ING Groep N.V. Condensed consolidated interim financial information for the period ended

30 June 2015

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Interim report

Introduction

ING is a global financial institution with a strong European base, offering a wide range of retail and commercial banking services to customers in over 40 countries. The Group consists of ING Groep N.V., ING Bank N.V., NN Group N.V. (until deconsolidation on 29 May 2015) and some smaller entities.

Non-GAAP Measurement

ING Group evaluates the results of its Banking segments using a financial performance measure called underlying result. Underlying result is defined as result under IFRS-EU, excluding the impact of divestments, special items and Legacy Insurance. Special items include items of income or expense that are significant and arise from events or transactions that are clearly distinct from the ordinary operating activities. Disclosures on comparative periods also reflect the impact of current period's divestments. Legacy Insurance consists of the results from discontinued operations, the results from Insurance Other and the intercompany eliminations between ING Bank and NN Group until deconsolidation on 29 May 2015.

The breakdown of underlying net result by segment and the reconciliation between IFRS-EU and the underlying net result can be found in Note 21 'Segments'. Disclosures on comparative periods in Note 21 'Segments' also reflect the impact of current period's divestments.

ING Group consolidated results

ING Group Total					1 April to 30 June 2015	1 April to 30 June 2014
3 month period	ING Bank N.V.	Other Banking	Total Banking	Legacy Insurance	Total	Total
Underlying income	4,219	–47	4,171		4,171	3,781
Underlying expenses	2,565	5	2,571		2,571	2,503
Underlying result before taxation	**1,653**	**–53**	**1,601**		**1,601**	**1,278**
Taxation	470	–7	462		462	338
Minority interests	21		21		21	17
Underlying net result	**1,163**	**–45**	**1,118**		**1,118**	**923**
Divestments /Special items	354		354		354	–117
Other				17	17	–25
Net result from discontinued operations				–130	–130	286
Net result IFRS-EU (continuing and discontinued operations) attributable to equity holder of the parent	**1,516**	**–45**	**1,471**	**–112**	**1,359**	**1,067**

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ING Group Total					1 January to 30 June 2015	1 January to 30 June 2014
6 month period	ING Bank N.V.	Other Banking	Total Banking	Legacy Insurance	Total	Total
Underlying income	8,596	–89	8,507		8,507	7,599
Underlying expenses	5,226	18	5,245		5,245	5,145
Underlying result before taxation	**3,369**	**–107**	**3,262**		**3,262**	**2,454**
Taxation	940	–19	921		921	657
Minority interests	36		36		36	45
Underlying net result	**2,393**	**–88**	**2,304**		**2,304**	**1,753**
Divestments /Special items	339		339		339	–682
Other				15	15	10
Net result from discontinued operations				469	469	–1,932
Net result IFRS-EU (continuing and discontinued operations) attributable to equity holder of the parent	**2,732**	**–88**	**2,644**	**484**	**3,128**	**–851**

ING posted strong results in the first half year of 2015. The underlying net result was EUR 2,304 million, up 31.4% compared with the first half year of 2014, driven by strong performance by ING Bank. ING Group's first half year net result was EUR 3,128 million compared to EUR –851 million in the same period last year.

ING Banking underlying results before taxation rose 32.9% to EUR 3,262 million from EUR 2,454 million in the first six months of last year.

For the first half year of 2015, ING Group recorded a net result from the discontinued operations of NN Group of EUR 146 million compared with EUR –2 million in the same period last year. The first half year of 2015 result represents ING's 54.8% stake in NN Group's net result until deconsolidation on 29 May 2015, a EUR 223 million loss following the deconsolidation of NN Group and a EUR 33 million loss on a subsequent decrease in NN Group's fair value below the carrying value at the time of deconsolidation.

In March 2015, ING sold 45.6 million shares of common stock in Voya Financial Inc. reducing ING's stake from 18.9% to zero. The financial impact of this transaction is reflected in the EUR 323 million net result from discontinued operations of Voya. It represents the difference between the market value of ING 18.9% stake in Voya at the date ING lost significant influence and the market value of this stake at the time of the transaction.

ING Group's net result in the first six months of 2015 included EUR –27 million of special items, EUR 367 million result on divestments and EUR 469 million net result from discontinued operations. The underlying effective tax rate was 28.2% compared with 26.8% in the first six months of 2014.

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Banking operations

Consolidated results of operations

ING's banking operations posted a strong set of results in the first six months of 2015. Net profit more than doubled to EUR 2,644 million from EUR 1,070 million the first six months of 2014. Net result in the first six months of 2015 included EUR 339 million of divestments and special items, and related to a EUR 367 million on the merger between ING Vysya Bank and Kotak Mahindra Bank and EUR 27 million after-tax charges for the earlier announced restructuring programmes in Retail Netherlands. Divestments and special items in the first six months of 2014 amounted to a net loss of EUR 682 million and related mainly to the result on the deconsolidation of ING Vysya Bank, the after-tax charge for making the Dutch Defined Benefit pension fund financially independent, and the first and second payment of the levy related to the SNS Reaal nationalisation.

Excluding divestments and special items, ING Bank posted an underlying net profit of EUR 2,304 million in the first six months of 2015, up 31.4% from EUR 1,753 million in the same period last year.

The underlying result before tax rose 32.9% to EUR 3,262 million from EUR 2,454 million in the first six months of last year. The first half of 2015 included EUR 207 million of positive credit and debt valuation adjustments (CVA/DVA) recorded in Commercial Banking and the Corporate Line versus a EUR 124 million negative impact in the first half of 2014. Excluding CVA/DVA, underlying result before tax increased by EUR 477 million, or 18.5%, on last year. Income benefitted from solid loan growth, capital gains and positive currency effects, but was negatively affected by non-recurring charges from mortgage refinancings (prepayments and renegotiations). Underlying expenses increased 4.4% on the first six months of last year, as ING Bank remains vigilant on costs while continuing to invest in strategic priorities and in business growth.

Total underlying income increased 11.9% to EUR 8,507 million from EUR 7,599 million in the first six months of 2014, but was up 7.5% excluding CVA/DVA. Interest result rose by EUR 266 million, or 4.4%, driven by volume growth in customer deposits and non-mortgage customer lending. The underlying interest margin decreased by three basis points to 1.45% in the first six months of 2015 compared with 1.48% in the same period last year. This decline was mainly due to margin pressure on current accounts and lower interest results in Financial Markets, partly offset by higher margins on lending and savings. Commission income increased to EUR 1,189 million from EUR 1,155 million last year. Investment income declined to EUR 137 million compared with EUR 144 million in the first half of 2014. Other income increased to EUR 902 million from EUR 287 million last year, mainly due to the aforementioned positive swing in CVA/DVA, higher revenues at Financial Markets and increased capital gains, partly offset by EUR 127 million of non-recurring charges related to the mortgage portfolios in Italy and Belgium due to higher prepayments and renegotiations than expected, leading to accelerated amortisation charges.

Underlying operating expenses were up EUR 188 million, or 4.4%, to EUR 4,460 million. The increase was, next to approximately EUR 53 million of currency impacts, mainly attributable to higher IT investments to improve customer experience and enhance operational excellence, and business growth in mainly Retail Germany, Retail Other and Industry Lending within Commercial Banking. The cost/income ratio was 52.4% compared with 56.2% in the first half of 2014. However, excluding the volatile CVA/DVA impacts in both periods, the cost/income ratio improved to 53.7% from 55.3% a year ago.

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Net additions to loan loss provisions declined to EUR 785 million compared with EUR 872 million last year, mainly visible in Retail Netherlands reflecting the improving sentiment in the Dutch housing market. Risk costs were annualised 52 basis points of average risk-weighted assets compared with 60 basis points in the first half of 2014.

Retail Netherlands
Underlying result before tax of Retail Netherlands rose to EUR 778 million from EUR 623 million in the first six months of 2014, mainly due to higher income and lower risk costs, while operating expenses remained stable.

Total underlying income increased to EUR 2,231 million, up 3.7% compared with EUR 2,152 million in the first half of 2014. Income was supported by higher interest margins on lending and savings (following several client rate reductions), which compensated for lower lending volumes. The decline in volumes was, next to low demand, mainly caused by the additional transfers of WestlandUtrecht Bank (WUB) mortgages to NN Bank and the run-off in the WUB mortgage portfolio as well as the transfer of a EUR 0.9 billion real estate finance portfolio from WUB to Commercial Banking in 2015. The total mortgage portfolio declined in the first half of 2015 by EUR 2.1 billion. Excluding EUR 0.5 billion of additional transfers of WUB mortgages to NN Bank and a EUR 0.5 billion decline in the fair value hedge on mortgages, the net production in the mortgage portfolio was EUR 1.1 billion, largely due to the continuing run-off of the WUB portfolio and higher prepayments. The net production in other customer lending, mainly business lending, was EUR 0.4 billion. The net production of customer deposits was EUR 4.6 billion in the first half of 2015. Investment and other income rose by EUR 70 million on last year, mainly due to positive hedge ineffectiveness results related to the Dutch mortgage hedge accounting programme, while the first half of 2014 included a EUR 23 million loss on the sale of real estate in own use.

Operating expenses slightly increased 0.2% to EUR 1,161 million, as higher IT investments were offset by lower HR provisions and the benefits from the ongoing cost-efficiency programmes. The cost savings programmes remain on track to realise EUR 675 million of cost savings by the end of 2017. Of this amount, EUR 387 million have been realized since 2011.

The net addition to loan loss provisions declined to EUR 292 million from EUR 370 million in the first half of 2014. Of this decline, EUR 66 million was attributable to lower net additions for Dutch mortgages, reflecting the improving sentiment in the Dutch housing market.

Retail Belgium
Retail Belgium's underlying result before tax decreased to EUR 395 million from EUR 470 million in the first six months of 2014, mainly due to lower income and increased expenses.

The underlying income was down by EUR 46 million, or 3.4%, to EUR 1,298 million compared with EUR 1,344 million last year. Investment and other income declined to EUR 85 million from EUR 159 million in the first half of 2014, due to lower capital gains and a EUR 30 million non-recurring charge on hedges related to mortgages. The interest result was slightly up by EUR 4 million, or 0.4%, as increased volumes, higher margins on mortgages and elevated levels of prepayment charges on mortgages were offset by lower margins on other lending products, savings and current accounts. Commission income increased by EUR 24 million to EUR 217 million compared with last year, reflecting higher fee income on mutual funds, and a one-off gain of EUR 11 million on the sale of a loan. The lending portfolio increased by EUR 3.3 billion in the first half of 2015, of which EUR 0.8 billion was in residential mortgages and EUR 2.5 billion in Other lending. Customer deposits increased by EUR 2.8 billion, mainly due to current accounts inflow in the mid-corporate and SME segments.

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Operating expenses increased by EUR 21 million (or 2.6%) compared with the first half of 2014. This increase reflects higher regulatory costs, as in the first half of 2015 the DGS costs for the full year were booked while these were accrued over the months in 2014. The strategic projects announced by ING Belgium in the beginning of 2013 are on track to realise EUR 160 million of cost savings by the end of 2017. Of this amount, EUR 128 million has already been realised.

The net addition to the provision for loan losses increased by EUR 8 million to EUR 88 million compared with a year ago. This increase was mainly visible in business lending where risk costs rose by EUR 6 million to EUR 56 million. Risk costs for mortgages and consumer lending were both EUR 1 million higher.

Retail Germany
Retail Germany's underlying result before tax rose to EUR 503 million from EUR 361 million in the first six months of 2014, mainly due to higher income, partly offset by higher operating expenses.

The underlying income increased to EUR 939 million in the first half of 2015 compared with EUR 772 million a year ago, mainly due to high realised gains on the sale of bonds in 2015 and higher interest results. The interest result rose 10.5% to EUR 786 million, mainly due to increased lending and savings balances, supported by higher margins on savings (following several pricing reductions, including reductions of the core savings rates in both Germany and Austria). Despite the reduction of rates, customer deposits increased by EUR 4.6 billion in the first half of 2015. The lending portfolio grew by EUR 5.9 billion. This was attributable to a EUR 6.0 billion increase in Bank Treasury products (primarily reverse repurchase agreements), a EUR 0.4 billion increase in consumer lending, partly offset by a EUR 0.5 billion decrease in residential mortgages (of which EUR 0.3 billion was caused by a decline in the fair value hedge on mortgages).

Operating expenses increased by EUR 35 million, or 9.3%, compared with the first half of 2014. The increase reflects higher headcount at both ING-DiBa and Interhyp, investments to support business growth and attract primary banking clients, and higher regulatory cost. The latter was caused by the new national resolution fund in the first half 2015.

The net addition to the provision for loan losses was EUR 27 million versus EUR 37 million a year ago, mainly reflecting the strong quality of the mortgage portfolio.

Retail Other
Retail Other's underlying result before tax decreased to EUR 258 million from EUR 336 million in the first six months of last year. The decline was primarily driven by lower income in Italy which was caused by EUR 97 million of non-recurring charges related to increased prepayments and renegotiations of fixed-term mortgages. This was partly offset by EUR 33 million of gains on the sale of white-label mortgages in Australia.

Total underlying income decreased by EUR 4 million, or 0.3%, to EUR 1,142 million from EUR 1,146 million in the first half of 2014. This decline was mainly caused by the aforementioned non-recurring charges in Italy and the impact of the deconsolidation of ING Vysya Bank (effective as of the second quarter of 2014), partly offset by the aforementioned gains in Australia. Excluding these items, underlying income increased 13.3%, mainly due to higher interest results stemming from higher volumes in most countries, despite margin pressure. The net inflow of customer deposits in the first half of 2015, adjusted for currency effects and Bank Treasury, was EUR 2.8 billion, mainly in Spain and Poland. The net production in customer lending (also adjusted for currency effects and Bank Treasury, and the sale of mortgage portfolios in Australia) was EUR 3.8 billion, with growth in mainly Turkey and Poland.

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Operating expenses increased by EUR 52 million (or 7.0%) to EUR 790 million compared with the first half of 2014, mainly due to investments to support business growth and inflation adjustments in the Growth Markets, partly offset by the impact of the deconsolidation of ING Vysya Bank.

The addition to the provision for loan losses increased by EUR 23 million to EUR 95 million compared with EUR 72 million a year ago, as last year included lower risk costs in Turkey due to releases resulting from model updates, as well as EUR 15 million of risk costs for ING Vysya Bank. The remaining increase was mainly visible in Poland.

Commercial Banking
Underlying result before tax of Commercial Banking increased 57.4% to EUR 1,583 million from EUR 1,006 million in the first six months of 2014. The increase was fully attributable to higher income, particularly due to positive CVA/DVA impacts, and lower risk costs, while expenses increased.

Underlying income rose by EUR 613 million, or 24.9%, to EUR 3,076 million in the first half of 2015, mainly in Financial Markets, which included EUR 176 million of positive CVA/DVA adjustments this year, compared with EUR 102 million of negative adjustments last year. Excluding CVA/DVA impacts, income was 13.1% higher, mainly due to higher income in Industry Lending (Structured Finance) and to a lesser extent in Financial Markets.

The total interest result increased by EUR 104 million, or 6.2%, on the first six months of 2014, due to higher net interest income in Industry Lending, partly offset by lower interest results in Financial Markets. The increase in Industry Lending was driven by Structured Finance due to portfolio growth at higher margins and supported by the weakening of the euro. The interest result in General Lending & Transaction Services increased 4.7% on last year, while Bank Treasury, Real Estate & Other declined 14.4%, due to the downsizing of the lease run-off business.

Commission income increased by EUR 7 million, or 1.4%, on the first six months of 2014, mainly attributable to higher fees from Industry Lending, driven by some large transactions in Structured Finance. The increase was partly offset by lower fee income at Financial Markets. Investment and other income rose to EUR 787 million from EUR 284 million in the first half of 2014. This increase was for the larger part attributable to Financial Markets, which included EUR 176 million of positive CVA/DVA adjustments this year compared with EUR 102 million of negative adjustments in the first half of 2014, and was furthermore supported by higher market volatility.

Operating expenses were EUR 1,209 million, or 5.7% higher compared with the same period in 2014, as the cost savings from the restructuring plans were more than offset by FX effects and higher FTEs to support business growth. The previously announced restructuring programmes are on track. At the end of June 2015, EUR 231 million of cost savings had already been realised out of EUR 340 million targeted by 2017. The underlying cost/income ratio in the first half of 2015 was 39.3%, compared with 46.4% a year ago.

Net additions to loan loss provisions declined to EUR 283 million from EUR 313 million in the first half of 2014, mainly reflecting lower risk costs in General Lending & Transactions Services, as last year included high risk costs related to a few specific files, and the Lease run-off portfolio. This was partly offset by higher risk costs in Industry Lending, fully attributable to Structured Finance, while Real Estate Finance included the release of a larger file in 2015.

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Corporate Line

The Corporate Line reported an underlying result before tax of EUR –256 million compared with EUR -342 million in the first half of 2014, which included a EUR 51 million one-off loss following the accelerated amortisation of capitalised fees on issued debt. DVA on own-issued debt showed a positive swing from EUR –22 million a year ago to EUR 31 million this year. Capital Management-related results improved, despite a EUR 16 million loss on the announced redemption of a hybrid loan in June 2015, mainly due to positive fair value variations. Bank Treasury-related results, which include the isolated legacy costs (mainly negative interest results) for replacing short-term funding with long-term funding, declined by EUR 14 million on the first half year of 2014, mainly due to fair value variations on long-term debt. This year's result was further supported by a release of a legal provision, while the first six months of 2014 included a release from DGS-related provisions.

ING Group balance sheet

ING Group's balance sheet decreased by EUR 128 billion to EUR 865 billion at 30 June 2015 from EUR 993 billion at the end of 2014. Assets/liabilities held for sale decreased by EUR 162 billion and EUR 142 billion, respectively, in the first six months mainly reflecting the deconsolidation of NN Group. Excluding the impact of the deconsolidation of NN Group, assets increased reflecting strong commercial growth.

Cash and balances with central banks

Cash and balances with central banks increased by EUR 9 billion to EUR 22 billion due to higher placements at central banks.

Amounts due from/and to banks

Amounts due from banks increased by EUR 3 billion to EUR 40 billion and Amounts due to banks increased by EUR 9 billion to EUR 39 billion.

Loans and advances to customers

Loans and advances to customers increased by EUR 26 billion to EUR 543 billion mainly due to growth in corporate lending and currency developments. In the first six months ING sold the Australian 'white label mortgages' to Macquarie Bank. At Bank Treasury loans and advances grew by EUR 9 billion mainly reflecting increased cash collateral placements related to derivative contracts and higher reverse repos.

Financial assets/liabilities at fair value

Financial assets at fair value through profit and loss increased by EUR 3 billion to EUR 147 billion. Financial liabilities at fair value through profit and loss decreased by EUR 10 billion to EUR 106 billion. This decrease is mainly due to lower repo activity. 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 decreased by EUR 5 billion to EUR 92 billion at the end of June 2015. The decrease is mainly due to a decrease in government bonds, partly offset by higher equity securities. Equity securities increased, amongst others, with the 6.5% stake in Kotak Mahindra Bank from the completion of the merger between ING Vysya and with Kotak Mahindra Bank on 7 April 2015.

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Assets/liabilities held for sale
Assets held for sale declined by EUR 162 billion to EUR 3 billion due to the deconsolidation of NN Group on 29 May 2015 and the completion of the merger of ING Vysya Bank with Kotak Mahindra Bank on 7 April 2015. The EUR 3 billion assets held for sale mainly reflects ING's remaining stake in NN Group, which is accounted for as an investment in associate held for sale. Liabilities held for sale declined by EUR 142 billion due to the deconsolidation of NN Group.

Debt securities in issue
The increase of EUR 4 billion to EUR 130 billion in Debt securities in issue is mainly due to the issuance of senior unsecured debt of EUR 10 billion and higher CD/CPs of EUR 2 billion in the first half of 2015. The issuance was partly offset by maturities and redemptions.

Customer deposits
Customer deposits increased by EUR 22 billion to EUR 506 billion, mainly due to higher customer deposits at Retail Banking reflecting ING Bank's strength as a deposit gatherer.

Shareholders' equity
Shareholders' equity decreased by EUR 4 billion to EUR 47 billion. The decrease is mainly due to the impact of sale and subsequent deconsolidation of NN Group in the first half year of 2015, which was partly offset by the net result of EUR 3 billion.

Shareholders' equity per share decreased from EUR 13.08 at the end of December 2014 to EUR 12.09 on 30 June 2015.

Number of shares
The total number of shares is 3,870 million at the end of June 2015 compared to 3,859 million at the end of December 2014. The total number of shares equals 3,868 million outstanding in the market plus treasury shares, which decreased from 4.3 million at the end of December 2014 to 2.0 million at the end of June 2015.

Capital management

ING Group
ING Group further strengthened its capitalisation in the first half of 2015. The increase reflects significant progress on ING's restructuring programme as well as strong profitability. ING completed the divestment of Voya Financial Inc. by selling 45.6 million shares. In addition ING Group sold 97 million shares NN Group in two tranches for total proceeds of EUR 2.3 billion and exchanged EUR 337.5 million notes of NN anchor investors into NN shares, reducing its stake in NN Group from 68.1% to 37.6%. In accordance with IFRS, the stake in NN Group has been deconsolidated and the retained minority stake in NN Group is now accounted for as an Associate held for sale. These two transactions had a strong positive impact on ING Group's fully-loaded CET1 ratio, reflecting the net profit on Voya and a reversal of deductions of significant investments in financial institutions (amongst which NN Group and Voya).

This, in combination with strong profit generation, improved ING Group's fully loaded CET1 ratio from 10.5% at the end of 2014 to 12.3% at the end of June 2015. In May 2015, ING reinstated dividend payments on ordinary shares and paid a cash dividend related to the financial year 2014 of EUR 464 million, or EUR 0.12 per ordinary share.

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ING Bank
As of 1 January 2014, the CRR/CRD IV capital rules entered into force. The capital position 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 CRD IV positions will reflect the capital according to the 2019 end-state rules (fully-loaded) and the 2015 rules (phased-in). The fully-loaded percentage is calculated on the basis of immediate and full implementation and disregarding the possible impact of future management actions.

ING Bank's fully-loaded CRR/CRD IV common equity Tier 1 ratio at the end of June 2015 compared to year-end 2014 was approximately stable at 11.3%, thereby complying with the CRR/CRD IV solvency requirements. Retained earnings were offset by both RWA growth due to asset production and a EUR 2.2 billion dividend upstream to ING Groep N.V.

Risk-weighted assets (RWA)
At the end of June 2015, ING Bank's total RWA was EUR 309.8 billion, an increase of EUR 13.4 billion in the first half of 2015.

Credit RWA increased by EUR 8.6 billion to EUR 260.5 billion. Market RWA decreased by EUR 0.1 billion to EUR 10.6 billion, while operational RWA increased to EUR 38.7 billion. The latter was increased by EUR 5.0 billion, of which EUR 4.0 billion was the result of more weight given to external loss data, which has a more negative risk profile than ING's internal scenarios.

Risk management

Banking
ING Bank's NPL ratio improved to 2.8% in the first half year of 2015 with a coverage ratio of 36.6%, as result of both portfolio growth and reduction of NPLs. The funding profile remains strong with a loan-to-deposit ratio of 1.04 and successfully issued USD 2.25 billion of CRR/CRD IV compliant Additional Tier 1 securities.

Credit risk management
During the first half year of 2015, ING Bank's non-performing loans (NPLs) expressed as a percentage of lending credit outstandings decreased to 2.8% from 3.0% at the end of 2014. The reduction in the NPL ratio was driven by an improvement in the credit quality combined with an increase in credit outstandings, which resulted from accelerated asset production.

In Retail Netherlands, the NPL ratio for the Dutch mortgage book improved to 2.4% from 2.6% at the end of 2014, while the 90+ days overdue portfolio's NPL ratio fell to 1.2% compared with 1.4% at year-end 2014. The improvement in the credit quality of the underlying portfolio reflects the continued improvement of the Dutch housing market and Dutch economy. Non-performing loans for business lending NL remained unchanged, but the NPL ratio increased further to 8.3% due to a further reduction of credit outstandings. The NPL ratio and risk costs of business lending Netherlands are expected to remain at elevated levels in the coming quarters.

In Belgium, the NPL ratio for residential mortgages increased to 3.2% compared to 2.8% at year-end 2014 as a result of the further evolution of forbearance policies. In Retail Challengers and Growth Markets, the overall NPL ratio remained unchanged at 1.4%, whereby the NPL ratio of other lending in Other Challengers & Growth Markets slightly deteriorated by 0.2 percentage points to 3.4% compared with the end of 2014.

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For Commercial Banking, the NPL ratio dropped to 3.0% from 3.3% at year-end 2014 driven by customer lending growth in strategic segments, mainly observable within Industry Lending. The NPL ratio in the Real Estate Finance portfolio went sharply down to 5.8% from 8.1% reported at the end of 2014, mainly on account of the restructuring of some large files. This was partially offset by the Structured Finance and General Lending portfolios, where higher net inflow in NPLs resulted in a deterioration of the NPL ratio.

On the ongoing Ukraine/Russia crisis, ING Bank continues to actively monitor and manage the exposures in these countries, while continuing to support its long-term clients. The outstandings to Russia decreased by EUR 0.5 billion to EUR 6.5 billion in the first half year of 2015. The quality of the portfolio remains strong with the NPL ratio remaining unchanged at 3%. ING's exposure in the Ukraine edged up to EUR 1.3 billion. The NPL ratio deteriorated to 52% from 35% at the end of 2014, which was mainly due to one large file. The Ukraine NPLs have a coverage ratio of 51%.

ING Bank's stock of provisions remained unchanged at EUR 6.0 billion at the end of June 2015. Combined with reduced NPLs, ING Bank's coverage ratio increased to 36.6% from 35.5% at year-end 2014.

Securities portfolio
In the first six months of 2015, ING Bank's overall exposure to debt securities decreased to EUR 99.9 billion from EUR 108.1 billion. New investments in high-quality LCR-eligible bonds were more than offset by maturities, sales and decreased market values. Selective sales, mainly in Government and Financial Institutions bonds, were executed to facilitate modest capital gains. The revaluation reserve for debt securities dropped to EUR 1.4 billion after tax compared with EUR 1.6 billion at year-end 2014 largely due to increase in interest rates.

Funding and liquidity
In the first half year of 2015, the funding markets were impacted by the Greek debt crisis causing additional volatility. Macro-economic news for the Eurozone on the other hand has been supportive, with GDP growth forecasts slowly continuing their upward trend and with the ECB Quantitative Easing programme starting to make its mark. In this climate, ING Bank issued EUR 10.1 billion of senior unsecured debt and RMBS, which were completely offset by maturities and redemptions. On top of this, ING Group also successfully issued USD 2.25 billion of CRR/CRD IV compliant Additional Tier 1 securities in order to further strengthen ING's capital base.

ING Bank's total eligible collateral position increased in the first six months to EUR 185 billion at market values compared to the EUR 183 billion at the end of 2014. This was due to an increase in deposits at central banks and Securities issued or guaranteed by sovereigns, central banks and multilateral development banks, partially offset by a decrease in liquid assets eligible at at central banks. ING Bank's loan-to-deposit ratio, excluding securities that are recorded at amortised cost, remained unchanged at 1.04.

Market risk
The average Value-at-Risk (VaR) slightly increased to EUR 10 million compared to the average of EUR 9 million at year-end 2014. The overnight VaR for ING Bank's trading portfolio ranged from EUR 8 million to EUR 13 million.

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Dividend

ING is pleased to announce an interim cash dividend of EUR 0.24 per ordinary share, amounting to EUR 922 million or 40% of the underlying net profit of the first half of 2015. ING remains committed to returning value to shareholders and reiterates its intention to pay a full-year dividend of at least 40% of ING Group's total annual net profits. The Board's final decision will be made at year-end and will be subject to financial and strategic considerations and future regulatory developments.

The 2014 proposed dividend of EUR 0.12 per ordinary share of EUR 0.24 was approved during the Annual General Meeting ('AGM') of ING Groep N.V. and a dividend of EUR 464 million was paid in cash during the second quarter of 2015.

Other

Reference is made to Note 25 'Other events' in the Condensed consolidated interim accounts for information on the most important events in the first half of 2015, other than the information disclosed in this Interim report. In Note 24 'Related parties' in the Condensed consolidated interim accounts, information is provided on related party relationships and transactions. Both disclosures are deemed to be incorporated by reference here.

Looking ahead

ING's performance during the first half of 2015 demonstrates consistent delivery on its Think Forward priorities, to which ING holds itself accountable. Looking forward to the rest of this year, ING is confident that its franchise is well positioned to empower its customers around the world while delivering sustainable returns to its shareholders.

Conformity statement

The Executive Board is required to prepare the Interim Accounts and the Interim Report of ING Groep N.V. for each financial period in accordance with applicable Dutch law and those International Financial Reporting Standards (IFRS) that were endorsed by the European Union.

Conformity statement pursuant to section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act (Wet op het financieel toezicht)

The Executive Board is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable. It is also responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the Executive Board, so that the timeliness, completeness and correctness of the external financial reporting are assured.

As required by section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act (Wet op het financieel toezicht), each of the signatories hereby confirms that to the best of his knowledge:

- the ING Groep N.V. interim accounts for the period ended 30 June 2015 give a true and fair view of the assets, liabilities, financial position and profit or loss of ING Groep N.V. and the entities included in the consolidation taken as a whole; and
- the ING Groep N.V. interim report for the period ended 30 June 2015 includes a fair review of the information required pursuant to article 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht) regarding ING Groep N.V. and the entities included in the consolidation taken as a whole.

Amsterdam, 4 August 2015

R.A.J.G. Hamers
CEO, chairman of the Executive Board

P.G. Flynn
CFO, member of the Executive Board

W.F. Nagel
CRO, member of the Executive Board

Condensed consolidated balance sheet

as at

in EUR million	30 June 2015	31 December 2014
Assets		
Cash and balances with central banks	**21,511**	12,233
Amounts due from banks	**39,711**	37,119
Financial assets at fair value through profit and loss 2	**146,672**	144,099
Investments 3	**92,430**	97,641
Loans and advances to customers 4	**543,174**	517,478
Investments in associates and joint ventures 5	**1,004**	953
Real estate investments	**79**	80
Property and equipment	**2,021**	2,100
Intangible assets 6	**1,613**	1,655
Assets held for sale 7	**3,205**	165,532
Other assets 8	**13,500**	13,966
Total assets	**864,920**	992,856
Equity 9		
Shareholders' equity (parent)	**46,767**	50,424
Minority interests	**576**	8,072
Total equity	**47,343**	58,496
Liabilities		
Subordinated loans 10	**7,434**	6,861
Debt securities in issue 10	**130,145**	126,352
Other borrowed funds 10	**10,041**	11,297
Amounts due to banks	**39,425**	29,999
Customer deposits and other funds on deposit	**506,194**	483,871
Financial liabilities at fair value through profit and loss 11	**106,411**	116,682
Liabilities held for sale 7		142,132
Other liabilities 12	**17,927**	17,166
Total liabilities	**817,577**	934,360
Total equity and liabilities	**864,920**	992,856

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

Condensed consolidated profit and loss account

	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
in EUR million	2015	2014	2015	2014
Continuing operations				
Interest income banking operations	**11,422**	11,701	**23,502**	24,303
Interest expense banking operations	**–8,334**	–8,734	**–17,253**	–18,331
Interest result banking operations	**3,088**	2,967	**6,249**	5,972
Investment income 13	**20**	69	**133**	179
Commission income	**583**	595	**1,187**	1,155
Other income 14	**857**	142	**1,309**	533
Total income	**4,548**	3,773	**8,878**	7,839
Addition to loan loss provisions 4	**353**	405	**785**	872
Staff expenses 15	**1,276**	1,228	**2,548**	3,359
Other operating expenses 16	**960**	1,003	**1,951**	2,056
Total expenses	**2,589**	2,636	**5,284**	6,287
Result before tax from continuing operations	**1,959**	1,137	**3,594**	1,552
Taxation	**451**	339	**901**	426
Net result from continuing operations	**1,508**	798	**2,693**	1,126
Discontinued operations 17				
Net result from discontinued operations	**237**	289	**734**	152
Net result from classification as discontinued operations	**–14**		**3**	
Net result from disposal of discontinued operations	**–256**	–3	**66**	–2,024
Total net result from discontinued operations	**–33**	286	**803**	–1,872
Net result from continuing and discontinued operations (before minority interests)	**1,475**	1,084	**3,496**	–746

	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
in EUR million	2015	2014	2015	2014
Net result from continuing and discontinued operations attributable to:				
Equityholders of the parent	**1,359**	1,067	**3,128**	–851
Minority interests	**116**	17	**368**	105
	1,475	1,084	**3,496**	–746
Net result from continuing operations attributable to:				
Equityholders of the parent	**1,489**	781	**2,659**	1,081
Minority interests	**19**	17	**34**	45
	1,508	798	**2,693**	1,126
Net result from discontinued operations attributable to:				
Equityholders of the parent	**–130**	286	**469**	–1,932
Minority interests	**97**		**334**	60
	–33	286	**803**	–1,872

Amounts for the three and six month periods ended 30 June 2014 have been restated to reflect the classification of NN Group as held for sale and discontinued operations. Reference is made to Note 17 ‘Discontinued operations’ and Note 25 ‘Other events’.

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

Condensed consolidated profit and loss account

	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
in EUR	2015	2014	2015	2014
Earnings per ordinary share 18				
Basic earnings per ordinary share	**0.35**	0.28	**0.81**	–0.33
Diluted earnings per ordinary share	**0.35**	0.28	**0.81**	–0.33
Earnings per ordinary share from continuing operations 18				
Basic earnings per ordinary share from continuing operations	**0.38**	0.20	**0.69**	0.17
Diluted earnings per ordinary share from continuing operations	**0.38**	0.20	**0.69**	0.17
Earnings per ordinary share from discontinued operations 18				
Basic earnings per ordinary share from discontinued operations	**–0.03**	0.08	**0.12**	–0.50
Diluted earnings per ordinary share from discontinued operations	**–0.03**	0.08	**0.12**	–0.50
Dividend per ordinary share 19	**0.24**	0.00	**0.24**	0.00

Amounts for the three and six month periods ended 30 June 2014 have been restated to reflect the classification of NN Group as held for sale and discontinued operations. Reference is made to Note 17 'Discontinued operations' and Note 25 'Other events'.

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

Condensed consolidated statement of comprehensive income

	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
in EUR million	2015	2014	2015	2014
Net result for the period from continuing and discontinued operations	**1,475**	1,084	**3,496**	–746
Other comprehensive income				
Items that will not be reclassified to the profit and loss account:				
Remeasurement of the net defined benefit asset/liability 20	**19**	–76	**–25**	–348
Unrealised revaluations property in own use	**1**	–10		–12
Items that may be reclassified subsequently to the profit and loss account:				
Unrealised revaluations available-for-sale investments and other	**–3,107**	1,669	**–171**	4,158
Realised gains/losses transferred to the profit and loss account	**165**	–2	**–158**	–92
Changes in cash flow hedge reserve	**–1,544**	891	**–1,202**	1,632
Transfer to insurance liabilities/DAC	**1,240**	–659	**601**	–1,706
Share of other comprehensive income of associates and joint ventures	**10**	8	**27**	40
Exchange rate differences and other	**–420**	197	**1,908**	236
Total comprehensive income	**–2,161**	3,102	**4,476**	3,162
Comprehensive income attributable to:				
Equityholders of the parent	**–1,058**	3,055	**4,007**	2,889
Minority interests	**–1,103**	47	**469**	273
	–2,161	3,102	**4,476**	3,162

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

Condensed consolidated statement of cash flows

			6 month period 1 January to 30 June	
in EUR million			2015	2014
Cash flows from operating activities				
Result before tax[1]			**4,540**	–206
Adjusted for:	–	depreciation	**322**	339
	–	deferred acquisition costs and value of business acquired	**–53**	–54
	–	change in provisions for insurance and investment contracts	**–1,499**	–1,133
	–	addition to loan loss provisions	**785**	872
	–	other	**128**	2,655
Taxation paid			**–693**	–474
Changes in:	–	amounts due from banks, not available on demand	**96**	918
	–	trading assets	**–3,472**	–12,866
	–	non-trading derivatives	**180**	–1,370
	–	other financial assets at fair value through profit and loss	**–275**	–1,398
	–	loans and advances to customers	**–25,296**	–11,607
	–	other assets	**2,016**	–2,135
	–	amounts due to banks, not payable on demand	**8,086**	2,851
	–	customer deposits and other funds on deposit	**21,784**	17,380
	–	trading liabilities	**–8,413**	6,288
	–	other financial liabilities at fair value through profit and loss	**–1,131**	103
	–	other liabilities	**–31**	1,450
Net cash flow from/(used in) operating activities			**–2,926**	1,613
Cash flows from investing activities				
Investments and advances:	–	available-for-sale investments	**–28,548**	–54,970
	–	investments for risk of policyholders	**–2,417**	–17,333
	–	other investments	**–2,627**	–203
Disposals and redemptions:	–	group companies (including cash in company disposed)[2]	**–6,926**	–1,360
	–	associates and joint ventures	**119**	414
	–	available-for-sale investments	**35,265**	39,280
	–	investments for risk of policyholders	**7,566**	22,071
	–	loans	**1,809**	–12
	–	other investments	**995**	629
Net cash flow from/(used in) investing activities			**5,236**	–11,484
Cash flows from financing activities				
Proceeds from borrowed funds and debt securities			**78,122**	83,597
Repayments of borrowed funds and debt securities			**–76,462**	–74,679
Repayment of non-voting equity securities				–817
Repurchase premium paid on non-voting equity securities				–408
Proceeds from partial divestment of NN Group[3]			**1,040**	
Dividends paid 19			**–464**	
Other net cash flow from financing activities				–362
Net cash flow from/(used in) financing activities			**2,236**	7,331
Net cash flow			**4,546**	–2,540
Cash and cash equivalents at beginning of period			**17,113**	17,180
Effect of exchange rate changes on cash and cash equivalents			**–357**	–72
Cash and cash equivalents at end of period			**21,302**	14,568

(1) Result before tax includes results from continuing operations of EUR 3,594 million (2014: EUR 1,552 million) as well as results from discontinued operations of EUR 946 million (after tax EUR 803 million) and for 2014 EUR –1,758 million (after tax EUR –1,872 million).

(2) Disposals and redemption – group companies includes EUR –8 billion and EUR 1 billion related to cash and cash equivalents of NN Group and proceeds from the sale of shares of NN Group resulting in loss of control on 29 May 2015 respectively. (first half year 2014: EUR 950 million proceeds from the sale of shares of Voya which resulted in loss of control in the first quarter of 2014.)

(3) Proceeds from divestment of NN Group includes EUR 1 billion proceeds from the sale of shares of NN Group in February 2015.

Condensed consolidated statement of cash flows

	6 month period 1 January to 30 June	
in EUR million	2015	2014
Cash and cash equivalents comprises the following items:		
Treasury bills and other eligible bills	**1,015**	1,078
Amounts due from/to banks	**–1,224**	–1,534
Cash and balances with central banks	**21,511**	15,010
Cash and cash equivalents classified as Assets held for sale		14
Cash and cash equivalents at end of the period	**21,302**	14,568

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

Condensed consolidated statement of changes in equity

in EUR million	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Minority interests	Total equity
Balance as at 1 January 2015	925	16,046	33,453	50,424	8,072	58,496
Remeasurement of the net defined benefit asset/liability 20			–16	–16	–9	–25
Unrealised revaluations available-for-sale investments and other			–278	–278	107	–171
Realised gains/losses transferred to the profit and loss account			–160	–160	2	–158
Changes in cash flow hedge reserve			–1,165	–1,165	–37	–1,202
Transfer to insurance liabilities			609	609	–8	601
Share of other comprehensive income of associates and joint ventures			25	25	2	27
Exchange rate differences and other			1,864	1,864	44	1,908
Total amount recognised directly in equity (other comprehensive income)			879	879	101	980
Net result from continuing and discontinued operations			3,128	3,128	368	3,496
Total comprehensive income			4,007	4,007	469	4,476
Impact of partial divestment of NN Group			–1,769	–1,769	3,042	1,273
Impact of deconsolidation of NN Group			–5,345	–5,345	–10,801	–16,146
Dividends			–464	–464	–118	–582
Coupon on undated subordinated notes			–19	–19	–15	–34
Purchase/sale of treasury shares			16	16		16
Employee stock option and share plans	3	7	49	59	1	60
Changes in the composition of the group and other changes			–142	–142	–74	–216
Balance as at 30 June 2015	928	16,053	29,786	46,767	576	47,343

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

Changes in individual components are presented in Note 9 ‘Equity’.

Condensed consolidated statement of changes in equity

in EUR million	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Non-voting equity securities	Minority interests	Total equity
Balance as at 1 January 2014	921	16,038	28,817	45,776	1,500	5,913	53,189
Remeasurement of the net defined benefit asset/liability			–324	–324		–24	–348
Unrealised revaluations property in own use			–12	–12			–12
Unrealised revaluations available-for-sale investments and other			3,812	3,812		346	4,158
Realised gains/losses transferred to the profit and loss account			–92	–92			–92
Changes in cash flow hedge reserve			1,599	1,599		33	1,632
Transfer to insurance liabilities/DAC			–1,520	–1,520		–186	–1,706
Share of other comprehensive income of associates and joint ventures			40	40			40
Exchange rate differences and other			237	237		–1	236
Total amount recognised directly in equity (other comprehensive income)			3,740	3,740		168	3,908
Net result from continuing and discontinued operations			–851	–851		105	–746
Total comprehensive income			2,889	2,889		273	3,162
Repayment of non-voting equity securities					–817		–817
Repurchase premium			–408	–408			–408
Dividends						–34	–34
Impact of deconsolidation of Voya			87	87		–5,100	–5,013
Purchase/sale of treasury shares			–39	–39			–39
Employee stock option and share plans	4	6	54	64		10	74
Changes in the composition of the group and other changes			92	92		–446	–354
Balance as at 30 June 2014	925	16,044	31,492	48,461	683	616	49,760

Notes to the Condensed consolidated interim accounts

amounts in millions of euros, unless stated otherwise

Notes to the accounting policies

1 Accounting policies

These Condensed consolidated interim accounts of ING Groep N.V. ('ING Group') have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The accounting principles used to prepare these Condensed consolidated interim accounts comply with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and are consistent with those set out in the notes to the 2014 ING Group Consolidated Annual Accounts.

These Condensed consolidated interim accounts should be read in conjunction with the 2014 ING Group Consolidated Annual Accounts.

IFRS-EU provide several options in accounting principles. ING Group's accounting principles under IFRS-EU and its decision on the options available are set out in Note 1 'Accounting policies' in the 2014 ING Group Consolidated Annual Accounts.

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

The presentation of and certain terms used in these Condensed consolidated interim accounts may have been changed to provide additional and more relevant information or (for changes in comparative information) to better align with the current period presentation. The impact of these changes is explained in the relevant notes when significant.

When a group of assets that is classified as held for sale represents a major line of business or geographical area, the disposal group is classified as discontinued operations. Upon classification of a business as held for sale and discontinued operations, the individual income and expenses are classified to Total net result from discontinued operations instead of being presented in the usual Condensed consolidated profit and loss account line items. All comparative periods in the Condensed consolidated profit and loss account are restated and presented as discontinued operations for all periods presented. Furthermore, the individual assets and liabilities are presented in the Condensed consolidated balance sheet as 'Assets and liabilities held for sale' and are no longer included in the usual balance sheet line items. The comparative periods for the Condensed consolidated balance sheet are not restated. Changes in assets and liabilities as a result of classification as held for sale are included in the notes in the line 'Changes in the composition of the group and other changes'.

Upon classification as held for sale, the carrying amount of the disposal group (or group of assets) is compared to its 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. Any excess of the expected loss over the reduction of the carrying amount of these relevant assets is not recognised upon classification as held for sale, but is recognised as part of the result on disposal if and when a divestment transaction occurs.

Changes in accounting policies in 2015

There were no changes in accounting policies effective from 1 January 2015.

Changes in IFRS-EU

New and/or amended IFRS-EU standards under the Annual Improvements Cycle: 2011 – 2013, effective 1 January 2015, were adopted by ING Group. The implementation of these amendments had no or no material effect on the Condensed consolidated interim accounts of ING Group.

Notes to the Condensed consolidated interim accounts

Other significant changes

NN Group

In February 2015, ING Group sold 52 million ordinary shares of NN Group. As part of the transaction, NN Group repurchased 8.3 million ordinary shares. The transaction reduced the ownership of ING Group in NN Group from 68.14% (at 31 December 2014) to 54.58%. The transaction did not impact the profit and loss account of ING Group as NN Group continued to be fully consolidated. The transaction had a negative impact of EUR 1,769 million on the shareholder's equity of ING Group, being the difference between the net proceeds of the transaction and the IFRS carrying value per the transaction date of the equity stake sold.

In May 2015, in order to fulfil its commitment to the European Commission ('EC'), ING Group injected capital in NN Group by subscribing for newly issued shares for an amount of EUR 57 million. The transaction increased the ownership of ING in NN Group to 54.77%.

In May 2015, ING Group sold 45 million ordinary shares in NN Group. As part of the transaction, NN Group repurchased 5.9 million ordinary shares. This transaction reduced ING Group's interest in NN Group to 42.43%, resulting in ING Group losing control over NN Group. The share sale and deconsolidation of NN Group resulted in an after tax loss of EUR 223 million in the second quarter of 2015 and is recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'. The transaction had a negative impact of EUR 5,568 million on the shareholder's equity of ING Group. The profit and loss account of ING Group for the first half of 2015 includes, in the line 'Net result from discontinued operations', the result of NN Group until deconsolidation on 29 May 2015.

With the injection of capital and deconsolidation of NN Group, ING Group fulfils its commitment to the EC, per the EC decision of 16 November 2012. The restrictions from this decision regarding acquisition and price leadership will no longer apply to ING Group.

In June 2015, ING exchanged the second tranche of EUR 337.5 million mandatorily exchangeable subordinated notes of Anchor investors into 13.6 million NN Group ordinary shares. Accrued interest on these notes of EUR 14.6 million were settled in an additional 0.6 million NN Group ordinary shares. The transaction was settled on 15 June 2015 and resulted in a further decrease in ownership of ING Group in NN Group from 42.43% to 38.23%. The transaction did not have a material impact on the profit and loss account of ING Group.

In June 2015, NN Group neutralised the dilutive effect of its stock dividend on earnings per share through the repurchase of 2.1 million ordinary shares from ING Group. This transaction reduced ING's remaining interest in NN Group to 37.61% as at 30 June 2015. The remaining interest in NN Group is recognised as an Investment in associate held for sale at EUR 3,174 million as at 30 June 2015.

ING Group holds warrants for **35** million shares in NN Group.

Voya

In March 2015, ING Group sold 45.6 million ordinary shares of Voya. ING Group sold 32 million Voya shares in the public offering and sold 13.6 million shares to Voya. The gross proceeds to ING Group from the public offering and the repurchase by Voya amounted to EUR 1.8 billion (USD 2.0 billion).

The sale of the total 45.6 million shares from the combined transactions reduced ING Group's stake in Voya from 18.9% (as at 31 December 2014) to zero. The transactions settled on 9 March 2015 and resulted in a profit of EUR 323 million which reflects the difference between the market value of our 18.9% stake in Voya at the date on which ING Group lost significant influence and the proceeds from these transactions. The profit is recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'.

Notes to the Condensed consolidated interim accounts

ING Group holds warrants for 26 million shares in Voya.

ING Vysya Bank
In April 2015, the merger between ING Vysya Bank ('ING Vysya') and Kotak Mahindra Bank ('Kotak') was completed and the legal entity ING Vysya ceased to exists. As a result of this transaction, ING now holds a stake of 6.5% in the combined company, which will operate under the Kotak brand. The transaction resulted in a gain of EUR 367 million in the second quarter of 2015 and is recognised in Other income – 'Result from associates and joint ventures'. The transaction did not materially impact the shareholders' equity of ING Group. As at 30 June 2015, ING accounts for the investment in Kotak as an Available-for-sale equity investment.

For further information on the above transactions, reference is made to Note 2 'Financial assets at fair value through profit and loss', Note 3 'Investments', Note 7 'Assets and liabilities held for sale', Note 9 'Equity', Note 10 'Subordinated loans, Debt securities in issue and Other borrowed funds', Note 12 'Other liabilities', Note 14 'Other income', Note 17 'Discontinued operations' and Note 25 'Other events'.

Significant upcoming changes in IFRS-EU after 2015

IFRS 15 'Revenue from Contracts with Customers'
In May 2014, the International Accounting Standards Board ('IASB') issued IFRS 15 'Revenue from Contracts with Customers'. The standard is effective for annual periods beginning on or after 1 January 2017 with early adoption permitted. IFRS 15 is not yet endorsed by the EU. IFRS 15 provides a principles-based approach for revenue recognition and introduces the concept of recognising revenue as and when the agreed performance obligations are satisfied. The standard should be applied retrospectively, with certain exceptions. ING is currently assessing the impact of this standard.

IFRS 9 'Financial Instruments'
IFRS 9 'Financial Instruments' was issued by the IASB in July 2014. The new requirements become effective as of 1 January 2018. IFRS 9 is not yet endorsed by the EU. IFRS 9 is replacing IAS 39 'Financial Instruments: Recognition and Measurement', and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Classification and measurement
The classification and measurement of financial assets will depend on the entity's business model for their management and their contractual cash flow characteristics and result in financial assets being recognised at amortised cost, fair value through OCI ('FVOCI') or fair value through profit and loss. In many instances, the classification and measurement outcomes will be similar to IAS 39, although certain differences will arise. The classification of financial liabilities is essentially the same. Except for certain liabilities measured at fair value, gains or losses relating to changes in the entity's own credit risk are to be included in OCI.

Impairment
The recognition and measurement of impairment is intended to be more forward-looking than under IAS 39 and the resulting impairment charge will tend to be more volatile. The impairment requirements apply to financial assets measured at amortised cost, FVOCI, lease receivables, and certain loan commitments and financial guarantee contracts. Initially, a provision is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12 month ECL'). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

Hedge accounting
The hedge accounting requirements of IFRS 9 aims to simplify general hedge accounting requirements. Furthermore, IFRS 9 aims to create a stronger link between financial accounting and the risk management

Notes to the Condensed consolidated interim accounts

strategy and permits a greater variety of hedging instruments and risks. The standard does not address macro fair value hedge account strategies.

Application
The classification and measurement and impairment requirements are applied retrospectively by adjusting the opening balance sheet at 1 January 2018, with no requirement to restate comparative periods. Hedge accounting is applied prospectively from that date.

Expected impact
ING is currently assessing the impact of this standard. The implementation of IFRS 9, if and when endorsed by the EU, may have a significant impact on Shareholders' equity, Net result and/or Other comprehensive income.

Notes to the Condensed consolidated interim accounts

Notes to the Condensed consolidated balance sheet

2 Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss	30 June 2015	31 December 2014
Trading assets	**140,429**	136,959
Non-trading derivatives	**3,493**	4,384
Designated as at fair value through profit and loss	**2,750**	2,756
	146,672	144,099

Trading assets and trading liabilities include assets and liabilities that are classified under IFRS-EU as 'Trading' but are closely related to servicing the needs of the clients of ING Group. ING offers institutional and corporate clients and governments products that are traded on the financial markets. A significant part of the derivatives in the trading portfolio are related to servicing corporate clients in their risk management to hedge for example currency or interest rate exposures. In addition, ING provides its customers access to equity and debt markets for issuing their own equity or debt securities ('securities underwriting'). Although these are presented as 'Trading' under IFRS-EU, these are directly related to services to ING's customers. Loans and receivables in the trading portfolio mainly relate to (reverse) repurchase agreements, which are comparable to collateralised lending. These products are used by ING as part of its own regular treasury activities, but also relate to the role that ING plays as intermediary between different professional customers. Trading assets and liabilities held for ING's own risk are very limited. From a risk perspective, the gross amount of trading assets must be considered together with the gross amount of trading liabilities, which are presented separately on the balance sheet. However, IFRS-EU does not allow netting of these positions in the balance sheet. Reference is made to Note 11 'Financial liabilities at fair value through profit and loss' for information on trading liabilities.

As at 30 June 2015, Non-trading derivatives include EUR 223 million (31 December 2014: EUR 180 million) and EUR 17 million (31 December 2014: nil) relating to warrants on the shares of Voya and NN Group respectively. Reference is made to Note 7 'Assets and liabilities held for sale', Note 14 'Other income' and Note 25 'Other events'.

Notes to the Condensed consolidated interim accounts

3 Investments

Investments by type	30 June 2015	31 December 2014
Available-for-sale		
– equity securities - shares in third party managed structured entities	**158**	210
– equity securities - other	**4,353**	2,508
	4,511	2,718
– debt securities	**81,385**	92,684
	85,896	95,402
Held-to-maturity		
– debt securities	**6,534**	2,239
	6,534	2,239
	92,430	97,641

In the second quarter of 2015, the merger between ING Vysya Bank and Kotak Mahindra Bank ('Kotak') was completed. As a result of this transaction, ING Group now holds 6.5% in Kotak at EUR 1.1 billion as at 30 June 2015. Reference is made to Note 7 'Assets and liabilities held for sale', Note 14 'Other income' and Note 25 'Other events'.

In the first quarter of 2015, EUR 3.5 billion of mainly Government bonds previously classified as Investments Available-for-sale are classified as Investments Held-to-maturity. These Government bonds are now expected to be held until their redemption dates. The remainder of the decrease in the first half of 2015 relates to lower positions in Government bonds held in Germany, Australia and Belgium.

Investments held-to-maturity increased by EUR 4.3 billion. The increase is attributable to the classification from Investments Available-for-sale as mentioned above and additional investments in Government bonds.

Exposure to debt securities

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

Debt securities	30 June 2015	31 December 2014(1)
Available-for-sale investments	**81,385**	92,684
Held-to-maturity investments	**6,534**	2,239
Loans and advances to customers	**9,681**	10,579
Amounts due from banks	**2,313**	2,583
Available-for-sale investments and Assets at amortised cost	**99,913**	108,085
Trading assets	**18,221**	21,584
Designated as at fair value through profit and loss	**915**	1,124
Financial assets at fair value through profit and loss	**19,136**	22,708
	119,049	130,793

(1) Excludes exposure to debt securities related to the NN Group business which is classified as held for sale.

Notes to the Condensed consolidated interim accounts

ING Group's total exposure to debt securities included in available-for-sale investments and assets at amortised cost is specified as follows:

Debt securities by type and balance sheet lines - Available-for-sale investments and Assets at amortised cost	Available-for-sale investments		Held-to-maturity investments		Loans and advances to customers		Amounts due from banks		Total	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Government bonds	**58,414**	68,198	**3,932**	315	**1,155**	1,146			**63,501**	69,659
Covered bonds	**10,793**	10,829	**600**	1,567	**2,118**	2,810	**2,205**	2,525	**15,716**	17,731
Corporate bonds	**1,307**	1,935	**224**		**1,001**	919			**2,532**	2,854
Financial institutions' bonds	**9,735**	11,022	**1,421**		**292**	386	**61**	58	**11,509**	11,466
ABS portfolio	**1,136**	700	**357**	357	**5,115**	5,318	**47**		**6,655**	6,375
Bond portfolio	**81,385**	92,684	**6,534**	2,239	**9,681**	10,579	**2,313**	2,583	**99,913**	108,085

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

Reclassifications to Loans and advances to customers and Amounts due from banks	Q1 2009	Q4 2008
As per reclassification date		
Fair value	22,828	1,594
Range of effective interest rates (weighted average)	2.1%-11.7%	4.1%-21%
Expected recoverable cash flows	24,052	1,646
Unrealised fair value gains/losses in shareholders' equity (before tax)	–1,224	–69
Recognised fair value gains (losses) in shareholders' equity (before tax) between the beginning of the year in which the reclassification took place and the reclassification date	nil	–79
Recognised fair value gains (losses) in shareholders' equity (before tax) in the year prior to reclassification	–192	–20
Recognised impairment (before tax) between the beginning of the year in which the reclassification took place and the reclassification	nil	nil
Recognised impairment (before tax) in the year prior to reclassification	nil	nil

Notes to the Condensed consolidated interim accounts

Reclassifications to Loans and advances to customers and Amounts due from banks – Q1 2009	30 June 2015	31 December 2014	31 December 2013	31 December 2012	31 December 2011	31 December 2010	31 December 2009
Impact on the period/years after reclassification							
Carrying value as at	**4,742**	5,936	7,461	8,707	14,419	16,906	20,551
Fair value as at	**4,751**	5,982	7,215	8,379	13,250	16,099	20,175
Unrealised fair value gains/losses recognised in shareholders' equity (before tax) as at	**–80**	–98	–137	–221	–446	–633	–902
Effect on shareholders' equity (before tax) if reclassification had not been made	**9**	46	–246	–328	–1,169	–807	–376
Effect on result (before tax) for the period/year if reclassification had not been made	**nil**	nil	nil	nil	nil	nil	nil
Effect on result (before tax) for the period/year (mainly interest income)	**66**	182	188	219	390	467	629
Effect on result (before tax) for the period/year (mainly sales results)	**nil**	n.a	n.a	–383	n.a	n.a	n.a
Recognised impairments (before tax) for the period/year	**nil**	nil	nil	nil	nil	nil	nil
Recognised provision for credit losses (before tax) for the period/year	**nil**	nil	nil	nil	nil	nil	nil

The decrease in the carrying value of the reclassified Loans and advances in 2012 compared to 2011 was mainly due to disposals.

Reclassifications to Loans and advances to customers and Amounts due from banks – Q4 2008	30 June 2015	31 December 2014	31 December 2013	31 December 2012	31 December 2011	31 December 2010	31 December 2009	31 December 2008
Impact on the period/years after reclassification								
Carrying value as at	**364**	361	366	443	633	857	1,189	1,592
Fair value as at	**421**	426	422	512	648	889	1,184	1,565
Unrealised fair value gains/losses recognised in shareholders' equity (before tax) as at	**nil**	nil	nil	–2	–8	–65	–67	–79
Effect on shareholders' equity (before tax) if reclassification had not been made	**57**	65	56	69	15	32	–5	–27
Effect on result (before tax) for the period/year if reclassification had not been made	**nil**	nil	nil	nil	nil	nil	nil	nil
Effect on result (before tax) for the period/year (mainly interest income)	**9**	19	20	22	28	34	47	9
Effect on result (before tax) for the period/year (mainly sales results)	**nil**	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Recognised impairments (before tax) for the period/year	**nil**	nil	nil	nil	nil	nil	nil	nil
Recognised provision for credit losses (before tax) for the period/year	**nil**	nil	nil	nil	nil	nil	nil	nil

Notes to the Condensed consolidated interim accounts

4 Loans and advances to customers

Loans and advances to customers by type	30 June 2015	31 December 2014
Loans to, or guaranteed by, public authorities	**51,751**	45,398
Loans secured by mortgages	**287,689**	287,817
Loans guaranteed by credit institutions	**1,365**	1,327
Personal lending	**29,763**	28,393
Asset backed securities	**5,116**	5,318
Corporate loans	**173,463**	155,214
	549,147	523,467
Loan loss provisions	**–5,973**	–5,989
	543,174	517,478

Changes in loan loss provisions	Banking operations		Insurance operations		Total	
	6 month period ended 30 June 2015	year ended 31 December 2014	6 month period ended 30 June 2015	year ended 31 December 2014	6 month period ended 30 June 2015	year ended 31 December 2014
Opening balance	**5,995**	6,154		88	**5,995**	6,242
Write-offs	**–916**	–1,729		–25	**–916**	–1,754
Recoveries	**42**	105			**42**	105
Increase in loan loss provisions	**785**	1,594			**785**	1,594
Exchange rate differences	**47**	36			**47**	36
Changes in the composition of the group and other changes	**26**	–165		–63	**26**	–228
Closing balance	**5,979**	5,995		0	**5,979**	5,995

In 2014, Changes in the composition of the group and other changes in loan loss provisions included EUR –73 million as a result of the classification of NN Group as held for sale and EUR –170 million related to the deconsolidation of ING Vysya. Reference is made to Note 7 'Assets and liabilities held for sale' and Note 25 'Other events'.

The loan loss provision relating to banking operations as at 30 June 2015 of EUR 5,979 million (31 December 2014: EUR 5,995 million) is presented in the balance sheet under Loans and advances to customers and Amounts due from banks for EUR 5,973 million (31 December 2014: EUR 5,989 million) and EUR 6 million (31 December 2014: EUR 6 million) respectively.

Notes to the Condensed consolidated interim accounts

5 Investments in associates and joint ventures

Investments in associates and joint ventures	30 June 2015			31 December 2014		
	Interest held (%)	Fair value of listed invest-ment	Balance sheet value	Interest held (%)	Fair value of listed invest-ment	Balance sheet value
TMB Public Company Limited	**30**	**813**	**722**	30	961	670
Appia Group	**30**		**43**	30		35
Ontwikkelingscombinatie Overhoeks C.V.[1]				70		36
Ivy Retail SRL	**50**		**36**	50		33
Other investments in associates and joint ventures			**203**			179
			1,004			953

(1) Disposed during the first half of 2015.

TMB Public Company Limited

TMB Public Company Limited ('TMB'), is a public listed retail bank in Thailand.

Other investments in associates and joint ventures

ING Group does not hold any interests in Investments in Associates and joint ventures that are individually significant to ING Group. Other investments in associates and joint ventures represents a large number of associates and joint ventures with an individual balance sheet value of less than EUR 25 million.

6 Intangible assets

Intangible assets	30 June 2015	31 December 2014
Goodwill	**1,024**	1,061
Software	**556**	574
Other	**33**	20
	1,613	1,655

Goodwill

Goodwill is allocated to goodwill reporting units as follows:

Goodwill allocation to reporting units	30 June 2015	31 December 2014
Retail Belgium	**50**	50
Retail Germany	**349**	349
Retail Central Europe	**601**	638
Commercial Banking	**24**	24
	1,024	1,061

No goodwill impairment was recognised in the first half of 2015 (first half of 2014: nil). Changes in the goodwill per reporting unit in the first half of 2015 are mainly due to changes in currency exchange rates.

Notes to the Condensed consolidated interim accounts

Goodwill impairment testing
Impairment reviews with respect to goodwill are performed at least annually and more frequently if events indicate that impairments may have occurred. Goodwill is tested for impairment at the lowest level at which it is monitored for internal management purposes. This level is defined as the so called 'reporting units' as set out above. Goodwill is tested for impairment by comparing the carrying value of the reporting unit to the best estimate of the recoverable amount of the reporting unit. The carrying value is determined as the IFRS-EU net asset value including goodwill. The recoverable amount is estimated as the higher of fair value less cost to sell and value in use. Several methodologies are applied to arrive at the best estimate of the recoverable amount. For further information on the accounting policies applied by ING Group, refer to the 2014 ING Group Consolidated Annual Accounts.

7 Assets and liabilities held for sale
Assets and liabilities held for sale includes disposal groups whose carrying amount will be recovered principally through a sale transaction rather than through continuing operations. This relates to businesses and other significant investments for which a sale is agreed upon but for which the transaction has not yet closed or a sale is highly probable at the balance sheet date but for which no sale has yet been agreed.

As at 30 June 2015, Assets held for sale mainly relates to the investment of 37.61% in the associate NN Group which amounts to EUR 3,174 million. The investment in associate is presented as Assets held for sale and discontinued operations, because it is assessed highly probable that ING will dispose of NN Group within a year.

As at 31 December 2014, Assets and liabilities held for sale related mainly to NN Group, the associate ING Vysya and the available-for-sale investment Voya. As at 31 December 2014, the Investment in associate of 43% in ING Vysya amounted to EUR 704 million. As at 31 December 2014, the available-for-sale equity investment of 18.9% in Voya amounted to EUR 1,591 million.

Assets held for sale	30 June 2015	31 December 2014
Cash and balances with central banks		6,239
Financial assets at fair value through profit and loss		49,438
Investments		73,868
Loans and advances to customers		27,530
Reinsurance contracts		241
Investments in associates and joint ventures	**3,205**	2,244
Real estate investments		1,104
Intangible assets		17
Deferred acquisition costs		1,403
Other assets		3,448
	3,205	165,532

Notes to the Condensed consolidated interim accounts

Liabilities held for sale	30 June 2015	31 December 2014
Other borrowed funds		7,341
Insurance and investments contracts		119,237
Amounts due to banks		56
Customer deposits and other funds on deposit		5,911
Financial liabilities at fair value through profit and loss		3,100
Other liabilities		6,487
		142,132

Shareholders' equity

Included in Shareholders' equity is cumulative other comprehensive income of nil (31 December 2014: EUR 5,987 million) related to Assets and liabilities held for sale.

In the first half of 2015, Assets and liabilities held for sale decreased by EUR 162.3 billion and EUR 142.1 billion respectively. The decrease is related to:

- further divestment of ING Group's stake in NN Group, resulting in loss of control of and deconsolidation of NN Group in May 2015;
- completion of the merger of ING Vysya Bank and Kotak Mahindra Bank in April 2015, resulting in derecognition of the share held in ING Vysya and recognition of the investment in Kotak as an available-for-sale equity investment; and
- divestment of Voya in March 2015, reducing ING Group's stake from 18.9% at 31 December 2014 to zero.

Reference is made to Note 3 'Investments', Note 14 'Other income', Note 17 'Discontinued operations', and Note 25 'Other events'.

Associates held for sale are measured at the lower of the carrying value and the fair value less costs to sell. The carrying value of the associate NN Group was the market value less costs to sell of the retained stake at the date of deconsolidation. Any subsequent decrease in fair value less costs to sell below this carrying amount is recognised in the profit and loss account as part of the 'Net result from disposal of discontinued operations'. Reference is made to Note 17 'Discontinued operations'. Subsequent increases in fair value will only be recognised to the extent that these are a reversal of previously recognised decreases in fair value less costs to sell. Changes in fair value comprise changes in market value of the listed shares of NN Group. Any subsequent dividend received from NN Group is recognised as income in the profit and loss account, in the line 'Net result from discontinued operations', as and when declared.

Reference is made to the 2014 ING Group Consolidated Annual Accounts for information on the fair value measurement and fair value hierarchy of financial assets and liabilities presented as held for sale as at 31 December 2014.

Notes to the Condensed consolidated interim accounts

8 Other assets

Other assets by type	30 June 2015	31 December 2014
Net defined benefit assets	**593**	589
Deferred tax assets	**1,256**	1,145
Property development and obtained from foreclosures	**317**	405
Income tax receivable	**190**	289
Accrued interest and rents	**6,218**	6,848
Other accrued assets	**817**	555
Other	**4,109**	4,135
	13,500	13,966

Other assets – Other relates mainly to transactions still to be settled at balance sheet date.

9 Equity

Total equity	30 June 2015	31 December 2014
Share capital	**928**	925
Share premium	**16,053**	16,046
Revaluation reserve	**4,622**	11,021
Currency translation reserve	**–337**	–741
Net defined benefit asset/liability remeasurement reserve	**–355**	–504
Other reserves	**25,856**	23,677
Shareholders’ equity (parent)	**46,767**	50,424
Minority interests	**576**	8,072
Total equity	**47,343**	58,496

Share capital
In the first half of 2015, the increase in Share capital resulted from ING Groep N.V. issuing 11.0 million (depositary receipts for) ordinary shares for share-based employee incentive programmes.

Share premium
In the first half of 2015, Share premium increased with EUR 7 million as a result of issuance of ordinary shares for share-based employee incentive programmes.

Revaluation reserve
In the first half of 2015, the decrease in the Revaluation reserve relates mainly to the deconsolidation of NN Group with the remainder attributable to changes in the cash flow hedge reserve. Reference is made to Note 25 ‘Other events’.

Net defined benefit asset/liability remeasurement reserve
In the first half of 2015, the change in the Net defined benefit asset/liability remeasurement reserve relates mainly to the deconsolidation of NN Group. Reference is made to Note 20 ‘Pension and other post-employment benefits’.

Notes to the Condensed consolidated interim accounts

Other reserves

The change in Other reserves includes EUR 3,128 million comprising the net result for the first half of 2015; a negative EUR 1,769 million on the sale of ordinary shares of NN Group in February 2015 which was partly offset by a transfer of revaluation reserves and a dividend payment of EUR 464 million. Reference is made to Note 7 'Assets and liabilities held for sale', Note 17 'Discontinued operations' and Note 25 'Other events'.

Minority interest

Minority interest decreased with EUR 7,496 million, mainly due to the deconsolidation of NN Group. Reference is made to Note 25 'Other events'.

The proportional interest held and key information on NN Group for the first half of 2015 are included in the tables below.

NN Group N.V. - Profit and loss account

for the period ended 30 June 2015	Interest held (%)	Total income from continuing operations	Total expenses from continuing operations	Net result from dis-continued operations	Net result[3]	Minority interests
NN Group - total[1]	**100.00**	**6,764**	**6,041**	**0**	**723**	
ING Group's share[2]	**54.77**				**390**	**333**

(1) NN Group profit and loss account for five months, until deconsolidation on 29 May 2015.
(2) ING Group's share of NN Group profit and loss account for five months, until deconsolidation on 29 May 2015.
(3) Net result, excluding the minority interest of NN Group itself.

NN Group N.V. – Comprehensive income

for the period ended 30 June 2015	Interest held (%)	Com-prehensive income	Minority interests
NN Group - total[1]	**100.00**	**1,718**	
ING Group's share[2]	**54.77**	**941**	**777**

(1) NN Group comprehensive income for five months, until deconsolidation on 29 May 2015.
(2) ING Group's share of NN Group comprehensive income for five months, until deconsolidation on 29 May 2015.

NN Group N.V. - Balance sheet

as at 31 December 2014	Interest held (%)	Total assets	Total liabilities	Total equity	Minority interests
NN Group - total	100.00	165,481	144,064	21,417	
ING Group's share	68.14			13,870	7,547

NN Group N.V. - Profit and loss account

for the year ended 31 December 2014	Interest held (%)	Total income from continuing operations	Total expenses from continuing operations	Net result from dis-continued operations	Net result	Minority interests
NN Group - total	100.00	13,545	12,918	–16	611	
ING Group's share	68.14				416	195

Notes to the Condensed consolidated interim accounts

NN Group N.V. – Comprehensive income			
for the year ended 31 December 2014	Interest held (%)	Com-prehensive income	Minority interests
NN Group - total	100.00	5,698	
ING Group's share	68.14	3,883	1,815

For the first half of 2015, Total income and Total expenses of NN Group, to which the minority interest in NN Group related, are all presented in the Condensed consolidated profit and loss account in the line 'Net result from discontinued operations'.

As per 31 December 2014, Total assets and Total liabilities of NN Group as presented above, to which the minority interest in NN Group related, are all presented in the Condensed consolidated balance sheet in Assets held for sale and Liabilities held for sale. Total income and Total expenses of NN Group, to which the minority interest in NN Group related, are all presented in the Condensed consolidated profit and loss account in the line 'Net result from discontinued operations'.

10 Subordinated loans, Debt securities in issue and Other borrowed funds

Subordinated loans

The increase in the first half of 2015 of EUR 573 million, includes an issue of EUR 2.04 billion (USD 2.25 billion) securities that qualify as Additional Tier 1 under CRD IV/CRR. The issuance was in the form of USD denominated Perpetual Additional Tier 1 Contingent Convertible Capital Securities and comprised two separate tranches: a USD 1 billion Perpetual Non-Callable 5 Year with coupon 6.0%; and a USD 1.25 billion Perpetual Non-Callable 10 Year with coupon 6.5%. The securities are subject to full conversion into ordinary shares of ING Group in the event that ING Group's phased-in CET1 ratio would fall below 7.0%.

This increase was offset by the exchange of the second tranche of EUR 337.5 million mandatorily exchangeable subordinated notes from the Anchor investors into 13.6 million NN Group ordinary shares. Reference is made to Note 7 'Assets and liabilities held for sale', Note 12 'Other liabilities' and Note 25 'Other events'.

In the second quarter of 2015, ING Group issued a notice of redemption of the USD 1.5 billion 7.375% Perpetual Hybrid Capital Securities. The securities, with a value of EUR 1.36 billion, are reclassified as at 30 June 2015 to 'Other liabilities' in the line item 'Other' until the settlement date. The securities were redeemed on 15 July 2015. Reference is made to Note 12 'Other liabilities'.

Debt securities in issue

The increase in Debt securities in issue of EUR 3.8 billion in the first half of 2015 is mainly attributable to an increase in commercial paper of EUR 4.0 billion largely driven by the depreciation of the Euro against the US Dollar and an increase in senior unsecured bonds of EUR 1.4 billion. These were offset by a decrease of EUR 1.8 billion in certificates of deposit due to reduced funding requirements.

Other borrowed funds

Other borrowed funds decreased by EUR 1.3 billion in the first half of 2015 due to matured loans.

Notes to the Condensed consolidated interim accounts

11 Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss	30 June 2015	31 December 2014
Trading liabilities	**88,673**	97,091
Non-trading derivatives	**4,710**	6,040
Designated as at fair value through profit and loss	**13,028**	13,551
	106,411	116,682

The change in the fair value of financial liabilities designated as at fair value through profit and loss attributable to changes in credit risk in the first half of 2015 includes EUR 103 million (first half of 2014: EUR –74 million; entire year 2014: EUR –98 million) and EUR –180 million (31 December 2014: EUR –282 million) on a cumulative basis. This change has been determined as the amount of change in fair value of the financial liability that is not attributable to changes in market conditions that gave rise to market risk (i.e. market interest rate risk based on yield curves). Reference is made to Note 2 'Financial assets at fair value through profit and loss'.

12 Other liabilities

Other liabilities by type	30 June 2015	31 December 2014
Deferred tax liabilities	**725**	860
Income tax payable	**721**	450
Net defined benefit liability(1)	**510**	676
Other post-employment benefits	**97**	101
Other staff-related liabilities	**327**	408
Other taxation and social security contributions	**574**	584
Accrued interest	**4,853**	5,742
Costs payable	**1,799**	1,645
Reorganisation provisions	**634**	728
Other provisions	**245**	289
Share-based payment plan liabilities	**29**	26
Amounts to be settled	**3,259**	2,475
Other	**4,154**	3,182
	17,927	17,166

(1) Reference is made to Note 20 'Pension and other post-employment benefits'.

The change in Other liabilities – Other includes EUR -1,001 million as a result of the utilisation of the provision related to the mandatorily exchangeable subordinated notes from the Anchor investors and EUR 1,361 million related to the Perpetual Hybrid Capital Securities which were redeemed on 15 July 2015. The remainder of the balance relates to period-end accruals in the normal course of business.

Reference is made to Note 7 'Assets and liabilities held for sale', Note 10 'Subordinated loans, Debt securities in issue and Other borrowed funds' and Note 25 'Other events'.

Notes to the Condensed consolidated interim accounts

Notes to the Condensed consolidated profit and loss account

13 Investment income

Investment income	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
	2015	2014	2015	2014
Income from real estate investments	**1**	2	**2**	4
Dividend income	**6**	7	**6**	9
Realised gains/losses on disposal of debt securities	**32**	26	**108**	125
Reversal of impairments of available-for-sale debt securities				1
Realised gains/losses on disposal of equity securities	**6**	34	**55**	41
Impairments of available-for-sale equity securities	**–25**		**–38**	–1
	20	69	**133**	179

Impairments and reversals of some impairments on investments are presented within Investment income, which is part of Total income.

In the second quarter of 2015, investment income includes impairments of EUR –25 million related to Commercial Banking.

In the first half of 2015, investment income includes impairments of EUR –36 million and EUR –2 million related to segments Commercial Banking and Retail Belgium respectively (first half of 2014: impairments and reversals of EUR 1 million each in Commercial Banking).

In the first half of 2015, there were no reversals of impairments.

14 Other income

Other income for Banking and Legacy Insurance	3 month period 1 April to 30 June						6 month period 1 January to 30 June					
	Banking operations		Legacy Insurance		Total		Banking operations		Legacy Insurance		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Result on disposal of group companies	**1**	1			**1**	1	**1**	199			**1**	199
Valuation results on non-trading derivatives	**190**	–132	**26**	–18	**216**	–150	**262**	–42	**18**	–9	**280**	–51
Net trading income	**299**	276	**2**		**301**	276	**579**	263	**20**	–1	**599**	262
Result from associates and joint ventures	**387**	18	**–1**		**386**	18	**415**	39	**–2**	60	**413**	99
Other	**–86**	–33	**39**	30	**–47**	–3	**–23**	–7	**39**	31	**16**	24
	791	130	**66**	12	**857**	142	**1,234**	452	**75**	81	**1,309**	533

Result on disposal of group companies
In the first half of 2014, Result on disposal of group companies included EUR 202 million profit on the deconsolidation of ING Vysya. Reference is made to Note 5 'Investments in associates' and Note 25 'Other events'.

Valuation results on non-trading derivatives
In the second quarter of 2015, for the Banking operations, Valuation results on non-trading derivatives includes DVA adjustments on own issued notes designated at fair value, amounting to EUR 98 million (second quarter of 2014: EUR –45 million).

Notes to the Condensed consolidated interim accounts

In the second quarter of 2015, for Legacy Insurance, Valuation results on non-trading derivatives includes EUR 33 million (second quarter of 2014: EUR –10 million) related to warrants on the shares of Voya and EUR –5 million related to the warrants on the shares of NN Group.

In the first half of 2015, for the Banking operations, Valuation results on non-trading derivatives includes DVA adjustments on own issued notes designated at fair value, amounting to EUR 103 million (first half of 2014: EUR –74 million).

In the first half of 2015, for Legacy Insurance, Valuation results on non-trading derivatives includes EUR 43 million (first half of 2014: nil) related to warrants on the shares of Voya and EUR –5 million related to the warrants on the shares of NN Group. Reference is made to Note 2 'Financial assets at fair value through profit and loss', Note 7 'Assets and liabilities held for sale', Note 17 'Discontinued operations' and Note 25 'Other events'.

Included in the Valuation results on non-trading derivatives are the fair value movements on derivatives used to economically hedge exposures, but for which no hedge accounting is applied. Valuation results on non-trading derivatives are reflected in the Condensed consolidated statement of cash flows in the line 'Result before tax - Adjusted for: other'.

Net trading income

In the second quarter of 2015, for the Banking operations, Net trading income includes EUR 137 million CVA/DVA adjustments on trading derivatives, compared with EUR 8 million CVA/DVA adjustment in the second quarter of 2014.

In the second quarter of 2015, for the Banking operations, Net trading income includes EUR –195 million (second quarter of 2014: EUR 18 million) foreign exchange results.

In the first half of 2015, for the Banking operations, Net trading income includes EUR 119 million CVA/DVA adjustments on trading derivatives, compared with EUR –90 million CVA/DVA adjustment in the first half of 2014.

Trading income mainly relates to trading assets and trading liabilities which include mainly assets and liabilities that are classified under IFRS-EU as 'Trading' but are closely related to servicing the needs of the clients of ING Group. ING Bank offers institutional and corporate clients and governments products that are traded on the financial markets. A significant part of the derivatives in the trading portfolio are related to servicing corporate clients in their risk management to hedge for example currency or interest rate exposures. In addition, ING Bank provides its customers access to equity and debt markets for issuing their own equity or debt securities ('securities underwriting'). Although these are presented as 'Trading' under IFRS-EU, these are related to services to ING's customers. Loans and receivables in the trading portfolio mainly relate to (reverse) repurchase agreements, which are comparable to collateralised borrowing (lending). These products are used by ING Bank as part of its own regular treasury activities, but also relate to the role that ING Bank plays as intermediary between different professional customers. Trading assets and liabilities held for ING's own risk are very limited. From a risk perspective, the gross amount of trading assets must be considered together with the gross amount of trading liabilities, which are presented separately on the balance sheet. However, IFRS-EU does not allow offsetting of these positions in the balance sheet. Reference is made to Note 2 'Financial assets at fair value through profit and loss' and Note 11 'Financial liabilities at fair value through profit and loss' for information on trading assets and liabilities.

Notes to the Condensed consolidated interim accounts

Result from associates and joint ventures

In the second quarter of 2015, for Banking operations, Result from associates and joint ventures includes a gain of EUR 367 million from the merger of ING Vysya Bank with Kotak Mahindra Bank ('Kotak'). Reference is made to Note 3 'Investments', Note 7 'Assets and liabilities held for sale and Note 25 'Other events'.

In the first half of 2015, for Banking operations, Results from associates and joint ventures includes the gain from the merger of ING Vysya with Kotak and a gain on sale of Ontwikkelingscombinatie Overhoeks C.V in the first quarter of 2015 of EUR 5 million.

In the first half of 2014, for Legacy Insurance, Result from associates and joint ventures included a gain of EUR 56 million on the sale of ING's investment in SulAmérica S.A. which reduced ING's stake in the Brazilian insurance holding to approximately 10.3%. The remaining investment was accounted for as an available-for-sale investment until the final divestment in the second quarter of 2014.

Other

Other Income – Other is mainly impacted by non-recurring charges related to increased prepayments and renegotiations of mortgages.

15 Staff expenses

Staff expenses	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
	2015	2014	2015	2014
Salaries	**824**	782	**1,624**	1,587
Pension costs	**88**	83	**178**	1,043
Other staff-related benefit costs	**–11**	8	**–3**	15
Social security costs	**132**	130	**264**	261
Share-based compensation arrangements	**30**	13	**53**	24
External employees	**153**	156	**314**	321
Education	**17**	15	**31**	28
Other staff costs	**43**	41	**87**	80
	1,276	1,228	**2,548**	3,359

In the first half of 2014, a charge of EUR 871 million was recognised in Pensions costs related to the Dutch defined benefit plan settlement. Reference is made to Note 20 'Pension and other post-employment benefits' for information on pensions.

Notes to the Condensed consolidated interim accounts

16 Other operating expenses

Other operating expenses for Banking and Legacy Insurance

	Banking operations		Legacy Insurance		Total		Banking operations		Legacy Insurance		Total	
	3 month period 1 April to 30 June						6 month period 1 January to 30 June					
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Depreciation of property and equipment	**80**	79			**80**	79	**158**	162			**158**	162
Amortisation of software	**64**	26			**64**	26	**132**	45			**132**	45
Computer costs	**188**	164			**188**	164	**368**	338			**368**	338
Office expenses	**152**	152			**152**	152	**310**	311			**310**	311
Travel and accommodation expenses	**43**	38			**43**	38	**81**	72			**81**	72
Advertising and public relations	**103**	103			**103**	103	**203**	202			**203**	202
External advisory services	**64**	62			**64**	62	**116**	109			**116**	109
Postal charges	**13**	15			**13**	15	**29**	32			**29**	32
Addition/(releases) of provision for reorganisations and relocations	**16**	14			**16**	14	**15**	18			**15**	18
Intangible amortisation and (reversals of) impairments	**8**	26			**8**	26	**20**	40			**20**	40
Other	**229**	320		4	**229**	324	**519**	711		16	**519**	727
	960	999		4	**960**	1,003	**1,951**	2,040		16	**1,951**	2,056

In the second quarter of 2015, Intangible amortisation and (reversals) of impairments include EUR 5 million (second quarter of 2014: EUR 15 million) impairment losses which were recognised on Property development relating to real estate development projects and properties obtained from foreclosures.

In the first half of 2015, EUR 8 million (first half of 2014: EUR 16 million) impairment losses were recognised on Property development relating to real estate development projects and properties obtained from foreclosures and EUR 9 million (first half of 2014: EUR 12 million) impairment losses on Property and equipment.

The nationalisation of SNS Reaal in 2013 had as a consequence, a one-time levy of EUR 1 billion to be paid by ING Bank and other Dutch banks. For ING, this resulted in a total charge of EUR 304 million in 2014. In accordance with the relevant legislation, the levy was charged in three equal instalments. In the first half of 2014, a charge of EUR 203 million was recognised in the line Other operating expenses – Other.

Notes to the Condensed consolidated interim accounts

17 Discontinued operations

In the first half of 2015 and 2014, Total net result from discontinued operations comprises the results from NN Group and Voya.

Total net result from discontinued operations	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
	2015	2014	2015	2014
NN Group	**237**	267	**734**	14
Voya		22		138
Net result from discontinued operations	**237**	289	**734**	152
Net result from classification as discontinued operations[1]	**–14**		**3**	
Net result from disposal of discontinued operations[2]	**–256**	–3	**66**	–2,024
Total net result from discontinued operations	**–33**	286	**803**	–1,872

(1) This comprises the impact on the profit and loss account of the change in non-current non-financial assets of NN Group presented as assets and liabilities held for sale, prior to deconsolidation on 29 May 2015.
(2) The tax effect on the result on disposal of discontinued operations for the first half of 2015 is nil (first half of 2014: EUR 114 million).

Net result from discontinued operations

Net result from discontinued operations comprises the total net result (after tax) of the businesses classified as discontinued operations and is presented separately in the profit and loss account.

In the second quarter of 2015, ING Group sold a further 45 million ordinary shares of NN Group. The transaction reduced the ownership of ING Group in NN Group to 42.43%, resulting in ING Group losing control over NN Group. The profit and loss of ING Group includes, in the line 'Net result from discontinued operations', the net result of NN Group until deconsolidation on 29 May 2015.

In March 2014, a further sale of Voya shares reduced ING Group's interest in Voya to 43.2%. This share sale resulted in loss of control and deconsolidation of Voya by ING Group. The profit and loss account of the first quarter of 2014 included the result of Voya until the deconsolidation at the end of March 2014.

Reference is made to Note 25 'Other events'.

Net result from discontinued operations	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
	2015[1]	2014[2]	2015[1]	2014[2]
Total income	**1,834**	3,016	**6,756**	11,728
Total expenses	**1,544**	2,656	**5,879**	11,576
Result before tax from discontinued operations	**290**	360	**877**	152
Taxation	**53**	71	**143**	
Net result from discontinued operations	**237**	289	**734**	152

(1) NN Group
(2) NN Group and Voya

Notes to the Condensed consolidated interim accounts

Net result from disposal of discontinued operations

In the second quarter of 2015, Net result from disposal of discontinued operations includes a loss of EUR 223 million as a result of the further sale and deconsolidation of NN Group on 29 May 2015 and a loss on revaluation of the remaining stake in NN Group amounting to EUR 33 million.

In the first half of 2015, Net result from disposal of discontinued operations includes the result on the further sale and deconsolidation of NN Group, a loss on revaluation of the remaining stake in NN Group and a profit of EUR 323 million on the final divestment of Voya in March 2015 to reduce ING Group's stake in Voya from 18.9% (at 31 December 2014) to zero.

In the first half of 2014, Net result from disposal of discontinued operations includes the divestment loss on the further sale of the Voya of EUR 2,005 million.

Reference is made to Note 25 'Other events'.

Cash flows from discontinued operations

The net cash flow from discontinued operations was as follows:

Net cash flows from discontinued operations	6 month period 1 January to 30 June	
	2015[1]	2014[2]
Operating cash flow	**–1,409**	–3,325
Investing cash flow	**2,619**	36
Financing cash flow	**526**	–114
Net cash flow	**1,736**	–3,403

(1) NN Group
(2) NN Group and Voya

Sales proceeds in the first half of 2015 and 2014 are not included in the table above, but are included in the Condensed consolidated statement of cash flows as follows:

- Sales proceeds of EUR 1 billion from sale of shares of NN Group resulting in loss of control on 29 May 2015 is included in 'Net cash flow from investing activities - Disposals and redemptions: group companies;
- Sales proceeds of EUR 1.8 billion from the divestment of Voya in March 2015 is included in 'Net cash flow from investing activities – Disposals and redemptions: available-for-sale investments';
- Sales proceeds of EUR 1 billion from the sale of NN Group shares in February 2015 is included in 'Net cash flow from financing activities – Proceeds from divestment of NN Group' and
- Sales proceeds of EUR 950 million from the sale of Voya shares which resulted in loss of control in the first quarter of 2014 is included in 'Net cash flow from investing activities – Disposals and redemptions: group companies'.

The exchange of the second tranche of EUR 337.5 million mandatorily exchangeable subordinated notes from the Anchor investors into NN Group ordinary shares comprised a non-cash transaction.

Notes to the Condensed consolidated interim accounts

18 Earnings per ordinary share

Earnings per ordinary share	Amount (in EUR million) 1 April to 30 June		Weighted average number of ordinary shares outstanding during the period (in millions) 1 April to 30 June		Per ordinary share (in EUR) 1 April to 30 June	
3 month period	2015	2014	2015	2014	2015	2014
Net result	**1,359**	1,067	**3,863.3**	3,850.8		
Basic earnings	**1,359**	1,067	**3,863.3**	3,850.8	**0.35**	0.28
Effect of dilutive instruments:						
Stock option and share plans			**6.5**	6.9		
			6.5	6.9		
Diluted earnings	**1,359**	1,067	**3,869.8**	3,857.7	**0.35**	0.28

Dilutive instruments

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

The potential conversion of the non-voting equity securities had an anti-dilutive effect on the earnings per share calculation in 2014 (the diluted earnings per share becoming higher or less negative than the basic earnings per share). Therefore, the potential conversion was not taken into account in the calculation of diluted earnings per share for these periods.

Earnings per ordinary share from continuing operations	Amount (in EUR million) 1 April to 30 June		Weighted average number of ordinary shares outstanding during the period (in millions) 1 April to 30 June		Per ordinary share (in EUR) 1 April to 30 June	
3 month period	2015	2014	2015	2014	2015	2014
Basic earnings	**1,359**	1,067	**3,863.3**	3,850.8		
Less: Total net result from discontinued operations	**–130**	286				
Basic earnings from continuing operations	**1,489**	781	**3,863.3**	3,850.8	**0.38**	0.20
Effect of dilutive instruments:						
Stock option and share plans			**6.5**	6.9		
			6.5	6.9		
Diluted earnings from continuing operations	**1,489**	781	**3,869.8**	3,857.7	**0.38**	0.20

Notes to the Condensed consolidated interim accounts

Earnings per ordinary share from discontinued operations	Amount (in EUR million) 1 April to 30 June		Weighted average number of ordinary shares outstanding during the period (in millions) 1 April to 30 June		Per ordinary share (in EUR) 1 April to 30 June	
3 month period	2015	2014	2015	2014	2015	2014
Net result from discontinued operations	**134**	289				
Net result from classification as discontinued operations	**–8**					
Net result from disposal of discontinued operations	**–256**	–3				
Total net result from discontinued operations	**–130**	286	**3,863.3**	3,850.8		
Basic earnings from discontinued operations	**–130**	286	**3,863.3**	3,850.8	**–0.03**	0.08
Effect of dilutive instruments:						
Stock option and share plans			**6.5**	6.9		
			6.5	6.9		
Diluted earnings from discontinued operations	**–130**	286	**3,869.8**	3,857.7	**–0.03**	0.08

Earnings per ordinary share	Amount (in EUR million) 1 January to 30 June		Weighted average number of ordinary shares outstanding during the period (in millions) 1 January to 30 June		Per ordinary share (in EUR) 1 January to 30 June	
6 month period	2015	2014	2015	2014	2015	2014
Net result	**3,128**	–851	**3,860.1**	3,844.1		
Attribution to non-voting equity securities		–408				
Basic earnings	**3,128**	–1,259	**3,860.1**	3,844.1	**0.81**	–0.33
Effect of dilutive instruments:						
Stock option and share plans			**6.5**	6.9		
			6.5	6.9		
Diluted earnings	**3,128**	–1,259	**3,866.6**	3,851.0	**0.81**	–0.33

Attribution to non-voting equity securities

The attribution in the first half of 2014 includes the premium of EUR 408 million paid in relation to the repayment of the EUR 817 million non-voting equity securities.

Until the repayment of the final tranche in November 2014, the attribution to non-voting equity securities also represented the amount that would have been payable on the non-voting equity securities if and when the entire net result for the period would have been distributed as dividend. This amount was only included for the purpose of determining earnings per share under IFRS-EU and did not represent a payment (neither actual nor proposed) to the holders of the non-voting equity securities.

Notes to the Condensed consolidated interim accounts

Earnings per ordinary share from continuing operations	Amount (in EUR million) 1 January to 30 June		Weighted average number of ordinary shares outstanding during the period (in millions) 1 January to 30 June		Per ordinary share (in EUR) 1 January to 30 June	
6 month period	2015	2014	2015	2014	2015	2014
Basic earnings	**3,128**	–1,259	**3,860.1**	3,844.1		
Less: Total net result from discontinued operations	**469**	–1,932				
Basic earnings from continuing operations	**2,659**	673	**3,860.1**	3,844.1	**0.69**	0.17
Effect of dilutive instruments:						
Stock option and share plans			**6.5**	6.9		
			6.5	6.9		
Diluted earnings from continuing operations	**2,659**	673	**3,866.6**	3,851.0	**0.69**	0.17

Earnings per ordinary share from discontinued operations	Amount (in EUR million) 1 January to 30 June		Weighted average number of ordinary shares outstanding during the period (in millions) 1 January to 30 June		Per ordinary share (in EUR) 1 January to 30 June	
6 month period	2015	2014	2015	2014	2015	2014
Net result from discontinued operations	**401**	-22				
Net result from classification as discontinued operations	**2**					
Net result from disposal of discontinued operations	**66**	–1,910				
Total net result from discontinued operations	**469**	–1,932	**3,860.1**	3,844.1		
Basic earnings from discontinued operations	**469**	–1,932	**3,860.1**	3,844.1	**0.12**	–0.50
Effect of dilutive instruments:						
Stock option and share plans			**6.5**	6.9		
			6.5	6.9		
Diluted earnings from discontinued operations	**469**	–1,932	**3,866.6**	3,851.0	**0.12**	–0.50

19 Dividend per ordinary share

Dividends to shareholders of the parent	Per ordinary share (in EUR) 1 January to 30 June	Total (in EUR million)
	2015	2015
Dividends on ordinary shares:		
In respect of previous year	0.12	464
In respect of current year		
- Interim dividend	**0.24**	**922**

Notes to the Condensed consolidated interim accounts

During the Annual General Meeting ('AGM') of ING Groep N.V. in 2015, the 2014 proposed dividend of EUR 0.12 per ordinary share of EUR 0.24 was approved. In the second quarter of 2015, a dividend of EUR 464 million was paid to the shareholders in cash.

For the first half of 2015, ING has announced an interim cash dividend of EUR 0.24 per ordinary share.

20 Pension and other post-employment benefits

In 2014, ING reached final agreement with the trade unions, the ING Pension Fund, the Central Works Council and the Association of Retired ING Employees (VSI) to transfer all future funding and indexation obligations under ING's closed defined benefit plan in the Netherlands to the Dutch ING Pension Fund. The agreement made the ING Pension Fund financially independent from ING.

The key elements of the agreement are:

- Responsibility for future indexation and funding thereof is transferred to the Dutch ING Pension Fund;
- ING's obligation to restore the coverage ratio of the Dutch ING Pension Fund ceased;
- The cross guarantees between ING Bank and NN Group to jointly and severally fund the obligations of the Dutch ING Pension Fund are terminated;
- ING paid EUR 549 million (before tax) to the Dutch ING Pension Fund for the removal of these obligations; and
- ING will reduce the employees' own contribution to the pension premium under the new defined contribution plan by approximately EUR 80 million over a 6 year period.

As part of the agreement, ING Bank and NN Group are released from all financial obligations arising out of the Dutch defined benefit plan. Accordingly, this plan is no longer accounted for as a defined benefit plan and consequently, it has been removed from ING's balance sheet in 2014. In 2014, the removal of the net pension asset related to the Dutch defined benefit pension fund from ING's balance sheet of EUR 770 million (EUR 578 million after tax), the payment to the Dutch ING Pension Fund of EUR 549 million (EUR 412 million after tax), the compensation for lower employee contribution of EUR 80 million (EUR 60 million after tax) and other impacts resulted in a charge in the first quarter of 2014 of EUR 1,413 million (EUR 1,059 million after tax). EUR 871 million (EUR 653 million after tax) of this charge was allocated to ING Bank and EUR 542 million (EUR 406 million after tax) was allocated to NN Group.

Balance sheet - Net defined benefit asset/liability

Summary of net defined benefit asset/liability

	30 June 2015	31 December 2014
Fair value of plan assets	**3,232**	2,703
Defined benefit obligation	**3,149**	2,790
Funded status (Net defined benefit asset/(liability))	**83**	–87
Presented as:		
– Other assets	**593**	589
– Other liabilities	**–510**	–676
	83	–87

Notes to the Condensed consolidated interim accounts

Changes in the fair value of plan assets for the period were as follows:

Changes in fair value of plan assets	6 month period ended 30 June 2015	year ended 31 December 2014
Opening balance	**2,703**	21,621
Interest income	**35**	203
Remeasurements: Return on plan assets excluding amounts included in interest income	**336**	1,201
Employer's contribution	**11**	861
Participants contributions	**12**	6
Benefits paid	**–59**	–197
Effect of curtailment or settlement		–21,050
Exchange rate differences	**194**	120
Changes in the composition of the group and other changes		–62
Closing balance	**3,232**	2,703

Effect of curtailment or settlement
In 2014, EUR –20,403 million was recognised in Effect of curtailment or settlement related to the Dutch defined benefit plan settlement as a result of the agreement that made the ING Pension Fund financially independent from ING.

Changes in composition of the group and other changes
In 2014, Changes in the composition of the group and other changes included EUR –47 million as a result of the deconsolidation of ING Vysya and EUR –22 million as a result of the classification of NN Group as held for sale. Reference is made to Note 7 'Assets and liabilities held for sale' and Note 25 'Other events'.

Changes in the present value of the defined benefit obligation for the period were as follows:

Changes in defined benefit obligation	6 month period ended 30 June 2015	year ended 31 December 2014
Opening balance	**2,790**	20,951
Current service cost	**17**	39
Interest cost	**34**	206
Remeasurements: Actuarial gains and losses arising from changes in demographic assumptions	**–4**	4
Remeasurements: Actuarial gains and losses arising from changes in financial assumptions	**223**	1,595
Participants' contributions	**1**	1
Benefits paid	**–62**	–204
Past service cost		–12
Effect of curtailment or settlement	**1**	–19,725
Exchange rate differences	**149**	103
Changes in the composition of the group and other changes		–168
Closing balance	**3,149**	2,790

Notes to the Condensed consolidated interim accounts

Effect of curtailment or settlement
In 2014, EUR –19,079 million was recognised in Effect of curtailment or settlement related to the Dutch defined benefit plan settlement as a result of the agreement that made the ING Pension Fund financially independent from ING.

Changes in composition of the group and other changes
In 2014, Changes in the composition of the group and other changes of the Defined benefit obligation included EUR –53 million related to the deconsolidation of ING Vysya and EUR –119 million related to the classification of NN Group as held for sale. Reference is made to Note 7 'Assets and liabilities held for sale' and Note 25 'Other events'.

Amounts recognised directly in Other comprehensive income (equity) were as follows:

Changes in the net defined benefit assets/liability remeasurement reserve

	6 month period ended 30 June 2015	year ended 31 December 2014
Opening balance	**–515**	–3,802
Remeasurement of plan assets	**–115**	1,207
Actuarial gains and losses arising from changes in demographic assumptions	**8**	–4
Actuarial gains and losses arising from changes in financial assumptions	**80**	–1,682
Transfer to Other reserves	**16**	27
Taxation	**–14**	163
Total Other comprehensive income movement for the period/year	**–25**	–289
Transfer to Other reserves (pension settlement)		3,434
Changes in the composition of the group and other changes	**185**	142
Closing balance	**–355**	–515

The change in the remeasurement of the net defined benefit asset/liability in the first half of 2015 is mainly a result of deconsolidation of NN Group and an increase in discount rates. The weighted average discount rate as at 30 June 2015 was 3.0% (31 December 2014: 2.5%). The change in this rate impacts both the Remeasurement of plan assets and Actuarial gains and losses arising from changes in financial assumptions.

The amount of the remeasurement of the net defined benefit asset/liability in 2014 was mainly a result of the change in the high quality corporate bond rate.

In 2014, EUR 3,279 million was recognised in Transfer to Other reserves (pension settlement) related to the Dutch defined benefit plan settlement.

In 2014, Changes in composition of the group and other changes included EUR 143 million as a result of deconsolidation of Voya and nil as a result of classification of NN Group as held for sale. Reference is made to Note 7 'Assets and liabilities held for sale' and Note 25 'Other events'.

The accumulated amount of remeasurements recognised directly in Other comprehensive income (equity) is EUR –546 million (EUR –355 million after tax) as at 30 June 2015 (31 December 2014: EUR –753 million; EUR –515 million after tax).

Notes to the Condensed consolidated interim accounts

Profit and loss account – Pension costs

Staff expenses - Pension costs	3 month period 1 April to 30 June		6 month period 1 January to 30 June	
	2015	2014	2015	2014
Current service cost	**8**	7	**17**	18
Past service cost		–2		–1
Net interest cost	**–3**	–1	**–1**	
Effect of curtailment or settlement			**1**	871
Defined benefit plans	**5**	4	**17**	888
Defined contribution plans	**83**	79	**161**	155
	88	83	**178**	1,043

Defined benefit plans
In the first half of 2014, a charge of EUR 871 million is recognised in Effect of curtailment or settlement related to the Dutch defined benefit plan settlement.

Defined contribution plans
Certain group companies sponsor defined contribution pension plans. The assets of all ING Group’s defined contribution plans are held in independently administered funds. Contributions are generally determined as a percentage of remuneration. These plans do not give rise to balance sheet provisions, other than relating to short-term timing differences included in other assets/liabilities.

Notes to the Condensed consolidated interim accounts

Segment reporting

21 Segments

a. General

ING Group's segments are based on the internal reporting structure by lines of business.

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

Specification of the main sources of income of each of the segments	
Segments of the Banking results	**Main source of income**
Retail Netherlands *(Market Leaders)*	Income from retail and private banking activities in the Netherlands, including the SME and mid-corporate segments. The main products offered are current and savings accounts, business lending, mortgages and other consumer lending in the Netherlands.
Retail Belgium *(Market Leaders)*	Income from retail and private banking activities in Belgium, including the SME and mid-corporate segments. The main products offered are similar to those in the Netherlands.
Retail Germany *(Challengers and Growth Markets)*	Income from retail and private banking activities in Germany. The main products offered are current and savings accounts, mortgages and other customer lending.
Retail Other *(Challengers and Growth Markets)*	Income from retail banking activities in the rest of the world, including the SME and mid-corporate segments in specific countries. The main products offered are similar to those in the Netherlands.
Commercial Banking	Income from wholesale banking activities (a full range of products is offered from cash management to corporate finance), real estate and lease.

In line with the segment reporting in the 2014 ING Group Consolidated Annual Accounts, the geographical segments for the Banking results have been included on page 61.

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

The accounting policies of the segments are the same as those described in Note 1 'Accounting policies' of the 2014 ING Group Consolidated Annual Accounts. Transfer prices for inter-segment transactions are set at arm's length. Corporate expenses are allocated to business lines based on time spent by head office personnel, the relative number of staff, or on the basis of income, expenses and/or assets of the segment.

As of 1 January 2015, the segment Retail Rest of the World is renamed to Retail Other. In addition to this, the attribution of 'Underlying result' to segments is changed as follows:

- 'Interest benefit on economic capital' is replaced by 'Interest benefit on total capital' resulting in a reallocation between Retail Banking, Commercial Banking and Corporate Line Banking in the line 'Interest result Banking operations';
- ING Turkey, previously fully reported within Retail Banking, is now segmented to both Retail Banking and Commercial Banking; and
- Bank Treasury (excluding isolated legacy costs recorded within Corporate Line) is now allocated to both Retail Banking and Commercial Banking. Previously, Bank Treasury was allocated to Retail and/or Commercial Banking on a country-by-country basis.

The presentation of previously reported underlying profit and loss figures has been restated to reflect the above changes.

Notes to the Condensed consolidated interim accounts

ING Group evaluates the results of its banking segments using a financial performance measure called underlying result. Underlying result is derived by excluding from IFRS-EU the following: special items; the impact of divestments and Legacy Insurance.

Special items include items of income or expense that are significant and arise from events or transactions that are clearly distinct from the ordinary operating activities. Disclosures on comparative periods also reflect the impact of current period's divestments. Legacy Insurance consists of the intercompany eliminations between ING Bank and NN Group until deconsolidation on 29 May 2015, the results from Insurance Other and the results from discontinued operations. Insurance Other reflects (former) insurance related activities that are not part of the discontinued operations of NN Group or Voya.

In 2014, ING Group's underlying result was adjusted in order to better reflect the performance of the Total banking business. Therefore, the remaining insurance activities (included in 'Insurance Other') as well as the intercompany eliminations between ING Bank and NN Group is no longer included as part of ING Group's underlying result.

Following the classification of NN Group as discontinued operations in 2014, the Insurance segments (Netherlands Life, Netherlands Non-Life, Insurance Europe, Japan Life, Investment Management, Other and Japan Closed Block VA) ceased to exist.

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

Underlying result as presented below is a non-GAAP financial measure and is not a measure of financial performance under IFRS-EU. Because underlying result is not determined in accordance with IFRS-EU, underlying result as presented by ING may not be comparable to other similarly titled measures of performance of other companies. The underlying result of ING's segments is reconciled to the Net result as reported in the IFRS-EU Condensed consolidated profit and loss account below. The information presented in this note is in line with the information presented to the Executive and Management Boards.

This note does not provide information on the revenue specified to each product or service as this is not reported internally and is therefore not readily available.

Notes to the Condensed consolidated interim accounts

b. ING Group

ING Group Total					
3 month period 1 April to 30 June 2015	ING Bank N.V.	Other Banking[1]	Total Banking	Legacy Insurance	Total
Underlying income					
– Net interest result - banking operations	3,158	–55	3,103		3,103
– Commission income	584		584		584
– Total investment and other income	477	8	485		485
Total underlying income	4,219	–47	4,171		4,171
Underlying expenditure					
– Operating expenses	2,213	5	2,218		2,218
– Additions to loan loss provision	353		353		353
Total underlying expenses	2,565	5	2,571		2,571
Underlying result before taxation	1,653	–53	1,601		1,601
Taxation	470	–7	462		462
Minority interests	21		21		21
Underlying net result	1,163	–45	1,118		1,118
Divestments	367		367		367
Special items	–13		–13		–13
Intercompany eliminations between ING Bank and NN Group[2]				–11	–11
Insurance Other[3]				28	28
Net result IFRS-EU (continuing operations)	1,516	–45	1,471	18	1,489
Total net result from discontinued operations NN Group				–130	–130
Net result IFRS-EU (continuing and discontinued operations) attributable to equity holder of the parent	1,516	–45	1,471	–112	1,359

(1) Comprises for the most part the funding charges of ING Groep N.V. (Holding).
(2) Intercompany eliminations between ING Bank and NN Group until deconsolidation on 29 May 2015.
(3) Insurance Other comprises mainly the net result relating to warrants on the shares of Voya Financial and NN Group.

Notes to the Condensed consolidated interim accounts

ING Group Total					
3 month period 1 April to 30 June 2014	ING Bank N.V.	Other Banking(1)	Total Banking	Legacy Insurance	Total
Underlying income					
– Net interest result - banking operations	3,079	–94	2,985		2,985
– Commission income	595		595		595
– Total investment and other income	190	11	201		201
Total underlying income	3,864	–84	3,781		3,781
Underlying expenditure					
– Operating expenses	2,094	4	2,098		2,098
– Additions to loan loss provision	405		405		405
Total underlying expenses	2,499	4	2,503		2,503
Underlying result before taxation	1,365	–87	1,278		1,278
Taxation	359	–21	338		338
Minority interests	17		17		17
Underlying net result	989	–66	923		923
Divestments					
Special items	–117		–117		–117
Intercompany eliminations between ING Bank and NN Group				–19	–19
Insurance Other(2)				–6	–6
Net result IFRS-EU (continuing operations)	872	–66	806	–25	781
Total net result from discontinued operations NN Group				264	264
Total net result from discontinued operations Voya				22	22
Net result IFRS-EU (continuing and discontinued operations) attributable to equity holder of the parent	872	–66	806	261	1,067

(1) Comprised for the most part the funding charges of ING Groep N.V. (Holding).
(2) Insurance Other comprised mainly the net result relating to warrants on the shares of Voya Financial and the net results on the sale of SulAmérica.

Reconciliation between Underlying and IFRS-EU income, expenses and net result	Income 1 April to 30 June		Expenses 1 April to 30 June		Net result 1 April to 30 June	
3 month period	2015	2014	2015	2014	2015	2014
Underlying	**4,171**	3,781	**2,571**	2,503	**1,118**	923
Divestments	**367**				**367**	
Special items			**18**	122	**–13**	–117
Intercompany eliminations between ING Bank and NN Group	**–6**	–18	**9**	7	**–11**	–19
Insurance Other	**15**	10	**–8**	4	**28**	–6
IFRS-EU (continuing operations)	**4,548**	3,773	**2,589**	2,636	**1,489**	781
Total net result from discontinued operations					**–130**	286
Net result IFRS-EU (continuing and discontinued operations) attributable to equity holder of the parent					**1,359**	1,067

Divestments in the second quarter of 2015 comprise mainly the result from the merger between ING Vysya Bank and Kotak Mahindra Bank.

Special items in the second quarter of 2015 include additional charges related to previously announced restructuring programmes in Retail Netherlands. Special items in the second quarter of 2014 include the

Notes to the Condensed consolidated interim accounts

second payment of the levy related to the SNS Reaal nationalisation and additional charges related to previously announced restructuring programmes in Retail Netherlands.

Reference is made to Note 17 'Discontinued operations' for information on Discontinued operations.

ING Group Total 6 month period 1 January to 30 June 2015	ING Bank N.V.	Other Banking[1]	Total Banking	Legacy Insurance	Total
Underlying income					
– Net interest result - banking operations	6,377	–100	6,278		6,278
– Commission income	1,189		1,189		1,189
– Total investment and other income	1,029	11	1,040		1,040
Total underlying income	8,596	–89	8,507		8,507
Underlying expenditure					
– Operating expenses	4,442	18	4,460		4,460
– Additions to loan loss provision	785		785		785
Total underlying expenses	5,226	18	5,245		5,245
Underlying result before taxation	3,369	–107	3,262		3,262
Taxation	940	–19	921		921
Minority interests	36		36		36
Underlying net result	2,393	–88	2,304		2,304
Divestments	367		367		367
Special items	–27		–27		–27
Intercompany eliminations between ING Bank and NN Group[2]				–20	–20
Insurance Other[3]				35	35
Net result IFRS-EU (continuing operations)	2,732	–88	2,644	15	2,659
Total net result from discontinued operations NN Group				146	146
Total net result from discontinued operations Voya				323	323
Net result IFRS-EU (continuing and discontinued operations) attributable to equity holder of the parent	2,732	–88	2,644	484	3,128

(1) Comprises for the most part the funding charges of ING Groep N.V. (Holding).
(2) Intercompany eliminations between ING Bank and NN Group until deconsolidation on 29 May 2015.
(3) Insurance Other comprises mainly the net result relating to warrants on the shares of Voya Financial and NN Group.

Notes to the Condensed consolidated interim accounts

ING Group Total					
6 month period 1 January to 30 June 2014	ING Bank N.V.	Other Banking[1]	Total Banking	Legacy Insurance	Total
Underlying income					
– Net interest result - banking operations	6,145	–132	6,012		6,012
– Commission income	1,155		1,155		1,155
– Total investment and other income	421	10	431		431
Total underlying income	7,721	–123	7,599		7,599
Underlying expenditure					
– Operating expenses	4,267	5	4,272		4,272
– Additions to loan loss provision	872		872		872
Total underlying expenses	5,139	5	5,145		5,145
Underlying result before taxation	2,582	–128	2,454		2,454
Taxation	689	–32	657		657
Minority interests	45		45		45
Underlying net result	1,848	–96	1,753		1,753
Divestments	202		202		202
Special items	–885		–885		–885
Intercompany eliminations between ING Bank and NN Group				–40	–40
Insurance Other[2]				50	50
Net result IFRS-EU (continuing operations)	1,166	–96	1,070	10	1,081
Total net result from discontinued operations NN Group				–2	–2
Total net result from discontinued operations Voya				–1,930	–1,930
Net result IFRS-EU (continuing and discontinued operations) attributable to equity holder of the parent	1,166	–96	1,070	–1,921	–851

(1) Comprised for the most part the funding charges of ING Groep N.V. (Holding).
(2) Insurance Other comprised mainly the net result relating to warrants on the shares of Voya Financial and the net results on the sale of SulAmérica.

Reconciliation between Underlying and IFRS-EU income, expenses and net result	Income 1 January to 30 June		Expenses 1 January to 30 June		Net result 1 January to 30 June	
6 month period	2015	2014	2015	2014	2015	2014
Underlying	**8,507**	7,599	**5,245**	5,145	**2,304**	1,753
Divestments	**367**	202			**367**	202
Special items			**37**	1,112	**–27**	–885
Intercompany eliminations between ING Bank and NN Group	**–28**	–40	**–1**	13	**–20**	–40
Insurance Other	**32**	78	**4**	17	**35**	50
IFRS-EU (continuing operations)	**8,878**	7,839	**5,284**	6,287	**2,659**	1,081
Total net result from discontinued operations					**469**	–1,932
Net result IFRS-EU (continuing and discontinued operations) attributable to equity holder of the parent					**3,128**	–851

Divestments in the first half of 2015 mainly reflect the result from the merger between ING Vysya Bank and Kotak Mahindra Bank. Divestments in the first half of 2014 mainly reflect the result on the deconsolidation of ING Vysya and the result on the sale of a stake in SulAmérica S.A. to Swiss Re.

Special items in the first half of 2015 comprise additional charges related to previously announced restructuring programmes in Retail Netherlands. Special items in the first half of 2014 include the impact (after

Notes to the Condensed consolidated interim accounts

tax) of the charges for making the Dutch Defined Benefit pension fund financially independent, the first and second payment of the levy related to the SNS Reaal nationalisation and additional charges related to previously announced restructuring programmes in Retail Netherlands .

Reference is made to Note 17 'Discontinued operations' for information on Discontinued operations.

c. Banking activities

Segments Banking

3 month period 1 April to 30 June 2015	Retail Nether-lands	Retail Belgium	Retail Germany	Retail Other	Commercial Banking	Corporate Line Banking	Total Banking
Underlying income							
– Net interest result	**902**	**485**	**410**	**472**	**889**	**–55**	**3,103**
– Commission income	**126**	**107**	**36**	**76**	**239**		**584**
– Total investment and other income	**49**	**30**	**21**	**–25**	**432**	**–22**	**485**
Total underlying income	**1,078**	**621**	**467**	**524**	**1,560**	**–77**	**4,171**
Underlying expenditure							
– Operating expenses	**580**	**377**	**200**	**393**	**606**	**63**	**2,218**
– Additions to loan loss provision	**140**	**40**	**14**	**48**	**111**		**353**
Total underlying expenses	**720**	**417**	**214**	**441**	**716**	**63**	**2,571**
Underlying result before taxation	**358**	**204**	**253**	**83**	**844**	**–140**	**1,601**
Taxation	**92**	**81**	**90**	**25**	**217**	**–42**	**462**
Minority interests		**2**		**17**	**1**		**21**
Underlying net result	**266**	**120**	**162**	**41**	**626**	**–98**	**1,118**
Divestments				**367**			**367**
Special items	**–13**						**–13**
Net result IFRS-EU (continuing operations)	**253**	**120**	**162**	**408**	**626**	**–98**	**1,471**

Segments Banking

3 month period 1 April to 30 June 2014	Retail Nether-lands	Retail Belgium	Retail Germany	Retail Other	Commercial Banking	Corporate Line Banking	Total Banking
Underlying income							
– Net interest result	930	508	359	424	861	–97	2,985
– Commission income	113	93	31	89	269		595
– Total investment and other income	37	47	8	34	165	–89	201
Total underlying income	1,081	648	398	547	1,295	–187	3,781
Underlying expenditure							
– Operating expenses	578	357	188	346	571	58	2,098
– Additions to loan loss provision	178	49	10	26	141		405
Total underlying expenses	756	406	198	373	712	58	2,503
Underlying result before taxation	325	242	200	174	582	–245	1,278
Taxation	82	74	61	9	178	–65	338
Minority interests		–1		10	7		17
Underlying net result	243	169	138	155	397	–180	923
Special items	–15					–101	–117
Net result IFRS-EU (continuing operations)	228	169	138	155	397	–281	806

Notes to the Condensed consolidated interim accounts

Segments Banking

6 month period 1 January to 30 June 2015	Retail Nether-lands	Retail Belgium	Retail Germany	Retail Other	Commercial Banking	Corporate Line Banking	Total Banking
Underlying income							
– Net interest result	1,846	996	786	946	1,794	–90	6,278
– Commission income	247	217	80	150	495		1,189
– Total investment and other income	138	85	73	46	787	–89	1,040
Total underlying income	2,231	1,298	939	1,142	3,076	–180	8,507
Underlying expenditure							
– Operating expenses	1,161	815	410	790	1,209	76	4,460
– Additions to loan loss provision	292	88	27	95	283		785
Total underlying expenses	1,453	903	437	884	1,492	76	5,245
Underlying result before taxation	778	395	503	258	1,583	–256	3,262
Taxation	197	140	170	68	412	–66	921
Minority interests		4	1	26	6		36
Underlying net result	581	252	332	164	1,165	–190	2,304
Divestments				367			367
Special items	–27						–27
Net result IFRS-EU (continuing operations)	553	252	332	531	1,165	–190	2,644

Segments Banking

6 month period 1 January to 30 June 2014	Retail Nether-lands	Retail Belgium	Retail Germany	Retail Other	Commercial Banking	Corporate Line Banking	Total Banking
Underlying income							
– Net interest result	1,859	992	711	886	1,690	–126	6,012
– Commission income	226	193	62	188	488	–1	1,155
– Total investment and other income	68	159		72	284	–152	431
Total underlying income	2,152	1,344	772	1,146	2,463	–279	7,599
Underlying expenditure							
– Operating expenses	1,159	794	375	738	1,144	63	4,272
– Additions to loan loss provision	370	80	37	72	313		872
Total underlying expenses	1,529	874	412	810	1,457	63	5,145
Underlying result before taxation	623	470	361	336	1,006	–342	2,454
Taxation	156	135	111	51	245	–41	657
Minority interests		–2		33	14		45
Underlying net result	467	337	250	253	747	–301	1,753
Divestments				202			202
Special items	–29					–856	–885
Net result IFRS-EU (continuing operations)	438	337	250	455	747	–1,157	1,070

IFRS-EU balance sheets by segment are not reported internally to, and not managed by, the chief operating decision maker. IFRS-EU balance sheet information is prepared for the Banking operations as a whole.

Notes to the Condensed consolidated interim accounts

Geographical areas Banking

3 month period 1 April to 30 June 2015	Nether- lands	Belgium	Germany	Other Challengers	Growth Markets	Commercial Banking Rest of World	Other	Total Banking
Underlying income								
– Net interest result	1,168	555	448	308	287	392	–55	3,103
– Commission income	187	135	43	40	65	114		584
– Total investment and other income	49	194	24	–52	75	201	–8	485
Total underlying income	1,404	884	516	296	427	707	–63	4,171
Underlying expenditure								
– Operating expenses	755	466	217	200	262	252	67	2,218
– Additions to loan loss provision	204	31	14	6	56	41		353
Total underlying expenses	958	497	231	206	318	293	67	2,571
Underlying result before taxation	446	387	285	89	109	414	–130	1,601
Taxation	116	127	100	47	17	95	–40	462
Minority interests		2			18			21
Underlying net result	330	257	184	42	75	319	–90	1,118
Divestments					367			367
Special items	–13							–13
Net result IFRS-EU (continuing operations)	316	257	184	42	442	319	–90	1,471

Geographical areas Banking

3 month period 1 April to 30 June 2014	Nether- lands	Belgium	Germany	Other Challengers	Growth Markets	Commercial Banking Rest of World	Other	Total Banking
Underlying income								
– Net interest result	1,171	597	388	289	246	393	–98	2,985
– Commission income	179	120	38	42	87	129		595
– Total investment and other income	31	90	11	9	59	84	–84	201
Total underlying income	1,381	807	438	340	392	606	–182	3,781
Underlying expenditure								
– Operating expenses	748	446	203	175	237	221	69	2,098
– Additions to loan loss provision	286	51	9	52	10	–4		405
Total underlying expenses	1,034	497	213	227	247	217	69	2,503
Underlying result before taxation	347	310	226	113	145	389	–251	1,278
Taxation	89	93	76	8	26	113	–66	338
Minority interests		–1			18			17
Underlying net result	259	217	149	105	102	276	–185	923
Special items	–15						–101	–117
Net result IFRS-EU (continuing operations)	243	217	149	105	102	276	–286	806

Notes to the Condensed consolidated interim accounts

Geographical areas Banking

6 month period 1 January to 30 June 2015	Nether-lands	Belgium	Germany	Other Challengers	Growth Markets	Commercial Banking Rest of World	Other	Total Banking
Underlying income								
– Net interest result	2,365	1,161	860	602	566	813	–89	6,278
– Commission income	370	274	99	80	135	232		1,189
– Total investment and other income	184	282	83	–31	155	396	–29	1,040
Total underlying income	2,918	1,716	1,042	652	856	1,441	–119	8,507
Underlying expenditure								
– Operating expenses	1,497	1,015	442	391	535	494	86	4,460
– Additions to loan loss provision	466	82	27	49	92	69		785
Total underlying expenses	1,962	1,097	469	440	627	563	86	5,245
Underlying result before taxation	956	619	573	212	229	878	–205	3,262
Taxation	240	204	192	84	38	207	–45	921
Minority interests		4	1		32			36
Underlying net result	715	412	380	127	159	671	–160	2,304
Divestments					367			367
Special items	–27							–27
Net result IFRS-EU (continuing operations)	688	412	380	127	526	671	–160	2,644

Notes to the Condensed consolidated interim accounts

Geographical areas Banking

6 month period 1 January to 30 June 2014	Netherlands	Belgium	Germany	Other Challengers	Growth Markets	Commercial Banking Rest of World	Other	Total Banking
Underlying income								
– Net interest result	2,329	1,193	765	562	535	756	–127	6,012
– Commission income	349	248	74	81	178	225		1,155
– Total investment and other income	71	210	6	11	122	149	–138	431
Total underlying income	2,750	1,651	844	654	836	1,130	–265	7,599
Underlying expenditure								
– Operating expenses	1,498	994	402	351	513	433	81	4,272
– Additions to loan loss provision	556	85	38	107	47	39		872
Total underlying expenses	2,054	1,079	441	459	560	472	81	5,145
Underlying result before taxation	695	572	404	195	276	658	–346	2,454
Taxation	169	145	127	32	53	176	–46	657
Minority interests		–2			46			45
Underlying net result	526	429	276	164	176	482	–300	1,753
Divestments				–2	204			202
Special items	–29						–856	–885
Net result IFRS-EU (continuing operations)	497	429	276	162	381	482	–1,156	1,070

Notes to the Condensed consolidated interim accounts

Additional notes to the Condensed consolidated interim accounts

22 Fair values of financial assets and liabilities

The estimated fair values of financial assets and liabilities represent the price at which an orderly transaction to sell the financial asset or to transfer the financial liability would take place between market participants at the balance sheet date ('exit price'). The fair value of financial assets and liabilities is based on quoted market prices, where available. Such quoted market prices are primarily obtained from exchange prices for listed instruments. Where an exchange price is not available, market prices are obtained from independent market vendors, brokers or market makers. Because substantial trading markets do not exist for all financial instruments various techniques have been developed to estimate the approximate fair values of financial assets and liabilities that are not actively traded. These techniques are subjective in nature and involve various assumptions about the relevant pricing factors, especially for inputs that are not readily available in the market (such as credit spreads for own-originated loans and advances to customers). Changes in these assumptions could significantly affect the estimated fair values. Consequently, the fair values presented may not be indicative of the net realisable value. In addition, the calculation of the estimated fair value is based on market conditions at a specific point in time and may not be indicative of future fair values. Further information on the methods and assumptions that were used by ING Group to estimate the fair value of the financial instruments is disclosed in the 2014 ING Group Consolidated Annual Accounts in Note 43 'Fair value of assets and liabilities'.

The following table presents the estimated fair values of ING Group's financial assets and liabilities. Certain balance sheet items are not included in the table, as they do not meet the definition of a financial asset or liability. The aggregation of the fair values presented below does not represent, and should not be construed as representing, the underlying value of ING Group.

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Fair value of financial assets and liabilities	Estimated fair value		Balance sheet value	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Financial assets				
Cash and balances with central banks	**21,511**	12,233	**21,511**	12,233
Amounts due from banks	**39,856**	37,220	**39,711**	37,119
Financial assets at fair value through profit and loss				
– trading assets	**140,429**	136,959	**140,429**	136,959
– non-trading derivatives	**3,493**	4,384	**3,493**	4,384
– designated as at fair value through profit and loss	**2,750**	2,756	**2,750**	2,756
Investments				
– available-for-sale	**85,896**	95,402	**85,896**	95,402
– held-to-maturity	**6,523**	2,277	**6,534**	2,239
Loans and advances to customers	**554,960**	529,191	**543,174**	517,478
Other assets(1)	**11,144**	11,537	**11,144**	11,537
	866,562	831,959	**854,642**	820,107
Financial liabilities				
Subordinated loans	**7,495**	7,373	**7,434**	6,861
Debt securities in issue	**131,255**	130,958	**130,145**	126,352
Other borrowed funds	**9,831**	11,297	**10,041**	11,297
Amounts due to banks	**39,959**	30,684	**39,425**	29,999
Customer deposits and other funds on deposit	**508,274**	484,918	**506,194**	483,871
Financial liabilities at fair value through profit and loss				
– trading liabilities	**88,673**	97,091	**88,673**	97,091
– non-trading derivatives	**4,710**	6,040	**4,710**	6,040
– designated as at fair value through profit and loss	**13,028**	13,551	**13,028**	13,551
Other liabilities(2)	**14,094**	13,067	**14,094**	13,067
	817,319	794,979	**813,744**	788,129

(1) Other assets do not include (deferred) tax assets, net defined benefit asset and property development and obtained from foreclosures.
(2) Other liabilities do not include (deferred) tax liabilities, net defined benefit liability, prepayments received under property under development, other provisions and other taxation and social security contributions.

Fair value hierarchy

ING Group has categorised its financial instruments that are measured in the balance sheet at fair value or of which the fair value is disclosed, into a three level hierarchy based on the priority of the inputs to the valuation. The fair value hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to valuation techniques supported by unobservable inputs. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide reliable pricing information on an on-going basis. The fair value hierarchy consists of three levels, depending upon whether fair values were determined based on (unadjusted) quoted prices in an active market (Level 1), valuation techniques with observable inputs (Level 2) or valuation techniques that incorporate inputs which are unobservable and which have a more than insignificant impact on the fair value of the instrument (Level 3). Financial assets in Level 3 include for example illiquid debt securities, complex OTC and credit derivatives, certain complex loans (for which current market information about similar assets to use as observable, corroborated data for all significant inputs into a valuation model is not available) and asset backed securities for which there is no active market and a wide dispersion in quoted prices.

Notes to the Condensed consolidated interim accounts

Observable inputs reflect market data obtained from independent sources. Unobservable inputs are inputs which are based on the Group's own assumptions about the factors that market participants would use in pricing an asset or liability, developed based on the best information available in the circumstances. Unobservable inputs may include volatility, correlation, spreads to discount rates, default rates and recovery rates, prepayment rates and certain credit spreads. Transfers into and transfers out of fair value hierarchy levels are recognised as of the date of the event or change in circumstances that caused the transfer. Further information on the fair value hierarchy is disclosed in the 2014 ING Group Consolidated Annual Accounts in Note 43 'Fair value of assets and liabilities'.

The fair values of the financial instruments were determined as follows:

Methods applied in determining fair values of financial assets and liabilities (carried at fair value)

	30 June 2015			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trading assets	**31,770**	**107,682**	**977**	**140,429**
Non-trading derivatives	**105**	**3,128**	**260**	**3,493**
Financial assets designated as at fair value through profit and loss	**251**	**2,428**	**71**	**2,750**
Available-for-sale investments	**80,370**	**4,965**	**561**	**85,896**
	112,496	**118,203**	**1,869**	**232,568**
Financial liabilities				
Trading liabilities	**9,186**	**78,475**	**1,012**	**88,673**
Non-trading derivatives	**61**	**4,635**	**14**	**4,710**
Financial liabilities designated as at fair value through profit and loss	**1,838**	**10,930**	**260**	**13,028**
	11,085	**94,040**	**1,286**	**106,411**

Methods applied in determining fair values of financial assets and liabilities (carried at fair value)

	31 December 2014			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trading assets	35,965	100,184	810	136,959
Non-trading derivatives		4,074	310	4,384
Financial assets designated as at fair value through profit and loss	346	2,320	90	2,756
Available-for-sale investments	89,101	5,728	573	95,402
	125,412	112,306	1,783	239,501
Financial liabilities				
Trading liabilities	11,204	84,890	997	97,091
Non-trading derivatives		6,024	16	6,040
Financial liabilities designated as at fair value through profit and loss	1,719	11,509	323	13,551
	12,923	102,423	1,336	116,682

Main changes in fair value hierarchy in the first half of 2015

In the first half of 2015, the change in trading assets and trading liabilities (Level 2) is mainly as a result of further decreased interest rates and developments in foreign currency rates. The decrease in Available-for-sale investments (Level 1) is as a result of the reclassification of Government bonds (EUR 3.5 billion) to Investments - Held-to-maturity. Reference is made to Note 3 'Investments'.

There were no significant transfers between Level 1 and Level 2.

Notes to the Condensed consolidated interim accounts

In the first half of 2015, there were changes in valuation techniques driven by current market conditions, with LIBOR being negative.

Recognition of unrealised gains and losses in Level 3
Amounts recognised in the profit and loss account relating to unrealised gains and losses during the period that relates to Level 3 assets and liabilities are included in the profit and loss account as follows:

- Results on trading assets and trading liabilities are included in Other income - Net trading income;
- Investments for risk of policyholders are included in Net result from discontinued operations;
- Non-trading derivatives are included in Other income - Valuation results on non-trading derivatives;
- Financial assets and liabilities designated as at fair value through profit and loss are included in Other income - Valuation results on non-trading derivatives - Valuation results on assets and liabilities designated as at fair value through profit and loss (excluding trading);
- Changes in the fair value of Real estate investments are included in Investment income; and
- Impairments on Property in own use are included in Intangible amortisation and other impairments.

Unrealised gains and losses recognised in Other comprehensive income that relate to Available-for-sale assets are included in the Revaluation reserve – Available-for-sale reserve and other. Unrealised gains and losses on Property in own use are included in the Revaluation reserve – Property in own use reserve.

Changes in Level 3 Financial assets

					6 month period ended 30 June 2015
	Trading assets	Non-trading derivatives	Financial assets designated as at fair value through profit and loss	Available-for-sale invest-ments	Total
Opening balance	810	310	90	573	1,783
Amounts recognised in the profit and loss account during the period	40	–82	–23	42	–23
Revaluation recognised in equity during the period				–5	–5
Purchase of assets	259	1	153	85	498
Sale of assets	–91		–149	–152	–392
Maturity/settlement	–16	–1		–1	–18
Transfers into Level 3	10			2	12
Transfers out of Level 3	–40				–40
Exchange rate differences	5			18	23
Changes in the composition of the group and other changes		32		–1	31
Closing balance	977	260	71	561	1,869

In the first half of 2015, there were no significant transfers into or out of Level 3.

Notes to the Condensed consolidated interim accounts

Changes in Level 3 Financial assets

	Trading assets	Investments for risk of policyholders	Non-trading derivatives	Financial assets designated as at fair value through profit and loss	Available-for-sale investments	Total
						year ended 31 December 2014
Opening balance	2,019	248	179	198	3,151	5,795
Amounts recognised in the profit and loss account during the year	–264		131	–67	–39	–239
Revaluation recognised in equity during the year					81	81
Purchase of assets	287			49	218	554
Sale of assets	–334			–45	–278	–657
Maturity/settlement	–76			–45	–500	–621
Transfers into Level 3	71			48	5	124
Transfers out of Level 3	–293			–48	–3	–344
Exchange rate differences	9	–2			28	35
Changes in the composition of the group and other changes	–609	–246			–2,090	–2,945
Closing balance	810	0	310	90	573	1,783

In 2014, Changes in composition of the group and other changes included EUR –2,600 million as a result of the classification of NN Group as held for sale. Reference is made to Note 7 'Assets and liabilities held for sale' and Note 25 'Other events'.

Changes in Level 3 Financial liabilities

	Trading liabilities	Non-trading derivatives	Financial liabilities designated as at fair value through profit and loss	Total
				6 month period ended 30 June 2015
Opening balance	**997**	**16**	**323**	**1,336**
Amounts recognised in the profit and loss account during the period	**–35**	**–1**	**–21**	**–57**
Issue of liabilities	**188**		**106**	**294**
Early repayment of liabilities	**–86**	**–1**	**–33**	**–120**
Maturity/settlement	**–12**			**–12**
Transfers into Level 3	**14**			**14**
Transfers out of Level 3	**–60**		**–115**	**–175**
Exchange rate differences	**6**			**6**
Closing balance	**1,012**	**14**	**260**	**1,286**

In the first half of 2015, financial liabilities of EUR 175 million were transferred out of Level 3 mainly due to the valuation not being significantly impacted by unobservable inputs.

Notes to the Condensed consolidated interim accounts

Changes in Level 3 Financial liabilities

	year ended 31 December 2014			
	Trading liabilities	Non-trading derivatives	Financial liabilities designated as at fair value through profit and loss	Total
Opening balance	1,105		343	1,448
Amounts recognised in the profit and loss account during the year	–54	14	–81	–121
Issue of liabilities	418	2	172	592
Early repayment of liabilities	–371		–78	–449
Maturity/settlement	–68	–1	–66	–135
Transfers into Level 3	42		88	130
Transfers out of Level 3	–82		–55	–137
Changes in the composition of the group and other changes	7	1		8
Closing balance	997	16	323	1,336

Amounts recognised in profit and loss account during the period (Level 3)

	6 month period ended 30 June 2015		
	Held at balance sheet date	Derecognised during the period	Total
Financial assets			
Trading assets	**40**		**40**
Non-trading derivatives	**–82**		**–82**
Financial assets designated as at fair value through profit and loss	**–23**		**–23**
Available-for-sale investments	**–12**	**54**	**42**
	–77	**54**	**–23**
Financial liabilities			
Trading liabilities	**–35**		**–35**
Non-trading derivatives	**–1**		**–1**
Financial liabilities designated as at fair value through profit and loss	**–21**		**–21**
	–57		**–57**

Notes to the Condensed consolidated interim accounts

Amounts recognised in profit and loss account during the period (Level 3)			
	year ended 31 December 2014		
	Held at balance sheet date	Dere-cognised during the year	Total
Financial assets			
Trading assets	–286	22	–264
Non-trading derivatives	131		131
Financial assets designated as at fair value through profit and loss	–67		–67
Available-for-sale investments	–70	31	–39
	–292	53	–239
Financial liabilities			
Trading liabilities	–54		–54
Non-trading derivatives	14		14
Financial liabilities designated as at fair value through profit and loss	–81		–81
	–121	–	–121

Level 3 Financial assets and liabilities

Financial assets measured at fair value in the balance sheet as at 30 June 2015 of EUR 233 billion include an amount of EUR 1.9 billion (0.8%) which is classified as Level 3 (31 December 2014: EUR 1.8 billion, being 0.8%). Changes in Level 3 from 31 December 2014 to 30 June 2015 are disclosed above in the table 'Changes in Level 3 Financial assets'.

Financial liabilities measured at fair value in the balance sheet as at 30 June 2015 of EUR 106 billion include an amount of EUR 1.3 billion (1.2%) which is classified as Level 3 (31 December 2014: EUR 1.3 billion, being 1.1%). Changes in Level 3 from 31 December 2014 to 30 June 2015 are disclosed above in the table 'Changes in Level 3 Financial liabilities'.

Financial assets and liabilities in Level 3 include both assets and liabilities for which the fair value was determined using valuation techniques that incorporate unobservable inputs and assets and liabilities for which the fair value was determined using quoted prices, but for which the market was not actively trading at or around the balance sheet date. Unobservable inputs are inputs which are based on ING's own assumptions about the factors that market participants would use in pricing an asset or liability, developed based on the best information available in the circumstances. Unobservable inputs may include volatility, correlation, spreads to discount rates, default rates and recovery rates, prepayment rates and certain credit spreads. Fair values that are determined using valuation techniques using unobservable inputs are sensitive to the inputs used. Fair values that are determined using quoted prices are not sensitive to unobservable inputs, as the valuation is based on unadjusted external price quotes. These are classified in Level 3 as a result of the illiquidity in the relevant market, but are not significantly sensitive to ING's own unobservable inputs.

Of the total amount of financial assets classified as Level 3 as at 30 June 2015 of EUR 1.9 billion (31 December 2014: EUR 1.8 billion), an amount of EUR 0.8 billion (42%) (31 December 2014: EUR 0.8 billion, being 50%) is based on unadjusted quoted prices in inactive markets. As ING does not generally adjust quoted prices using its own inputs, there is no significant sensitivity to ING's own unobservable inputs.

Furthermore, Level 3 financial assets includes approximately EUR 0.1 billion (31 December 2014: EUR 0.1 billion) which relates to financial assets that are part of structures that are designed to be fully neutral in terms of market risk. Such structures include various financial assets and liabilities for which the overall sensitivity to

Notes to the Condensed consolidated interim accounts

market risk is insignificant. Whereas the fair value of individual components of these structures may be determined using different techniques and the fair value of each of the components of these structures may be sensitive to unobservable inputs, the overall sensitivity is by design not significant.

The remaining EUR 1.0 billion (31 December 2014: EUR 0.9 billion) of the fair value classified in Level 3 financial assets is established using valuation techniques that incorporates certain inputs that are unobservable. This relates mainly to assets that are classified as Available-for-sale investments, for which changes in fair value are recognised in shareholders' equity and do not directly impact profit and loss.

Of the total amount of financial liabilities classified as Level 3 as at 30 June 2015 of EUR 1.3 billion (31 December 2014: EUR 1.3 billion), an amount of EUR 0.6 billion (46%) (31 December 2014: EUR 0.7 billion, being 54%) is based on unadjusted quoted prices in inactive markets. As ING does not generally adjust quoted prices using its own inputs, there is no significant sensitivity to ING's own unobservable inputs.

Furthermore, Level 3 financial liabilities includes approximately EUR 0.2 billion (31 December 2014: EUR 0.2 billion) which relates to financial liabilities that are part of structures that are designed to be fully neutral in terms of market risk. As explained above, the fair value of each of the components of these structures may be sensitive to unobservable inputs, but the overall sensitivity is by design not significant.

The remaining EUR 0.5 billion (31 December 2014: EUR 0.4 billion) of the fair value classified in Level 3 financial liabilities is established using valuation techniques that incorporates certain inputs that are unobservable.

The table below provides a summary of the valuation techniques, key unobservable inputs and the lower and upper range of such unobservable inputs, by type of level 3 asset/liability. The lower and upper range mentioned in the overview represent the lowest and highest variance of the respective valuation input as actually used in the valuation of the different financial instruments. Amounts and percentages stated are unweighted. The range could change from period to period subject to market movements and change in Level 3 position. Lower and upper bounds reflect the variability of Level 3 positions and their underlying valuation inputs in the portfolio, but do not adequately reflect their level of valuation uncertainty. For valuation uncertainty assessment, please refer to section below 'Sensitivity analysis of unobservable inputs (Level 3)'.

Notes to the Condensed consolidated interim accounts

Valuation techniques and range of unobservable inputs (Level 3) – ING Group

30 June 2015	Assets	Liabilities	Valuation techniques	Significant unobservable inputs	Lower range	Upper range
At fair value through profit and loss						
Debt securities	129		Price based	Price (%)	1%	118%
			Net asset value	Price (%)	60%	89%
Loans and advances	65	12	Price based	Price (%)	0%	100%
Structured notes		260	Price based	Price (%)	0%	121%
			Net asset value	Price (%)	89%	89%
			Option pricing model	Equity volatility (%)	16%	102%
				Equity/Equity correlation	0.4	0.9
				Equity/FX correlation	–0.7	0.3
				Dividend yield (%)	0%	5%
				Interest rate volatility (%)	n.a	n.a
			Present value techniques	Implied correlation	0.7	0.9
Derivatives						
– Rates	413	515	Option pricing model	Interest rate volatility (%)	17%	53%
				Interest rate correlation	0.9	0.9
				IR/INF correlation	0.5	0.5
			Present value techniques	Reset spread	3%	3%
				Prepayment rate	5%	5%
				Inflation rate (%)	1%	4%
– FX	289	235	Present value techniques	Inflation rate (%)	0%	3%
– Credit	41	32	Present value techniques	Credit spread (bps)	7	11,250
				Implied correlation	0.6	1.0
– Equity	366	228	Option pricing model	Equity volatility (%)	0%	107%
				Equity/Equity correlation	–0.2	1.0
				Equity/FX correlation	–1.0	1.0
				Dividend yield (%)	0%	12%
– Other	5	4	Option pricing model	Commodity volatility	18%	24%
				Com/Com correlation	0.4	0.9
				Com/FX correlation	–0.8	0.6
Available for sale						
– Debt	92		Price based	Price (%)	0%	131%
			Present value techniques	Credit spread (bps)	91	91
– Equity	469		Discounted cash flow	Financial Statements	n.a	n.a
			Multiplier method	Observable market factors	n.a	n.a
			Comparable transactions		n.a	n.a
Total	1,869	1,286				

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Valuation techniques and range of unobservable inputs (Level 3) – ING Bank

31 December 2014	Assets	Liabilities	Valuation techniques	Significant unobservable inputs	Lower range	Upper range
At fair value through profit and loss						
Debt securities	161	5	Price based	Price (%)	0%	114%
			Net asset value	Price (%)	59%	101%
Loans and advances	55	12	Price based	Price (%)	0%	100%
Structured notes		323	Price based	Price (%)	0%	115%
			Net asset value	Price (%)	100%	100%
			Option pricing model	Equity volatility (%)	17%	94%
				Equity/Equity correlation	0.0	0.8
				Equity/FX correlation	–0.8	0.2
				Dividend yield (%)	0%	9%
				Interest rate volatility (%)	18%	58%
			Present value techniques	Implied correlation	0.7	0.9
Derivatives						
– Rates	375	471	Option pricing model	Interest rate volatility (%)	18%	58%
				Interest rate correlation	0.9	0.9
				IR/INF correlation	0.5	0.5
			Present value techniques	Reset spread	3%	3%
				Inflation rate (%)	1%	3%
– FX	306	258	Present value techniques	Inflation rate (%)	0%	2%
– Credit	43	45	Present value techniques	Credit spread (bps)	1	1,362
				Implied correlation	0.6	1.0
– Equity	84	221	Option pricing model	Equity volatility (%)	0%	107%
				Equity/Equity correlation	–0.1	1.0
				Equity/FX correlation	–1.0	1.0
				Dividend yield (%)	0%	23%
– Other	6	1	Option pricing model	Commodity volatility	9%	75%
				Com/Com correlation	0.0	0.9
				Com/FX correlation	–0.8	0.7
Available for sale						
– Debt	78		Price based	Price (%)	3%	100%
			Present value techniques	Credit spread (bps)	97	300
– Equity	495		Discounted cash flow	Financial Statements	n.a	n.a
			Multiplier method	Observable market factors	n.a	n.a
			Comparable transactions		n.a	n.a
Total	1,603	1,336				

Included at Group level at 31 December 2014, are EUR 180 million Voya warrants which are classified as level 3 instruments. These warrants are valued using an option pricing model where equity volatility is a significant unobservable input. The lower and upper ranges of the unobservable input were 19.22% and 26.78%. Reference is made to Note 2 'Financial assets at fair value through profit and loss'.

Further information on equity securities, credit spreads, volatility, correlation and interest rates is disclosed in the 2014 ING Group Consolidated Annual Accounts in Note 43 'Fair value of assets and liabilities'.

Sensitivity analysis of unobservable inputs (Level 3)
Where the fair value of a financial instrument is determined using inputs which are unobservable and which have a more than insignificant impact on the fair value of the instrument the actual value of those inputs at the balance date may be drawn from a range of reasonably possible alternatives. In line with market practice

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the upper and lower bounds of the range of alternative input values reflect a 90% level of valuation certainty. The actual levels chosen for the unobservable inputs in preparing the financial statements are consistent with the valuation methodology used for fair valued financial instruments.

If ING had used input values from the upper and lower bound of this range of reasonable possible alternative input values when valuing these instruments as of 30 June 2015 then the impact would have been higher or lower as indicated below. The purpose of this disclosure is to present the possible impact of a change of unobservable inputs in the fair value of financial instruments where unobservable inputs are significant to the valuation.

As ING has chosen to apply a 90% confidence level for its IFRS valuation of fair valued financial instruments as of end of 2014, the downward valuation uncertainty has become immaterial, whereas the potential upward valuation uncertainty, reflecting a potential profit, has increased. Specifically for the Available-for-sale Equity positions the upward valuation uncertainty decreased.

For more detail on the valuation of fair valued instruments, refer to the 2014 ING Group Consolidated Annual Accounts, section Risk Management, paragraph Fair values of financial assets and liabilities.

Valuation uncertainty in practice is measured and managed per exposure to individual valuation inputs (i.e. risk factors) at portfolio level across different product categories. Where the disclosure looks at individual level 3 inputs the actual valuation adjustments may also reflect the benefits of portfolio offsets.

Because of the approach taken, the valuation uncertainty in the table below is broken down by related risk class rather than by product.

In reality some valuation inputs are interrelated and it would be unlikely that all unobservable inputs would ever be simultaneously at the limits of their respective ranges of reasonably possible alternatives. Therefore it can be assumed that the estimates in the table below show a greater fair value uncertainty than the realistic position at period end.

Also, this disclosure does not attempt to indicate or predict future fair value moves. The numbers in isolation give limited information as in most cases these level 3 assets and liabilities should be seen in combination with other instruments (for example as a hedge) that are classified as level 2.

Sensitivity analysis of level 3 instruments – ING Group

30 June 2015	Positive fair value movements from using reasonable possible alternatives	Negative fair value movements from using reasonable possible alternatives
Fair value through profit and loss		
Equity (equity derivatives, structured notes)	**210**	
Interest rates (Rates derivatives, FX derivatives)	**99**	
Credit (Debt securities, Loans, structured notes, credit derivatives)	**20**	
Available-for-sale		
Equity	**11**	**27**
Debt	**16**	
	356	**27**

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Sensitivity analysis of level 3 instruments – ING Bank 31 December 2014	Positive fair value movements from using reasonable possible alternatives	Negative fair value movements from using reasonable possible alternatives
Fair value through profit and loss		
Equity (equity derivatives, structured notes)	106	
Interest rates (Rates derivatives, FX derivatives)	115	
Credit (Debt securities, Loans, structured notes, credit derivatives)	21	
Available-for-sale		
Equity	19	28
Debt	11	
	272	28

23 Companies and businesses acquired and divested

Acquisitions

There were no acquisitions in the first half of 2015 and 2014.

Divestments

Divestments in the first half of 2015

NN Group

In the first half of 2015, a number of divestment transactions resulted in a further decrease in the ownership of ING Group in NN Group to 37.61% from 68.14% at 31 December 2014. NN Group was deconsolidated and accounted for as an Investment in associate held for sale. Reference is made to Note 7 'Assets and liabilities held for sale', Note 17 'Discontinued operations' and Note 25 'Other events'.

Other

For details on the transactions with regard to ING's interest in ING Vysya Bank, reference is made to Note 7 'Assets and liabilities held for sale', Note 14 'Other income, Note 24 'Related parties' and Note 25 'Other events'.

Partial divestments in the first half of 2014

Asia - ING's Taiwanese investment management business

In January 2014, ING agreed to sell ING Investment Management (IM) Taiwan, its Taiwanese asset management business, to Japan-based Nomura Asset Management in partnership with a group of investors. The transaction did not have a significant impact on ING Group results. The transaction closed on 18 April 2014.

Voya

In March 2014, ING Group sold 13.3% of its interest in Voya reducing its interest to 43.2% from 56.5% as at 31 December 2013. Following this transaction, Voya was deconsolidated and was accounted for as an Investment in associate held for sale. Reference is made to Note 7 'Assets and liabilities held for sale', Note 17 'Discontinued operations' and Note 25 'Other events' for further information on subsequent sales during 2014.

Other

During 2014, there were several other divestments. These divestments were neither announced nor closed in the first half of the year and are therefore not included above. Reference is made to the 2014 ING Group Consolidated Annual Accounts.

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24 Related parties

In the normal course of business, ING Group enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Related parties of ING Group include, amongst others, its subsidiaries, joint ventures, associates, key management personnel and various defined benefit and contribution plans. Transactions between related parties have taken place on an arm's length basis and include rendering or receiving of services, leases, transfers under finance arrangements and provisions of guarantees or collateral. Transactions with related parties are disclosed in Note 55 'Related parties' in the 2014 ING Group Consolidated Annual Accounts.

In the second quarter of 2015, the merger between ING Vysya Bank and Kotak Mahindra Bank was completed and the legal entity ING Vysya Bank ceased to exist. As a result of this transaction, ING Vysya is no longer a related party of ING Group. Reference is made to Note 7 'Assets and liabilities held for sale', Note 14 'Other income' and Note 25 'Other events'.

In the first half of 2015, the further divestment of ING Group's stake in NN Group resulted in a decrease from 68.14% (at 31 December 2014) to 37.61% as at 30 June 2015. NN Group was deconsolidated on 29 May 2015 and is accounted for as an associate held for sale. For further information on transactions with NN Group during the first half of 2015, reference is made to Note 25 'Other events'.

No other significant changes in related party transactions occurred in the first half of 2015.

25 Other events

NN Group

Summary of NN Group divestment transactions

Date	Interest % held before transaction	Portion of interest (change)	Interest % held after transaction	Price per share in EUR	Gross transaction value(5) EUR millions	Impact on Share-holders' equity(6)	Impact in minority interest	Impact on Total equity	Impact on profit and loss(7)
July 2014	100.00%	–31.86%	68.14%	20.00	2,197	–4,263	5,397	1,134	–
February 2015	**68.14%**	**–13.56%**	**54.58%**	**24.00**	**1,240**	**–1,769**	**3,042**	**1,273**	**–**
May 2015(1)	**54.58%**	**0.19%**	**54.77%**	**26.16**	**–57**	**–**	**–**	**–**	**–**
May 2015(2)	**54.77%**	**–12.34%**	**42.43%**	**25.46**	**1,148**	**–5,345**	**-10,801**	**–16,146**	**-223**
June 2015(3)	**42.43%**	**–4.20%**	**38.23%**	**24.78**	**352**	**–**	**–**	**–**	**1**
June 2015(4)	**38.23%**	**-0.62%**	**37.61%**	**24.95**	**53**	**–**	**–**	**–**	**–**

(1) Capital injection into NN Group.
(2) Deconsolidation of NN Group; remaining investment in NN Group accounted for as an Investment in associate held for sale.
(3) Second tranche exchange of subordinated notes: Anchor investors.
(4) NN Group stock dividend.
(5) Gross sales proceeds or Capital injection value.
(6) Divestment transactions prior to deconsolidation did not impact the profit and loss account of ING Group, but had a negative impact on shareholder's equity (parent) of ING Group which reflected the difference between the net proceeds received and the IFRS-EU book value of ING Group's interest sold at the respective transaction dates. The amounts were recognised in 'Other reserves'.
(7) The amounts reflect the difference between the market value and the IFRS book value of ING Group's interest sold at the respective transaction dates. Included in the amounts is the release of corresponding revaluation reserves, where applicable. The amounts are recognised in the profit and loss account in the line 'Net Results from disposal of discontinued operations'.

July 2014 – Initial public offering ('IPO')

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 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

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Holdings International) was exchanged into NN Group shares. The remaining two tranches (each for an aggregate amount of EUR 337.5 million) are mandatorily exchangeable 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, amounted to EUR 2.2 billion.

As a result of the above, ING's ownership in NN Group declined from 100% to 68.14% in 2014. This transaction did not impact the profit and loss account of ING Group, as NN Group continued to be fully consolidated by ING Group. In 2014, the transactions had a negative impact on shareholders' equity of ING Group of EUR 4,263 million. This amount included:

- 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.

In September 2014, NN Group was classified as held for sale and discontinued operations. Upon classification, the carrying amount of the disposal group (or group of assets) was compared to NN Group's fair value less cost to sell. The fair value less cost to sell was lower than the carrying value of the disposal group and as a result goodwill and certain other non-current non-financial assets totalling EUR 470 million were written-off in 2014 and recognised in the profit and loss account in the line 'Net result from classification as discontinued operations'. As at 31 December 2014, the subsidiary NN Group was presented as Assets and liabilities held for sale and discontinued operations.

February 2015 – Further divestment of NN Group
In February 2015, ING Group sold 52 million ordinary shares of NN Group. As part of the transaction, NN Group repurchased 8.3 million ordinary shares. The gross proceeds to ING Group from the offering, including the repurchase by NN Group, amounted to EUR 1.2 billion. The transaction reduced the ownership of ING in NN Group from 68.14% (at 31 December 2014) to 54.58%. The transaction did not impact the profit and loss account of ING Group as NN Group continued to be fully consolidated. The transaction had a negative impact of EUR 1,769 million on the shareholder's equity of ING Group, being the difference between the net proceeds of the transaction and the IFRS carrying value per the transaction date of the equity stake sold.

May 2015 – Capital injection into NN Group
In May 2015, in order to fulfil its commitment to the European Commission ('EC'), ING Group made a capital injection into NN Group by subscribing for newly issued shares for an aggregate amount of EUR 57 million. The transaction increased the ownership of ING in NN Group from 54.58% to 54.77%. As part of this transaction, ING provided a EUR 63 million facility to NN Bank which allows NN Bank an unconditional right to draw down additional Tier 1 capital at prevailing market terms, until 31 December 2018. With this provision of capital, ING Group fulfils its commitment to the EC pertaining to the capitalisation of NN Bank, per the EC decision of 16 November 2012. These transactions have no material impact on the capital position of ING Group and no impact on the capital position of ING Bank.

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May 2015 – Deconsolidation of NN Group
On 26 May 2015, ING Group announced a further sale of 45 million ordinary shares of NN Group. As part of the transaction, NN Group repurchased 5.9 million ordinary shares. The gross proceeds to ING Group from the offering, including the repurchase by NN Group, amounted to EUR 1.1 billion. The remaining shares in NN Group are subject to a lock-up period of 90 days. This transaction reduced the ownership of ING in NN Group to 42.43%, resulting in ING Group losing control over NN Group. The share sale and deconsolidation of NN Group resulted in an after tax loss of EUR 223 million in the second quarter of 2015 and is recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'. The transaction had a negative impact of EUR 5,568 million on the shareholder's equity of ING Group. The profit and loss account of ING Group for the first half of 2015 includes, in the line 'Net result from discontinued operations', the result of NN Group until deconsolidation on 29 May 2015.

With deconsolidation of NN Group, ING Group fulfils its commitment to the EC pertaining to the divestment of NN Group, per the EC decision of 16 November 2012. The restrictions from this decision regarding acquisition and price leadership will no longer apply to ING Group.

June 2015 - Second tranche exchange of subordinated notes: Anchor investors
On 10 June 2015, ING announced the exchange of the second tranche of EUR 337.5 million mandatorily exchangeable subordinated notes into 13.6 million NN Group ordinary shares. The exchange price was set at a 3% discount to the NN Group closing price on 4 June 2015, resulting in an exchange price of EUR 24.78 per share. Accrued interest on these notes of approximately EUR 14.6 million were settled in an additional 0.6 million NN Group ordinary shares as per the terms of the investment. The shares are subject to a lock-up of 90 days after settlement. The transaction was settled on 15 June 2015 and resulted in a further decrease of the ownership of ING in NN Group from 42.43% to 38.23%. The transaction did not have a material impact on the profit and loss account of ING Group. Reference is made to Note 10 'Subordinated loans, Debt securities in issue and Other borrowed funds' and Note 12 'Other liabilities'.

June 2015 – NN Group stock dividend
On 30 June 2015, NN Group neutralised the dilutive effect of its stock dividend on earnings per share through the repurchase of 2.1 million ordinary shares from ING Group. This transaction reduced ING Group's remaining interest in NN Group to 37.61% as at 30 June 2015.

As at 30 June 2015, the remaining interest in NN Group is recognised as an Investment in associate held for sale at EUR 3,174 million. ING Group holds warrants for 35 million shares in NN Group.

Reference is made to Note 7 'Assets and liabilities held for sale', Note 9 'Equity' and Note 17 'Discontinued operations'.

Notes to the Condensed consolidated interim accounts

Voya

The table below provides a summary of the various Voya divestment transactions which occurred in 2013, 2014 and the first half of 2015:

Summary of Voya divestment transactions

Date	Interest % held before transaction	Portion of interest sold	Interest % held after transaction	Price per share in USD	Gross Sales proceeds EUR millions	Impact on Share-holders' equity[3]	Impact in minority interest	Impact on Total equity	Impact on profit and loss[4]
May 2013	100.0%	–28.8%	71.2%	19.50	1,061	–1,894	2,954	1,060	–
October 2013	71.2%	–14.6%	56.5%	29.50	786	–632	1,394	762	–
March 2014[1]	56.5%	–13.3%	43.2%	35.23	950	87	–5,100	–5,013	–2,005
September 2014	43.2%	–10.8%	32.5%	38.85	888	–	–	–	40
November 2014[2]	32.5%	–13.5%	18.9%	39.15	1,068	–	–	–	418
March 2015	**18.9%**	**–18.9%**	**0%**	**44.20**	**1,824**	**–77**	**–**	**–77**	**323**

(1) Deconsolidation of Voya; remaining investment in Voya accounted for as an Investment in associate held for sale at fair value of EUR 2,914 million.
(2) Loss of significant influence over Voya; remaining investment accounted for as an available-for-sale equity investment held for sale.
(3) Divestment transactions prior to deconsolidation did not impact the profit and loss account of ING Group, but had a negative impact on shareholder's equity (parent) of ING Group which reflected the difference between the net proceeds received and the IFRS-EU book value of ING Group's interest sold at the respective transaction dates. The amounts were recognised in 'Other reserves'.
(4) The amounts reflect the difference between the market value and the IFRS book value of ING Group's interest sold at the respective transaction dates. Included in the amounts is the release of corresponding revaluation reserves, where applicable. The amounts are recognised in the profit and loss account in the line 'Net Results from disposal of discontinued operations'.

In March 2015, ING Group sold 45.6 million ordinary shares of Voya. ING Group sold 32 million Voya shares in the public offering and in addition to this, ING Group sold 13.6 million shares to Voya. The gross proceeds to ING Group from the public offering and the concurrent repurchase by Voya amounted to EUR 1.8 billion (USD 2.0 billion).

The sale of the total 45.6 million shares from the combined transactions reduced ING Group's stake in Voya from 18.9% (at 31 December 2014) to zero. The transactions settled on 9 March 2015 and resulted in a profit of EUR 323 million which reflects the difference between the market value of our 18.9% stake in Voya at the date on which ING Group lost significant influence and the proceeds from these transactions. The profit is recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'. Reference is made to Note 2 'Financial assets at fair value through profit and loss', Note 7 Assets and liabilities held for sale' and Note 17 'Discontinued operations'.

ING Group holds warrants for 26 million shares in Voya. Reference is made to the 2014 ING Group Consolidated Annual Accounts for further information on Voya divestment transactions during 2014 and 2013.

ING Vysya Bank

2015

In 2014, ING Vysya Bank ('ING Vysya') and Kotak Mahindra Bank ('Kotak') announced their intention to merge their respective businesses. As at 31 December 2014, ING Vysya was presented as Assets held for sale. The shareholders of Kotak and ING Vysya approved this transaction in January 2015. On 31 March 2015, the Reserve Bank of India approved the transaction with an effective date of 1 April 2015.

On 7 April 2015, the merger between ING Vysya and Kotak was completed and the legal entity ING Vysya Bank ceased to exist. ING was the largest shareholder in ING Vysya, with 42.7% interest. ING Vysya was merged into Kotak. Shareholders of ING Vysya received 0.725 shares in Kotak for each ING Vysya share. As a result, ING now holds a stake of 6.5% in the combined company, which will operate under the Kotak brand. ING's holding in the combined company will be subject to a 1 year lock-up period from the closing of the transaction. The transaction resulted in a gain of EUR 367 million in the second quarter of 2015 and is recognised in Other

Notes to the Condensed consolidated interim accounts

income – 'Result from associates and joint ventures'. The transaction did not materially impact the shareholder's equity of ING Group. As at 30 June 2015, ING Group accounts for the investment in Kotak as an Available-for-sale equity investment. Reference is made to Note 3 'Investments', Note 7 'Assets and liabilities held for sale' and Note 14 'Other income'.

2014
In the first quarter of 2014, changes to the governance structure of ING Vysya were implemented in order to better align with prevailing regulations. The regulatory requirements necessitated some governance changes. As part of that, ING reduced the number of directors appointed by ING in ING Vysya Bank's Board of Directors to be proportionate to its shareholding. Although ING Bank's economic interest of approximately 43% remained unchanged, as a result of these governance changes, ING Bank no longer had a majority representation in the Board of Directors and influence on ING Vysya's operations were aligned with its shareholding interest. As a result, ING Bank no longer had effective control over ING Vysya and therefore, as of 31 March 2014 ING Vysya was deconsolidated and accounted for as an associate under equity accounting. Before the changes in the governance structure ING Bank had substantial additional powers, including the majority in the Board of Directors and power over operational decision making; as a result, ING Vysya was consolidated by ING. After the deconsolidation, the investment in ING Vysya was recognised as an Investment in associates and joint ventures at its fair value at 31 March 2014 of EUR 617 million. The profit and loss account of 2014 included the consolidated result of ING Vysya until the deconsolidation and the result upon deconsolidation of EUR 202 million. The result upon deconsolidation was recognised in Other income – 'Result on disposal of group companies'.

Bank Levies
In 2015, ING will be exposed to two new bank levies: A new ex-ante Deposit Guarantee Scheme ('DGS') in the Netherlands and Resolution fund contributions under Directive 2014/59/UE. These bank levies will have a significant financial impact on ING Group. The ex-ante DGS became applicable with effect 1 July 2015. The Resolution fund contributions under the Directive are applicable as of 1 January 2015. In order to be effective, the Directive needs to be enacted into local law. This has not yet been done in most European countries where ING has activities.

26 Subsequent events
There are no subsequent events to report.

Other information

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

Independent auditor's report

Review report

Introduction

We have reviewed the accompanying Condensed consolidated interim accounts for the six month period ended 30 June 2015, of ING Groep N.V., Amsterdam, which comprises the Condensed consolidated balance sheet as at 30 June 2015 and the related Condensed consolidated profit and loss account, the Condensed consolidated statement of comprehensive income, the Condensed consolidated statement of cash flows, the Condensed consolidated statement of changes in equity and the related notes for the six month period then ended. Management is responsible for the preparation and presentation of these Condensed consolidated interim accounts in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these interim accounts based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed consolidated interim accounts as at 30 June 2015 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amsterdam, 4 August 2015

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

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, except for the changes described in Note 1 'Accounting policies', the same accounting principles are applied as in the 2014 ING Group Annual Accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) ING's implementation of the restructuring plan as agreed with the European Commission, (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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