.4% due to the impact of ING Vysya Bank and lower interest results in the Corporate Line and Financial Markets. These impacts were the main reason for the decline of the underlying interest margin of the Bank to 1.46% from 1.50% in the first quarter of 2014. The interest margin on lending activities improved slightly, while the margin on funds entrusted decreased, reflecting margin pressure on savings and current accounts due to the low interest rate environment. The impact of a lower interest margin was in part offset by higher volumes.

Commission income rose 2.2% from a year ago to EUR 595 million, mainly due to higher fee income in Retail International and Industry Lending, which more than offset the deconsolidation impact of ING Vysya Bank. On a sequential basis, commission income was up 6.3%, mainly due to higher fees in Commercial Banking, notably within Industry Lending.

Investment income declined to EUR 38 million from EUR 52 million in the second quarter of 2013, due to lower dividends and less income from real estate investments. Compared with the first quarter of 2014, investment income dropped by EUR 67 million, or 63.8%, mainly due to lower net realised gains on bonds from the Bank Treasury activities of Commercial Banking.

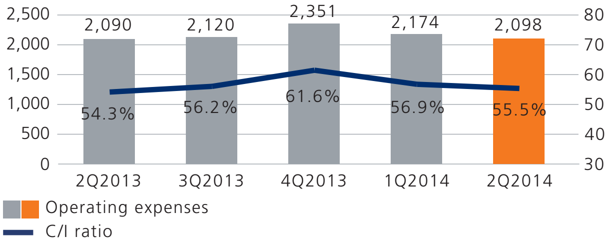
Other income dropped to EUR 163 million from EUR 212 million in the second quarter of 2013, due to a negative swing in CVA/DVA impacts (EUR -58 million in this quarter versus EUR 52 million a year ago). Excluding CVA/DVA impacts, other income rose by EUR 60 million year-on-year, mainly due to improved results from hedge ineffectiveness. This was partly offset by a negative transaction result on the sale of real estate in own use in the Netherlands. Compared with the first quarter of 2014, which included EUR 66 million of negative CVA/DVA impacts, other income increased by EUR 38 million.

Operating expenses

Underlying operating expenses rose 0.4% year-on-year to EUR 2,098 million. However, excluding the deconsolidation impact of ING Vysya Bank in the current quarter and the Belgian bank taxes that were reported in the second quarter of 2013, operating expenses rose 3.3%. This was mainly due to higher pension costs, increased IT spending and business growth in Retail International and Industry Lending. These increases were partly offset by the benefits from ongoing cost-saving initiatives and the transfer of WUB staff to NN Group as of mid-2013. On a sequential basis, expenses declined 3.5% from the first quarter of 2014, which included EUR 94 million for the annual Belgian bank taxes, EUR 43 million of expenses related to ING Vysya Bank and a substantial release from provisions related to regulatory expenses booked in the Corporate Line. Excluding these items, operating expenses rose only marginally. The second-quarter underlying cost/income ratio for ING Bank was 55.5%, up from 54.3% a year ago. However, excluding the volatile CVA/DVA impacts in both quarters, the cost/income ratio improved slightly to 54.6% from 55.0% in the second quarter of 2013.

The current cost-saving initiatives in place at ING Bank are on track and expected to reduce expenses by EUR 880 million by 2015 and EUR 955 million by 2017. Of these targeted amounts, EUR 521 million have already been achieved. Total headcount reductions related to these initiatives are estimated at 6,515 FTEs until the end of 2015, of which 4,707 FTEs have already left ING Bank.

OPERATING EXPENSES (in EUR million) AND COST/INCOME RATIO (in %)



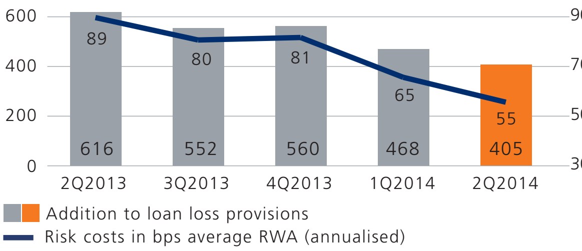
The total number of internal staff fell to 52,736 FTEs at the end of June. This is 10,741 lower than at the end of March, which still included 10,941 FTEs at ING Vysya Bank. Excluding ING Vysya Bank, internal staff rose by 200 FTEs, mainly in Retail International, which more than offset further declines in the Benelux.

Loan loss provisions

Risk costs declined further in the second quarter. ING Bank added EUR 405 million to the provision for loan losses, down from EUR 616 million a year ago and EUR 468 million in the previous quarter. The sequential decline mainly reflects lower net additions in Commercial Banking and Retail Germany, as well as the deconsolidation of ING Vysya Bank. The decline in Commercial Banking was particularly visible in Real Estate Finance and General Lending, while Structured Finance required higher net additions, mainly in the infrastructure and utilities industries. In Retail Germany, risk costs for the mortgage portfolio were lower, supported by the strong performance of the German economy. Risk costs in Retail Benelux were almost stable, as a decline in the Netherlands was offset by higher risk costs in Belgium. Risk costs for Dutch mortgages were 8.1% lower quarter-on-quarter at EUR 68 million. The increase of risk costs in Retail Belgium was mainly in business lending. Total NPLs at ING Bank rose to EUR 16.4 billion from EUR 15.9 billion in the first quarter of 2014; the NPL ratio rose slightly to 2.9% of total credit outstandings compared with 2.8% at the end of March.

Total risk costs were 55 basis points of average risk-weighted assets versus 65 basis points in the previous quarter and 89 basis points in the second quarter of 2013.

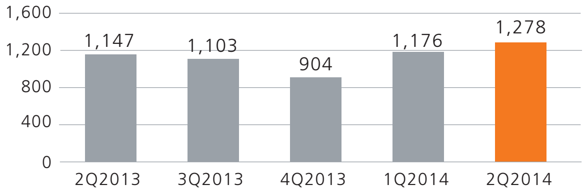
ADDITIONS TO LOAN LOSS PROVISIONS (in EUR million)



Underlying result before tax

The second-quarter 2014 underlying result before tax was EUR 1,278 million, an increase of 11.4% compared with the second quarter of 2013, principally as a result of lower risk costs. On a sequential basis, the underlying result before tax rose 8.7% due to lower risk costs and lower expenses. Income was almost flat despite the deconsolidation of ING Vysya Bank.

UNDERLYING RESULT BEFORE TAX - BANK (in EUR million)



Net result

The underlying net result rose to EUR 923 million from EUR 840 million in the second quarter of 2013 and EUR 830 million in the first quarter of 2014. The effective underlying tax rate was 26.5% compared with 24.7% in the second quarter of 2013 and 27.1% in the previous quarter.

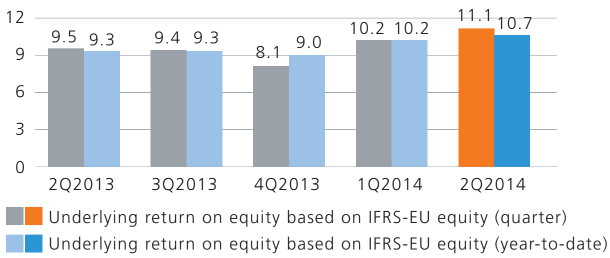
ING Bank's second-quarter net result was EUR 806 million, including EUR -117 million of special items after tax. These items reflect the second payment of EUR 101 million related to the nationalisation of SNS, and another EUR 16 million for the previously announced restructuring programmes in Retail Netherlands. ING's total bank levy related to the nationalisation of SNS is EUR 304 million. The first tranche of EUR 101 million was paid in the previous quarter and the last tranche of EUR 101 million will be paid in the third quarter of 2014.

Key metrics

Risk-weighted assets (RWA) increased by EUR 2.6 billion during the second quarter to EUR 293.4 billion. The increase was mainly caused by volume growth and EUR 1 billion of currency impacts.

ING Bank's common equity Tier 1 ratio (CET1 ratio) on a fully-loaded basis rose to 10.5% from 10.1% at the end of March, mainly due to retained earnings and higher revaluation reserves.

RETURN ON EQUITY (in %)



The year-to-date underlying return on IFRS-EU equity rose to 10.7% from 9.3% in the first half of 2013. The improvement was caused by a 6.3% increase in the underlying net result combined with a decline in the average equity base, as dividend payments to ING Group and the write-down in the net pension asset outweighed net earnings. The Ambition 2017 target range for return on IFRS-EU equity is 10-13%.

RETAIL BANKING

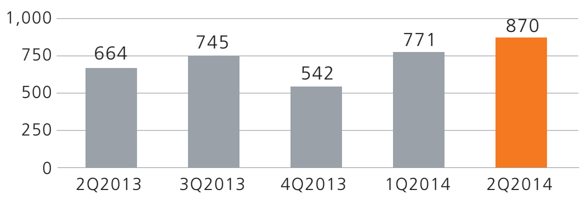
Retail Banking: Consolidated profit and loss account

	Total Retail Banking		Retail Banking Benelux				Retail International			
			Netherlands		Belgium		Germany		Rest of World	
In EUR million	2Q2014	2Q2013	2Q2014	2Q2013	2Q2014	2Q2013	2Q2014	2Q2013	2Q2014	2Q2013
Profit & loss										
Interest result	2,220	2,121	937	893	501	440	364	322	419	467
Commission income	332	330	114	117	94	90	31	28	94	94
Investment income	-8	3	1	1	-12	0	2	0	0	2
Other income	55	99	-15	13	38	39	3	3	28	44
Total underlying income	**2,599**	**2,552**	**1,037**	**1,024**	**621**	**569**	**400**	**352**	**540**	**607**
Staff and other expenses	1,459	1,508	568	560	350	364	188	173	353	412
Intangibles amortisation and impairments	6	9	4	7	2	2	0	0	0	0
Operating expenses	**1,466**	**1,518**	**571**	**567**	**352**	**366**	**188**	**173**	**354**	**412**
Gross result	**1,133**	**1,035**	**466**	**457**	**269**	**202**	**212**	**179**	**187**	**195**
Addition to loan loss provision	263	370	178	218	49	41	10	21	25	91
Underlying result before tax	**870**	**664**	**288**	**240**	**220**	**161**	**201**	**159**	**161**	**105**
Client balances (in EUR billion)[1]										
Residential Mortgages	275.6	282.6	131.6	143.6	31.9	30.4	63.2	60.4	48.9	48.2
Other Lending	94.4	97.1	36.1	38.4	36.2	35.5	4.7	4.1	17.4	19.1
Funds Entrusted	402.9	393.6	116.0	119.5	81.6	80.2	111.7	102.2	93.6	91.7
AUM/Mutual Funds	63.4	56.4	18.8	16.8	27.9	25.8	7.3	6.4	9.4	7.4
Profitability and efficiency[1]										
Cost/income ratio	56.4%	59.5%	55.1%	55.3%	56.7%	64.4%	47.1%	49.0%	65.5%	67.8%
Return on equity based on 10.0% common equity Tier 1[2]	17.1%	13.2%	13.7%	13.1%	26.2%	21.6%	21.7%	19.7%	14.5%	6.2%
Risk[1]										
Risk costs in bp of average RWA	69	105	113	158	83	81	17	38	24	83
Risk-weighted assets (end of period)	154,291	141,770	62,845	56,530	24,288	20,739	25,285	21,850	41,873	42,651

1) Key figures based on underlying figures.
2) Underlying after-tax return divided by average equity based on 10.0% common equity Tier 1 ratio (annualised).

Retail Banking had a strong underlying result before tax of EUR 870 million, up significantly from EUR 664 million in the second quarter of 2013. The improvement was driven by higher interest margins on lending and savings in most countries and lower risk costs. Expenses decreased, mainly reflecting the deconsolidation of ING Vysya Bank as per 31 March 2014. Compared with the first quarter of 2014, the result improved 12.8%, mainly due to a decrease in expenses, as the previous quarter included EUR 75 million for the annual Belgian bank taxes, which were recognised in full. Commercial momentum was robust in the second quarter, with a EUR 7.8 billion net growth in funds entrusted and EUR 3.5 billion in net lending production.

UNDERLYING RESULT BEFORE TAX - RETAIL BANKING (in EUR million)



Underlying income rose 1.8% year-on-year to EUR 2,599 million. The increase was driven by higher interest results following improved margins on savings and lending in most countries, which more than compensated for the impact of the deconsolidation of ING Vysya Bank. Compared with the first quarter of 2014, income decreased 2.2% due to the deconsolidation of ING Vysya Bank. However, adjusting for the deconsolidation, income was flat quarter-on-quarter even though the first quarter included capital gains in Belgium and the second quarter a one-off negative item in the Netherlands. The net growth of funds entrusted was EUR 7.8 billion, of which EUR 2.6 billion was in the Netherlands, EUR 2.2 billion in Germany, EUR 1.2 billion in Spain and EUR 1.2 billion in Belgium. Net lending grew by EUR 3.5 billion, of which EUR 1.5 billion was in Belgium, EUR 0.8 billion in Germany and EUR 0.3 billion in Poland.

Operating expenses declined 3.4% from the second quarter of 2013 to EUR 1,466 million due to the deconsolidation of ING Vysya Bank. Adjusting for the deconsolidation, operating expenses edged down 0.3% as higher expenses in Germany, mainly related to business growth, were offset by a decline in Belgium due to the absence of Belgian bank taxes in this quarter. In the Netherlands, expenses were slightly higher, while Retail Rest of World (excluding ING Vysya Bank) benefited from favourable currency impacts. Compared with the first quarter of 2014, total expenses at Retail Banking (excluding the impact of ING Vysya

Bank) decreased by EUR 80 million, or 5.2%, mainly reflecting the EUR 75 million of annual Belgian bank taxes booked in the first quarter of this year.

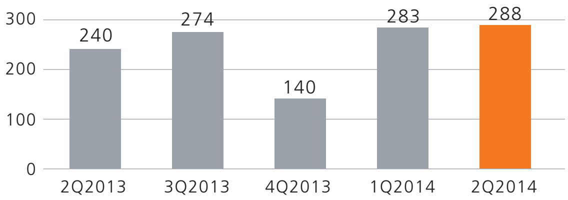
Risks costs were EUR 263 million, down on both comparable quarters. This was – next to the deconsolidation of ING Vysya Bank – mainly the result of lower risk costs in the Netherlands, Germany and Turkey, whereas the decline versus a year ago was also related to the UK legacy portfolio. These factors were only partially offset by higher risk costs in Belgium, which were mainly related to business lending.

Risk-weighted assets increased by EUR 2.7 billion in the second quarter to EUR 154.3 billion, mainly due to volume growth and increased prudency especially in Retail Belgium.

The underlying return on equity based on a 10% common equity Tier 1 ratio was 17.1% in the second quarter and 15.9% in the first half of 2014. The improvement from the second quarter of 2013, when it was 13.2%, reflects higher results which more than offset an 8.8% increase in RWA from a year ago.

RETAIL NETHERLANDS

UNDERLYING RESULT BEFORE TAX - NETHERLANDS (in EUR million)



The second-quarter result of Retail Netherlands was strong at EUR 288 million, up on both comparable quarters. The result improved significantly from EUR 240 million in the second quarter of 2013, driven by higher interest margins on savings and lending, and lower risk costs. Operating expenses were up slightly, reflecting marketing expenses related to the FIFA 2014 World Cup. Compared with the first quarter of 2014, the result rose slightly from EUR 283 million, as a small decline in income due to a EUR 23 million one-off loss on the sale of real estate in own use was more than offset by lower risk costs.

Total underlying income rose 1.3% from a year ago to EUR 1,037 million, mainly reflecting higher margins on lending and savings, which more than compensated for the decline in volumes due to the transfer of WUB assets and liabilities. Compared with the previous quarter, income decreased by EUR 11 million following a loss on the sale of real estate in own use. Adjusting for this one-off, underlying income rose 1.1% due to higher margins on mortgages and business lending, partly offset by a slightly lower interest margin on savings and current accounts due to the low interest rate environment. The mortgage portfolio declined by EUR 0.5 billion in the second quarter, of which EUR 0.4 billion was caused by additional transfers of WUB mortgages to NN Bank. Other lending, including business lending, rose by EUR 0.1 billion.

Funds entrusted grew by EUR 2.6 billion, reflecting increases in savings and current accounts.

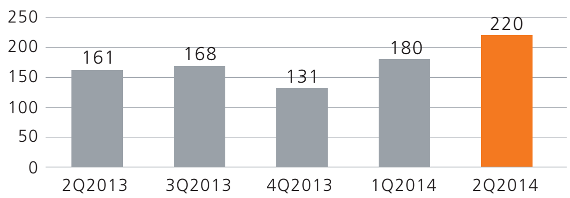
Operating expenses were EUR 571 million, up 0.7% year-on-year, mainly due to increased marketing expenses related to the FIFA 2014 World Cup. Benefits from the cost-efficiency programmes and lower operating expenses following the transfer of part of the WUB organisation to NN Bank compensated for increases in pension costs and IT spending. Compared with the first quarter of 2014, operating expenses declined by EUR 3 million. The cost-efficiency programmes remain on track to realise EUR 480 million of savings by the end of 2017. Of this amount, EUR 304 million have already been realised.

Risk costs totalled EUR 178 million and were down on both comparable quarters, in part due to a gradual economic recovery in the Netherlands. Compared with the first quarter of 2014, risk costs for mortgages decreased to EUR 68 million from EUR 74 million, while the NPL ratio remained unchanged at 2.0%. The net addition to the loan loss provisions for business lending was stable at EUR 103 million, while the non-performing loans ratio ticked up to 7.8% from 7.7% at the end of March.

Risk-weighted assets declined by EUR 0.1 billion in the second quarter to EUR 62.8 billion.

RETAIL BELGIUM

UNDERLYING RESULT BEFORE TAX - BELGIUM (in EUR million)



The second-quarter underlying result before tax of Retail Belgium was strong at EUR 220 million. The result improved on both comparable quarters fuelled by higher interest margins and increased volumes; additionally, the first quarter of 2014 was negatively affected by the retail portion of the annual Belgian bank taxes. Excluding these bank taxes, expenses remained under control. Risk costs increased both year-on-year and sequentially, partly caused by increased prudency and decreasing economic conditions.

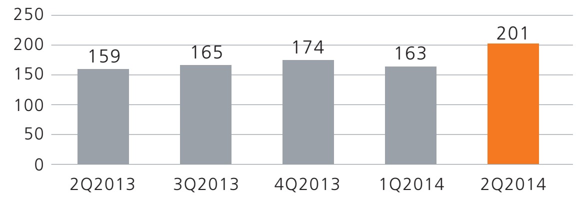
Total underlying income was EUR 621 million, up EUR 52 million, or 9.1% higher than in the same quarter of last year. The increase was supported by higher interest margins, predominantly on mortgages and savings, combined with increased volumes. Compared with the previous quarter, income decreased by EUR 22 million, or 3.6%, as the first quarter included EUR 25 million of capital gains and seasonally high entrance fees on mutual funds. This was partly offset by EUR 21 million of higher interest results. Operating expenses declined 3.8% year-on-year to EUR 352 million. The decline was mainly caused by the absence of Belgian bank taxes in the second quarter of 2014, whereas the second quarter of 2013 included a EUR 12 million charge for these taxes. Compared with the first quarter of 2014, which included EUR 75 million of the total annual Belgian bank taxes, operating expenses declined by EUR 81 million. Adjusting for the bank taxes, operating expenses declined 1.7%, mainly due to lower staff expenses. The strategic projects announced by ING Belgium remain on track to realise EUR 160 million of cost savings by the end of 2017. Of this amount, EUR 60 million have already been realised.

Risk costs increased to EUR 49 million from EUR 41 million a year ago and EUR 31 million in the previous quarter. The increase versus both previous quarters is mainly attributable to higher risk costs at both ING Bank Belgium and Record Bank related to primarily business lending which reflect lower expected recovery rates. The net addition for mortgages remained low at EUR 5 million.

Risk-weighted assets increased in the second quarter by EUR 1.5 billion to EUR 24.3 billion, mainly reflecting business growth and lower expected recovery rates in the business lending portfolio.

RETAIL GERMANY

UNDERLYING RESULT BEFORE TAX - GERMANY (in EUR million)



Retail Germany had another strong quarter with an underlying result before tax of EUR 201 million, up from EUR 159 million in the second quarter of 2013. The improvement in results was driven by a strong increase in income, reflecting continued volume growth and higher margins on savings. Higher expenses due to business growth were offset by lower risk costs. The cost/income ratio improved by almost 2 percentage points to 47.1% as income growth outpaced expense growth. Compared with the first quarter of 2014, the result increased 23.3%, mainly due to lower risk costs on mortgages and higher income.

Underlying income was EUR 400 million, up 13.6% from EUR 352 million in the second quarter of 2013. The increase primarily reflects higher interest results stemming from higher lending and savings balances. The interest margin on savings improved, supported by the downward adjustment for rates on savings accounts with high balances in March 2014. Compared with the previous quarter, income rose 6.4% due to improved other income related to positive hedge ineffectiveness and higher interest results following a further increase in volumes. Funds entrusted grew by EUR 2.2 billion in the second quarter, while the net production in retail lending, mainly residential mortgages, was EUR 0.8 billion in the second quarter.

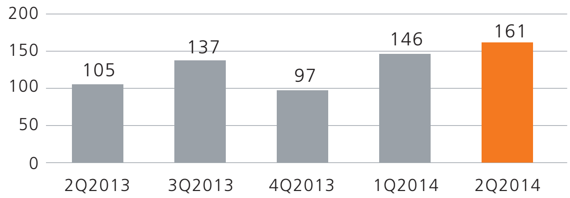
Operating expenses were EUR 188 million, up 8.7% from the second quarter in 2013. The increase primarily reflects an increase in headcount and higher marketing expenses to support business growth, as well as increased deposit insurance premiums. Expenses were marginally higher compared with the first quarter of 2014 due to new staff hired to support business growth.

Risk costs were EUR 10 million, down from EUR 21 million in the second quarter of 2013 and EUR 27 million in the previous quarter. The decline on both prior quarters reflects the strong performance of the German economy, which translates positively into the performance of the mortgage portfolio.

Risk-weighted assets increased in the second quarter by EUR 0.7 billion to EUR 25.3 billion, mainly reflecting business growth.

RETAIL REST OF WORLD

UNDERLYING RESULT BEFORE TAX - REST OF WORLD (in EUR million)



The underlying result before tax of Retail Rest of World increased to EUR 161 million from EUR 105 million in the second quarter of 2013 and EUR 146 million in the previous quarter. The higher result versus the year-ago quarter mainly reflects better commercial results in Poland, Italy and Spain, and the absence of risk costs in the UK Legacy run-off portfolio. This was in part offset by the deconsolidation of ING Vysya Bank and lower results in Turkey and Australia.

Total underlying income declined to EUR 540 million from EUR 607 million a year ago, fully caused by the deconsolidation of ING Vysya Bank, which contributed EUR 9 million to the quarterly result (ING's share in the net profit) versus EUR 75 million a year ago. Adjusting for currency impacts and the deconsolidation of ING Vysya Bank, income increased 7.4% due to higher interest results in Poland, Italy and Spain, partly offset by lower income in Turkey and Australia. The decline in Turkey was mainly caused by increasing deposit rates and new regulation on overdrafts, while Australia included a one-off gain on the sale of a mortgage portfolio in the second quarter of 2013. Compared with the first quarter of 2014, income decreased by EUR 49 million, but it increased by EUR 6 million when adjusted for the deconsolidation of ING Vysya Bank and currency impacts. Net funds entrusted increased by EUR 1.8 billion in the second quarter, mainly driven by Spain, but also due to growth in Poland, Turkey and France. The net production in retail lending was EUR 1.1 billion, with growth concentrated in Turkey and Poland.

Operating expenses decreased by EUR 58 million from a year ago to EUR 354 million, mainly due to the deconsolidation of ING Vysya Bank and favourable currency impacts. Adjusting for these impacts, expenses increased 2.9%, mainly due to the expansion of headcount and higher IT spend to support business growth in Turkey. Compared with the previous quarter, comparable operating expenses dropped by EUR 4 million.

Risk costs were EUR 25 million, down from EUR 91 million in the second quarter of 2013, which included a EUR 30 million net addition for the UK legacy run-off portfolio and EUR 11 million of risk costs for ING Vysya Bank. The remaining decrease is primarily attributable to Turkey due to a lower probability of default for the business lending portfolio, as well as small releases in Australia. Risk costs declined by EUR 21 million from the previous quarter, due to the deconsolidation of ING Vysya Bank and lower risk costs in Turkey.

Risk-weighted assets increased in the second quarter by EUR 0.6 billion to EUR 41.9 billion, mainly reflecting business growth and currency impacts.

COMMERCIAL BANKING

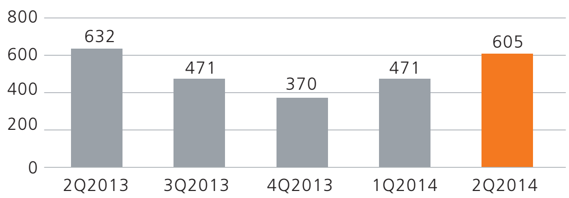
Commercial Banking: Consolidated profit and loss account

	Total Commercial Banking		Industry Lending		General Lending & Transaction Services		Financial Markets		Bank Treasury, Real Estate & Other	
In EUR million	2Q2014	2Q2013	2Q2014	2Q2013	2Q2014	2Q2013	2Q2014	2Q2013	2Q2014	2Q2013
Profit & loss										
Interest result	852	857	403	387	251	239	139	123	59	108
Commission income	263	253	136	124	93	98	33	30	0	1
Investment income	45	49	11	15	0	0	-1	5	35	29
Other income excl. CVA/DVA	209	192	-19	-18	5	5	150	153	73	52
Underlying income excl. CVA/DVA	1,369	1,351	531	507	349	342	322	312	167	190
Other income - DVA on structured notes	-34	34					-34	34		
Other income - CVA/DVA on derivatives	-13	45					-13	45		
Total underlying income	**1,322**	**1,430**	**531**	**507**	**349**	**342**	**274**	**391**	**167**	**190**
Staff and other expenses	560	543	124	111	181	176	196	195	59	61
Intangibles amortisation and impairments	15	10	9	0	0	0	0	0	6	10
Operating expenses	**575**	**553**	**133**	**111**	**181**	**176**	**196**	**195**	**64**	**71**
Gross result	**747**	**878**	**398**	**396**	**167**	**166**	**78**	**196**	**103**	**119**
Addition to loan loss provision	142	245	63	155	58	44	-1	-1	22	47
Underlying result before tax	**605**	**632**	**335**	**241**	**109**	**122**	**79**	**197**	**81**	**72**
Client balances (in EUR billion)[1)]										
Residential Mortgages										
Other Lending	129.5	125.0	76.8	74.4	43.1	39.3	2.3	1.6	7.2	9.6
Funds Entrusted	75.7	73.5	1.2	0.8	37.2	35.8	3.2	3.9	34.0	33.0
AUM/Mutual Funds	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Profitability and efficiency[1)]										
Cost/income ratio	43.5%	38.6%	25.0%	21.9%	52.0%	51.4%	71.6%	49.8%	38.5%	37.1%
Return on equity based on 10.0% common equity Tier 1[2)]	12.4%	14.7%	20.3%	15.4%	9.2%	9.2%	7.0%	22.6%	7.7%	11.3%
Risk[1)]										
Risk costs in bp of average RWA	42	76	52	118	68	47	-1	-1	54	141
Risk-weighted assets (end of period)	135,024	130,128	49,198	54,860	34,908	36,674	35,361	25,317	15,557	13,277

1) Key figures based on underlying figures.
2) Underlying after-tax return divided by average equity based on 10.0% common equity Tier 1 ratio (annualised).

Commercial Banking had a solid second quarter, driven by a strong performance from Structured Finance within Industry Lending. Commercial Banking reported a profit before tax of EUR 605 million, despite a EUR -47 million CVA/DVA impact. Excluding CVA/DVA, the result increased 17.9% from a year ago and 24.2% from the previous quarter due to decreasing risk costs and higher income, supported by strong volume growth. Excluding CVA/DVA, income grew 1.3% year-on-year and 7.4% sequentially, supported by lending and interest margin growth in Structured Finance and General Lending & Transaction Services. Risk costs continued their downward trend, driven by Real Estate Finance.

UNDERLYING RESULT BEFORE TAX - COMMERCIAL BANKING (in EUR million)



Total underlying income was 7.6% lower than in the second quarter of 2013, caused by negative credit and debt valuation adjustments (CVA/DVA). The CVA/DVA effects, reported within Financial Markets, were EUR -47 million for the quarter, down from EUR 79 million in the second quarter of 2013, but less negative than the EUR -54 million in the previous quarter. Excluding the CVA/DVA impact, income rose 1.3% on the second quarter of 2013 and 7.4% on the first quarter. Industry Lending income increased 4.7% on the year-ago quarter as the income growth in Structured Finance, fuelled by higher lending volumes, more than compensated for a reduction of income in Real Estate Finance. Financial Markets income, excluding CVA/DVA effects, was 2.9% higher than in the second quarter of last year due to higher income in Debt Capital Markets. Bank Treasury, Real Estate & Other income was down 12.1% on the prior year's second quarter due to lower Bank Treasury income. Compared with the first quarter of 2014, Commercial Banking income increased 8.4%, due to the strong increase in Structured Finance and higher income in General Lending & Transaction Services, both fuelled by higher lending volumes.

The interest result decreased 0.6% year-on-year as higher interest results in Structured Finance, General Lending & Transaction Services and Financial Markets were offset by lower interest results in Bank Treasury and the General Lease run-off business. Bank Treasury was down due to the low interest rate environment, resulting in lower investment spreads, and because of initiatives to meet new regulatory requirements. The higher interest result in Structured Finance was supported by higher volumes. Higher volumes and increased interest margins in Trade Finance Services improved the interest result in General Lending & Transaction Services. Compared with the previous quarter, the interest result rose due to strong volume growth both in Structured Finance and in General Lending & Transaction Services, and margins improved.

Commission income rose 4.0% from the same quarter a year ago and 21.8% from the previous quarter, mainly due to Industry Lending. The strong commission income in Industry Lending in both comparable quarters was driven by Structured Finance, in part due to the strong volume growth.

Investment income was EUR 45 million, down slightly from EUR 49 million in the second quarter of 2013. Compared with the previous quarter, investment income dropped as a result of lower capital gains from the sale of bonds within Bank Treasury.

Total other income amounted to EUR 162 million, down from EUR 271 million a year ago and fully attributable to CVA/DVA effects in Financial Markets. Compared with the prior quarter, other income rose by EUR 64 million, mainly due to a higher revaluation of derivatives used for hedging purposes in Bank Treasury.

Operating expenses increased 4.0% year-on-year as the additional cost savings from the restructuring plans were more than offset by salary increases and higher IT investments (in order to improve ING's service offering and product capabilities), and higher staff numbers in Structured Finance to support the growth ambition. Expenses fell 0.5% from the previous quarter. This quarter included higher real estate impairments, partly reported in Industry Lending, whereas the previous quarter included the full-year booking of the Belgian bank taxes. Excluding these items, expenses were in line with the previous quarter. The cost/income ratio was 43.5%, an improvement from the 47.4% in the previous quarter, but a deterioration from the 38.6% in the second quarter of 2013. The restructuring programmes announced by Commercial Banking are on track to realise EUR 315 million of cost savings by the end of 2017. At the end of June 2014, EUR 157 million of cost savings had already been realised.

Risk costs have continued their downward trend. The net addition to the provision for loan losses decreased further in Real Estate Finance, partly explained by a net release of a larger file. The risk costs in General Lending & Transaction Services and Structured Finance remained lumpy.

Risk-weighted assets (RWA) declined by EUR 0.4 billion on the previous quarter to EUR 135.0 billion as the impact of volume growth in Structured Finance and General Lending was offset by lower RWA in Financial Markets and Bank Treasury, Real Estate & Other.

The underlying return on equity, based on a 10% common equity Tier 1 ratio, was 12.4% in the second quarter and 12.2% in the first half of 2014.

INDUSTRY LENDING

Industry lending posted an underlying result before tax of EUR 335 million, up 39.0% from a year ago and 20.5% from the previous quarter. Both increases reflect strong income growth in Structured Finance and low risk costs in Real Estate Finance (REF). Income was up 4.7% year-on-year, mainly due to strong commission income in Structured Finance, more than compensating for the lower income in Real Estate Finance following the EUR 5 billion portfolio reduction versus a year ago. Compared with the previous quarter, income rose 17.0%. This was mainly due to Structured Finance, which was supported by a 7.1% growth of loan volumes. Expenses were up 19.8% on the prior year, partly due to EUR 9 million of impairments on repossessed real estate assets reported within Real Estate Finance. Additionally, new hires to support the growth ambition in Structured Finance and higher IT investment resulted in a year-on-year cost increase. Expenses rose 9.0% on the previous quarter, mainly as a result of the real estate impairments. The cost/income ratio remained low at 25.0%. Net additions to loan loss provisions amounted to EUR 63 million, down from EUR 155 million a year ago but up from the EUR 54 million in the first quarter of the year. Net additions to the provision for loan losses in REF were only EUR 2 million for the quarter, partly related to a provision release on a larger file.

GENERAL LENDING & TRANSACTION SERVICES

The underlying result before tax from General Lending & Transaction Services was EUR 109 million, down 10.7% from a year ago but up EUR 72 million on the first quarter of 2014, which included high risk costs related to specific files in General Lending. Income was 2.0% higher year-on-year, mainly due to the continued growth in Trade Finance Services and Bank Mendes Gans. General Lending income dropped 9.1%, mainly due to lower interest margins. Compared with the previous quarter, total income increased 7.7%, mainly because of General Lending as both interest margins and commissions improved on a slightly lower portfolio. Expenses were up 2.8% on the previous year, partly related to higher investments in IT to enhance the service offering in PCM. Compared with the previous quarter, which included the booking of the Belgian bank taxes, costs fell 2.7%. Risk costs were EUR 58 million for the quarter, up EUR 14 million from EUR 44 million in the second quarter of 2013, but down strongly from EUR 101 million in the previous quarter.

FINANCIAL MARKETS

Financial Markets showed a solid performance, with client flows increasing versus the second quarter of last year and the previous quarter. Financial Markets posted an underlying result before tax of EUR 79 million, down EUR 118 million from the same quarter of 2013, but up EUR 31 million from the previous quarter. The year-on-year variance was influenced by the negative credit and debt valuation adjustments. Results in the current quarter included EUR -47 million of credit and debt valuation adjustments (CVA/DVA) compared with EUR 79 million a year ago and EUR -54 million in the previous quarter. Excluding the CVA/DVA impacts, results from Financial Markets were EUR 126 million, up from EUR 118 million a year ago and EUR 102 million in the previous quarter. Income excluding CVA/DVA increased on both comparable quarters due to higher client flows, especially driving the result in the Debt Capital Market business. Operating expenses increased 0.5% from a year ago, partly due to higher IT investments. Expenses were down on the previous quarter, which included the full-year booking of the Belgian bank taxes.

BANK TREASURY, REAL ESTATE AND OTHER

Bank Treasury, Real Estate and Other booked an underlying result before tax of EUR 81 million, up from EUR 72 million in the same quarter of 2013 but down from EUR 108 million in the previous quarter. Income fell EUR 23 million compared with the same quarter a year ago; the decrease was mainly in Bank Treasury and as a result of portfolio reductions within the General Lease run-off activities. Bank Treasury income was down on the second quarter of 2013 as a result of initiatives taken to meet new regulatory liquidity rules in combination with the low yield environment, which impacted investment returns. Compared with the previous quarter, income decreased by EUR 13 million. Expenses declined 9.9% from a year ago as a result of lower impairments within Real Estate Development (RED) and ongoing reductions in the run-off businesses. Bank Treasury expenses were down on the same quarter of last year, which included implementation costs of the single Bank Treasury organisation. Compared with the previous quarter, expenses increased 16.4%, mainly related to higher RED impairments.

CORPORATE LINE BANKING

Banking Corporate Line: Underlying result before tax		
In EUR million	2Q2014	2Q2013
Income on capital surplus	112	147
Solvency costs	-30	-59
Financing charges	-87	-33
Other Capital Management	-5	28
Capital Management excl. DVA	-9	82
Bank Treasury excl. DVA	-132	-210
DVA	-11	-28
Other	-45	5
Underlying result before tax	**-197**	**-150**

Corporate Line Banking posted an underlying result before tax of EUR -197 million compared with EUR -150 million in the same quarter of last year. The underlying result before tax in the previous quarter was EUR -66 million.

Capital Management-related results decreased to a loss of EUR 9 million from a profit of EUR 82 million in the second quarter of last year.

Income on capital surplus declined to EUR 112 million from EUR 147 million in the same quarter of 2013 due to lower returns on reinvested tranches and an increase of economic capital, which resulted in a higher allocation of income to the business units.

Solvency costs decreased to EUR 30 million from EUR 59 million in the second quarter of last year. The improvement mainly reflects the call of hybrid securities in December 2013 and April 2014.

‘Financing charges’ increased by EUR 54 million to EUR 87 million, mainly due to a EUR 51 million one-off loss following the accelerated amortisation of capitalised fees on issued debt, which was triggered by the implementation of CRD IV, increased clarity on grandfathering rules and potential changes in tax legislation.

Other Capital Management declined to a loss of EUR 5 million from a profit of EUR 28 million in the second quarter of last year. This decline includes the lower interest result following the unwinding of the IABF at the end of 2013.

Bank Treasury-related results include the isolated legacy costs (mainly negative interest results) for replacing short-term funding with long-term funding. The Bank Treasury result improved to EUR -132 million from EUR -210 million in the same quarter of 2013. This improvement was mainly attributable to long-term funding as the repurchase of Dutch government-guaranteed ING Bank notes in June 2013 resulted in a one-off loss, but it significantly lowered interest expenses going forward. Next to this, fair value variation on long-term debt was less negative than in the second quarter of last year. This was partly offset by weaker results from the legacy portfolio.

DVA on own-issued debt was EUR -11 million compared with EUR -28 million last year. ING’s credit spread tightened to a lesser extent than in the second quarter of 2013.

‘Other’ turned to a loss of EUR 45 million, compared with a profit of EUR 5 million in the same quarter of 2013. This was partly due to higher shareholder expenses, lower value-added tax restitutions and additional regulatory costs.

CONSOLIDATED BALANCE SHEET

ING Bank N.V.: Consolidated balance sheet

in EUR million	30 Jun. 14	31 Mar. 14	31 Dec. 13[1]
Assets			
Cash and balances with central banks	12,334	19,148	11,920
Amounts due from banks	43,185	49,481	42,996
Financial assets at fair value through P&L	133,198	124,132	121,576
- trading assets	126,171	117,961	113,537
- non-trading derivatives	3,479	3,290	5,731
- other	3,548	2,881	2,308
Investments	94,439	82,565	79,981
- debt securities available-for-sale	90,251	78,288	75,238
- debt securities held-to-maturity	2,497	2,676	3,098
- equity securities available-for-sale	1,691	1,601	1,645
Loans and advances to customers	513,488	507,774	508,329
- securities at amortised cost and IABF	11,740	12,632	15,692
- customer lending	501,747	495,142	492,637
Investments in associates	1,469	1,549	937
Real estate investments	93	55	55
Property and equipment	2,127	2,206	2,282
Intangible assets	1,613	1,596	1,606
Other assets	16,758	16,462	17,884
Total assets excl. assets held for sale	**818,705**	**804,969**	**787,566**
Assets held for sale	-	-	-
Total assets	**818,705**	**804,969**	**787,566**

	30 Jun. 14	31 Mar. 14	31 Dec. 13[1]
Equity			
Shareholders' equity	34,124	32,341	32,805
Minority interests	557	539	955
Total equity	**34,681**	**32,880**	**33,760**
Liabilities			
Subordinated loans	15,519	16,227	14,776
Debt securities in issue	130,000	126,238	122,299
Amounts due to banks	32,401	29,882	27,200
Customer deposits and other funds on deposit	488,411	483,734	474,775
- savings accounts	293,809	288,109	284,069
- credit balances on customer accounts	134,505	133,822	130,067
- corporate deposits	59,200	61,181	59,767
- other	897	622	872
Financial liabilities at fair value through P&L	100,004	99,552	97,021
- trading liabilities	79,530	78,554	73,491
- non-trading derivatives	6,401	6,806	9,676
- other	14,074	14,193	13,855
Other liabilities	17,690	16,455	17,734
Total liabilities excl. liabilities held for sale	**784,024**	**772,089**	**753,806**
Liabilities held for sale	-	-	-
Total liabilities	**784,024**	**772,089**	**753,806**
Total equity and liabilities	**818,705**	**804,969**	**787,566**

1) The comparative figures of this period have been restated to reflect the implementation of IFRS 11, which replaced proportional consolidation for joint ventures by equity accounting.

ING Bank's balance sheet increased by EUR 14 billion to EUR 819 billion (including EUR 3 billion of currency impacts), reflecting strong commercial growth during the quarter. Customer lending grew by EUR 5 billion at comparable currency rates. The funding profile improved due to a EUR 5 billion net inflow of savings and EUR 5 billion of long-term debt issuance, which was partly offset by EUR 2 billion of maturing debt. Shareholders' equity strengthened by EUR 2 billion to EUR 34 billion. Cash previously placed at (central) banks was used to purchase CRD IV-eligible investments.

Cash and balances with central banks

Cash and balances with central banks decreased by EUR 7 billion to EUR 12 billion, as excess cash was used to purchase investments, partly in response to the negative ECB deposit rate.

Amounts due from and to banks

Amounts due from banks declined by EUR 6 billion to EUR 43 billion, as less cash was placed at banks in part due to the purchase of investments. Amounts due to banks increased by EUR 3 billion to EUR 32 billion.

Loans and advances to customers

Loans and advances to customers increased by EUR 4 billion, excluding currency impacts, to EUR 513 billion. Customer lending was up by EUR 5 billion without currency impacts. Residential mortgages were EUR 1 billion higher, mainly in Germany and Belgium, partly offset by the Netherlands (including transfers to NN Bank). Other customer lending rose by EUR 3 billion, driven by Commercial Banking Structured Finance, Retail Germany and Retail Belgium. Securities at amortised cost were EUR 1 billion lower due to run-off.

Financial assets/liabilities at fair value

Financial assets at fair value through P&L increased by EUR 9 billion to EUR 133 billion, due to higher Financial Markets activities combined with a higher valuation of trading derivatives following a further decline of interest rates. Financial liabilities at fair value through P&L were stable at EUR 100 billion. Financial assets and liabilities at fair value contain predominantly derivatives, securities and repos, which are mainly used to facilitate the servicing of ING's clients.

Investments

Investments were up by EUR 12 billion to EUR 94 billion, primarily reflecting purchases of government bonds as a destination of excess cash that was previously placed at (central) banks.

Debt securities in issue

Debt securities in issue increased by EUR 3 billion at comparable currency rates. CD/CPs were flat versus March. ING Bank issued EUR 5 billion of long-term debt, of which EUR 4 billion of senior unsecured debt and EUR 1 billion of RMBS, which were partly offset by EUR 2 billion maturing debt.

Customer deposits and other funds on deposits

Customer deposits increased at comparable currency rates by EUR 4 billion to EUR 488 billion, of which EUR 5 billion was due to growth in savings, mainly attributable to net inflows in Germany, the Netherlands and Spain. Corporate deposits declined by EUR 2 billion due to lower overnight deposits at Commercial Banking, which are not included in the 'funds entrusted client balances' definition. The loan-to-deposit ratio increased to 1.03 from 1.02 in March, as customer lending increased slightly more than customer deposits.

Total equity and subordinated loans

Shareholders' equity of ING Bank increased by EUR 1.8 billion to EUR 34.1 billion, mainly as a result of retained earnings and higher revaluation reserves. Subordinated loans decreased, mainly due to the calling of EUR 1.1 billion of Tier 1 securities.

RISK & CAPITAL MANAGEMENT

ING Bank: Loan book

in EUR million	Credit outstandings[1] 30 Jun. 2014	Credit outstandings[1] 31 Mar. 2014	Non-performing loans 30 Jun. 2014	Non-performing loans 31 Mar. 2014	NPL% 30 Jun. 2014	NPL% 31 Mar. 2014
Residential mortgages Netherlands	136,508	136,877	2,714	2,793	2.0%	2.0%
Other lending Netherlands	36,383	37,162	2,970	2,903	8.2%	7.8%
of which Business Lending Netherlands	30,299	30,085	2,370	2,307	7.8%	7.7%
Residential mortgages Belgium	31,314	30,883	737	712	2.4%	2.3%
Other lending Belgium	38,836	37,544	1,517	1,503	3.9%	4.0%
of which Business Lending Belgium	32,220	31,248	1,298	1,294	4.0%	4.1%
Retail Banking Benelux	**243,041**	**242,466**	**7,938**	**7,911**	**3.3%**	**3.3%**
Residential mortgages Germany	62,908	62,261	594	591	0.9%	0.9%
Other lending Germany	11,683	12,180	146	141	1.2%	1.2%
Residential mortgages Rest of World	49,345	48,687	298	296	0.6%	0.6%
Other lending Rest of World[2]	25,129	23,950	1,009	1,016	4.0%	4.2%
Retail Banking International	**149,065**	**147,078**	**2,047**	**2,044**	**1.4%**	**1.4%**
Industry Lending	91,364	87,976	4,059	3,808	4.4%	4.3%
of which: Structured Finance	67,143	63,655	1,364	1,163	2.0%	1.8%
of which: Real Estate Finance	23,950	24,022	2,668	2,618	11.1%	10.9%
General Lending & Transaction Services	61,857	59,579	1,225	1,076	2.0%	1.8%
FM, Bank Treasury, Real Estate & other	24,784	30,372	1,103	1,101	4.4%	3.6%
of which General Lease run-off	6,072	6,595	1,101	1,099	18.1%	16.7%
Commercial Banking	**178,004**	**177,927**	**6,386**	**5,985**	**3.6%**	**3.4%**
Total loan book	**570,110**	**567,471**	**16,371**	**15,940**	**2.9%**	**2.8%**

1) Lending and money market credit outstandings, including guarantees and letters of credit (off balance positions).
2) Figures 31 March 2014 have been adjusted to reflect the deconsolidation of ING Vysya Bank.

ING Bank's lending credit outstandings increased in the second quarter in both Retail Banking and Commercial Banking. The NPL ratio increased slightly to 2.9% with a coverage ratio of 38.0%. ING Bank's capital position remains robust with a fully-loaded CRD IV common equity Tier 1 ratio of 10.5%. The funding profile remains strong with a loan-to-deposit ratio of 1.03 and continued long-term funding issuance.

Credit risk management

ING Bank's non-performing loans (NPLs) expressed as a percentage of lending credit outstandings increased to 2.9%, up from 2.8% in the first quarter, due to higher amount of non-performing loans. Total credit outstandings increased 0.5% quarter-on-quarter, driven by higher lending credit outstandings mainly in Retail International and Commercial Banking. The increase in non-performing loans was driven by Commercial Banking and Business Lending Netherlands within Retail Banking.

At Retail Netherlands, the NPL ratio for residential mortgages remained stable at 2.0%. The portfolio slightly declined following additional transfers of WUB mortgages to NN Bank. The NPL ratio for Business Lending Netherlands increased to 7.8% from 7.7% in the first quarter, impacted by the relatively weak domestic economic environment. Despite some early signs of economic improvement in the Netherlands, we expect the NPLs at Retail Banking Netherlands to remain elevated due to the relatively subdued domestic economy.

The NPL ratio for other lending in Retail Rest of World decreased from 4.2% to 4.0% due to higher credit outstandings.

ING Bank: Stock of provisions[1]

in EUR million	Retail Banking Benelux	Retail Banking International	Commercial Banking	Total ING Bank 2Q2014	Total ING Bank 1Q2014
Stock of provisions at start of period	**2,364**	**1,311**	**2,480**	**6,155**	**6,154**
Changes in composition of the Bank					-170
Amounts written off	-147	-49	-175	-371	-309
Recoveries of amounts written off	9	-2	15	22	29
Increases in loan loss provisioning	336	71	244	651	660
Releases from loan loss provisioning	-109	-35	-102	-246	-192
Net additions to loan loss provisions	227	36	142	405	468
Exchange or other movements		5	6	11	-17
Stock of provisions at end of period	**2,453**	**1,301**	**2,468**	**6,222**	**6,155**
Coverage ratio 2Q2014	**30.9%**	**63.6%**	**38.6%**	**38.0%**	
Coverage ratio 1Q2014	29.9%	64.2%	41.4%	38.6%	

1) At the end of June 2014, the stock of provisions included provisions for amounts due from banks: EUR 4 million (March 2014: EUR 5 million).

Within Commercial Banking, the NPL ratio increased from 3.4% to 3.6%. The growth in credit outstandings was outweighed by higher NPLs. Some large files within Structured Finance and General Lending & Transaction Services became non-performing, including one related to the situation in Ukraine.

The situation in Ukraine and Russia, including the possible impact of sanctions, warrants intensified monitoring. ING Bank continues to critically look at its exposures in the region and manage down exposures where possible. In the second quarter our outstanding to Ukraine and Russia decreased to EUR 1.4 billion and EUR 8.0 billion, respectively. The volatile situation led to an increase of the Ukraine NPL ratio to 20% from 11% at the end of March, while the Russia NPL ratio remains 0%.

In the second quarter, ING Bank's stock of provisions remained stable at EUR 6.2 billion, as net additions to loan loss provisions were almost fully matched by write-offs. The coverage ratio decreased to 38.0% from 38.6% in the first quarter due to higher NPLs. The coverage ratio in Retail Banking Benelux increased mainly due to higher provisions. Retail Banking International and Commercial Banking's coverage ratios decreased, driven by higher write-offs and higher NPLs in Structured Finance and General Lending & Transaction Services. The Bank's loan portfolio consists predominantly of asset-based and/or well-secured loans, including Structured Finance, Real Estate Finance and mortgage loans in Retail Banking.

Securities portfolio

In the second quarter, ING Bank's overall exposure to debt securities increased to EUR 107.5 billion from EUR 96.8 billion at the end of March. This was mainly due to an increase of EUR 10.8 billion in LCR eligible government bonds. The net growth consisted of government bond investments in the EU and the US with medium and long-term tenors. This increase was partially offset by a decrease in covered bonds due to maturing Cedulas. The debt securities revaluation reserve rose to EUR 1.3 billion after tax, compared with EUR 1.0 billion at the end of March 2014.

ING Bank: Debt securities[1]

in EUR billion	30 Jun. 14	31 Mar. 14
Government bonds	66.7	55.9
Covered bonds	19.0	19.4
Financial institutions	12.1	11.7
Corporate bonds	2.7	2.6
ABS	7.0	7.2
US RMBS	0.4	0.4
Non-US RMBS	4.3	4.5
CMBS	0.1	0.1
CDO/CLO	0.0	0.0
Other ABS	2.2	2.2
Subtotal debt securities	**107.5**	**96.8**

1) Figures exclude positions at fair value through the P&L but include securities classified as Loans & Receivables.

Funding and liquidity

In the second quarter of 2014, the ECB announced measures to improve liquidity conditions and support bank lending. These include, amongst others, rates cuts, the TLTRO and a plan for outright ABS purchases. These measures, in combination with the continuation of quantitative easing in the US, albeit at a lower pace, led to increased liquidity in the market. ING Bank issued long-term funding with a total of EUR 5 billion, consisting of EUR 4 billion of senior debt (of which USD 1.25 billion via private placement) and EUR 1 billion of ING Direct Australia RMBS. These issuances were partly used to offset EUR 2 billion of maturing debt.

ING Bank's loan-to-deposit ratio, excluding securities that are recorded at amortised cost, increased slightly to 1.03 from 1.02 at the end of March 2014 as customer lending slightly outpaced customer deposits. In the second quarter of 2014, ING Bank's total eligible collateral position increased to EUR 203 billion at market values compared with EUR 192 billion at the end of March 2014. The improvement primarily reflects the increase in high quality liquid government bonds.

ING Bank Liquidity buffer

in EUR million	30 Jun. 14	31 Mar. 14
Cash and holdings at central bank	6,366	13,046
Securities issued or guaranteed by sovereigns, central banks and multilateral development bank	95,046	76,347
Liquid assets eligible at central banks (not included in above)	95,141	95,081
Other liquid assets	6,317	7,478
Total	**202,867**	**191,952**

Market risk

In the second quarter of 2014, the average Value-at-Risk (VaR) remained stable at EUR 9 million compared with the prior quarter. The overnight VaR for ING Bank's trading portfolio ranged from EUR 6 million to EUR 14 million.

ING Commercial Banking: Consolidated VaR trading books

in EUR million	Minimum	Maximum	Average	Quarter-end
Foreign exchange	1	4	2	3
Equities	2	4	3	2
Interest rate	4	9	5	5
Credit spread	3	5	4	4
Diversification			-5	-7
Total VaR[1]	**6**	**14**	**9**	**8**

1) The total VaR for the columns Minimum and Maximum cannot be calculated by taking the sum of the individual components since the observations for both the individual markets as well as for total VaR may occur on different dates.

Risk-weighted assets (RWA)

At the end of June 2014, ING Bank's total RWA stood at EUR 293.4 billion, an increase of EUR 2.6 billion in the second quarter. Credit RWA increased by EUR 3.2 billion to EUR 249.8 billion, of which EUR 1.6 billion is explained by asset production and EUR 0.8 billion resulted from positive currency effects. Market RWA decreased by EUR 0.1 billion to EUR 9.3 billion in the second quarter of 2014, while operational RWA declined by EUR 0.5 billion to EUR 34.3 billion following the deconsolidation of ING Vysya Bank.

ING Bank: RWA composition		
in EUR billion	30 Jun. 14	31 Mar. 14
Credit RWA	249.8	246.6
Operational RWA	34.3	34.8
Market RWA	9.3	9.4
Total RWA	**293.4**	**290.8**

Capital ratios

The capital position table reflects own funds according to the Basel III rules as specified in the CRR/CRD IV. As CRD IV will be phased in gradually until 2019, the table shows the CRD IV positions according to both the 2019 end-state rules and the 2014 phased-in rules.

ING Bank remains well capitalised with a fully-loaded common equity Tier 1 ratio of 10.5%, up from 10.1% at the end of March 2014. The increase reflects EUR 0.9 billion of retained earnings and higher revaluation reserves. This was only partially offset by higher RWAs resulting from asset production. The common equity Tier 1 ratio amply applies with CRR/CRD IV solvency requirements. The fully-loaded Tier 1 ratio increased from 11.9% to 12.0% at the end of June as the improvement in the fully-loaded common equity Tier 1 ratio was partially offset by the calling of the EUR 1.1 billion 8% hybrid as per 18 April 2014.

Compared with the first quarter of 2014, ING Bank's phased-in common equity Tier1 (CET1) ratio improved by 0.8%-points, of which 0.6%-points were due to revised interpretations and 0.3%-points to earnings over the quarter. This was partially offset by a moderate increase in RWA. Revised interpretations of the phasing in of CRR/ CRD IV capital components have resulted in adjustments of elements, such as significant investments in financial institutions, shortfall of loan loss provision, goodwill and intangibles. This, in combination with the retained earnings of the second quarter, contributed to the improved phased-in CET1 ratio, partially offset by higher RWAs resulting from asset production. The fully-loaded common equity Tier 1 ratio was not impacted by the revised interpretations.

ING Bank: Capital position						
In EUR million	2019 rules (CRD IV fully-loaded)			2014 rules (CRD IV phased-in)		
	2Q14	1Q14 (revised)	1Q14 (reported)	2Q14	1Q14 (revised)	1Q14 (reported)
Shareholders' equity (parent)	34,124	32,341	32,341	34,124	32,341	32,341
Regulatory adjustments	-2,732	-2,471	-2,471	-3,008	-2,361	-4,001
Prudential filters	-514	-508	-508	531	642	642
Available Common Equity Tier 1 capital	**30,878**	**29,362**	**29,362**	**31,647**	**30,622**	**28,982**
Subordinated loans qualifying as Tier 1 capital*	4,235	5,118	5,118	4,235	5,118	5,118
Other adjustments**	0	38	38	-1,854	-1,849	8
Available Tier 1 capital	**35,113**	**34,518**	**34,518**	**34,028**	**33,891**	**34,108**
Issued Tier 2 bonds***	9,411	9,421	9,964	9,411	9,421	9,964
Regulatory adjustments Tier 2	85	54	54	-479	-557	-1,435
Available BIS capital	**44,609**	**43,993**	**44,536**	**42,960**	**42,755**	**42,637**
Risk-weighted assets	293,399	290,792	290,792	293,399	290,792	290,792
Common Equity Tier 1 ratio	**10.5%**	**10.1%**	**10.1%**	**10.8%**	**10.5%**	**10.0%**
Tier 1 ratio	12.0%	11.9%	11.9%	11.6%	11.7%	11.7%
BIS ratio	15.2%	15.1%	15.3%	14.6%	14.7%	14.7%

*) to be replaced in the coming years in line with the CRR/CRDIV grandfathering rules.
**) such as goodwill and intangibles.
***) of which EUR 5,529 million CRR/CRDIV-compliant and EUR 3,882 million to be replaced in the coming years in line with the CRR/CRDIV grandfathering rules.

NN Group

CONSOLIDATED RESULTS

Consolidated profit and loss account NN Group								
In EUR million	2Q2014	2Q2013[1]	Change	1Q2014	Change	1H2014	1H2013[1]	Change
Operating result								
Netherlands Life	148	199	-25.6%	147	0.7%	295	331	-10.9%
Netherlands Non-life	39	42	-7.1%	22	77.3%	61	39	56.4%
Insurance Europe	44	53	-17.0%	45	-2.2%	90	95	-5.3%
Japan Life	24	30	-20.0%	66	-63.6%	90	113	-20.4%
Investment Management	38	41	-7.3%	39	-2.6%	77	72	6.9%
Other[2]	-44	-97	n.a.	-46	n.a.	-91	-212	n.a.
Operating result ongoing business	**249**	**268**	**-7.1%**	**274**	**-9.1%**	**522**	**438**	**19.2%**
Non-operating items ongoing business	10	-71	n.a.	-28	n.a.	-18	-56	n.a.
of which gains/losses and impairments	-51	-9	n.a.	10	-610.0%	-42	52	-180.8%
of which revaluations	84	1	n.a.	0	n.a.	84	-10	n.a.
of which market & other impacts	-24	-63	n.a.	-37	n.a.	-60	-97	n.a.
Japan Closed Block VA	79	-97	n.a.	-36	n.a.	43	65	-33.8%
Special items before tax	-25	-12	n.a.	-572	n.a.	-597	-42	n.a.
Result on divestments and discontinued operations	-2	24	-108.3%	-11	n.a.	-13	1,053	-101.2%
Result before tax	**310**	**113**	**174.3%**	**-372**	**n.a.**	**-63**	**1,459**	**-104.3%**
Taxation	65	53	22.6%	-88	n.a.	-22	148	-114.9%
Minority interests	-1	3	-133.3%	2	-150.0%	1	6	-83.3%
Net result	**245**	**56**	**337.5%**	**-287**	**n.a.**	**-41**	**1,305**	**-103.1%**

Key Figures NN Group								
In EUR million	2Q2014	2Q2013[1]	Change	1Q2014	Change	1H2014	1H2013[1]	Change
Ongoing business								
Gross premium income	1,977	2,016	-1.9%	3,489	-43.3%	5,466	5,649	-3.2%
New sales life insurance (APE)[3]	305	266	14.7%	439	-30.5%	744	664	12.0%
Total administrative expenses	439	447	-1.8%	437	0.5%	876	907	-3.4%
of which staff expenses	300	293	2.4%	302	-0.7%	602	602	0.0%
Cost/income ratio (Administrative expenses/Operating income)	37.1%	36.5%		35.2%		36.1%	36.9%	
Combined ratio (Netherlands Non-life)[4]	98.5%	98.2%		100.2%		99.4%	102.4%	
Investment Management Assets under Management (end of period, in EUR billion)	177	176	0.6%	168	5.4%	177	176	0.6%
Life general account invested assets (end of period, in EUR billion)	78	75	4.0%	77	1.3%	78	75	4.0%
Investment margin/Life general account invested assets (bps)[5]	86	85	1.2%	89	-3.4%			
Client balances (end of period, in EUR billion)	202	200	1.0%	201	0.5%	202	200	1.0%
NN Life Solvency I ratio[6]	250%	230%		235%		250%	230%	
Net operating ROE[7]	8.4%	10.5%		9.2%		8.8%	9.7%	
Japan Closed Block VA								
Account value	14,425	16,104	-10.4%	14,175	1.8%	14,425	16,104	-10.4%
Number of policies	330,203	366,651	-9.9%	338,197	-2.4%	330,203	366,651	-9.9%
Total ING Insurance								
Total administrative expenses	443	450	-1.6%	441	0.5%	884	919	-3.8%
Cost/income ratio (Administrative expenses/Operating income)	36.6%	35.7%		34.6%		35.6%	36.4%	
Client balances (end of period, in EUR billion)	216	216	0.0%	215	0.5%	216	216	0.0%
IGD Solvency I ratio[6][8]	272%	255%		245%		272%	255%	
Employees (FTEs, end of period)	11,913	12,291	-3.1%	12,129	-1.8%	11,913	12,291	-3.1%

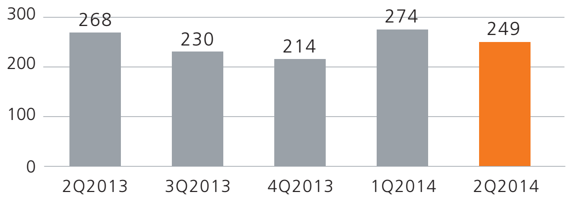
Reconciliation from Operating result ongoing business to Underlying result before tax								
In EUR million	2Q2014	2Q2013[1]	Change	1Q2014	Change	1H2014	1H2013[1]	Change
Operating result ongoing business	**249**	**268**	**-7.1%**	**274**	**-9.1%**	**522**	**438**	**19.2%**
Non-operating items ongoing business	10	-71	n.a.	-28	n.a.	-18	-56	n.a.
Japan Closed Block VA	79	-97	n.a.	-36	n.a.	43	65	-33.8%
Underlying result before tax	**337**	**101**	**233.7%**	**210**	**60.5%**	**547**	**448**	**22.1%**

The NN Group results as included in ING Group's consolidated results differ from the results as presented in the NN Group N.V. interim financial statements. This is caused by:
- Required eliminations of results on intercompany transactions between ING Group and NN Group; and
- The net gain on the sale of part of SulAmérica, which ING Group reports in 'Insurance Other' results and not in NN Group results. In the first quarter of 2014, the remaining interest in SulAmérica was transferred from NN Group to ING Group; and
- The results of the NN Group segment 'Insurance Other' are reported by ING Group under 'Insurance Other' results and not in NN Group results. As from 2014 the segment 'Insurance Other' ceased to exist in NN Group.

The footnotes relating to 1-8 can be found on page 35.

The operating result of the ongoing business of NN Group was EUR 249 million, down 7.1% from the second quarter of 2013. This mainly reflects lower operating income at Netherlands Life, partly mitigated by a reduction of the NN Group head office expenses and funding costs. On a sequential basis, the operating result of the ongoing business declined 9.1%, largely reflecting the seasonally higher result of Japan Life in the first quarter of the year. The result before tax improved significantly on both comparable quarters to EUR 310 million, largely driven by a higher result of Japan Closed Block VA and higher revaluations. On a constant currency basis, new sales (APE) were 22.1% higher than last year, with strong sales in all regions.

OPERATING RESULT ONGOING BUSINESS - NN GROUP (in EUR mln)



The operating result of the ongoing business decreased to EUR 249 million from EUR 268 million in the second quarter of 2013. The fees and premium-based revenues and technical margin in Netherlands Life were both lower, partly mitigated by a reduction of both holding expenses and funding costs. On a sequential basis, the operating result of the ongoing business declined from EUR 274 million, as results in Japan Life are seasonally higher in the first quarter of the year, partly compensated by improved Disability and Accident (D&A) results in Netherlands Non-life.

The operating result of Netherlands Life decreased to EUR 148 million from EUR 199 million in the second quarter of 2013, mainly due to lower operating income. The operating result was stable compared with the previous quarter, as seasonally higher dividends in the second quarter and lower administrative expenses offset lower fees and premium-based revenues which are typically higher in the first quarter of the year. The result before tax improved significantly on both comparable quarters. New sales (APE) increased 70.4% year-on-year due to higher pension contract renewals. The strong capital position of NN Life is reflected in a Solvency I ratio of 250%.

The operating result for Netherlands Non-life decreased to EUR 39 million from EUR 42 million in the second quarter of 2013, reflecting several large claims in Property & Casualty (P&C). Management actions to restore profitability combined with favourable claims development resulted in better results in Disability & Accident (D&A). Administrative expenses decreased 11.1% year-on-year, reflecting the successful transformation programme in the Netherlands. The second-quarter 2014 combined ratio was 98.5% compared with 98.2% in the same quarter of 2013. Compared with the previous quarter, the result improved from EUR 22 million, driven by a favourable claims experience in D&A.

The operating result of Insurance Europe was EUR 44 million, down EUR 9 million from a year ago, reflecting lower operating income, partly offset by lower expenses. On a sequential basis, the operating result was essentially stable as lower investment and technical margins were almost fully compensated by lower DAC amortisation and trail commissions. New sales were up 9.8%, excluding currency effects, on higher life sales across the region.

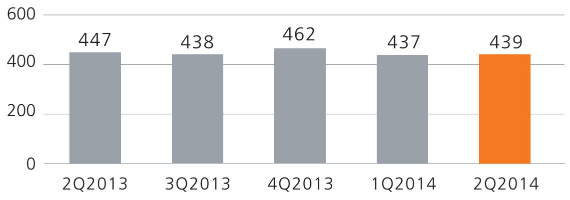
Japan Life's operating result was EUR 24 million, down 14.3% year-on-year, excluding currency effects, on a lower investment margin and lower technical margin. Fees and premium-based revenues rose 12.2%, excluding currency effects, driven by higher sales and larger in-force volumes. The operating result decreased from EUR 66 million in the first quarter, which included seasonally higher fees and premium-based revenues. New sales (APE) rose 24.2%, excluding currency effects, as a result of the continuing economic recovery in Japan, higher agency productivity and channel diversification.

Assets under Management (AuM) for Investment Management increased to EUR 177 billion at the end of the second quarter, driven by favourable market performance as well as inflows in proprietary and third-party business. The operating result was down at EUR 38 million versus EUR 41 million in the same quarter of last year, mainly due to higher administrative expenses. On a sequential basis, the operating result fell 2.6% due to lower fee income.

The operating result of the segment 'Other' improved to EUR -44 million from EUR -97 million a year ago and EUR -46 million in the first quarter. The year-on-year improvement reflects both lower holding expenses and funding costs as well as an increase of the operating result at NN Bank and in the reinsurance business. On a sequential basis, the operating result improved by EUR 2 million.

1) The figures of this period have been restated to reflect the change in accounting policy, i.e., the move towards fair value accounting for Guaranteed Minimum Death Benefits reserves of the Japan Closed Block VA segment as of 1 January 2014.
2) Other comprises (the operating result of) the businesses of NN Bank and ING Re, the result of the holding company and certain other results.
3) Sum of annual premiums and 1/10th of single premiums sold in the period.
4) Excluding Mandema and Zicht broker businesses.
5) Four-quarter rolling average.
6) The 30 June 2014 capital ratios are not final until filed with the regulators.
7) Net operating ROE is calculated as the (annualised) net operating result of the ongoing business divided by the average allocated equity of the ongoing business adjusted for revaluation reserves.
8) The 1Q2014 IGD Solvency I ratio has been updated from 249% to 245% as the eligible hybrids for IGD capital are capped at a maximum of 50% of the EU required capital base, with the additional condition that dated hybrids can be included up to a maximum of 25% of the EU required capital base.

ADMINISTRATIVE EXPENSES ONGOING BUSINESS (in EUR million)



Total second-quarter administrative expenses of the ongoing business were EUR 439 million, down 1.8% from a year ago and essentially flat compared with the previous quarter. Expenses declined year-on-year, despite higher NN Bank expenses, as a result of the partial transfer of WUB to NN Bank on 1 July 2013, which added EUR 15 million of expenses compared with the second quarter of last year. Excluding currency effects and the partial transfer of WUB to NN Bank, administrative expenses of the ongoing business fell 4.1%, mainly demonstrating the impact of the transformation programme in the Netherlands. In line with the IPO announcements, management aims to reduce administrative expenses in Netherlands Life, Netherlands Non-life and corporate/holding entities by EUR 200 million by 2016, compared with 2013. Cost reductions of EUR 75 million have been realised on a year-to-date basis.

The result before tax of NN Group increased to EUR 310 million compared with EUR 113 million in the second quarter of 2013 and EUR -372 million in the previous quarter. The year-on-year improvement is mainly attributable to a higher result of Japan Closed Block VA and higher revaluations. The previous quarter included a EUR -541 million special item related to the impact of the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent.

Gains/losses and impairments were EUR -51 million compared with EUR -9 million in the second quarter of 2013 and EUR 10 million in the previous quarter. The current quarter mainly reflects impairments on public equity and real estate in Netherlands Life.

Revaluations were EUR 84 million compared with EUR 1 million in the second quarter of 2013 and nil in the previous quarter, and consisted mainly of positive revaluations on private equity in Netherlands Life and Netherlands Non-life.

Market and other impacts amounted to EUR -24 million compared with EUR -63 million a year ago and EUR -37 million in the previous quarter. The result in the current quarter reflects a negative movement in the provision for guarantees on separate account pension contracts (net of hedging) in Netherlands Life and a EUR 9 million one-off contribution to the new guarantee fund in Poland related to the pension reforms. In July 2014 a refund of EUR 52 million was received from the guarantee fund that was discontinued as per 1 July 2014; this refund will be recognised in the third quarter of 2014.

The result before tax of Japan Closed Block VA was EUR 79 million compared with EUR -97 million a year ago and EUR -36 million in the previous quarter, reflecting positive hedge results.

Special items before tax amounted to EUR -25 million compared with EUR -12 million in the second quarter of 2013 and EUR -572 million in the previous quarter. The special items in the current quarter mainly relate to the transformation programme in the Netherlands, while the previous quarter included the EUR -541 million impact related to the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent.

The result on divestments and discontinued operations was EUR -2 million compared with EUR 24 million in the second quarter of last year and EUR -11 million in the previous quarter. Results from discontinued operations decreased to EUR 1 million from EUR 86 million one year ago, largely as a result of the sale of ING Life Korea in the third quarter of 2013. The current quarter includes a loss on divestments of EUR 3 million related to the sale of IM India, whereas the second quarter of 2013 included a EUR 58 million loss related to the sale of NN Group's mortgage business in Mexico.

Total new sales (APE) at NN Group were EUR 305 million, up 22.1% from a year ago on a constant currency basis. Sales grew 24.2% in Japan Life, driven by the continued economic recovery in Japan, higher agency productivity and channel diversification. In Insurance Europe, sales grew 9.8% year-on-year mainly due to higher life sales across the region, partly offset by lower pension sales. APE rose 70.4% in Netherlands Life, driven by higher pension renewals. Compared with the previous quarter, sales declined 31.2% on a constant currency basis, as the first quarter of 2014 included seasonally higher life sales in Japan Life and corporate pension renewals in the Netherlands.

The net operating ROE for the ongoing business of NN Group decreased to 8.4% compared with 10.5% in the second quarter of 2013, mainly due to a higher adjusted average allocated equity base following the EUR 1 billion debt-to-equity conversion at the end of the fourth quarter of 2013 and a EUR 850 million capital injection in the second quarter of 2014 from ING Group, as well as to a decrease in the net operating result.

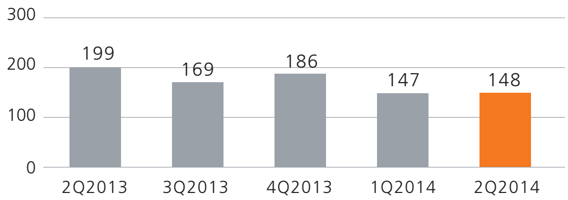
NETHERLANDS LIFE

Netherlands Life			
In EUR million	2Q2014	2Q2013	1Q2014
Margin analysis			
Investment margin	156	167	134
Fees and premium-based revenues	89	106	127
Technical margin	36	60	34
Operating income non-modelled business	0	0	0
Operating income	**281**	**333**	**296**
Administrative expenses	120	118	126
DAC amortisation and trail commissions	13	17	23
Expenses	**133**	**134**	**148**
Operating result	**148**	**199**	**147**
Non-operating items	10	-83	-46
of which gains/losses and impairments	-57	-29	-9
of which revaluations	82	9	0
of which market & other impacts	-15	-63	-37
Special items before tax	-7	-10	-340
Result on divestments and discontinued operations	0	0	0
Result before tax	**151**	**106**	**-238**
Taxation	20	17	-70
Minority interests	-1	2	-1
Net result	**131**	**87**	**-168**
New business figures			
Single premiums	137	123	189
Annual premiums	32	14	112
New sales life insurance (APE)[1]	46	27	131
Key figures			
Gross premium income	614	615	1,405
Total administrative expenses	120	118	126
Cost/income ratio (Administrative expenses/ Operating income)	42.7%	35.4%	42.6%
Life general account invested assets (end of period, in EUR billion)	57	54	57
Investment margin/Life general account invested assets (bps)[2]	101	98	105
Prov. for life insurance & investment contracts for risk policyholder (end of period, in EUR billion)	17	18	16
Client balances (end of period, in EUR billion)	61	61	61
Net operating ROE	7.8%	10.1%	7.5%
NN Life Solvency I ratio[3]	250%	230%	235%
Employees (FTEs, end of period)	2,366	2,646	2,433

1) Sum of annual premiums and 1/10th of single premiums sold in the period.
2) Four-quarter rolling average.
3) The 30 June capital ratios are not final until filed with the regulators.

Reconciliation from Operating result to Underlying result before tax			
In EUR million	2Q2014	2Q2013	1Q2014
Operating result	**148**	**199**	**147**
Non-operating items	10	-83	-46
Underlying result before tax	**158**	**116**	**102**

OPERATING RESULT - NETHERLANDS LIFE (in EUR million)



The operating result of Netherlands Life decreased to EUR 148 million from EUR 199 million in the second quarter of 2013. This was mainly due to lower fees and premium-based revenues and a lower technical margin, both of which were strong in the second quarter of last year. The operating result was stable compared with the previous quarter, as seasonally higher dividends in the second quarter and lower administrative expenses offset lower fees and premium-based revenues, which are typically higher in the first quarter of the year.

The investment margin decreased to EUR 156 million from EUR 167 million a year ago, mainly reflecting lower dividend income on fixed income funds and private equity, as well as EUR 10 million interest expenses on two subordinated loans issued by NN Life to NN Group. This was partly compensated by the positive effects of an increased allocation to higher-yielding assets and higher invested volumes. Compared with the previous quarter, the investment margin increased by EUR 22 million, driven by seasonally higher dividends, which are typically received in the second quarter of the year.

Fees and premium-based revenues decreased to EUR 89 million from EUR 106 million in the second quarter of 2013, with the individual life closed book run-off and structural lower fee income on the unit-linked portfolio contributing EUR 7 million to the year-on-year decline. In addition, premium-based revenues on pension products in the second and third quarters of 2013 were supported by non-recurring effects. On a sequential basis, fees and premium-based revenues decreased by EUR 38 million. This decrease was due to seasonality as annual pension premiums are typically recognised in the first quarter of the year.

The technical margin decreased to EUR 36 million from a very strong EUR 60 million in the second quarter of 2013. The current quarter reflects lower mortality results, as well as an adverse impact from the movement of unit-linked guarantee provisions; these provisions increased in the current quarter due to a decrease in interest rates, whereas the second quarter of 2013 benefited from a decrease of these unit-linked guarantee provisions due to an increase in interest rates. Compared with the previous quarter, the technical margin increased 5.9%, mainly due to higher mortality results.

Administrative expenses were EUR 120 million, up 1.7% year-on-year mainly due to EUR 9 million higher employee benefit provisions as a result of lower interest rates, partly compensated by the positive impact of the transformation programme in the Netherlands. On a sequential basis, administrative expenses decreased 4.8%, mainly as a result of lower IT-related expenses.

DAC amortisation and trail commissions decreased to EUR 13 million from EUR 17 million a year ago, reflecting the gradual run-off of the individual life closed book. On a sequential basis, DAC amortisation and trail commissions decreased by EUR 10 million, mainly due to seasonality as annual pension premiums are typically recognised in the first quarter of the year.

The result before tax was EUR 151 million compared with EUR 106 million in the second quarter of 2013. The improvement was mainly due to better non-operating results. On a sequential basis, the result before tax increased from EUR -238 million, as the previous quarter included a EUR -331 million special item related to the impact of the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent.

Gains/losses and impairments were EUR -57 million, mainly reflecting impairments on real estate and public equity.

Revaluations were EUR 82 million, mainly driven by positive private equity revaluations of EUR 67 million.

Market & other impacts were EUR -15 million, reflecting the movement in the provision for guarantees on separate account pension contracts (net of hedging).

New sales (APE) increased to EUR 46 million from EUR 27 million in the second quarter of last year, driven by higher pension contracts renewals, partly offset by lower single premiums in individual life. On a sequential basis, APE decreased by EUR 85 million due to seasonality as annual pension premiums are typically recognised in the first quarter of the year.

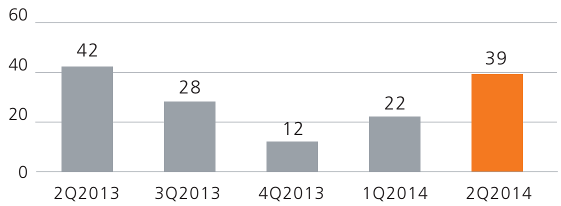
NETHERLANDS NON-LIFE

Netherlands Non-life			
In EUR million	2Q2014	2Q2013	1Q2014
Margin analysis			
Earned premiums	379	382	389
Investment income	32	36	24
Other income	-1	-1	-1
Operating income	**410**	**416**	**411**
Claims incurred, net of reinsurance	254	250	273
Acquisition costs	64	62	62
Administrative expenses	56	63	56
Acquisition costs and administrative expenses	120	125	117
Expenditure	**373**	**375**	**390**
Operating result insurance businesses	**37**	**41**	**21**
Operating result broker businesses	2	1	1
Total operating result	**39**	**42**	**22**
Non-operating items	8	-2	-1
of which gains/losses and impairments	-3	-1	-1
of which revaluations	11	0	1
of which market & other impacts	0	0	0
Special items before tax	-4	-6	-85
Result on divestments and discontinued operations	0	0	0
Result before tax	**44**	**35**	**-63**
Taxation	8	8	-17
Minority interests	0	0	0
Net result	**36**	**27**	**-47**
Key figures			
Gross premium income	286	291	760
Total administrative expenses	73	83	75
Combined ratio[1]	98.5%	98.2%	100.2%
of which Claims ratio[1]	66.9%	65.5%	70.1%
of which Expense ratio[1]	31.6%	32.7%	30.1%
Total insurance provisions[2]	4	4	4
Net operating ROE	28.9%	31.7%	13.7%
Employees (FTEs, end of period)	1,748	2,049	1,911

1) Excluding Mandema and Zicht broker businesses.
2) End of period, in EUR billion.

Reconciliation from Operating result to Underlying result before tax			
In EUR million	2Q2014	2Q2013	1Q2014
Operating result	**39**	**42**	**22**
Non-operating items	8	-2	-1
Underlying result before tax	**47**	**41**	**21**

OPERATING RESULT - NETHERLANDS NON-LIFE (in EUR million)



The operating result for Netherlands Non-life decreased to EUR 39 million from EUR 42 million in the second quarter of 2013 and improved from EUR 22 million in the previous quarter. The results in Disability & Accident (D&A) continued to improve, reflecting a favourable claims development and the effects of management actions to restore profitability in the Disability portfolio, including premium rate increases and more stringent underwriting criteria. The operating result for Property & Casualty (P&C) declined year-on-year as the current quarter was impacted by several large claims in Fire in the Netherlands and weather-related claims in the Belgian Motor portfolio, whereas the second quarter last year included favourable results in Fire. On a sequential basis, the higher operating result is primarily attributable to the favourable claims experience in Disability.

The second quarter 2014 combined ratio was 98.5% compared with 98.2% in the same quarter of 2013 as the combined ratio for P&C deteriorated to 101.9% from 95.1% a year ago, partly mitigated by an improvement of the combined ratio for D&A to 94.5% from 102.4% a year ago.

Administrative expenses decreased to EUR 56 million compared with EUR 63 million in the second quarter of last year, mainly as a result of the transformation programme in the Netherlands. On a sequential basis, administrative expenses remained stable.

The result before tax improved to EUR 44 million from EUR 35 million in the second quarter of 2013. The current quarter included positive private equity revaluations. The result before tax for the previous quarter included a special item of EUR -82 million related to the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent.

Gross premium income decreased slightly compared with a year ago to EUR 286 million, as P&C gross premium income was impacted by stricter underwriting and product rationalisation. On a sequential basis, gross premium income decreased from EUR 760 million; this was largely due to seasonality as gross premium income is skewed towards the first and third quarters.

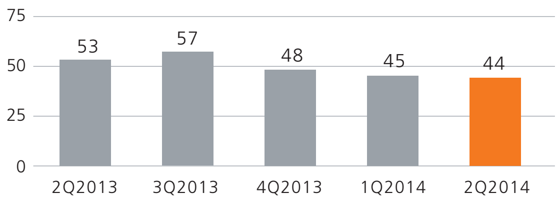
INSURANCE EUROPE

Insurance Europe			
In EUR million	2Q2014	2Q2013	1Q2014
Margin analysis			
Investment margin	21	28	27
Fees and premium-based revenues	127	128	128
Technical margin	44	46	48
Operating income non-modelled business	1	6	1
Operating income Life Insurance	**193**	**207**	**204**
Administrative expenses	74	79	74
DAC amortisation and trail commissions	77	79	86
Expenses Life Insurance	**152**	**157**	**160**
Operating result Life Insurance	**42**	**50**	**44**
Non-life operating result	3	2	2
Operating result	**44**	**53**	**45**
Non-operating items	0	3	10
of which gains/losses and impairments	8	3	10
of which revaluations	1	0	0
of which market & other impacts	-9	0	0
Special items before tax	-2	-3	-2
Result on divestments and discontinued operations	0	0	0
Result before tax	**43**	**52**	**54**
Taxation	16	15	12
Minority interests	0	2	2
Net result	**26**	**35**	**39**
New business figures			
Single premiums	274	254	229
Annual premiums	108	105	117
New sales life insurance (APE)[1]	135	131	140
Key figures			
Gross premium income	546	585	587
Total administrative expenses	78	82	77
Cost/income ratio (Administrative expenses/ Operating income)	36.8%	36.6%	34.8%
Life general account invested assets (end of period, in EUR billion)	12	13	12
Investment margin/Life general account invested assets (bps)[2]	80	86	84
Prov. for life insurance & investment contracts for risk policyholder (end of period, in EUR billion)	7	7	7
Client balances (end of period, in EUR billion)	33	39	33
Net operating ROE	7.9%	9.1%	8.9%
Employees (FTEs, end of period)	4,046	4,056	4,039

1) Sum of annual premiums and 1/10th of single premiums sold in the period.
2) Four-quarter rolling average.

Reconciliation from Operating result to Underlying result before tax			
In EUR million	2Q2014	2Q2013	1Q2014
Operating result	**44**	**53**	**45**
Non-operating items	0	3	10
Underlying result before tax	**44**	**55**	**56**

OPERATING RESULT - INSURANCE EUROPE (in EUR million)



The operating result of Insurance Europe was EUR 44 million, down EUR 9 million from a year ago, reflecting a lower investment margin and a lower technical margin. On a sequential basis, the operating result was relatively stable as the lower investment margin and technical margin were almost fully compensated by lower DAC amortisation and trail commissions.

The investment margin was EUR 21 million, down from EUR 28 million a year ago due to the low yield environment and as a result of lower invested volumes following dividend payments to NN Group in the fourth quarter of 2013. On a sequential basis, the investment margin declined from EUR 27 million as the first quarter included higher investment income in Greece in connection with an early redemption of Residential Mortgage Backed Securities (RMBS).

Fees and premium-based revenues were EUR 127 million, essentially flat compared with EUR 128 million in both comparable quarters. Fees and premium-based revenues in the current quarter benefited from higher life sales in Belgium and Spain, higher pension inflows in Romania as well as the reclassification from operating income non-modelled business to fees and premium-based revenues in Turkey as of the first quarter of 2014. These items were offset by the impact of the pension reforms in Poland which took effect in February 2014.

The technical margin was EUR 44 million, versus EUR 46 million in the second quarter of 2013 and EUR 48 million in the previous quarter. The year-on-year decline was caused by lower surrender results across the region. Compared with the previous quarter, the technical margin declined mainly due to lower mortality results in Spain and lower morbidity and surrender results in Greece.

Administrative expenses declined to EUR 74 million from EUR 79 million in the same quarter of last year mainly due to lower project expenses. On a sequential basis, administrative expenses were stable.

DAC amortisation and trail commissions decreased to EUR 77 million compared with EUR 79 million in the second quarter of 2013, fully due to currency effects. On a sequential basis, DAC amortisation and trail commissions declined from EUR 86 million, as the first quarter included the recognition of the annual crisis tax in Belgium.

The result before tax was EUR 43 million and reflected a EUR 8 million gain on the sale of government bonds in Spain, offset by a EUR 9 million one-off contribution to the new guarantee fund in Poland related to the pension reforms. In July 2014 a refund of EUR 52 million was received from the guarantee fund that was discontinued as per 1 July 2014; this refund will be recognised in the third quarter of 2014. The first quarter of 2014 included a EUR 10 million gain on the sale of corporate bonds in Belgium, Spain and Greece.

New sales (APE) were EUR 135 million compared with EUR 131 million in the second quarter of 2013. The 9.8% increase, excluding currency effects, was due to higher life sales across the region, partly offset by lower pension sales. On a sequential basis, new sales declined 4.3% due to lower life and pension sales across the region.

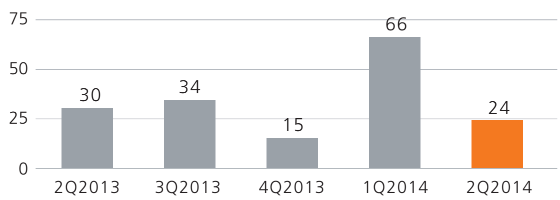
JAPAN LIFE

Japan Life[1]			
In EUR million	2Q2014	2Q2013	1Q2014
Margin analysis			
Investment margin	-1	2	-1
Fees and premium-based revenues	102	98	134
Technical margin	-4	-2	9
Operating income non-modelled business	0	0	0
Operating income	**96**	**98**	**142**
Administrative expenses	25	25	24
DAC amortisation and trail commissions	47	43	52
Expenses	**72**	**68**	**76**
Operating result	**24**	**30**	**66**
Non-operating items	0	1	-3
of which gains/losses and impairments	1	6	0
of which revaluations	-1	-5	-3
of which market & other impacts	0	0	0
Special items before tax	0	0	0
Result on divestments and discontinued operations	0	0	0
Result before tax	**24**	**31**	**64**
Taxation	7	13	23
Minority interests	0	0	0
Net result	**17**	**19**	**40**
New business figures			
Single premiums	13	31	19
Annual premiums	123	106	167
New sales life insurance (APE)[2]	124	109	169
Key figures			
Gross premium income	524	519	731
Total administrative expenses	25	25	24
Cost/income ratio (Administrative expenses/ Operating income)	26.0%	25.5%	16.9%
Life general account invested assets (end of period, in EUR billion)	9	9	9
Investment margin/Life general account invested assets (bps)[3]	-2	12	2
Prov. for life insurance & investment contracts for risk policyholder (end of period, in EUR billion)	0	0	0
Client balances (end of period, in EUR billion)	8	8	8
Net operating ROE	5.9%	5.8%	15.3%
Employees (FTEs, end of period)	649	674	656

1) JPY/EUR average quarterly fx rates: 140.31 (2Q2014), 127.03 (2Q2013), 141.57 (1Q2014) and JPY/EUR end of period fx rates: 138.41 (2Q2014), 129.45 (2Q2013), 142.44 (1Q2014).
2) Sum of annual premiums and 1/10th of single premiums sold in the period.
3) Four-quarter rolling average.

Reconciliation from Operating result to Underlying result before tax			
In EUR million	2Q2014	2Q2013	1Q2014
Operating result	**24**	**30**	**66**
Non-operating items	0	1	-3
Underlying result before tax	**24**	**31**	**64**

OPERATING RESULT - JAPAN LIFE (in EUR million)



The operating result of Japan Life was EUR 24 million compared with EUR 30 million in the second quarter of 2013 (down 14.3% excluding currency effects), mainly due to a decrease of both the investment margin and the technical margin and higher administrative expenses. On a sequential basis, the operating result decreased from EUR 66 million in the first quarter, which included seasonally higher fees and premium-based revenues and a higher technical margin.

The investment margin decreased to EUR -1 million from EUR 2 million in the second quarter of 2013 due to reinvestments at a lower yield.

Fees and premium-based revenues were EUR 102 million, up 12.2% year-on-year excluding currency effects, driven by higher sales and larger in-force volumes. On a sequential basis, fees and premium-based revenues decreased 25.2%, excluding currency effects, due to seasonally higher sales in the first quarter of the year.

The technical margin decreased to EUR -4 million from EUR -2 million in the second quarter of 2013 and EUR 9 million in the first quarter due to higher surrenders.

Administrative expenses were EUR 25 million, stable compared with the second quarter of 2013 and up 8.7% excluding currency effects, mainly owing to higher head office charges. On a sequential basis, administrative expenses were flat.

DAC amortisation and trail commissions were EUR 47 million, up 20.5% compared with the second quarter of 2013, excluding currency effects, due to higher premium income and higher surrenders. On a sequential basis, DAC amortisation and trail commissions decreased from EUR 52 million in line with lower premium income in the second quarter, partially offset by higher DAC amortisation driven by seasonally higher surrenders.

The result before tax decreased to EUR 24 million from EUR 31 million in the second quarter of last year and EUR 64 million in the previous quarter, in line with the operating result.

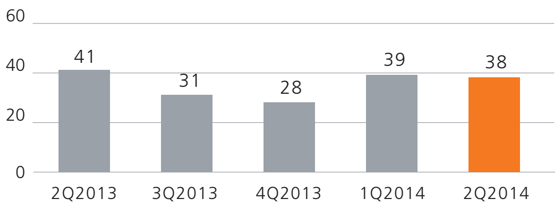
New sales (APE) increased to EUR 124 million, up 24.2% from the second quarter of last year, excluding currency effects, driven by the continued economic recovery in Japan, higher agency productivity and channel diversification. On a sequential basis, APE decreased from EUR 169 million due to seasonally higher sales in the first quarter.

INVESTMENT MANAGEMENT

Investment Management			
In EUR million	2Q2014	2Q2013	1Q2014
Margin analysis			
Investment margin	0	0	0
Fees	116	117	118
Operating income	**116**	**117**	**118**
Administrative expenses	**79**	**76**	**79**
Operating result	**38**	**41**	**39**
Non-operating items	0	0	0
Special items before tax	0	0	-122
Result on divestments and discontinued operations	-3	5	-12
Result before tax	**35**	**46**	**-95**
Taxation	9	11	-21
Minority interests	0	0	0
Net result	**26**	**35**	**-74**
Key figures			
Total administrative expenses	79	76	79
Cost/income ratio (Administrative expenses/ Operating income)	68.1%	65.0%	66.9%
Net inflow Assets under Management (in EUR billion)	4	-4	-12
Assets under Management (end of period, in EUR billion)	177	176	168
Fees/average Assets under Management (bps)	27	26	28
Client balances (end of period, in EUR billion)	93	92	93
Net operating ROE	31.4%	34.3%	34.6%
Employees (FTEs, end of period)	1,139	1,154	1,145

Reconciliation from Operating result to Underlying result before tax			
In EUR million	2Q2014	2Q2013	1Q2014
Operating result	**38**	**41**	**39**
Non-operating items	0	0	0
Underlying result before tax	**38**	**41**	**39**

OPERATING RESULT - INVESTMENT MANAGEMENT (in EUR million)



Total Assets under Management (AuM) for Investment Management were EUR 177 billion at the end of the second quarter, up slightly from EUR 176 billion at the end of the second quarter of 2013 and up from EUR 168 billion at the end of the previous quarter. The increase in the second quarter of 2014 was due to market appreciation as well as inflows in third-party and proprietary businesses.

The operating result was EUR 38 million compared with EUR 41 million in the same quarter of last year. The year-on-year decrease was mainly due to higher administrative expenses. On a sequential basis, the operating result decreased 2.6% due to lower fee income.

Fees were EUR 116 million, in line with both comparable quarters. The previous quarter included a EUR 5 million one-off fee, while the current quarter benefited from higher revenues on higher AuM.

Administrative expenses were EUR 79 million compared with EUR 76 million in the second quarter of 2013 and flat versus the previous quarter. Both the first and the second quarter of 2014 benefited from a EUR 5 million release of personnel provisions, partly offset by the introduction of the fixed service fee in the Netherlands, which led to a EUR 2 million increase in expenses with an offsetting impact in fees.

The result before tax was EUR 35 million compared with EUR -95 million in the previous quarter, which included a special item of EUR -122 million, reflecting the impact of the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent.

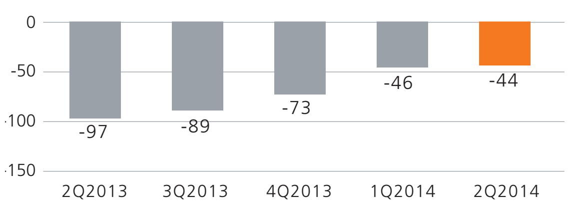
OTHER

Other			
In EUR million	2Q2014	2Q2013	1Q2014
Margin analysis			
Interest on hybrids and debt	-35	-47	-33
Investment income & fees	12	7	7
Holding expenses	-33	-50	-26
Amortisation of intangible assets	-2	-2	-2
Holding result	**-58**	**-91**	**-54**
Operating result Reinsurance business	9	5	11
Operating result NN Bank	2	-7	5
Other results	3	-3	-8
Operating result	**-44**	**-97**	**-46**
Non-operating items	-9	10	11
of which gains/losses and impairments	0	12	10
of which revaluations	-9	-1	1
of which market & other impacts	0	0	0
Special items before tax	-13	8	-23
Result on divestments and discontinued operations	0	-58	0
Result before tax	**-67**	**-136**	**-58**
Taxation	-11	-7	-4
Minority interests	0	0	0
Net result	**-55**	**-129**	**-54**
Key figures			
Total administrative expenses	64	63	56
NN Bank Common equity Tier 1 ratio phased in	15.7%	37.1%	16.7%
Total assets NN Bank[1]	9	1	8
Employees (FTEs, end of period)	1,884	1,594	1,868

1) End of period, in EUR billion.

Reconciliation from Operating result to Underlying result before tax			
In EUR million	2Q2014	2Q2013	1Q2014
Operating result	**-44**	**-97**	**-46**
Non-operating items	-9	10	11
Underlying result before tax	**-53**	**-86**	**-35**

OPERATING RESULT - OTHER (in EUR million)



The operating result of the segment 'Other' improved to EUR -44 million from EUR -97 million a year ago and EUR -46 million in the first quarter. The year-on-year improvement reflects lower holding expenses, lower funding costs and a higher operating result at NN Bank and in the reinsurance business.

The holding result improved to EUR -58 million compared with EUR -91 million in the second quarter of 2013. Interest costs on hybrids and debt were EUR 12 million lower mainly following refinancing of both external and intercompany loans with ING Group and a EUR 1 billion debt-to-equity conversion in December of last year. Investment income & fees increased to EUR 12 million and mainly reflects interest income on the EUR 600 million and EUR 450 million subordinated loans issued by NN Life to NN Group in the first and second quarter of 2014. NN Group head office expenses declined by EUR 17 million year-on-year, mainly reflecting the transformation programme in the Netherlands.

The operating result of the reinsurance business increased to EUR 9 million from EUR 5 million a year ago following higher hedge results on the VA Europe portfolio and better underwriting results. On a sequential basis the operating result decreased by EUR 2 million due to lower underwriting results.

The operating result of NN Bank increased to EUR 2 million from EUR -7 million in the second quarter of 2013. The partial transfer of assets and liabilities from WUB to NN Bank on 1 July 2013 led to a relatively higher increase in operating income than expenses. On a sequential basis the operating result decreased by EUR 3 million mainly due to volatility in hedge results on the mortgage portfolio.

The other result improved to EUR 3 million from EUR -8 million in the previous quarter, which included a non-recurring adjustment on the amortisation of certain fixed income securities.

Revaluations were EUR -9 million compared with EUR -1 million in the second quarter of 2013 and EUR 1 million in the previous quarter. The current quarter mainly reflects negative revaluations on real estate.

Special items before tax amounted to EUR -13 million compared with EUR 8 million in the second quarter of 2013 and EUR -23 million in the previous quarter. The special items in the current quarter mainly relate to the transformation programme in the Netherlands.

The result before tax improved to EUR -67 million compared with EUR -136 million in the second quarter of 2013, mainly reflecting the improved operating result and the EUR 58 million loss on the sale of the Mexican mortgage business in the second quarter of last year.

Total administrative expenses were virtually flat at EUR 64 million compared with the second quarter last year. The decline of holding expenses largely offsets the year-on-year increase of NN Bank expenses following the partial transfer of the assets and liabilities from WUB to NN Bank on 1 July 2013. As a consequence of this transfer also the number of FTEs increased. On a sequential basis, administrative expenses increased by EUR 8 million mainly due to a non-recurring adjustment in insurance premium paid on a contract to cover operational risk.

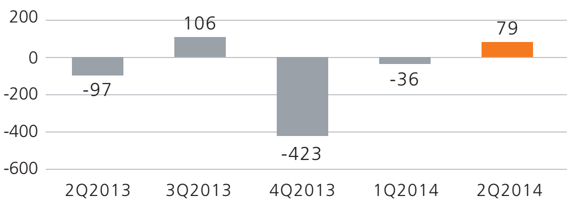
JAPAN CLOSED BLOCK VA

Japan Closed Block VA[1]			
In EUR million	2Q2014	2Q2013[2]	1Q2014
Margin analysis			
Investment margin	0	0	0
Fees and premium-based revenues	28	35	30
Technical margin	0	0	0
Operating income non-modelled business	0	0	0
Operating income	**28**	**35**	**30**
Administrative expenses	4	3	4
DAC amortisation and trail commissions	3	12	3
Expenses	**8**	**15**	**7**
Operating result	**20**	**19**	**23**
Non-operating items	59	-117	-59
of which gains/losses and impairments	0	0	0
of which revaluations	0	0	0
of which market & other impacts	59	-117	-59
Special items before tax	0	0	0
Result on divestments and discontinued operations	0	0	0
Result before tax	**79**	**-97**	**-36**
Taxation	17	-23	-11
Minority interests	0	0	0
Net result	**62**	**-75**	**-24**
Key figures			
Prov. for life insurance & investment contracts for risk policyholder (end of period, in EUR billion)[3]	14	0	14
Account value	14,425	16,104	14,175
Net Amount at Risk	694	1,908	870
IFRS Reserves	1,068	2,161	1,267
Number of policies	330,203	366,651	338,197
Employees (FTEs, end of period)	81	117	76

Reconciliation from Operating result to Underlying result before tax			
In EUR million	2Q2014	2Q2013[2]	1Q2014
Operating result	**20**	**19**	**23**
Non-operating items	59	-117	-59
Underlying result before tax	**79**	**-97**	**-36**

1) JPY/EUR average quarterly fx rates: 140.31 (2Q2014), 127.03 (2Q2013), 141.57 (1Q2014) and JPY/EUR end of period fx rates: 138.41 (2Q2014), 129.45 (2Q2013), 142.44 (1Q2014).
2) The figures of this period have been restated to reflect the change in accounting policy, i.e., the move towards fair value accounting for Guaranteed Minimum Death Benefits reserves of the Japan Closed Block VA segment as of 1 January 2014.
3) Japan Closed Block VA was classified as held for sale in 2Q2013.

RESULT BEFORE TAX - JAPAN CLOSED BLOCK VA (in EUR million)



The result before tax of Japan Closed Block VA was EUR 79 million compared with EUR -97 million in the second quarter last year and EUR -36 million in the previous quarter as the current quarter benefited from positive hedge results.

The operating result increased to EUR 20 million from EUR 19 million in the second quarter of 2013 and decreased from EUR 23 million in the previous quarter. Fees and premium-based revenues declined on both comparable quarters, while the second quarter of 2013 included DAC amortisation, which was fully written off as of 1 October 2013.

Fees and premium-based revenues were EUR 28 million, down 9.7% from the second quarter of 2013 and down 6.7% from the first quarter of 2014 due to non-recurring reinsurance adjustments as well as a lower account value mainly caused by a decreasing number of policies, all excluding currency impacts.

Administrative expenses were EUR 4 million, which was stable compared with both comparable quarters.

DAC amortisation and trail commissions decreased to EUR 3 million from EUR 12 million in the second quarter of 2013 and remained stable compared with the first quarter of 2014. This line item now only reflects trail commissions as all DAC was written off as of 1 October 2013.

Market and other impacts were EUR 59 million compared with EUR -117 million in the second quarter of 2013 and EUR -59 million in the previous quarter. The result of the current quarter mainly reflects basis risk and lower market volatility, that is only partially hedged. The loss in the second quarter of 2013 was mainly caused by a negative hedge result driven by market volatility, while the loss in the previous quarter primarily reflects the impact of various modelling refinements, which led to a one-off reserve increase of EUR 51 million.

The Net Amount at Risk in the Japan Closed Block VA decreased compared with the first quarter of 2014 primarily due to rising equity markets in the current quarter. The number of policies decreased in line with the expected run-off of the portfolio of approximately 90% by the end of 2019.

CONSOLIDATED BALANCE SHEET

NN Group N.V.: Consolidated balance sheet

in EUR million	30 Jun.14	31 Mar.14	31 Dec.13[1]
Assets			
Cash and cash equivalents	6,739	8,114	7,154
Financial assets at fair value through P&L	44,516	42,360	43,933
- trading assets	645	769	736
- non-trading derivatives	4,436	3,423	3,126
- investments for risk of policyholders	38,822	37,683	39,589
- other	612	485	482
Available-for-sale investments	67,025	63,684	61,014
- debt securities	60,861	57,801	55,394
- equity securities	6,164	5,883	5,620
Loans	27,111	25,905	25,319
Reinsurance contracts	270	275	252
Investments in associates	1,575	1,243	1,071
Real estate investments	786	743	722
Property and equipment	149	162	164
Intangible assets	383	382	392
Deferred acquisition costs	1,441	1,411	1,353
Other assets	3,945	3,274	3,754
Total assets excl. assets held for sale	**153,939**	**147,553**	**145,128**
Assets held for sale	123	180	187
Total assets	**154,062**	**147,734**	**145,315**

	30 Jun.14	31 Mar.14	31 Dec.13[1]
Equity			
Shareholders' equity	16,939	14,682	14,062
Minority interests	60	72	68
Total equity	**16,999**	**14,754**	**14,130**
Liabilities			
Subordinated loans	3,287	2,890	2,892
Other borrowed funds	4,368	4,243	4,817
Insurance and investment contracts	116,031	113,836	111,769
- life insurance provisions	72,569	71,345	67,700
- non-life insurance provisions	3,787	3,912	3,584
- provision for risk of policyholders	38,869	37,772	39,675
- other	806	808	810
Customer deposits	6,519	6,190	5,769
Financial liabilities at fair value through P&L	1,859	1,396	1,843
- non-trading derivatives	1,859	1,396	1,843
Other liabilities	4,995	4,408	4,071
Total liabilities excl. liabilities held for sale	**137,059**	**132,962**	**131,161**
Liabilities held for sale	4	18	24
Total liabilities	**137,063**	**132,980**	**131,185**
Total equity and liabilities	**154,062**	**147,734**	**145,315**

1) The figures of 31 December 2013 have been restated to reflect the change in accounting policy, i.e. the move towards fair value accounting for Guaranteed Minimum Death Benefits for reserves of the Japan Closed Block VA as of 1 January 2014. The 31 December 2013 figures have also been restated to reflect the implementation of IFRS 11 which replaced proportional consolidation of joint ventures by equity accounting.

Total assets of NN Group increased by EUR 5.6 billion, on a constant currency basis, over the second quarter of 2014 to EUR 154.1 billion mainly driven by an increase in the market value of Financial assets at fair value and Available-for-sale Investments. Shareholders' equity increased by EUR 2.2 billion to EUR 16.9 billion mainly reflecting a higher revaluation reserve debt securities and the EUR 850 million capital injection from ING Group.

Cash and cash equivalents
Cash and cash equivalents decreased by EUR 1.4 billion to EUR 6.7 billion reflecting EUR 0.8 billion shift to cash deposits with a maturity longer than three months, which are presented as part of loans, as well as investment of cash in other asset classes.

Non-trading derivatives
Non-trading derivatives increased by EUR 1.0 billion to EUR 4.4 billion mainly reflecting positive revaluations on interest rate swaps as interest rates declined in the second quarter.

Investments for risk of policyholders
Investments for risk of policyholders increased by EUR 0.7 billion, on a constant currency basis, to EUR 38.8 billion mainly due to positive revaluations. These changes are mirrored in the Provision for risk of policyholders on the liability side of the balance sheet.

Debt securities
Debt securities available for sale increased by EUR 2.8 billion to EUR 60.9 billion, on a constant currency basis, mainly driven by higher market values as long-term interest rates declined in the quarter.

Loans
Loans increased by EUR 1.2 billion mainly reflecting EUR 0.8 billion cash deposits with a maturity longer than three months and mortgages issued by NN Bank.

Investments in associates
Investments in associates increased by EUR 0.3 billion to EUR 1.6 billion, mainly related to additional investments in real estate funds.

Subordinated loans
Subordinated loans increased by EUR 0.4 billion to EUR 3.3 billion. On 8 April 2014, NN Group issued a EUR 1 billion subordinated bond, the net proceeds of which were used to repay EUR 0.6 billion of subordinated debt and EUR 0.4 billion of senior debt to ING Group.

Insurance and investment contracts
Insurance and investment contracts increased by EUR 1.5 billion on a constant currency basis to EUR 116.0 billion. This mainly reflects an increase in the Provision for risk of policyholders as well as higher deferred profit sharing to policyholders following the increase of the debt securities revaluation reserve.

Customer deposits

Customer deposits increased by EUR 0.3 billion to EUR 6.5 billion reflecting an increase in consumer savings at NN Bank during the quarter.

Total equity

Shareholders' equity increased by EUR 2.2 billion to EUR 16.9 billion mainly driven by an increase in the debt revaluation reserves of EUR 1.4 billion and a EUR 850 million capital injection from ING Group into NN Group in May 2014. This was partially offset by EUR 0.7 billion higher deferred profit sharing to policyholders. The EUR 0.3 billion result for the period and EUR 0.4 billion other revaluations also contributed to the increased Shareholders' equity in the second quarter.

RISK AND CAPITAL MANAGEMENT

The cash capital position at the NN Group holding company increased from EUR 634 million to EUR 1,156 million over the second quarter 2014. NN Group's capital position was further strengthened which led to an increase of the IGD ratio to 272%, a Solvency I capital ratio of NN Life of 250% and a EUR 200 million decrease in financial leverage. NN Group successfully issued EUR 1 billion dated subordinated debt in April followed by EUR 1 billion of undated subordinated debt in July. In July NN Group became a publicly-listed company on Euronext Amsterdam, following a successful initial public offering by ING Group.

Net result sensitivities

The methodology for net result sensitivities is calibrated to a 95% level of confidence, defined as the after-tax impact of a 1-in-20 shock event.

Net result sensitivities (full year impact)

in EUR million		2Q2014	1Q2014
Market and Credit Risk[1]	Interest Rates up	16	-9
	Interest Rates down	-21	-4
	Equity down	-450	-428
	Equity up	205	213
	Real estate down	-293	-292
	Foreign exchange down	-73	-51
	Counterparty default	-90	-90
	Credit spread	-20	-25
	Variable annuity (Japan and Europe VA)	-251	-259
Insurance Risk	Mortality	-33	-35
	Morbidity	-122	-128
	Property & Casualty (P&C)	-118	-120

1) Shock levels are approximately as follows: Interest Rates 30% (shocks vary by duration and by currency, shock to 15 year euro interest rate is 30%); Equity 30%; Real Estate 8%; Foreign Exchange rates 20%. Variable annuity sensitivities include all related market risks.

Equity risk increased mainly due to new investments, partly offset by lower private equity exposure. Foreign exchange risk is hedged economically, resulting in a bounded sensitivity volatility. Morbidity risk decreased due to entering a re-insurance contract for Netherlands Non-life (Movir).

Other risks

In proceedings pending before the District Court in Rotterdam, the Court has, upon the request of the parties, including NN, submitted preliminary questions to the European Court of Justice to obtain clarity on principal legal questions with respect to cost transparency related to unit-linked policies. The main preliminary question being considered by the European Court of Justice is whether European law permits the application of information requirements based on general principles of Dutch law that extend beyond information requirements as explicitly prescribed by laws and regulations in force at the time the policy was written. Although the European Court does not decide on the applicable standards in specific cases, NN and ING believe the ruling of the European Court of Justice can give clarification on this question of legal principle which is also subject of other legal proceedings in The Netherlands. On 12 June 2014, the Attorney General to the European Court of Justice gave its non-binding advisory opinion to the European Court of Justice. It is expected that the European Court of Justice will render its judgment by the end of 2014, at the earliest. The financial exposure related to Dutch unit-linked products can be substantial for the Dutch insurance business of ING and may affect ING, both financially and reputationally. However, ING's exposure cannot be reliably estimated or quantified at this time.

CAPITAL

IPO

Prior to the IPO, ING Group injected EUR 850 million of capital into NN Group. These funds were used to reduce senior debt owed to ING Group by EUR 200 million, to provide a subordinated loan to NN Life of EUR 450 million and to increase the cash capital position at the holding company by EUR 200 million.

On 7 July 2014, NN Group issued warrants to ING Group that will be exercisable for 34,965,000 (9.99%) ordinary shares of NN Group. The initial exercise price of the warrants is equal to 200% of the EUR 20.00 offer price at the time of the IPO. The warrants will be exercisable from 7 July 2015 and expire on 7 July 2024. ING Group has committed to not exercise its warrants before 7 July 2017. Furthermore, the warrants are not subject to transfer restrictions; however, ING Group entered into a 180-day lock-up arrangement with the underwriters. The warrant holders have no voting rights or rights to receive dividends.

Capital ratio

Capital ratio NN Group

in EUR million	30 Jun. 14[1]	31 Mar. 14
Shareholders' equity	16,939	14,682
Qualifying subordinated debt issued by NN Group to ING Group	1,809	2,394
Qualifying subordinated debt issued by NN Group	1,000	-
Required regulatory adjustments[2]	-7,288	-6,110
Total capital base (a)	**12,460**	**10,966**
EU required capital (b)	4,578	4,468
IGD Solvency I ratio (a/b)	**272%**	**245%**

1) The 30 June 2014 capital ratio is not final until filed with the regulators.
2) The 31 March 2014 IGD ratio has been updated from 249% to 245% as the eligible hybrids for IGD capital are capped at a maximum of 50% of the EU required capital base, with the additional condition that dated hybrids can be included up to a maximum of 25% of the EU required capital base.

The IGD ratio increased strongly to 272% at the end of the second quarter, mainly due to a EUR 850 million capital injection by ING Group into NN Group in May 2014 and the positive net result of EUR 252 million.

Cash capital position at the holding company

NN Group: Cash capital[1]		
in EUR million	2Q2014	1H2014
Beginning of period	**634**	**1,363**
Cash divestment proceeds	4	181
Capital flow from / (to) shareholders	850	674
Increase / (decrease) in debt and loans	-200	-200
Dividends from subsidiaries[2]	373	446
Capital injections into subsidiaries[3]	-485	-1,210
Other[4]	-18	-97
End of period	**1,156**	**1,156**

1) Cash capital is defined as net current assets available at the holding company.
2) Includes interest on subordinated loans paid by subsidiaries to the holding company.
3) Includes the change of subordinated loans issued by subsidiaries to the holding company.
4) Includes interest payments on NN Group subordinated loans and debt, holding company expenses and other holding company cash flows.

The cash capital position at the holding company increased from EUR 634 million at the end of the first quarter to EUR 1,156 million at the end of the second quarter. This increase was mainly attributable to dividends received from subsidiaries and the pre-IPO capital transactions. The cash capital at the holding company was EUR 1,363 million at the end of the fourth quarter of 2013 and was temporarily high, pending a capital injection of EUR 600 million into NN Life which was executed in February 2014 by way of subordinated debt. The holding company received dividends from subsidiaries of EUR 446 million in the first half of the year.

Capital generation

The capital generated by subsidiaries was EUR 8 million over the first half year of 2014. This included the impact of the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent (EUR -406 million) and the impact for ING Re Netherlands resulting from the move towards fair value accounting on the reserves for the Guaranteed Minimum Death Benefit (GMDB) of the Japan Closed Block VA business (EUR -94 million). Excluding these non-recurring items, the capital generation during the first six months of 2014 was EUR 507 million, mainly supported by operating performance and favourable financial markets, partly offset by the impact of model and assumption changes and other variances.

The Solvency I ratio of NN Life improved from 223% to 250% over the first half year of 2014, supported by the issuance of EUR 1,050 million subordinated debt to NN Group, favourable market movements and operating performance, partly offset by model and assumption changes and the impact of the pension agreement (EUR -231 million). Excluding the pension impact, the capital generation of NN Life over the first half year of 2014 was EUR 163 million.

Financial leverage

NN Group: Financial Leverage		
in EUR million	30 Jun. 14	31 Mar. 14
Shareholders' equity	16,939	14,682
Revaluation reserve debt securities	-5,489	-4,105
Revaluation reserve crediting to life policyholders	3,858	3,199
Revaluation reserve cash flow hedge	-3,447	-3,038
Goodwill	-265	-264
Minority interests	60	72
Capital base for financial leverage	**11,656**	**10,546**
Subordinated debt	3,287	2,890
Financial debt	400	1,000
Financial leverage	**3,687**	**3,890**
Financial leverage ratio	**24%**	**27%**
Fixed-cost coverage ratio[1]	**6.5x**	**5.6x**

1) Calculated on last 12-month basis.

The financial leverage ratio of NN Group decreased to 24% at the end of the second quarter. The capital base for financial leverage increased by EUR 1.1 billion, mainly driven by a pre-IPO EUR 850 million capital injection from ING Group and the second quarter net result of EUR 252 million. The financial leverage decreased by EUR 200 million following the repayment of senior debt owed to ING Group.

The fixed-cost coverage ratio further improved to 6.5x at the end of the second quarter (on a last 12-months basis) versus 5.6x at the end of the first quarter of 2014. The improvement was mainly due to increased profitability and reduced debt levels.

On 8 April 2014, NN Group issued EUR 1 billion dated subordinated debt with a maturity of 30 years and callable after 10 years and every quarter thereafter (subject to regulatory approval). The coupon is fixed at 4.625% per annum for the first 10 years and will be floating thereafter. The net proceeds were used to repay EUR 0.6 billion of subordinated debt and EUR 0.4 billion of senior debt to ING Group. The debt is rated by Standard & Poor's (BBB-) and Moody's (Baa3) and listed on Euronext Amsterdam.

On 15 July 2014, NN Group issued EUR 1 billion undated subordinated debt which is callable after 11.5 years and every quarter thereafter (subject to regulatory approval). The coupon is fixed at 4.50% per annum for the first 11.5 years and will be floating thereafter. The net proceeds were used to repay subordinated debt to ING Group. The debt is rated by Standard & Poor's (BBB-) and Moody's (Baa3) and listed on Euronext Amsterdam.

Capital generation[1]									
%, EUR millions	30 Jun. 14			31 Dec. 13			Change 6M2014		
	Solvency Ratio	Available Capital	Available over Minimum Required Capital	Solvency Ratio	Available Capital	Available over Minimum Required Capital	Change of Available over Minimum Required Capital	Of which capital flows[2]	Capital Generation
Total of subsidiaries (excluding discontinued operations)	n.a.	12,295	7,621	n.a.	11,379	6,847	774	766	8
of which NN Life	250%	7,029	4,218	223%	5,876	3,247	971	1,039	-68

1) Capital generation for subsidiaries (excluding discontinued operations) is defined as the change of available over minimum required capital, excluding capital flows, according to local regulatory capital framework – figures are not final until filed with the regulators.
2) Capital flows reflect capital injections (including subordinated loans) net of dividends (including interest on subordinated loans) for all subsidiaries (excluding discontinued operations)

CONSOLIDATED PROFIT AND LOSS ACCOUNT ING GROUP

ING Group: Consolidated profit and loss account

	Total Group[1]		Total Banking		NN Group		Insurance Other	
in EUR million	2Q2014	2Q2013[2]	2Q2014	2Q2013	2Q2014	2Q2013[2]	2Q2014	2Q2013[2]
Gross premium income	1,977	2,015			1,977	2,017		-2
Interest result Banking operations	2,966	2,978	2,985	3,006				
Commission income	748	731	595	582	153	163		-14
Total investment & other income	1,001	561	201	265	794	302	12	
Total underlying income	**6,693**	**6,286**	**3,781**	**3,853**	**2,925**	**2,483**	**12**	**-16**
Underwriting expenditure	2,012	1,753			2,012	1,755		-2
Staff expenses	1,511	1,529	1,207	1,236	304	293		
Other expenses	1,024	995	866	828	152	173	7	-6
Intangibles amortisation and impairments	26	26	26	26				
Operating expenses	2,561	2,550	2,098	2,090	456	466	7	-6
Interest expenses Insurance operations	93	125			118	159		
Addition to loan loss provision	405	616	405	616				
Other	2	2			2	2		
Total underlying expenditure	**5,073**	**5,045**	**2,503**	**2,706**	**2,588**	**2,382**	**7**	**-9**
Underlying result before tax	**1,620**	**1,241**	**1,278**	**1,147**	**337**	**101**	**5**	**-7**
Taxation	424	315	338	283	74	33	11	-1
Minority interests	16	25	17	23	-1	4		-2
Underlying net result	**1,181**	**901**	**923**	**840**	**264**	**64**	**-6**	**-3**
Net gains/losses on divestments	-3	-16			-3	-61		45
Net result from divested units								
Net result discontinued operations Insurance/IM Asia	2	65			2	65		
Net result discontinued operations Voya Financial	22	-23					22	-23
Special items after tax	-135	-33	-117	-22	-18	-11		
Net result	**1,067**	**895**	**806**	**819**	**245**	**56**	**16**	**19**

ING Group: Consolidated profit and loss account

	Total Group[1]		Total Banking		NN Group		Insurance Other	
in EUR million	1H2014	1H2013[2]	1H2014	1H2013	1H2014	1H2013[2]	1H2014	1H2013[2]
Gross premium income	5,468	5,648			5,468	5,651		-3
Interest result Banking operations	5,972	5,870	6,012	5,922				
Commission income	1,472	1,432	1,155	1,136	317	310		-14
Total investment & other income	2,182	829	431	659	1,754	93	10	93
Total underlying income	**15,094**	**13,780**	**7,599**	**7,716**	**7,539**	**6,054**	**10**	**76**
Underwriting expenditure	5,851	4,336			5,851	4,339		-3
Staff expenses	3,052	3,077	2,446	2,475		602		
Other expenses	2,098	2,025	1,787	1,683	606	348	7	-6
Intangibles amortisation and impairments	40	65	40	65	304			
Operating expenses	5,189	5,167	4,272	4,224	910	950	7	-6
Interest expenses Insurance operations	175	245			228	313		-4
Addition to loan loss provision	872	1,176	872	1,176				
Other	3	3			3	3		
Total underlying expenditure	**12,091**	**10,928**	**5,145**	**5,400**	**6,992**	**5,606**	**7**	**-12**
Underlying result before tax	**3,004**	**2,852**	**2,454**	**2,316**	**547**	**448**	**3**	**88**
Taxation	792	728	657	614	125	116	11	-2
Minority interests	43	55	45	53		6	-2	-4
Underlying net result	**2,169**	**2,071**	**1,753**	**1,649**	**422**	**326**	**-6**	**96**
Net gains/losses on divestments	-1,767	923	202	-6	-20	884	-1,949	45
Net result from divested units		-38		-37		-1		
Net result discontinued operations Insurance/IM Asia	7	131			6	131		
Net result discontinued operations Voya Financial	75	-218					75	-218
Special items after tax	-1,335	-79	-885	-44	-450	-35		
Net result	**-851**	**2,791**	**1,070**	**1,563**	**-42**	**1,305**	**-1,880**	**-77**

1) Including intercompany eliminations.
2) The figures of this period have been restated to reflect the change in accounting policy, i.e. the move towards fair value accounting for Guaranteed Minimum Death Benefits reserves of the Japan Closed Block VA segment as of 1 January 2014.

Important legal information
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 2Q2014 ING Group Interim 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.

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