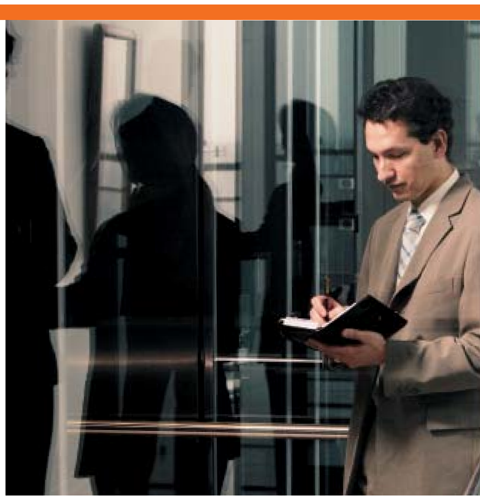
ING GROUP QUARTERLY REPORT



Second quarter 2012

SHARE INFORMATION

Financial calendar

- Publication results 3Q2012: Wednesday, 7 November 2012
- Publication results 4Q2012: Wednesday, 13 February 2013

(All dates are provisional.)

Investor relations

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Listing information

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

Stock exchanges	Tickers (Bloomberg, Reuters)	Security codes (ISIN, SEDOL1)
Euronext Amsterdam	INGA NA, ING.AS	NL0000303600, 7154782 NL
New York Stock Exchange	ING US, ING.N	US456837103, 2452643 US

American Depositary Receipts (ADRs)

For questions regarding your ADRs please contact the JP Morgan Depositary Receipts Team:
JPMorgan Chase & Co.
P.O. Box 64504
St. Paul, MN 55164-0504
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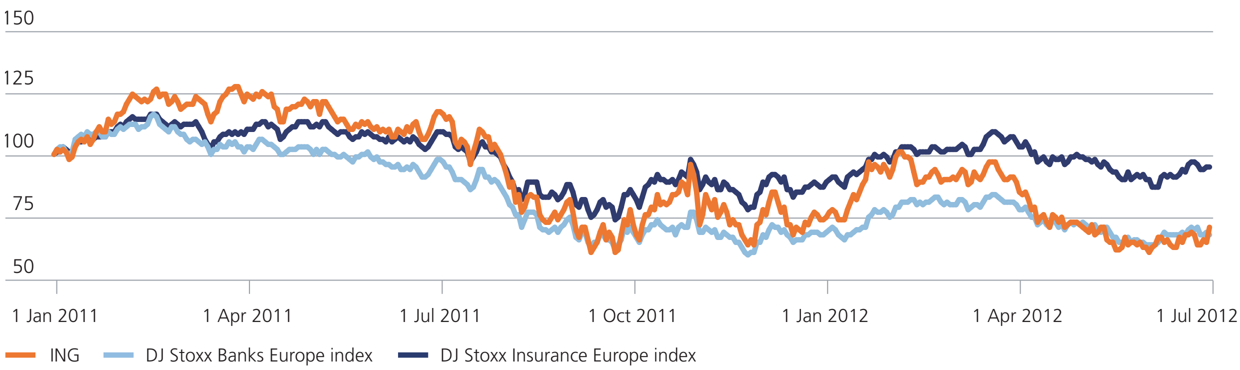
From outside the US: +1 (651) 453-2128
Global Invest Direct: (800) 428-4237
Email: jpmorgan.adr@wellsfargo.com
Internet: www.adr.com

Comparative performance of share price

1 JANUARY 2011 TO 1 JULY 2012



OUR QUARTERLY PUBLICATIONS

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

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

Press release

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

Analyst presentation

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

ING Group Statistical Supplement

The Group Statistical Supplement contains quarterly financial data and should be read in conjunction with the ING Group Quarterly Report. The supplement is available in both PDF and Excel format.

ING Group Historical Trend Data

In addition to the Group Statistical Supplement, this document, which is available in PDF and Excel format, includes historical trend data and details of restatements.

ING Group Interim Accounts

These condensed consolidated interim accounts have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". ING publishes Interim Accounts under IAS 34, including a review report of Ernst & Young, on a quarterly basis.

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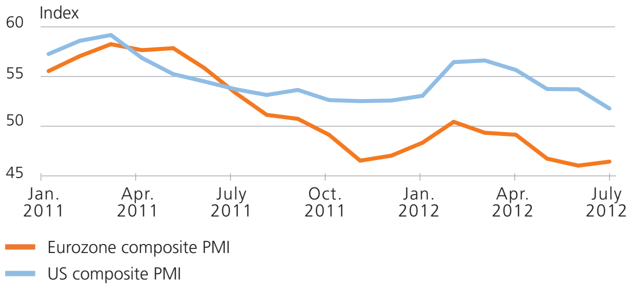
ECONOMIC ENVIRONMENT

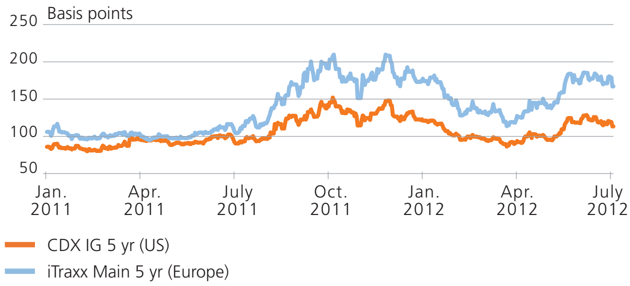
ECONOMIC ACTIVITY

- In the second quarter of 2012, the eurozone purchasing managers' index (PMI) deteriorated back into contraction territory. In the US, despite a fall, the index remained above 50 (the divide between economic expansion and contraction).
- The PMIs are regarded as timely indicators of underlying trends in economic activity.



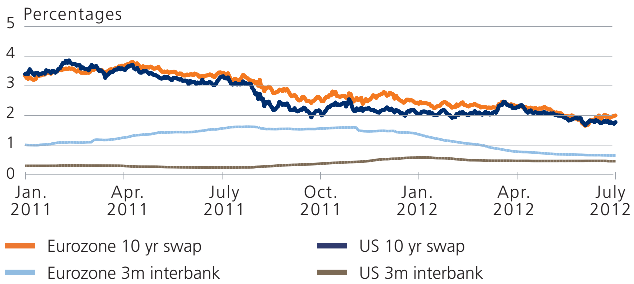
CREDIT MARKETS

- In both the eurozone and the US, credit market sentiment deteriorated during the second quarter. Eurozone credit spreads, as measured by the iTraxx index of investment-grade borrowers' credit-default swaps, rose more strongly than spreads in the US (CDX index).



YIELD CURVE

- In both the eurozone and the US, the slope of the yield curve flattened due to a fall in long-term rates. In the US, the yield curve flattened more strongly than in the eurozone.



CURRENCY MARKETS

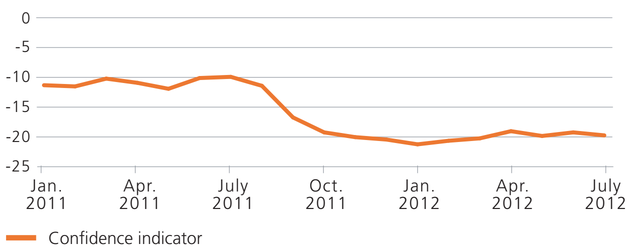
- The euro lost ground against the USD during the second quarter of 2012. The EUR/USD fell from 1.33 to 1.27 at the end of June as worries over the eurozone debt crisis failed to ease.

STOCK MARKETS

- Equity indices in both the US and the eurozone fell during the second quarter of 2012. In the eurozone, the FTSE 300 declined more strongly than the US S&P 500.

CONSUMER CONFIDENCE

- In the second quarter of 2012, confidence in the eurozone remained stable, but at a historically low level. Consumers remain worried about the impact of austerity measures, the euro crisis and rising unemployment.



Source: ING Economics Department

CHAIRMAN'S STATEMENT

"ING posted solid second-quarter results. In these uncertain times the financial strength of the company is our highest priority: capital, liquidity and funding have all improved. As the eurozone crisis deteriorated, we accelerated our efforts to de-risk the investment portfolio at the Bank, and brought down our Spanish exposure to reduce the funding mismatch in that country. At Insurance, we continued to hedge to protect regulatory capital, leading to volatility in IFRS earnings."

"Provisions for loan losses at the Bank increased as the macroeconomic environment weakened, and the net interest margin declined, despite easing competition for savings. We increased our vigilance on costs, and expenses declined for the second consecutive quarter. Progress on balance sheet optimisation is gaining traction, with integration initiatives reaching EUR 7.2 billion in the seven months ended in July. Commercially, the Bank generated strong retail deposit growth of EUR 4.3 billion during the second quarter, further strengthening the funding profile. Demand for lending remains weak, but total lending rose modestly as ING continued to support clients with their financial needs."

"We continue to work tirelessly to deliver on our performance improvement plans and prepare our banking and insurance businesses for their independent futures. The sales process for our Insurance and Investment Management businesses in Asia is on track, and ING US made an important step with its inaugural benchmark debt issuance as it works to separate its funding and liquidity from the Group ahead of its planned IPO. For Insurance Europe, we are stepping up our efforts as we prepare for the base case of an IPO. As the Group moves forward with its transformation, our employees continue to place the utmost priority on the needs of our customers to deliver the exemplary service and products they require."

Jan Hommen
CEO of ING Group

KEY FIGURES

Group

	2Q2012	2Q2011	Change	1Q2012	Change	1H2012	1H2011	Change
Profit and loss data (in EUR million)								
Underlying result before tax	1,224	1,617	-24.3%	892	37.2%	2,116	3,397	-37.7%
Underlying net result	1,045	1,271	-17.8%	543	92.4%	1,588	2,497	-36.4%
Divestments, discontinued operations and special items[1]	126	236		137		263	391	
Net result	1,171	1,507	-22.3%	680	72.2%	1,851	2,888	-35.9%
Balance sheet data (end of period, in EUR billion)								
Total assets				1,242	-0.4%	1,237	1,241	-0.3%
Shareholders' equity				48	6.1%	51	40	25.4%
Capital ratios (end of period)								
ING Group debt/equity ratio				12.7%		12.3%	13.9%	
Bank core Tier 1 ratio				10.9%		11.1%	9.4%	
Insurance IGD Solvency I ratio				225%		240%	244%	
Share information								
Net result per share (in EUR)[2]	0.31	0.40	-22.5%	0.18	72.2%	0.49	0.76	-35.5%
Shareholders' equity per share (end of period, in EUR)				12.56	5.8%	13.29	10.65	24.8%
Shares outstanding in the market (average over the period, in million)				3,785		3,791	3,783	
Other data (end of period)								
Underlying return on equity based on IFRS-EU equity	8.5%	12.7%		4.6%		6.6%	12.4%	
Employees (FTEs, end of period, adjusted for divestments)				88,843	-0.6%	88,338	88,588	-0.3%

Banking operations

	2Q2012	2Q2011	Change	1Q2012	Change	1H2012	1H2011	Change
Profit and loss data (in EUR million)								
Interest result	2,953	3,054	-3.3%	3,052	-3.2%	6,005	6,145	-2.3%
Total underlying income	3,689	3,663	0.7%	3,801	-2.9%	7,490	7,700	-2.7%
Operating expenses	2,154	2,214	-2.7%	2,235	-3.6%	4,388	4,476	-2.0%
Addition to loan loss provision	541	304	78.0%	441	22.7%	982	546	79.9%
Underlying result before tax	995	1,145	-13.1%	1,126	-11.6%	2,120	2,678	-20.8%
Key figures								
Underlying interest margin	1.26%	1.38%		1.32%		1.29%	1.39%	
Underlying cost/income ratio	58.4%	60.4%		58.8%		58.6%	58.1%	
Underlying risk costs in bp of average RWA	72	43		59		65	39	
Risk-weighted assets (end of period, in EUR billion, adjusted for divestm.)				300	1.3%	303	281	8.1%
Underlying return on equity based on IFRS-EU equity	7.9%	10.5%		8.6%		8.2%	11.5%	
Underlying return on equity based on 10.0% core Tier 1[3]	9.7%	12.7%		10.4%		10.0%	14.1%	

Insurance operations

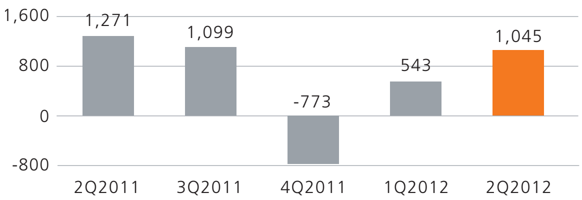
	2Q2012	2Q2011	Change	1Q2012	Change	1H2012	1H2011	Change
Margin analysis (in EUR million)								
Investment margin	475	455	4.4%	425	11.8%	900	811	11.0%
Fees and premium-based revenues	765	777	-1.5%	790	-3.2%	1,554	1,577	-1.5%
Technical margin	92	222	-58.6%	82	12.2%	175	371	-52.8%
Income non-modelled life business	6	9	-33.3%	4	50.0%	11	22	-50.0%
Life & ING IM operating income	**1,338**	**1,463**	**-8.5%**	**1,301**	**2.8%**	**2,639**	**2,781**	**-5.1%**
Administrative expenses	625	576	8.5%	633	-1.3%	1,258	1,148	9.6%
DAC amortisation and trail commissions	318	288	10.4%	324	-1.9%	642	589	9.0%
Life & ING IM operating expenses	**943**	**864**	**9.1%**	**957**	**-1.5%**	**1,900**	**1,737**	**9.4%**
Life & ING IM operating result	**395**	**599**	**-34.1%**	**344**	**14.8%**	**739**	**1,044**	**-29.2%**
Non-life operating result	31	67	-53.7%	7	342.9%	39	108	-63.9%
Corporate line operating result	-122	-100		-94		-216	-234	
Operating result	**304**	**565**	**-46.2%**	**258**	**17.8%**	**562**	**918**	**-38.8%**
Non-operating items	-75	-93		-491		-566	-199	
Underlying result before tax	**229**	**472**	**-51.5%**	**-234**		**-4**	**719**	**-100.6%**
Key figures								
Administrative expenses / operating income (Life & ING IM)	46.7%	39.4%		48.7%		47.7%	41.3%	
Life general account invested assets (end of period, in EUR billion)				131	3.8%	136	125	8.8%
Investment margin / life general account invested assets[4] (in bps)	133	119		134				
ING IM Assets under Management (end of period, in EUR billion)				284	3.2%	293	263	11.4%
Underlying return on equity based on IFRS-EU equity[5]	5.4%	8.1%		-3.5%		1.1%	5.5%	

1 The results of Insurance/IM Asia (2012 and 2011 periods) and Insurance Latin America (2011 periods) have been transferred to "net result from discontinued operations".
2 Result per share differs from IFRS earnings per share in respect of attributions to the core Tier 1 securities.
3 Underlying, after-tax return divided by average equity based on 10.0% core Tier-1 ratio (annualised).
4 Four quarter rolling average.
5 Annualised underlying net result divided by average IFRS-EU equity.
Note: Underlying figures are non-GAAP measures and are derived from figures according to IFRS-EU by excluding impact from divestments and special items.

CONSOLIDATED RESULTS

The second quarter of 2012 was marked by heightened tension in the eurozone sovereign debt crisis, volatile financial markets and a weakening macroeconomic environment as the effects of the ongoing crisis became increasingly tangible on the real economy. Against this backdrop, ING continued to de-risk its balance sheet and maintained hedges at Insurance to protect regulatory capital, which impacted ING's results in the quarter. Despite this challenging environment, results held up well and ING Group posted a second-quarter underlying net profit of EUR 1,045 million.

UNDERLYING NET RESULT (in EUR million)



ING Bank posted solid second-quarter results despite losses from proactive de-risking, pressure on the underlying interest margin, and elevated levels of risk costs that exceed through-the-cycle norms. The gross result, before risk costs, rose 5.9% from a year ago and declined only 2.0% sequentially. The Bank's underlying result before tax was EUR 995 million, down 13.1% year-on-year and 11.6% lower than in the first quarter of 2012, reflecting higher risk costs.

The Bank continued to optimise its balance sheet throughout the quarter, attracting strong retail deposit inflows and growing lending while simultaneously curtailing balance sheet growth. Retail Banking generated EUR 4.3 billion of net funds entrusted inflow, and ING continued to support its clients' funding needs, realising a total net lending production of EUR 2.9 billion.

During the second quarter, ING Insurance maintained its focus on protecting regulatory capital. Despite the ongoing financial market volatility, results increased sequentially both on an operating and underlying basis. The operating result was EUR 304 million, 17.8% higher than in the first quarter. This increase was fuelled by seasonally higher dividend income and general account asset growth, which lifted the investment margin. Operating results were down 46.2% year-on-year, due to positive non-recurring items in the second quarter of 2011, coupled with a lower technical margin and lower Non-life results in the current quarter. The second-quarter 2012 underlying result before tax was EUR 229 million, including positive results on regulatory capital hedges in the US Closed Block VA.

Insurance sales (APE) increased 9.0% from one year ago; on a constant currency basis, sales declined 5.0%. APE in Central and Rest of Europe rose on higher sales in the Czech Republic and Turkey. At Insurance US, APE increased, reflecting higher full service retirement plan, individual life and employee benefits sales. Sales in the Benelux declined due to lower individual life product sales in the Netherlands. On a sequential basis, total sales at ING Insurance fell 17.7% at constant currencies, mainly attributable to seasonally higher first-quarter sales in the Benelux and the US.

ING Group's quarterly net profit was EUR 1,171 million compared with EUR 1,507 million in the second quarter of 2011 and EUR 680 million in the first quarter of 2012. The second-quarter underlying effective tax rate was 13.2%.

As of 30 June 2012, the Asian Insurance and Investment Management businesses and the reinsured Japan SPVA businesses in Corporate Reinsurance are classified as held for sale and as discontinued operations. Although no divestment transactions have yet been completed, it has been decided to write off the EUR 180 million goodwill in ING Investment Management (IIM) Korea. IFRS 5 requires a write-off of certain assets, such as goodwill, if a unit is expected to be divested below book value.

For other assets in Asia, such as investments and insurance-related assets, the regular accounting policies continue to apply and the carrying value of these assets is not impacted by the held for sale classification. Negotiations are on-going and it is too early to predict the final financial outcome with respect to the divestments of the operations held for sale.

ING Group's second-quarter net results included EUR 188 million of net losses on divestments, which primarily consisted of the IIM Korea goodwill write-off, EUR 111 million net result from discontinued operations and EUR -3 million net result from divested units. Special items after tax were EUR 206 million positive and predominantly reflect the EUR 305 million favourable impact of a provision release following the announcement on 3 July 2012 of the new Dutch employee pension scheme, which offset other special items related to various restructuring programmes and separation and IPO preparation costs. After-tax separation and IPO preparation costs were EUR 34 million in the quarter and EUR 81 million year-to-date, out of an estimated total of EUR 150 million for 2012.

The EUR 111 million net result from discontinued operations included EUR 112 million from Insurance Asia, EUR 3 million from the Corporate Line and EUR -4 million from IIM Asia. Insurance Asia showed a solid second-quarter performance with a pro-forma underlying pre-tax result of EUR 160 million, up from EUR 135 million one year ago. Strong sales growth of non-cancer COLI products in Japan and improved mortality results in Korea drove results higher, while expenses stayed flat. Underlying pre-tax results declined from the first quarter of 2012, as that quarter included positive non-recurring items and seasonally higher premium income from Japan COLI. The Corporate Line results represent the internally reinsured Japanese SPVA guarantees and related hedges.

ING Group's net profit per share was EUR 0.31 based on an average number of shares of 3,791 million over the second quarter. The Group's underlying net return on IFRS-EU equity was 6.6% for the first six months of 2012.

CONSOLIDATED BALANCE SHEET

ING Group: Consolidated balance sheet

in EUR million	30 June 12	31 Mar.12 pro forma[1]	31 Mar. 12
Assets			
Cash and balances with central banks	16,181	45,055	46,587
Amounts due from banks	47,395	50,441	50,441
Financial assets at fair value through P&L	244,584	239,079	262,863
Investments	205,318	195,058	219,148
Loans and advances to customers	610,204	603,696	606,032
Reinsurance contracts	5,679	5,554	5,632
Investments in associates	2,255	2,018	2,330
Real estate investments	1,342	1,358	1,443
Property and equipment	2,746	2,774	2,840
Intangible assets	2,929	2,937	3,550
Deferred acquisition costs	4,670	4,617	10,054
Other assets	30,069	28,920	30,809
Total assets excl. assets held for sale	**1,173,371**	**1,181,508**	**1,241,729**
Assets held for sale	63,876	60,222	
Total assets	**1,237,248**	**1,241,729**	**1,241,729**

	30 June 12	31 Mar.12 pro forma[1]	31 Mar. 12
Equity			
Shareholders' equity	50,514	47,616	47,616
Minority interests	927	831	831
Non-voting equity securities	3,000	3,000	3,000
Total equity	**54,441**	**51,447**	**51,447**
Liabilities			
Subordinated loans	9,089	8,686	8,687
Debt securities in issue	157,926	163,968	163,968
Other borrowed funds	19,560	17,405	17,727
Insurance and investment contracts	234,252	228,866	281,554
Amounts due to banks	58,874	69,317	69,317
Customer deposits	472,916	474,533	474,533
Financial liabilities at fair value through P&L	136,341	138,798	140,190
Other liabilities	32,290	31,604	34,307
Total liabilities excl. liabilities held for sale	**1,121,248**	**1,133,176**	**1,190,282**
Liabilities held for sale	61,559	57,107	
Total liabilities	**1,182,807**	**1,190,283**	**1,190,282**
Total equity and liabilities	**1,237,248**	**1,241,729**	**1,241,729**

1) Adjusted for transfer of Insurance/IM Asia to assets/liabilities held for sale.

ING Group's balance sheet decreased by EUR 4 billion to EUR 1,237 billion in the second quarter. Excluding EUR 22 billion of positive currency impacts, the balance sheet decreased by EUR 26 billion. This was driven by optimisation at the Bank, which improved the liquidity portfolio, reduced leverage and brought the total bank balance sheet back down to the targeted EUR 900 billion level. ING Bank cut CD/CP issuance after a strong inflow of short-term funding in the first quarter, and consequently reduced cash and balances with central banks by EUR 30 billion. Retail client deposits rose, and customer lending grew without realising total balance sheet growth. Shareholders' equity increased to EUR 51 billion (or EUR 13.29 per share), mainly due to the quarterly net profit of EUR 1.2 billion and positive exchange rate differences. The balance sheet items of Insurance/IM Asia have been transferred to assets/liabilities held for sale as per June 2012.

Cash and balances with central banks
Cash and balances with central banks decreased by EUR 29 billion to EUR 16 billion at the end of the second quarter. This was the result of the deliberate reduction in short-term professional funding, resulting in less overnight deposits placed with central banks.

Amounts due from/and to banks
Amounts due from banks declined by EUR 3 billion and amounts due to banks was reduced by EUR 10 billion, thereby lowering short-term professional funding. As a result, net borrowing from banks decreased by EUR 7 billion to EUR 11 billion at the end of the second quarter.

Loans
Loans and advances to customers increased by EUR 7 billion, but they remained nearly flat at comparable exchange rates.

Financial assets/liabilities at fair value
Excluding EUR 7 billion of positive currency effects, Financial assets at fair value through P&L decreased by EUR 1 billion, as positive revaluations in ING Bank, driven by lower long-term interest rates, were more than offset by negative revaluations of investments for risk of policyholders in Insurance.

Financial liabilities at fair value through P&L fell by EUR 2 billion to EUR 136 billion, due to lower repo funding.

Investments
Investments increased by EUR 7 billion, excluding positive currency effects of EUR 4 billion, reflecting higher liquid debt securities available-for-sale at Bank (EUR 2 billion) and at Insurance (EUR 5 billion). The increase at Insurance is due to EUR 3 billion of additional investments in the Benelux and in the US and EUR 2 billion of positive revaluations.

Assets/Liabilities held for sale
The balance sheet items of Insurance/IM Asia have been transferred to assets/liabilities held for sale as per June 2012.

Debt securities in issue
Debt securities in issue decreased by EUR 9 billion, excluding currency effects, especially due to lower short-term debt (CD/CPs). In the second quarter, ING Bank issued EUR 4 billion of long-term debt, mainly senior unsecured, bringing total issuance to EUR 15 billion in the first half of 2012.

ING Group: Change in shareholders' equity								
	ING Group		ING Bank N.V.		ING Verzekeringen N.V.		Holdings/Eliminations	
in EUR million	2Q2012	1Q2012	2Q2012	1Q2012	2Q2012	1Q2012	2Q2012	1Q2012
Shareholders' equity beginning of period	**47,616**	**46,663**	**35,307**	**34,367**	**23,531**	**23,475**	**-11,222**	**-11,179**
Net result for the period	1,171	680	930	888	290	-147	-49	-61
Unrealised revaluations of equity securities	-174	676	77	321	-251	355		
Unrealised revaluations of debt securities	1,453	784	183	321	1,270	463		
Deferred interest crediting to life policyholders	-737	-231			-737	-231		
Realised gains/losses equity securities released to P&L	-4	-154	-2		-2	-154		
Realised gains/losses debt securities transferred to P&L	2	-71	-36	-78	38	7		
Change in cashflow hedge reserve	313	91	-121	21	438	73	-4	-3
Other revaluations	-207	-39	-5	-84	-201	45	-1	
Exchange rate differences	1,077	-890	253	-472	777	-403	47	-15
Changes in treasury shares	118	118					118	118
Employee stock options and share plans	-70	2	29	22	16	14	-115	-34
Other	-44	-13	14	1	-4	34	-54	-48
Total changes	**2,898**	**953**	**1,322**	**940**	**1,634**	**56**	**-58**	**-43**
Shareholders' equity end of period	**50,514**	**47,616**	**36,629**	**35,307**	**25,165**	**23,531**	**-11,280**	**-11,222**

ING Group: Shareholders' equity								
	ING Group		ING Bank N.V.		ING Verzekeringen N.V.		Holdings/Eliminations	
in EUR million	30 June 12	31 Mar. 12	30 June 12	31 Mar. 12	30 June 12	31 Mar. 12	30 June 12	31 Mar. 12
Share premium/capital	16,953	16,953	17,067	17,067	12,048	12,048	-12,162	-12,162
Revaluation reserve equity securities	2,648	2,826	1,643	1,568	945	1,198	60	60
Revaluation reserve debt securities	6,311	4,856	178	31	6,157	4,849	-24	-24
Revaluation reserve crediting to life policyholders	-4,460	-3,723			-4,460	-3,723		
Revaluation reserve cashflow hedge	2,375	2,062	-921	-800	3,394	2,956	-98	-94
Other revaluation reserves	612	606	333	334	284	277	-5	-5
Currency translation reserve	109	-827	-97	-346	421	-220	-215	-261
Treasury shares	-429	-547					-429	-547
Retained earnings and other reserves	26,395	25,410	18,426	17,453	6,376	6,146	1,593	1,811
Total	**50,514**	**47,616**	**36,629**	**35,307**	**25,165**	**23,531**	**-11,280**	**-11,222**

Insurance and investment contracts

Insurance and investment contracts decreased by EUR 2 billion to EUR 234 billion, excluding EUR 8 billion of positive currency effects. This decrease mainly reflects a EUR 4 billion decrease in the provision for risk of policyholders, mirroring the movement in the investments for risk of policyholders.

Customer deposits

Customer deposits decreased by EUR 4 billion to EUR 473 billion, excluding EUR 2 billion of positive currency effects. The reduction was caused by a net outflow of EUR 8 billion in corporate deposits (mostly short-term deposits from asset managers and corporate treasuries at Commercial Banking). This was partly compensated by EUR 4 billion of higher retail savings due to net inflows in the Netherlands, Germany and Belgium.

Shareholders' equity

Shareholders' equity increased by EUR 2.9 billion to EUR 50.5 billion, mainly due to the quarterly net profit of EUR 1.2 billion, higher revaluation reserves, and positive exchange rate differences. Shareholders' equity per share increased from EUR 12.56 at the end of March 2012 to EUR 13.29 in 30 June 2012.

Revaluation reserves

The Revaluation reserve debt securities increased from EUR 4.9 billion at 31 March 2012 to EUR 6.3 billion at the end of June 2012, mainly due to lower interest rates, which were partially offset by the crediting to life policyholders. The Currency translation reserve increased by EUR 0.9 billion to EUR 0.1 billion primarily due to the weakening of the euro against the US dollar.

The revaluation reserve on debt securities includes EUR 4,592 million (pre tax) related to Government bonds. This amount comprises EUR 744 million negative revaluation reserve for Government bonds from Greece, Italy, Ireland, Portugal, Spain and Cyprus, which is more than offset by EUR 5,336 million of positive revaluation reserves for Government bonds from other countries.

Number of shares

The total number of shares outstanding in the market was 3,801 million at the end of June 2012 versus 3,792 million at the end of March 2012. The total number of shares equals the 3,801 million outstanding in the market plus treasury shares, which decreased from 39.4 million at the end of March 2012 to 30.9 million at the end of June 2012.

CAPITAL MANAGEMENT

ING maintained strong capital ratios in the second quarter. ING Bank's core Tier 1 ratio increased from 10.9% to 11.1%, while the Insurance Group Directive ratio increased to 240%.

ING Group

The Group debt/equity ratio improved from 12.7% to 12.3%, reflecting higher shareholders' equity, while Group core debt was broadly stable. The Financial Conglomerate Directive (FiCo) ratio for the Group increased from 155% to 161%.

ING Bank

ING Bank's core Tier 1 ratio increased from 10.9% to 11.1%. RWA rose by EUR 3.8 billion largely driven by foreign currency effects. This was more than offset by an increase of shareholders' equity driven by the quarterly net profit and currency changes. The Tier 1 ratio also increased from 13.1% to 13.4% at the end of June 2012.

ING Bank Funding

In the second quarter of 2012, ING Bank issued EUR 3.6 billion as markets were largely closed amid the Eurozone crisis. This included the successful debut issuance of a JPY 50 billion Pro-bond in April. ING Bank was the first institution globally to issue on this Japanese market since its inception in April 2011. Until the end of June 2012, ING Bank has issued EUR 15.4 billion debt with a tenor of more than one year compared to EUR 18 billion of long term debt maturing in the whole of 2012. In early July ING Bank capitalised on increased market optimism and issued an additional EUR 3.1 billion of long term funding, bringing the total year to date above EUR 18 billion.

ING Insurance

The Insurance Group Directive ratio (IGD) increased from 225% to 240% largely related to applying a different valuation curve to calculate the Test of Adequacy deficit/surplus for the Dutch entities following the Dutch Central Bank's announcement in July 2012 in anticipation of Solvency II. In addition, the total capital base rose driven by retained earnings and foreign currency changes. EU required capital increased from EUR 9.4 billion to EUR 9.9 billion mainly driven by foreign currency effects.

In July 2012, Insurance US issued a USD 850 million senior note. This debt financing marked an important step in separating Insurance US from ING Group and in preparation for a standalone future. Insurance US will use the proceeds from the financing for general corporate purposes, including the repayment of shorter-term debt.

Ratings

In June, Moody's downgraded the long-term ratings for ING Group and ING Bank to A3 and A2 respectively with a negative outlook. The downgrade was part of a general review of the global banking sector by Moody's, announced back in February 2012. At the same time, Moody's confirmed ING Bank's short-term rating at P-1. At the end of June, Fitch affirmed the ratings for ING Group and ING Bank at A and A+ respectively with a stable outlook, in line with S&P's rating and outlook for these entities.

Capital base: ING Group

	In EUR million unless stated otherwise	30 Jun. 12	31 Mar. 12
(a)	Shareholders' equity	50,514	47,616
(b)	Core Tier 1 securities	3,000	3,000
(c)	Group hybrid capital	9,531	9,144
(d)	Group leverage (core debt)	8,028	7,970
	Total capitalisation (Bank + Insurance)	**71,073**	**67,730**
(f)	Required regulatory adjustments	-5,970	-5,078
	Group leverage (core debt)	-8,028	-7,970
(e)	**Adjusted equity (= a + b + c + f)**	**57,075**	**54,682**
	Debt/equity ratio (d/(d+e))	12.3%	12.7%
(g)	Total required capital (j+m)	40,138	39,262
	FiCo ratio (= (h+k-d)/g)	161%	155%

Capital ratios: ING Bank

	In EUR million unless stated otherwise	30 Jun. 12	31 Mar. 12
	Shareholders' equity	36,629	35,307
	Required regulatory adjustments	-2,912	-2,637
	Core Tier 1	33,716	32,670
	Hybrid Tier 1	6,996	6,717
	Total Tier 1 capital	**40,712**	**39,387**
	Other capital	8,275	8,396
(h)	**BIS Capital**	**48,987**	**47,783**
	Risk-weighted assets	303,401	299,629
(j)	Required capital Basel II *	24,272	23,970
(j)	Required capital based on Basel I floor *	30,274	29,859
	Basel II core Tier 1 ratio	**11.1%**	**10.9%**
	Basel II Tier 1 ratio	**13.4%**	**13.1%**
	Basel II BIS ratio**	**16.1%**	**15.9%**

*) required capital is the highest of the two
**) pre-floor

Capital ratios: ING Insurance

	In EUR million unless stated otherwise	30 Jun. 12	31 Mar. 12
	Shareholders' equity	25,165	23,531
	Hybrids issued by ING Group	2,525	2,417
	Hybrids issued by ING Insurance	1,726	1,726
	Required regulatory adjustments	-5,770	-6,499
(k)	**Total capital base**	**23,646**	**21,174**
(m)	EU required capital	9,864	9,403
	IGD Solvency I ratio (k/m)	**240%**	**225%**

Main credit ratings of ING at 7 August 2012

	Standard & Poor's		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
ING Groep N.V.	A	Stable	A3	Negative	A	Stable
ING Bank N.V.	A+	Stable	A2	Negative	A+	Stable
ING Verzekeringen N.V.	A-	Negative	Baa2	Developing	A-	Negative

Dividend

ING's policy is to pay dividends in relation to the long-term underlying development of cash earnings. Dividends will only be paid when the Executive Board considers such a dividend appropriate. Given the uncertain financial environment, increasing regulatory requirements and ING's priority to repay the remaining outstanding core Tier 1 securities, no interim dividend will be paid over the first six months of 2012.

BUSINESS & SUSTAINABILITY HIGHLIGHTS

ING recognises and strives to proactively address the changing consumer preferences and societal demands faced by the financial industry. Strategic initiatives focused on customer centricity, operational excellence and sustainability are at the core of the Group strategy.

Focus on customer centricity

Customer satisfaction is high on ING's agenda. The Net Promoter Score (NPS) is one methodology with which ING assesses customer loyalty and satisfaction. Since 2009, ING has been implementing NPS throughout the organisation to benchmark its businesses against local competitors.

The relationship NPS programme is active in all countries where ING Bank operates. By focusing on customers' daily experience, and gathering feedback at critical moments of truth in the banking relationship, relationship NPS helps ING to identify opportunities to improve its products, processes and distribution channels. The most recent NPS data available for ING's banking operations in Canada, France, Germany, Italy and Spain indicate that ING ranked first versus their respective local competitors. ING Bank in Austria, Belgium, the Netherlands, Poland and the UK each ranked second in their respective markets. ING Insurance is currently completing the implementation of a relationship NPS in all units; scores will be evaluated by country during the course of this year.

ING aims to be at the forefront of modern banking distribution as customer preferences and technology evolve. Customer behaviour and feedback have revealed that customers are more active than ever in using mobile and internet channels to conduct banking transactions, share opinions on these services, and interact with their financial institution. To address these trends, ING has deployed best practices across every ING retail unit to develop and/or improve its user-friendly and safe mobile banking capabilities. The result in the Netherlands, in particular, has been a great success with almost 1.5 million downloads, making it the most used banking app in the country. As of the second quarter of 2012, all ING retail units provide mobile banking capabilities to their customers.

Furthermore, ING has expanded its social media presence in its main markets, implementing monitoring tools and stepping up ING's online interaction to bring the company closer to its customers. For example, ING Direct Canada recently launched a campaign called "Money Movement", which aims to educate clients on saving and spending while engaging in a dialogue with them through all of the major social media platforms. Other business units have leveraged social media in similar campaigns. ING Direct Spain is one of the most advanced users of social media, reaching 100,000 fans on Facebook in May 2012.

ING in Society

Sustainability forms an integral part of ING's corporate strategy. ING's sustainability approach focuses on achieving long-term business success for both ING and its clients while contributing towards economic development, a healthy environment and a stable society. During the second quarter of 2012, ING made further progress in embedding sustainability into its overall corporate strategy and business activities.

Principles for Sustainable Insurance signed by ING

ING became a founding signatory of the UN Principles for Sustainable Insurance (UN PSI), which were launched on 19 June 2012 at the UN Conference on Sustainable Development. The Principles are a global, voluntary and aspirational framework for the industry, specifically focusing on the risks and opportunities associated with environmental, social and governance (ESG) issues.

First project finance in UK onshore wind farm

In April 2012, ING financed an onshore wind farm project in the UK for the first time, further diversifying its European Energy portfolio. ING acted as arranger, agent, security trustee, account bank and IRS/FX hedge provider in the EUR 24 million, 16.4 MW AES Yelvertoft wind project on behalf of AES Wind Generation. This financing contributes to the UK government's objective to source 15% of the UK's total energy needs from renewable sources by 2020.

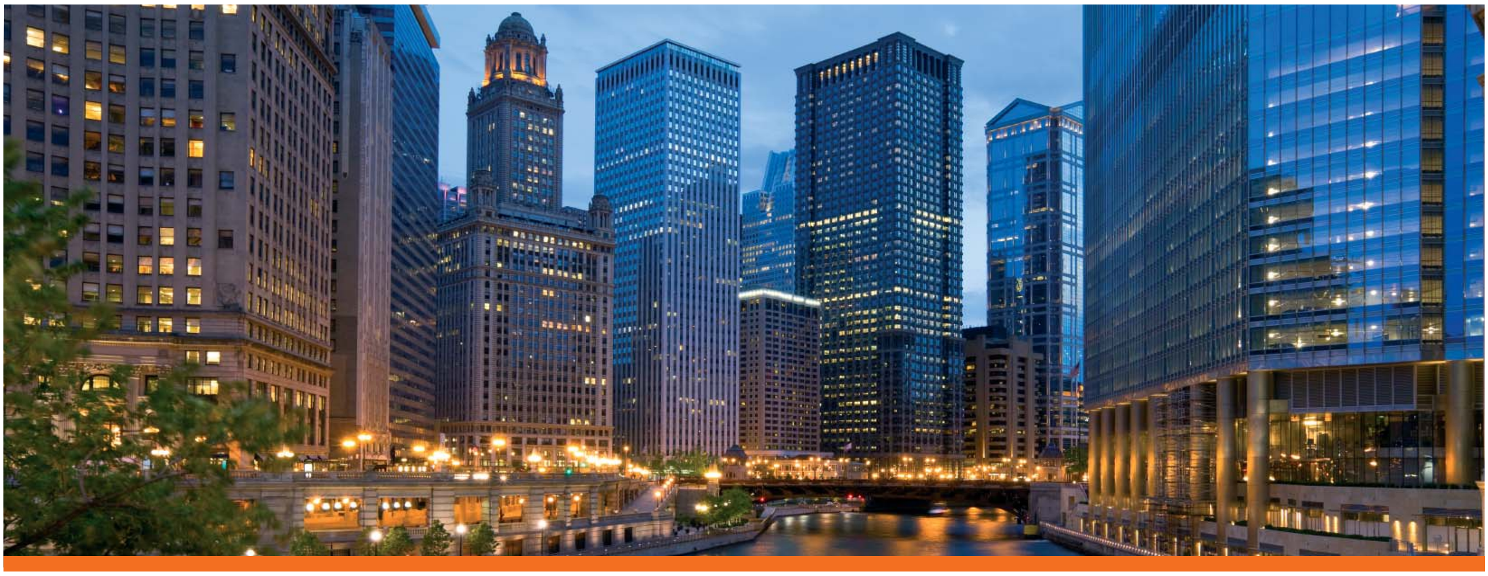
Equator Principles Association Steering Committee

In May 2012, ING was elected as the new Chair of the Equator Principles (EPs) Steering Committee. Since adopting the EPs in 2003, ING has been a consistent contributor to their development and an active member of the Steering Committee and several working groups. ING participates in the industry debate on social risks, and prior to its appointment as Chair, ING led the Social Risks Working Group. In addition, ING is in dialogue with the OECD on the implications of the proposed OECD Guidelines for Multi-National Enterprises. One of the first tasks in the Chair role is leading the EP III Stakeholder Consultation and Public Comment process.

Showcasing the food industry and sustainability

In June, ING's Economics Department published a report titled 'Food 2030; Collaborating with a new mindset', which explores the trends and challenges in the food industry. The various actors in the food supply chain are confronted with ongoing pressure for higher volumes at lower prices, as a result of which margins will continue to decrease. While environmental and public health issues are becoming increasingly important, the sector's innovation potential is at stake and sustainable sourcing and processing are required. ING will continue to support companies that fulfill a frontrunner role in the transition process, both by servicing their financing needs and by using its industry knowledge to provide tailor-made advice.

Banking



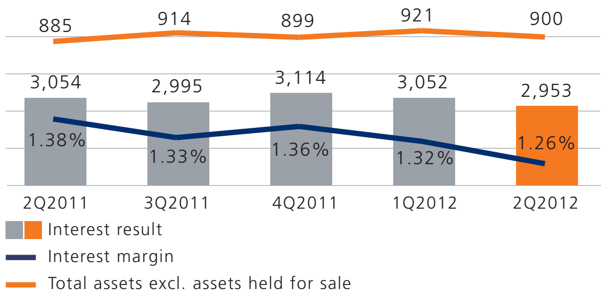
CONSOLIDATED RESULTS

Banking: Consolidated profit and loss account								
In EUR million	2Q2012	2Q2011	Change	1Q2012	Change	1H2012	1H2011	Change
Profit & loss								
Interest result	2,953	3,054	-3.3%	3,052	-3.2%	6,005	6,145	-2.3%
Commission income	569	589	-3.4%	546	4.2%	1,115	1,176	-5.2%
Investment income	75	-179		125	-40.0%	200	-107	
Other income	92	200	-54.0%	79	16.5%	171	487	-64.9%
Total underlying income	**3,689**	**3,663**	**0.7%**	**3,801**	**-2.9%**	**7,490**	**7,700**	**-2.7%**
Staff expenses	1,285	1,324	-2.9%	1,301	-1.2%	2,586	2,657	-2.7%
Other expenses	813	848	-4.1%	865	-6.0%	1,678	1,706	-1.6%
Intangibles amortisation and impairments	56	42	33.3%	69	-18.8%	125	112	11.6%
Operating expenses	2,154	2,214	-2.7%	2,235	-3.6%	4,388	4,476	-2.0%
Gross result	**1,535**	**1,449**	**5.9%**	**1,567**	**-2.0%**	**3,102**	**3,224**	**-3.8%**
Addition to loan loss provision	541	304	78.0%	441	22.7%	982	546	79.9%
Underlying result before tax	**995**	**1,145**	**-13.1%**	**1,126**	**-11.6%**	**2,120**	**2,678**	**-20.8%**
Taxation	261	253	3.2%	353	-26.1%	614	680	-9.7%
Minority interests	20	11	81.8%	27	-25.9%	47	36	30.6%
Underlying net result	**714**	**881**	**-19.0%**	**746**	**-4.3%**	**1,460**	**1,961**	**-25.5%**
Net gains/losses on divestments	0	25		489		489	36	
Net result from divested units	0	106		0		0	215	
Special items after tax	169	-52		-404		-235	-104	
Net result from Banking	**884**	**960**	**-7.9%**	**831**	**6.4%**	**1,715**	**2,107**	**-18.6%**
Client balances (in EUR billion)[1]								
Residential Mortgages	312.0	293.3	6.4%	306.8	1.7%	312.0	293.3	6.4%
Other Lending	232.6	229.9	1.2%	229.8	1.2%	232.6	229.7	1.3%
Funds Entrusted	464.3	441.7	5.1%	464.1	0.0%	464.3	441.7	5.1%
AUM/Mutual Funds	54.0	57.5	-6.1%	55.7	-3.1%	54.0	57.5	-6.1%
Profitability and efficiency[1]								
Interest margin	1.26%	1.38%		1.32%		1.29%	1.39%	
Cost/income ratio	58.4%	60.4%		58.8%		58.6%	58.1%	
Return on equity based on IFRS-EU equity	7.9%	10.5%		8.6%		8.2%	11.5%	
Return on equity based on 10.0% core Tier 1[2]	9.7%	12.7%		10.4%		10.0%	14.1%	
Staff (FTEs end of period)	67,939	67,851	0.1%	68,350	-0.6%	67,939	67,851	0.1%
Risk[1]								
Non-performing loans/total loans	2.3%	2.1%		2.1%		2.3%	2.1%	
Stock of provisions/provisioned loans	38.3%	38.6%		39.3%		38.3%	38.6%	
Risk costs in bp of average RWA	72	43		59		65	39	
Risk-weighted assets (end of period)	303,401	280,662	8.1%	299,628	1.3%	303,401	280,662	8.1%
RAROC after tax	12.5%	13.5%		12.5%		12.5%	14.8%	
Economic Capital (average over period)	25,215	23,410	7.7%	24,536	2.8%	24,875	23,774	4.6%

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

Results from ING Bank held up well in the second quarter, despite a marked deterioration in risk costs as the macroeconomic climate weakened, as well as an increase in de-risking losses as ING reduced exposure to southern European debt. The underlying result before tax decreased to EUR 995 million, down 13.1% from one year ago and 11.6% lower than in the previous quarter. Retail deposit growth remained strong with a quarterly net production of EUR 4.3 billion. However, although retail deposit inflows were strong and client savings rates were reduced, the Bank's interest margin continued to come under pressure. This was mainly due to margin pressure on savings stemming from lower yields on investments as well as lower interest results from Financial Markets. Expenses declined for the second consecutive quarter, both sequentially and year-on-year, supported by strong cost control.

TOTAL ASSETS (in EUR billion), INTEREST RESULT (in EUR million) AND INTEREST MARGIN (in %)



Total underlying income

Total underlying income was flat versus a year ago, despite EUR 178 million of realised losses from de-risking, mainly related to the sale of EUR 2.1 billion of Spanish debt securities, as well as EUR 16 million of impairments. The second quarter of 2011 included EUR 44 million of de-risking losses, and EUR 202 million of impairments, mainly on Greek government bonds. Income declined 2.9% on a sequential basis. Income in the first quarter of 2012 was heavily impacted by EUR 304 million of negative impacts from CVA/DVA adjustments and fair value changes on own Tier 2 debt. The magnitude of these impacts was less severe in the second quarter. Excluding these and other market-related impacts in both the first and the second quarters of 2012, income was 6.2% lower quarter-on-quarter, primarily due to pressure on the interest margin.

The underlying interest result declined 3.3% from a year ago and 3.2% from the previous quarter. The interest result for lending activities improved versus both quarters, supported by moderate volume growth and repricing. In savings, ING continued to attract strong retail deposit inflows. Although competition for savings did ease somewhat, and client rates were reduced in several countries, the interest result on savings was impacted by lower returns in the investment portfolio due to lower interest rates and de-risking. The Bank's second-quarter underlying interest margin was 1.26%, down from 1.32% in the first quarter of 2012. This was primarily due to the aforementioned factors, lower interest results from Financial Markets as well as a higher level of average balance sheet assets during the quarter, as reductions in short-term professional funding were largely realised at quarter-end.

ING continued to optimise its balance sheet by leveraging the strength of its retail deposit-gathering capabilities and by increasing lending without growing the total balance sheet. Retail Banking generated EUR 4.3 billion of net funds entrusted inflow, of which EUR 2.6 billion was in the Netherlands and EUR 1.9 billion in Germany. Funds entrusted at Commercial Banking declined by EUR 6.1 billion, as short-term deposits were partly substituted with longer-term CD/CPs. ING continued to grow its loan portfolio, even as the demand for loans remained muted in the current environment. The production of residential mortgages was EUR 3.1 billion, with increases in all regions. Commercial Banking lending showed a net decline of EUR 1.3 billion, particularly in Real Estate Finance, as ING takes a conservative approach to underwriting. That decline was partly offset by EUR 1.1 billion of net growth in other Retail Banking lending.

Commission income declined 3.4% from the same quarter a year ago, but was up 4.2% to EUR 569 million from EUR 546 million in the first quarter. The decline compared to last year mainly reflects lower fees in Commercial Banking, while commission income in Retail Netherlands rose due to higher funds transfer fees. The increase versus the first quarter of 2012 is mainly attributable to higher fees in Industry Lending.

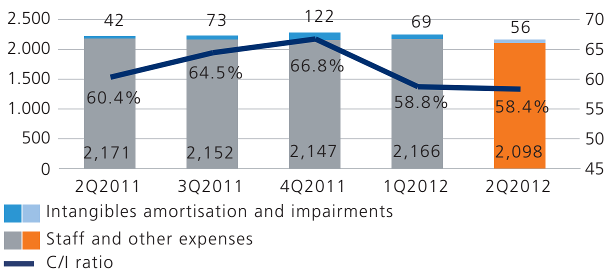
Investment income rose to EUR 75 million from a loss of EUR 179 million in the second quarter of 2011. The improvement was mainly due to a sharp decline in impairments to EUR 16 million from EUR 202 million in the same quarter of last year, including EUR 187 million of impairments on Greek government bonds. The result on the sale of bonds and equities was EUR 63 million (including EUR 16 million of the losses from de-risking; the rest is recorded under other income), up from EUR 17 million a year ago. Compared with the first quarter of 2012, investment income declined by EUR 50 million, as the first quarter included EUR 117 million of realised gains on bonds and equities and only EUR 5 million of impairments.

Other income declined to EUR 92 million from EUR 200 million in the second quarter of 2011, but was up by EUR 13 million compared with the first quarter of 2012. The decline from a year ago was mainly attributable to EUR 162 million of losses on selective de-risking (the rest in investment income) versus EUR 37 million of losses in the second quarter of 2011. This was partly offset by EUR 37 million of positive fair value changes on part of the Bank's own Tier 2 debt, reflecting a widening of ING Bank's credit spread, up from EUR -8 million in the second quarter of 2011. The impact of CVA/DVA adjustments in Commercial Banking was EUR 20 million negative versus EUR 36 million negative a year ago. Compared with the first quarter of 2012, which included a EUR 198 million negative impact from CVA/DVA adjustments and EUR 106 million of negative fair value changes on Tier 2 debt, other income improved by EUR 13 million as the positive swing from credit value adjustments was largely offset by higher de-risking losses and lower Financial Markets results after a seasonally strong first quarter.

Operating expenses

Consistent and strong cost control across the Bank supported the decline in underlying operating expenses, both sequentially and year-on-year, for the second consecutive quarter. Expenses were down 2.7% from one year ago, driven by ongoing cost containment, lower performance-related personnel expenses and a reimbursement from the old deposit guarantee scheme (DGS) in Belgium. These factors more than offset the impact of annual salary increases, inflation and higher bank levies.

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



Compared with the first quarter of 2012, expenses declined 3.6%. This decrease was mainly due to lower performance-related personnel expenses (stemming from the new Dutch collective labour agreement which was announced on 28 June 2012) and the DGS reimbursement in Belgium, and despite higher marketing costs.

In the second quarter of 2012, the number of internal staff dropped by 411 to 67,939 FTEs, especially in Retail Netherlands (due to the previously announced cost initiatives) and India, partly offset by increases at ING Turkey. The number of external staff remained more or less stable at around 5,650 FTEs.

The underlying cost/income ratio was 58.4% versus 60.4% in the second quarter of 2011 and 58.8% in the first quarter of 2012. Excluding market impacts and the CVA/DVA adjustments in Financial Markets, the cost/income ratio was 56.2% compared with 54.0% in the first quarter of 2012.

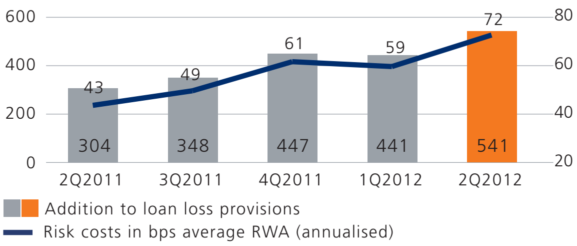
Loan loss provisions

The further deterioration in the macroeconomic environment had a clear impact on second-quarter risk costs, which increased 22.7% from the first quarter of 2012 and 78.0% from the second quarter of 2011. The increase versus the first quarter of this year was driven by Industry Lending in Commercial Banking, primarily within commercial real estate, and higher additions for Dutch mortgages reflecting lower house prices in the Netherlands. Non-performing loans in the total Dutch mortgage portfolio remained stable at 1.2%. Second-quarter risk costs were lower in Retail Belgium and in Retail International on a sequential basis; the latter included a provision for a CMBS in the first quarter of 2012. Non-performing loans increased in the second quarter by EUR 1.3 billion to EUR 14.3 billion.

Gross additions to the loan loss provisions rose to EUR 716 million from EUR 598 million in the first quarter of 2012 and from EUR 519 million in the second quarter of last year. Releases were EUR 175 million, slightly higher than the EUR 157 million in the previous quarter, but down from EUR 215 million in the second quarter of 2011.

Underlying risk costs in the second quarter were 72 basis points of average risk-weighted assets versus 59 basis points in the previous quarter and 43 basis points in the second quarter of 2011. ING expects risk costs to remain elevated, reflecting the weakening of the economic climate.

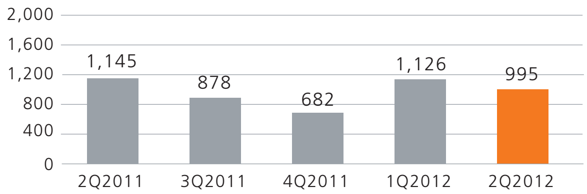
ADDITIONS TO LOAN LOSS PROVISIONS (in EUR million)



Underlying result before tax

The underlying result before tax was 13.1% lower than in the second quarter of 2011. This was fully due to the strong increase in risk costs. The gross result, before risk costs, rose 5.9%. Compared with the previous quarter, the result before tax declined 11.6% to EUR 995 million as higher risk costs and lower revenues were only partly offset by the 3.6% decline in expenses.

UNDERLYING RESULT BEFORE TAX (in EUR million)



Net result

The underlying net result declined to EUR 714 million from EUR 881 million in the second quarter of 2011 and EUR 746 million in the first quarter of 2012. The effective underlying tax rate was 26.2% against 22.1% in the second quarter of 2011 and 31.3% in the previous quarter.

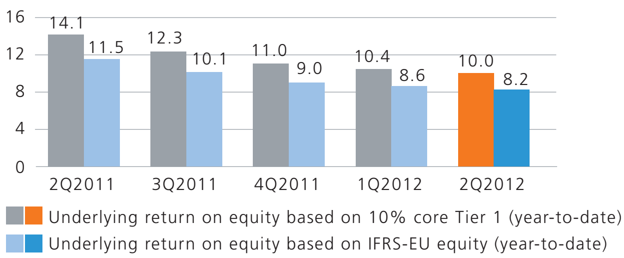
ING Bank's quarterly net result was EUR 884 million. Special items after tax were positive at EUR 169 million and primarily reflect the EUR 218 million favourable impact of a provision release following the announcement on 3 July 2012 of the new Dutch pension scheme. Other special items amounted to EUR -49 million after tax and mainly related to restructuring expenses in the Netherlands, costs related to the separation of Bank and Insurance and EUR 16 million of additional after-tax charges following the final settlement with US authorities concerning transactions subject to sanctions by the US.

Key metrics

Underlying risk-weighted assets (RWA) rose 1.3% to EUR 303 billion from EUR 300 billion at the end of March 2012, mainly due to currency effects. Despite the challenging economic conditions, risk migration was largely contained by ING's proactive de-risking measures. Market RWA rose due to the higher Value-at-Risk as volatility in the financial markets increased.

ING Bank's core Tier 1 ratio improved to 11.1% from 10.9% at the end of March 2012 as the negative impact of higher RWA was more than offset by the retained profit.

RETURN ON EQUITY (in %)



The year-to-date underlying return on IFRS-EU equity decreased to 8.2% from 11.5% in the first half of 2011. The decline reflects a higher equity base as well as the impact of lower earnings that were primarily due to pressure on the interest margin and elevated levels of risk costs that exceed through-the-cycle norms. The Ambition 2015 target for return on IFRS-EU equity is 10-13%. The year-to-date return on equity based on a 10% core Tier 1 ratio was 10.0% compared with 14.1% in the first six months of 2011.

RETAIL BANKING

Retail Banking: Consolidated profit and loss account

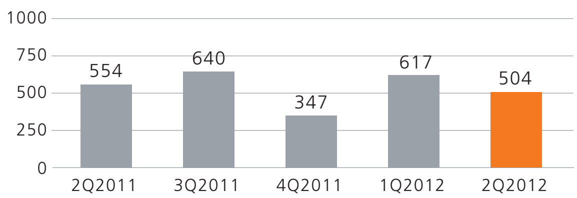
	Total Retail Banking		Retail Banking Benelux				Retail International			
			Netherlands		Belgium		Germany		Rest of World	
In EUR million	2Q2012	2Q2011	2Q2012	2Q2011	2Q2012	2Q2011	2Q2012	2Q2011	2Q2012	2Q2011
Profit & loss										
Interest result	2,077	2,141	844	893	431	391	284	329	517	527
Commission income	308	301	128	110	86	82	20	27	74	81
Investment income	27	-170	2	4	0	-7	-8	-57	33	-110
Other income	-110	36	0	6	25	37	-8	6	-127	-13
Total underlying income	**2,302**	**2,307**	**974**	**1,013**	**543**	**504**	**287**	**306**	**498**	**485**
Staff and other expenses	1,532	1,551	576	597	324	351	162	158	469	445
Intangibles amortisation and impairments	4	2	4	1	0	0	0	0	0	0
Operating expenses	1,536	1,553	581	598	324	351	162	158	469	445
Gross result	**766**	**755**	**394**	**415**	**219**	**153**	**124**	**147**	**29**	**40**
Addition to loan loss provision	262	200	161	90	28	50	25	21	49	40
Underlying result before tax	**504**	**554**	**233**	**325**	**191**	**103**	**100**	**126**	**-20**	**0**
Client balances (in EUR billion)[1]										
Residential Mortgages	312.0	293.3	142.5	141.3	29.8	27.2	58.2	53.7	81.5	71.1
Other Lending	95.3	90.1	41.1	42.2	32.7	29.3	3.6	3.1	17.9	15.5
Funds Entrusted	406.3	383.9	113.8	105.3	73.8	72.0	91.9	86.6	126.8	119.9
AUM/Mutual Funds	53.8	57.2	15.3	16.3	25.5	27.1	5.9	6.2	7.1	7.5
Profitability and efficiency[1]										
Cost/income ratio	66.7%	67.3%	59.6%	59.1%	59.7%	69.6%	56.6%	51.8%	94.2%	91.8%
Return on equity based on 10.0% core Tier 1[2]	9.5%	11.9%	14.3%	19.6%	27.6%	16.7%	12.2%	18.1%	-1.7%	1.5%
Risk[1]										
Risk costs in bp of average RWA	70	56	129	72	55	109	45	42	33	28
Risk-weighted assets (end of period)	152,954	144,043	50,579	49,044	20,403	18,551	21,863	20,000	60,110	56,448

1) Key figures based on underlying figures

2) Underlying after-tax return divided by average equity based on 10.0% core Tier 1 ratio (annualised)

Results from Retail Banking were solid in the second quarter despite elevated risk costs. The underlying result before tax declined 9.0% versus last year to EUR 504 million, almost fully attributable to higher risk costs. The result was down 18.3% on the previous quarter as de-risking efforts were accelerated amid the eurozone crisis, resulting in EUR 172 million of losses. Despite some easing in the competition for savings, the interest result remained under pressure, reflecting the impact of the low interest rate environment and de-risking in the investment portfolio. Operating expenses decreased on both comparable quarters.

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



Underlying income remained almost stable compared with the same quarter of last year, reflecting the impact of de-risking and impairments in both quarters. The second quarter of this year includes EUR 172 million of de-risking losses, mainly related to the sale of Spanish debt securities, to reduce southern European exposures and prevent RWA migration. This was partially offset by a capital gain of EUR 23 million, whereas the second quarter of 2011 included EUR 178 million of impairments on Greek government bonds and EUR 44 million of de-risking losses. Income was 6.5% lower than in the first quarter, mainly due to EUR 133 million of higher losses from de-risking.

The interest result declined 3.0% compared with the second quarter of last year but was up slightly from the first quarter. Though competition for savings continued to ease, and deposit rates were reduced in several markets, the interest margin remained under pressure due to low interest rates and the impact of de-risking in most countries. Net production of funds entrusted was EUR 4.3 billion, with the Netherlands contributing EUR 2.6 billion to this inflow and Germany EUR 1.9 billion. Belgium, Spain and Poland reported sound inflows as well, while net outflows were reported in Italy and the UK. Net lending growth was well balanced, rising by EUR 4.2 billion in the quarter, including EUR 3.1 billion in net mortgage production spread over all regions and business lending growth in Belgium and Turkey.

Commission income was 2.3% higher at EUR 308 million, driven by higher fees from funds transfers in the Netherlands. Following the seasonally higher first quarter of 2012, commission income declined 4.0%. Investment income improved by EUR 197 million as last year included EUR 178 million of impairments on Greek government bonds, while this quarter included a capital gain of EUR 23 million in Canada. Other income dropped to a loss of EUR 110 million versus a profit of EUR 36 million in the second quarter of 2011; this decline was mainly due to the impact from the selective sale of exposures in the investment portfolio.

Operating expenses declined 1.1% to EUR 1,536 million, supported by a EUR 38 million refund from the old deposit guarantee scheme (DGS) in Belgium. Lower accruals for variable remuneration more than offset the impact of annual salary increases, business growth and inflation. Costs were 2.2% lower than the previous quarter. The impact of the DGS refund and lower remuneration accruals was partly offset by higher marketing expenses.

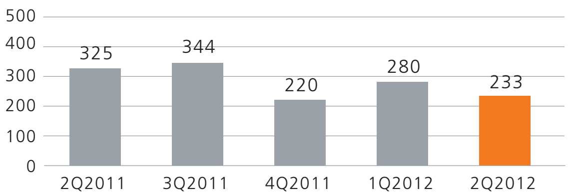
Risks costs rose 31.0% to EUR 262 million compared with the second quarter of 2011, reflecting the deteriorating economic environment; but they were down 4.4% on the first quarter. The increase on last year was mainly driven by provisions for specific files in the mid-corporate segment, as well as somewhat higher provisions for mortgages in the Netherlands reflecting lower house prices. Non-performing loans for Dutch mortgages remained low at 1.2%. The small decline in risk costs compared with the first quarter was primarily attributable to a specific provision on a CMBS position taken in the UK in the first quarter and lower risk costs in Belgium.

Risk-weighted assets increased by EUR 3.9 billion in the second quarter, due to risk migration, currency effects and volume growth and were partly offset by the impact of selective de-risking.

The return on equity, based on a 10% core Tier 1 ratio, dropped to 9.5% this quarter from 11.9% in the second quarter of last year, due to the lower underlying results.

RETAIL NETHERLANDS

UNDERLYING RESULT BEFORE TAX - NETHERLANDS (in EUR million)



Results from Retail Netherlands declined in the second quarter, reflecting higher loan loss provisions and pressure on savings margins. The underlying result before tax was EUR 233 million, down 28.3% from the second quarter of 2011 and down16.8% from the first quarter. Income remained under pressure due to lower margins, mainly on funds entrusted, though savings rates were reduced twice in the quarter as competition started to ease. The balance sheet was further strengthened by an increase in funds entrusted of EUR 2.6 billion, while the lending portfolio increased by a modest EUR 0.2 billion. Operating expenses continued to be well controlled and declined versus both quarters. Risk costs remained elevated and rose versus both comparable quarters.

Total underlying income was EUR 974 million, down 3.8% on the same quarter of 2011 and 2.7% lower than the previous quarter. Interest margins on savings and current accounts remained under pressure due to a lower return on the investment portfolio following a reduction in ECB rates, which was not fully compensated by a reduction of client rates on variable savings. Funds entrusted showed a net inflow of EUR 2.6 billion during the quarter, mainly in variable savings accounts, and was supported by the seasonal inflow into current accounts (due to payment of holiday allowances). Mortgage production remained low at EUR 0.6 billion, while margins improved slightly. The margin on the business lending portfolio decreased somewhat versus the previous quarter, while production remained low in light of the uncertain economic environment, resulting in lower outstandings, particularly in the SME segment.

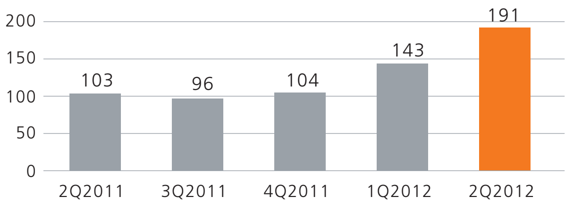
Operating expenses remained well contained, down 2.8% compared with the second quarter of 2011. This was mainly attributable to lower personnel expenses as a result of a lower accruals for variable remuneration, which compensated for higher marketing expenses related to the European Championship Football among others. Compared with the first quarter, expenses decreased 1.7%, supported by the lower accrued costs and more than offsetting salary increases and higher marketing costs.

The addition to loan loss provisions rose to EUR 161 million versus EUR 90 million a year ago and EUR 131 million in the first quarter. The increase on last year was particularly attributable to higher additions for specific files in the mid-corporate segment combined with higher risk costs for the mortgage portfolio, which was affected by lower house prices. Risk costs were up versus the previous quarter due to higher risk costs for the mortgages and the impact of risk rating downgrades in SME lending. Risk costs for mortgages were EUR 53 million compared with EUR 37 million in the previous quarter, mainly due to a model update at WestlandUtrecht Bank reflecting lower house prices. Non-performing loans remained relatively stable at around 1.2%

Risk-weighted assets increased to EUR 50.6 billion from EUR 49.1 billion at the end of the first quarter, mainly reflecting the impact of lower house prices in the mortgage portfolio.

RETAIL BELGIUM

UNDERLYING RESULT BEFORE TAX - BELGIUM (in EUR million)



Results from Retail Belgium were strong and were driven by volume growth at better margins, lower risk costs and a decrease in operating expenses, which was supported by a one-off release. The underlying result before tax rose to EUR 191 million from EUR 103 million in the same quarter of last year and EUR 143 million in the previous quarter.

Underlying income rose 7.7% from the same quarter of 2011 to EUR 543 million. This increase was mainly due to an 8% growth in average client balances as well as higher margins on mortgages, further supported by lower impairments. The mortgage portfolio rose by EUR 0.6 billion in the second quarter and the mid-corporate and SME lending portfolio also showed a sound net inflow of EUR 0.6 billion. Funds entrusted increased by only EUR 0.3 billion in the quarter, as the successful introduction of a new retail savings product was mostly offset by the outflow of term deposits in the mid-corporate segment. Compared with the previous quarter, underlying income decreased 0.7%, as the positive impact of continuous volume growth was largely offset by lower margins on the investment portfolio, seasonally lower securities fees, and lower income from financial markets related products.

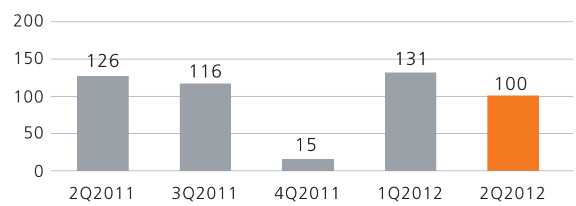
Operating expenses were 7.7% lower than in the second quarter of 2011, due to a EUR 38 million refund from the old deposit guarantee scheme. Excluding this refund, expenses increased 3.1% due to higher personnel expenses and inflation. Expenses were 10.0% lower than in the previous quarter, but were largely flat excluding the aforementioned DGS refund.

The net addition to the loan loss provisions was EUR 28 million, which is 44.0% lower than in the second quarter of 2011. The decrease was caused by the implementation of a new LGD-model in Record Bank and a somewhat improved economic outlook in Belgium. Compared with the first quarter of 2012, risk costs dropped by EUR 16 million.

Risk-weighted assets increased by EUR 1.9 billion compared with a year ago, but they remained stable on the previous quarter.

RETAIL GERMANY

UNDERLYING RESULT BEFORE TAX - GERMANY (in EUR million)



Results from Retail Germany were impacted by the negative effect from the low interest rate environment and higher risk costs. Retail Germany's underlying result before tax declined to EUR 100 million from EUR 126 million in the second quarter of 2011 and EUR 131 million in the first quarter of 2012. This quarter's result was negatively impacted by EUR 8 million of de-risking losses and EUR 6 million of negative hedge inefficiency.

Total underlying income declined 6.2% to EUR 287 million from EUR 306 million in the second quarter of 2011, which included EUR 52 million of impairments on Greek government bonds and EUR 5 million of de-risking losses. The decline was mainly caused by lower interest results reflecting a lower return on the investment portfolio, lower fees from securities business, and the negative impact of hedge inefficiency which was positive a year ago. Funds entrusted increased by EUR 1.9 billion in the quarter. The net production of retail lending was EUR 1.0 billion, mainly related to own-originated mortgages. Compared with the first quarter of 2012, underlying income fell 7.7%, mainly due to lower margins, which were not compensated by higher volumes, and the negative hedge inefficiency.

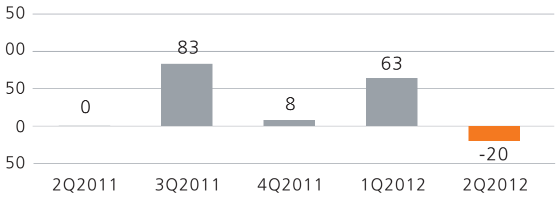
Operating expenses rose 2.5% from the second quarter of 2011, reflecting higher staff numbers and IT costs to support business growth, partly offset by lower marketing expenses. Compared with the previous quarter, operating expenses were down 1.8%, mainly due to seasonality in marketing expenses.

The net addition to the provision for loan losses rose by EUR 4 million to EUR 25 million compared with the second quarter of 2011. Compared with the previous quarter, risk costs rose by EUR 10 million as the first quarter included lower new defaults.

Risk-weighted assets were EUR 21.9 billion, up EUR 1.9 billion from the second quarter of 2011 and up EUR 0.3 billion from the previous quarter, largely due to growth in mortgages.

RETAIL REST OF WORLD

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



Retail Rest of World reported an underlying loss before tax of EUR 20 million, which included EUR 164 million of losses on selective de-risking of southern European exposures as de-risking was accelerated amid the ongoing eurozone crisis. In the second quarter of 2011, the result before tax was nil, including EUR 120 million of impairments on Greek government bonds and EUR 39 million of de-risking losses. De-risking losses in the first quarter of 2012 amounted to EUR 34 million. Excluding these items, the result before tax was EUR 144 million, a decline of EUR 15 million on the second quarter of 2011, but EUR 47 million higher than in the previous quarter.

Underlying income, excluding de-risking losses and Greek impairments, was EUR 662 million, an increase of EUR 18 million from the same quarter a year ago and EUR 26 million higher than in the previous quarter. The increase versus both quarters is mainly due to a EUR 23 million one-off capital gain in Canada on the sale of a previously impaired asset backed commercial paper position. The interest margin declined compared with the second quarter of 2011 due to margin compression, mainly in France, Italy and Australia, but it improved slightly versus the previous quarter as a result of higher margins in Australia, Canada, India and Spain. The net production of retail lending was EUR 1.7 billion, of which EUR 1.0 billion was in residential mortgages and EUR 0.7 billion in other lending. Funds entrusted had a net outflow of EUR 0.4 billion as net inflows in Spain, Poland and India in particular were offset by net outflows in Italy (following a net increase in the previous quarter) and in the UK.

Operating expenses increased 5.4% from the second quarter of 2011, mainly reflecting salary increases, business growth and inflation and partly offset by lower marketing expenses. Compared with the first quarter of 2012, operating expenses rose 3.1%. This was mainly visible in Turkey, Poland and Canada due to salary increases and higher marketing costs.

The net addition to loan loss provisions was EUR 49 million, up from EUR 40 million in the second quarter of 2011, due to a large file in Poland. But it was down from EUR 85 million in the first quarter of 2012, which included a specific provision for a CMBS in the UK.

Risk-weighted assets at the end of June were EUR 60.1 billion, an increase of EUR 3.7 billion from a year ago and EUR 2.3 billion higher than at the end of the first quarter. The increase versus the previous quarter was mainly due to higher corporate lending (especially in Turkey), a downgrade of a securitisation and currency impacts, partly offset by the impact of sales and maturities in the European investment books.

COMMERCIAL BANKING

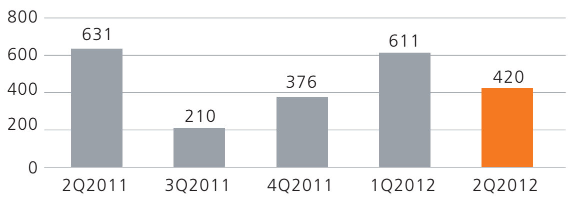
Commercial Banking: Consolidated profit and loss account

	Total Commercial Banking		Industry Lending		General Lending & Transaction Services		Financial Markets		Bank Treasury, Real Estate & Other	
In EUR million	2Q2012	2Q2011	2Q2012	2Q2011	2Q2012	2Q2011	2Q2012	2Q2011	2Q2012	2Q2011
Profit & loss										
Interest result	853	933	390	401	293	278	125	138	46	116
Commission income	258	291	132	148	90	84	41	54	-4	5
Investment income	21	-12	7	4	9	0	-2	-14	7	-1
Other income	157	142	-18	-32	9	7	132	144	34	22
Total underlying income	**1,290**	**1,353**	**511**	**522**	**401**	**368**	**296**	**321**	**82**	**142**
Staff and other expenses	547	585	108	112	188	185	213	228	39	60
Intangibles amortisation and impairments	44	33	0	0	0	0	0	0	44	33
Operating expenses	592	619	108	112	188	185	213	228	83	93
Gross result	**698**	**735**	**404**	**410**	**213**	**183**	**83**	**92**	**-1**	**49**
Addition to loan loss provision	278	104	223	75	21	19	0	0	34	10
Underlying result before tax	**420**	**631**	**181**	**335**	**192**	**164**	**83**	**93**	**-35**	**39**
Client balances (in EUR billion)[1]										
Residential Mortgages										
Other Lending	137.2	139.8	77.3	76.1	49.2	52.6	2.3	3.3	8.5	7.8
Funds Entrusted	58.0	57.8	1.5	2.1	32.9	35.0	3.1	3.6	20.4	17.1
AUM/Mutual Funds	0.2	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3
Profitability and efficiency[1]										
Cost/income ratio	45.9%	45.7%	21.1%	21.4%	46.9%	50.3%	72.0%	71.2%	101.2%	65.5%
Return on equity based on 10.0% core Tier 1[2]	9.4%	15.0%	13.8%	22.1%	12.7%	9.6%	7.7%	10.0%	-12.2%	20.3%
Risk[1]										
Risk costs in bp of average RWA	82	31	204	67	19	16	0	0	105	28
Risk-weighted assets (end of period)	134,647	132,332	43,399	43,926	44,719	48,449	33,402	25,833	13,127	14,123

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

Commercial Banking results were impacted by an increase in loan loss provisions, particularly in Real Estate Finance due to the continued weakening of commercial real estate markets in the second quarter. This led to a decline in underlying results before tax to EUR 420 million, down 33.4% from the second quarter of 2011 and 31.3% compared with the first quarter of 2012. The gross result, before risk costs, held up well, declining 5.0% year-on-year and 10.2% from the first quarter, as cost reductions partially offset a decline in income.

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



Total underlying income declined 4.7% compared with the second quarter of 2011, due primarily to higher funding and liquidity costs as well as lower yields on investments following the sale of bonds in previous quarters, both reported in the Bank Treasury activities. This was partially offset by strong income growth in General Lending and Transaction Services, where margins continue to improve. Income in the first quarter included EUR 198 million of negative credit and debt valuation adjustments as well as EUR 111 million in capital gains on bonds. Excluding these and other market impacts, income fell 12.3% from the first quarter, mainly reflecting seasonality in the Financial Markets business.

The interest result declined 8.6% from a year ago, mainly due to higher liquidity and funding costs as well as the impact from the sale of bonds in recent quarters. Both of these factors can be seen in the Bank Treasury results. Compared with the first quarter of 2012, the interest result declined 5.7% due to lower income from Financial Markets, while interest results increased in both Industry Lending and General Lending and Transaction Services reflecting improved margins. Commission income fell 11.3% from a year ago but improved strongly from the first quarter. The second quarter of 2011 included a large corporate finance transaction in Financial Markets and higher loan volumes in Industry Lending. Compared with the first quarter of this year, commission income rose 16.2%, reflecting higher fees for Industry Lending, mainly as a result of higher deal flow in Energy, Transport & Infrastructure.

Investment income increased from EUR -12 million in the second quarter of 2011 to EUR 21 million in this quarter, including a one-off gain of EUR 9 million on the sale of shares related to the restructuring of a lending deal. The first quarter of 2012 included EUR 111 million of capital gains on bonds; this explains the significant drop quarter-on-quarter.

Operating expenses fell 4.4% compared with the second quarter of last year, reflecting lower performance-related staff costs, which more than offset an increase in bank levies in Belgium. Impairments on real estate development projects amounted to EUR 44 million, up from EUR 33 million a year ago. Compared with the first quarter of this year, expenses were reduced by 5.4% due to lower performance-related costs. The cost/income ratio in the second quarter was 45.9%, in line with the second quarter of last year, but up from 44.6% in the first quarter of this year.

Risk costs increased sharply compared with both a year ago and the first quarter, mainly caused by higher risk costs in Industry Lending, notably in Real Estate Finance. The increase in Real Estate Finance is mainly in the Netherlands, the UK and Australia. Net additions to loan loss provisions amounted to EUR 278 million in the second quarter, up from EUR 104 million in the second quarter of 2011 and EUR 167 million in the first quarter. The net addition is the equivalent of annualised 82 basis points of average risk-weighted assets.

Risk-weighted assets (RWA) declined by EUR 0.7 billion from the first quarter, mainly due to lower volumes in Industry Lending.

The return on equity based on a 10% core Tier 1 ratio was 9.4%, down from 15.0% in the second quarter of 2011 and 12.1% in the first quarter.

INDUSTRY LENDING

The underlying result before tax from Industry Lending declined 46.0% from a year ago and 34.4% from the first quarter to EUR 181 million, due to higher risk costs mainly caused by strongly increased risk costs in Real Estate Finance. Income decreased 2.1% from a year ago as lower transaction volumes reduced commission income. However, income was up 7.1% from the first quarter, primarily driven by Structured Finance, most notably in the Energy, Transport & Infrastructure sector. Adjusted for the foreign currency impact, loan volumes for Industry Lending declined by EUR 2.1 billion compared with the first quarter. Half of this decline was in Real Estate Finance as ING continues to take a cautious approach to new lending. Operating expenses were reduced by 3.6% from a year ago and by 1.8% from the first quarter. The cost/income improved to 21.1%.

GENERAL LENDING AND TRANSACTION SERVICES

General Lending and Transaction Services posted a record underlying result before tax of EUR 192 million, up 17.1% from a year ago and 25.5% from the first quarter. The increase was primarily driven by margin improvement in General Lending and a one-off investment gain of EUR 9 million on the sale of shares arising from the restructuring of a loan. Within Transaction Services, income in Bank Mendes Gans, which offers liquidity management and treasury information services to multinationals, increased strongly from last year. Trade Finance Services maintained its leading market share in the Benelux and pushed income up by 9.5% compared with the second quarter of last year, fuelled by higher margins. Income from Payments & Cash Management (PCM) and Leasing & Factoring slightly improved compared to both last year and the previous quarter. Expenses increased by a modest 1.6% year-on-year, but declined 1.6% from the first quarter, despite ongoing investments to enhance product capabilities in PCM and Trade Finance. Loan losses increased by EUR 2 million from a year ago to EUR 21 million, but they declined by EUR 18 million from the first quarter, supported by some releases.

FINANCIAL MARKETS

Financial Markets posted an underlying result before tax of EUR 83 million in the second quarter of this year, down 10.8% from a year ago as the bearish market sentiment reduced the deal flow in Corporate Finance and led to lower client flows in Debt Capital Markets. Results in the first quarter were heavily impacted by EUR 198 million of negative credit and debt valuation adjustments, while the CVA/DVA impact was only EUR 20 million negative in the second quarter. Excluding that impact, the underlying result before tax from Financial Markets was down 58.8% on the previous quarter, due to seasonality and the impact of the bearish market sentiment in the second quarter of this year. Income excluding CVA/DVA declined 11.5% from the second quarter of last year, which included a large corporate finance transaction. Operating expenses fell 6.6% from the second quarter of 2011 and 1.8% from the first quarter, due to lower performance-related costs, which offset an increase in bank levies in Belgium.

BANK TREASURY, REAL ESTATE AND OTHER

The underlying result before tax for Bank Treasury, Real Estate and Other was EUR -35 million, down from EUR 39 million in the same quarter of last year and EUR 130 million in the first quarter, which included EUR 112 million in capital gains on bonds and a EUR 35 million gain from the sale of a real estate project in Poland. Income declined 42.3% from a year ago to EUR 82 million as a consequence of higher liquidity costs resulting from lengthening the funding profile as well as the steepening of the yield curves for shorter tenors. The sale of bonds in the previous quarters also lowered interest income in the second quarter. Operating expenses declined 10.8% compared with a year ago and 23.1% from the first quarter, supported by reductions in Real Estate Development and General Lease, which are both in run-off. Impairments on real estate development projects were EUR 44 million, up from EUR 33 million a year ago and down from EUR 59 million in the first quarter. Net additions to loan loss provisions were EUR 34 million versus EUR 10 million a year ago; the increase is mainly related to the General Lease activities in Italy. Compared with the previous quarter, risk costs increased slightly from EUR 31 million.

CORPORATE LINE BANKING

Corporate Line Banking: Underlying result before tax		
In EUR million	2Q2012	2Q2011
Income on capital surplus	115	85
Solvency costs	-56	-40
Financing charges	-58	-94
Amortisation intangible assets	-7	-7
Fair value changes own Tier 2 debt	37	-8
FX-results, fair value hedging and other	46	51
Total Capital Management	78	-14
Other	-7	-26
Underlying result before tax	**71**	**-40**

Results for Corporate Line Banking were up in the second quarter versus the same quarter last year mainly due to positive fair value changes on the Bank's own debt, lower financing charges, and higher income on capital surplus. The underlying result before tax increased to EUR 71 million compared to a loss of EUR 40 million in the same quarter of last year and a loss of EUR 101 million in the first quarter.

'Income on capital surplus' rose by EUR 30 million to EUR 115 million, mainly due to lower benefits paid to the business lines as a result of a decline in average economic capital following the divestment of ING Direct USA. 'Solvency costs' increased by EUR 16 million to EUR 56 million, mainly due to the higher costs in extending interest rate swaps backing some Tier 1 callable bonds. At EUR 58 million, 'financing charges' were EUR 36 million lower than last year, reflecting a decline in interest expenses following the liability management transactions executed at the end of 2011.

'Fair value changes on part of ING Bank's own Tier 2 debt' were EUR 37 million positive due to a widening in ING's credit spread, compared with EUR 8 million of negative fair value changes in the second quarter of 2011.

'FX-results, fair value hedging and other' decreased to EUR 46 million from EUR 51 million in the same quarter of last year. This included EUR 35 million of other fair value changes on debt outstanding, down from EUR 48 million in the same quarter of 2011. Realised gains on debt securities were EUR 24 million in the second quarter of 2012, while liquidity costs increased by EUR 12 million, reflecting a lengthening of the funding profile.

The result of 'Other' improved by EUR 19 million compared with the same quarter of last year, amongst others due to a reimbursement on Icesave.

Compared with the first quarter of 2012, the underlying result before tax improved by EUR 172 million. This was largely due to fair value changes on part of ING Bank's own Tier 2 debt turning positive following a widening of the credit spread compared to EUR 106 million negative in the first quarter.

CONSOLIDATED BALANCE SHEET

ING Bank N.V.: Consolidated balance sheet

in EUR million	30 Jun 12	31 Mar 12	31 Dec 11		30 Jun 12	31 Mar 12	31 Dec 11
Assets				**Equity**			
Cash and balances with central banks	13,990	43,894	28,112	Shareholders' equity	36,629	35,307	34,367
Amounts due from banks	47,395	50,441	45,323	Minority interests	745	729	693
Financial assets at fair value through P&L	136,833	132,261	136,089	**Total equity**	**37,374**	**36,036**	**35,060**
- trading assets	123,389	119,059	123,176	**Liabilities**			
- non-trading derivatives	10,415	10,166	10,076	Subordinated loans	17,108	16,473	18,408
- other	3,029	3,035	2,838	Debt securities in issue	149,196	155,035	130,926
Investments	88,795	86,278	83,802	Amounts due to banks	58,873	69,317	72,233
- debt securities available-for-sale	76,648	73,889	72,469	Customer deposits and other funds on deposit	483,377	485,481	479,363
- debt securities held-to-maturity	7,261	7,579	8,868	- savings accounts	303,637	298,500	291,516
- equity securities available-for-sale	4,887	4,810	2,466	- credit balances on customer accounts	119,356	119,134	114,361
Loans and advances to customers	586,093	581,022	577,570	- corporate deposits	51,992	59,435	61,990
- securities at amortised cost and IABF	27,983	29,758	31,449	- other	8,391	8,413	11,496
- customer lending	558,110	551,264	546,121	Financial liabilities at fair value through P&L	133,030	136,013	138,864
Investments in associates	849	835	827	- trading liabilities	100,651	104,823	107,682
Real estate investments	253	264	435	- non-trading derivatives	18,610	17,552	18,161
Property and equipment	2,361	2,398	2,417	- other	13,769	13,638	13,021
Intangible assets	1,843	1,765	1,743	Other liabilities	21,484	22,323	22,045
Other assets	22,030	21,519	22,363				
Total assets excl. assets held for sale	**900,441**	**920,677**	**898,681**	**Total liabilities excl. liabilities held for sale**	**863,068**	**884,641**	**861,840**
Assets held for sale	-	-	62,483	Liabilities held for sale	-	-	64,265
				Total liabilities	**863,068**	**884,641**	**926,105**
Total assets	**900,441**	**920,677**	**961,165**	**Total equity and liabilities**	**900,441**	**920,677**	**961,165**

ING Bank reduced its balance sheet size in the second quarter by EUR 29 billion, excluding EUR 9 billion of positive currency effects. This was driven by balance sheet optimisation, which improved the liquidity portfolio, reduced leverage and brought the total balance sheet back down to the targeted EUR 900 billion level. ING Bank cut CD/CP issuance after a strong inflow of short-term funding in the first quarter, and consequently reduced cash and balances with central banks by EUR 30 billion. Retail client deposits rose, and customer lending grew without realising total balance sheet growth. The loan-to-deposit ratio edged up to 1.15 compared with 1.14 at the end of March, due to lower corporate deposits. The asset leverage ratio declined to 24.6 from 26.1 at the end of March, due to balance sheet reduction and higher shareholder's equity.

Cash and balances with central banks

Cash and balances with central banks decreased by EUR 30 billion to EUR 14 billion at the end of the second quarter. This was the result of the deliberate reduction in short-term professional funding, resulting is less overnight deposits placed with central banks.

Amounts due to and from banks

Amounts due from banks declined by EUR 3 billion and amounts due to banks was reduced by EUR 10 billion, thereby lowering short-term professional funding. As a result, net borrowing from banks decreased by EUR 7 billion to EUR 11 billion at the end of the second quarter.

Loans

Loans and advances to customers increased by EUR 5 billion to EUR 586 billion, but they remained flat at comparable exchange rates. Excluding currency impacts, customer lending rose by EUR 2 billion due to growth in residential mortgages. Securities at amortised cost and IABF were down by EUR 2 billion as ING Bank continues to de-risk its balance sheet.

Financial assets/liabilities at fair value

Financial assets at fair value through P&L increased by EUR 2 billion to EUR 137 billion excluding currency effects, driven by the higher valuation of derivatives as a consequence of the further decline in long-term interest rates. Financial liabilities at fair value through P&L were down by EUR 5 billion to EUR 133 billion, excluding currency effects, due to lower repo funding that more than offset the higher valuation of derivatives mirroring the development on the asset side.

Debt securities in issue

Debt securities in issue decreased by EUR 9 billion, excluding currency effects, especially due to lower short-term debt (CD/CPs). In the second quarter. ING Bank issued EUR 4 billion of long-term debt, mainly senior unsecured, bringing the total issuance to EUR 15 billion in the first half of 2012.

Customer deposits

Customer deposits decreased by EUR 4 billion to EUR 483 billion, excluding EUR 2 billion of positive currency effects. The reduction was a result of a net outflow of EUR 8 billion in corporate deposits (mostly short-term deposits from asset managers and corporate treasuries at Commercial Banking). This was partly compensated by EUR 4 billion of higher Retail savings due to net inflows in the Netherlands, Germany and Belgium.

Shareholders' equity

Shareholders' equity increased by EUR 1.3 billion to EUR 36.6 billion due to retained net profit, but also to the higher currency translation and debt securities reserves. The asset leverage ratio decreased to 24.6 from 26.1 at the end of March, due to the joint impact of increased shareholder's equity and lower total assets.

RISK MANAGEMENT

ING continued to selectively de-risk its balance sheet in the second quarter, including sales of Spanish covered bonds and ABS securities, as it works towards optimising the local balance sheets. Active de-risking resulted in a reduction of the total Spanish exposure of EUR 6.2 billion in the 4 months ended July, of which EUR 4.8 billion in the second quarter. The weakening economic environment led to a marked deterioration in risk costs, which increased by EUR 100 million versus the first quarter, due to Real Estate Finance in Commercial Banking and to a lesser extent higher risk costs in Dutch mortgages and SME lending. Non-performing loans increased to 2.3% from 2.1%, mainly due to higher NPLs in Real Estate Finance and the mid-corporate/ SME segment. ING expects risk costs to remain elevated, reflecting the weakening of the economic climate.

Loan portfolio ING Bank

ING Bank: Loan portfolio

in EUR million	30 Jun 2012	31 Mar 2012
Residential mortgages	319,824	314,151
(Mid)-Corporates, SMEs and other	231,732	231,017
Governments	11,989	11,220
Securities at amortised cost and IABF	27,983	29,758
Provision for loan losses (loans and advances)	-5,435	-5,124
Total loans and advances to customers	**586,093**	**581,022**

Loans and advances to customers increased by EUR 5 billion to EUR 586 billion at the end of June, but they remained flat at comparable exchange rates. Excluding currency impacts, customer lending rose by EUR 2 billion, due to net production in residential mortgages. Securities at amortised cost and IABF were down by EUR 2 billion due to continued de-risking and run-off.

Risk costs

Underlying risk costs were EUR 541 million in the second quarter, up EUR 100 million from the first quarter 2012, mainly due to EUR 112 million higher risk costs in Commercial Banking and EUR 30 million higher risk costs in Retail Netherlands, partly offset by EUR 36 million lower risk costs in Retail Rest of World.

The EUR 112 million increase in risk costs in Commercial Banking versus the first quarter was almost entirely in Industry Lending, in particular Real Estate Finance (REF). Risk costs in Real Estate Finance increased by EUR 75 million, mainly in the Netherlands, the UK and Australia. The NPL ratio for REF increased from 5.7% to 7.3%, driven by the UK and to a lesser extent the Netherlands. The coverage ratio remained flat in the second quarter. The actual losses in the REF portfolio remain low. REF's financing policy is based on cash flow generating prime real estate portfolios, senior facilities, relatively low starting LTVs and conservative covenant setting. Construction is only 2.2% of the total REF portfolio.

However, given the deteriorating commercial real estate market, ING expects risk costs to remain elevated, reflecting the weakening of the economic climate. ING will continue to selectively de-risk its Real Estate Finance portfolio.

Risk costs for Retail Netherlands were EUR 30 million higher than the previous quarter due to higher risk costs for SME-lending (reflecting risk rating downgrades) and higher risk costs for mortgages (reflecting a model update at WestlandUtrecht Bank). The NPL ratio for the Dutch mid-corporate/SME segment increased slightly, from 4.5% in the first quarter to 4.7% in the second quarter, while the NPL ratio for the Dutch mortgage portfolio remained flat at 1.2%.

ING Bank: Stock of provisions

in EUR million	2Q2012	1Q2012
Provisions, beginning of period	5,139	4,950
Increases	716	598
Releases	-175	-157
Write-offs	-255	-245
Other	29	-7
Provisions, end of period*	**5,454**	**5,139**

* Stock of provisions includes provisions for amounts due from banks (end-of-June EUR 19 million)

Non-performing loans (NPL), expressed as a percentage of total loans and amounts due from banks, increased slightly to 2.3% from 2.1% at the end of March. Non-performing loans rose from EUR 13.0 billion at the end of March to EUR 14.3 billion at the end of June. The increase was mainly driven by Real Estate Finance and the mid-corporate/SME segment in the Netherlands.

The coverage ratio, defined as the stock of loan loss provisions divided by non-performing loans, decreased to 38% compared with 39% at the end of March. The overall coverage ratio is an average of unsecured loans, for which the ratio is relatively high, and loans with high collateral values (such as the Dutch mortgage portfolio), for which the coverage ratio is relatively low.

Securities portfolio

ING Bank: Debt securities*

in EUR billion	30 Jun 2012	31 Mar 2012
Government bonds	60.2	57.0
Covered bonds	25.1	27.2
Financial Institutions	15.6	15.4
Corporate bonds	1.4	1.5
ABS	14.8	15.8
US RMBS	0.7	0.6
Non-US RMBS	9.9	10.6
CMBS	1.2	1.3
CDO/CLO	0.4	0.4
Other ABS	2.5	2.9
Subtotal debt securities	**117.0**	**117.0**

* Figures exclude trading positions but include securities classified as Loans & Receivables

The balance sheet value of the securities portfolio was EUR 121.9 billion at the end of June, almost equal to a quarter-ago, of which

ING Bank: Greece, Italy, Ireland, Portugal and Spain - Total exposures - 30 June 2012

in EUR million	Greece	Italy	Ireland	Portugal	Spain	Total
Residential mortgages and other consumer lending	3	7,238	4	3	9,334	16,582
Corporate Lending	317	8,882	739	1,023	6,462	17,423
Financial Institutions Lending	0	346	1	89	342	778
Government Lending	0	202	0	0	59	261
Total Lending	**320**	**16,668**	**744**	**1,115**	**16,197**	**35,044**
RMBS	97	782	629	579	3,077	5,164
CMBS	0	0	298	0	0	298
Other ABS	0	302	7	100	55	464
Corporate Bonds	0	75	15	41	3	134
Covered Bonds	0	218	335	154	12,997	13,704
Financial institutions Bonds (unsecured)	0	625	57	18	17	717
Government Bonds[1)]	18	1,124	0	632	229	2,003
Total Debt Securities	**115**	**3,126**	**1,341**	**1,524**	**16,378**	**22,484**
Real Estate[2)]	**0**	**110**	**0**	**76**	**168**	**354**
Trading excluding CDS exposures	0	551	32	5	95	683
Sold CDS protection	0	14	1	0	43	58
Bought CDS protection	-6	-26	-6	0	-8	-46
Trading including CDS protection	**-6**	**539**	**27**	**5**	**130**	**695**
Undrawn committed facilities	**168**	**1,226**	**407**	**124**	**2,805**	**4,730**
Pre-settlement exposures[3)]	**73**	**572**	**377**	**16**	**679**	**1,717**
Total Risk exposures 30 June 2012	**670**	**22,241**	**2,896**	**2,860**	**36,357**	**65,024**
Total Risk exposures 31 March 2012	**738**	**23,013**	**2,921**	**2,825**	**41,112**	**70,609**
Total change in second quarter 2012	**-68**	**-772**	**-25**	**35**	**-4,755**	**-5,585**

Footnote: Total risk exposures to companies registered in Cyprus were approximately EUR 1 billion as per end of June, which consisted mostly of corporate lending (EUR 0.8 billion) and FM trades (EUR 0.2 billion). Majority of the corporate lending risk exposures were either deals with country of risk outside of Cyprus, LCs or Trade Commodity Finance with maturity less than 3 months. Therefore, net credit risk linked to Cyprus is not material for ING Bank.

1) In the second quarter of 2012 ING Bank bought CDS protection on the Spanish government for a nominal amount of EUR 264 million. This amount has been netted with exposure on the Spanish government bonds.

2) Real Estate includes Real Estate Development, Real Estate Investments and Property in Own Use; it does not include (indirect) exposure through Real Estate Finance, which is reflected in Total Lending and Total Debt Securities.

3) Pre-settlement exposure is exposure typically existing of dealing room products such as options, swaps, and securities financing transactions. This exposure is based on the replacement value (Marked-To-Market) of each product plus potential future volatility concept.

EUR 117.0 billion was in debt securities and EUR 4.9 billion in equity securities. The debt securities revaluation reserve after tax rose to EUR 178 million from EUR 31 million at the end of the previous quarter due to the interest rate and credit spread developments.

BANK - BREAKDOWN OF GOVERNMENT BONDS 2Q2012

Government bonds rose by EUR 3.2 billion during the second quarter, due to an increase in Dutch paper in order to further build up a Basel III eligible liquidity buffer. Covered bonds declined by EUR 2.1 billion, following de-risking at Retail Banking International, including the sale of Cedulas. ING Bank continued to manage its asset-backed securities (ABS) portfolio downwards in the second quarter. Compared with the end of March, the ABS exposure declined by EUR 1.0 billion to EUR 14.8 billion as a result of the de-risking of the European RMBS portfolio.

Greece, Italy, Ireland, Portugal and Spain (GIIPS)

Given the weakening macroeconomic climate in Europe, ING took proactive de-risking measures in the second quarter by selectively reducing its exposure to southern European debt and to prevent RWA migration. Total exposure to the GIIPS countries were reduced by EUR 5.6 billion compared with the first quarter, mainly due to active de-risking in Spain. The total losses that resulted from the de-risking actions amounted to EUR 178 million in the second quarter.

Spain is one of the countries where ING has been proactively de-risking and reducing its investment exposure. ING has also been optimising its balance sheet by transferring Spanish assets to Spain. ING Bank's exposure to Spain was reduced by EUR 4.8 billion in the second quarter, including a decrease of EUR 2.3 billion in the lending book and a decrease of EUR 3.1 billion in the debt securities portfolio. Covered bonds decreased by EUR 2.1 billion (of which EUR 1.7 billion were sales), the RMBS portfolio decreased by EUR 0.5 billion (of which EUR 0.4 billion sales) and the government portfolio decreased by EUR 0.3 billion (largely due to CDS bought). The losses that resulted from the de-risking actions on Spain amounted to EUR 156 million in the second quarter. ING will continue to selectively de-risk its Spanish debt securities portfolio.

The overall quality of the loan book in Spain remained relatively good. Total risk costs on the Spanish lending book declined from

EUR 43 million in the first quarter to EUR 33 million in the second quarter. The NPL ratio of the total loan book in Spain increased slightly to 6.4% from 5.7% in the first quarter. The coverage ratio rose to 44% from 39% in the first quarter.

The NPL ratio of the Spanish mortgage portfolio remained stable at a very low level of 0.7%. Average indexed LTV increased slightly to 64% from 60% in the first quarter. The client base is healthy (first mortgages, urban area, saving account clients). The corporate portfolio of EUR 6.5 billion is well diversified and relatively well provisioned with an NPL coverage ratio of 46% on the few non-performing loans. Within the corporate portfolio, the Real Estate Finance portfolio of EUR 2.7 billion has a relatively high NPL ratio of 18%. However, risk costs have been relatively benign so far and there have been no write-offs. Construction accounts for only EUR 42 million, or 1.6%, of the REF portfolio.

Total exposure to Italy declined by EUR 0.8 billion, mainly due to a reduction in undrawn committed facilities and lower lending to financial institutions. The quality of the total loan book in Italy remained relatively good, with only a slight increase of the NPL ratio to 3.8%, due to an increase of the NPL ratio of the Italian Lease portfolio that is in run-off. The NPL ratio of the mortgage portfolio remained flat at 0.5%.

Market risk

ING Commercial Bank: Consolidated VaR trading books

in EUR million	Minimum	Maximum	Average	Quarter-end
Foreign exchange	1.4	6	2.6	6
Equities	3.7	9.2	5.9	4.8
Interest rate	11.6	25.9	18.9	15
Credit spread	3.8	5.5	4.6	4.1
Diversification	-	-	8.1-	13.8-
Total VaR[1)]	**13.0**	**32.3**	**24.0**	**16.2**

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

The average Value-at-Risk (VaR) increased by EUR 8 million to EUR 24 million in the second quarter of 2012. This was mainly driven by an increase in interest rate risk in the trading books. The overnight VaR for ING Bank's trading portfolio ranged from EUR 13 million to EUR 32 million.

Liquidity risk

The capital markets and money markets remained challenging in the second quarter of 2012. ING continued to have ample access to funding at acceptable pricing and has lengthened its funding profile compared with previous quarters. Funds entrusted growth continued to develop favourably at Retail Banking, while at Commercial Banking short-term deposits were partly substituted with longer-term CD/CPs. ING Bank issued EUR 4 billion of long-term debt in the second quarter.

Throughout the credit and liquidity crisis, ING has maintained its liquidity position within conservative internal targets. ING Bank's loan-to-deposit ratio, excluding securities recorded at amortised costs in loans and advances and the IABF government receivable, edged up to 1.15 from 1.14 at the end of the previous quarter.

ING Bank's total eligible collateral position at market value decreased to EUR 193 billion, compared with EUR 224 billion at the end of March.

Risk-weighted assets

Risk-weighted assets (RWA) rose 1.3% to EUR 303 billion from EUR 300 billion at the end of March, mainly due to currency effects. Despite the challenging economic conditions, risk migration remained limited to EUR 1 billion as a result of ING's proactive de-risking measures in the second quarter. Market RWA rose in line with the increase of volatility in the financial markets. These impacts were offset by volume reductions in especially Commercial Banking.

The composition of ING Bank's RWA at 30 June 2012 was as follows: Credit RWA: 84.4%; Operational RWA: 11.7%; and Market RWA: 3.9%.

Insurance

CONSOLIDATED RESULTS

Insurance: Consolidated profit and loss account

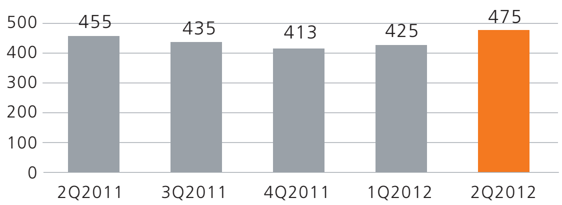
In EUR million	2Q2012	2Q2011	Change	1Q2012	Change	1H2012	1H2011	Change
Gross premium income	4,739	4,626	2.4%	6,051	-21.7%	10,790	10,954	-1.5%
Commission income	346	367	-5.7%	327	5.8%	673	714	-5.7%
Total investment and other income	2,620	1,815	44.4%	95	2657.9%	2,714	2,930	-7.4%
Total underlying income	**7,705**	**6,808**	**13.2%**	**6,473**	**19.0%**	**14,178**	**14,598**	**-2.9%**
Underwriting expenditure	6,513	5,448	19.5%	5,774	12.8%	12,287	12,085	1.7%
Operating expenses	827	762	8.5%	814	1.6%	1,642	1,516	8.3%
Interest expenses	127	122	4.1%	114	11.4%	241	271	-11.1%
Other	8	3	166.7%	4	100.0%	12	7	71.4%
Total underlying expenditure	**7,475**	**6,336**	**18.0%**	**6,707**	**11.5%**	**14,182**	**13,879**	**2.2%**
Underlying result before tax	**229**	**472**	**-51.5%**	**-234**	**n.a.**	**-4**	**719**	**-100.6%**
of which life insurance	281	483	-41.8%	-179	n.a.	102	761	-86.6%
of which non-life insurance	23	62	-62.9%	-4	n.a.	19	84	-77.4%
of which investment management	53	52	1.9%	47	12.8%	100	103	-2.9%
of which corporate line	-127	-125	n.a.	-98	n.a.	-226	-228	n.a.
Taxation	-99	80	-223.8%	-47	n.a.	-146	175	-183.4%
Minority interests	-2	1	-300.0%	16	-112.5%	14	9	55.6%
Underlying net result	**331**	**390**	**-15.1%**	**-203**	**n.a.**	**128**	**535**	**-76.1%**
Net gains/losses on divestments	-188	-		-		-188	-	
Net results from divested units	-3	-1		-0		-3	-4	
Net results from discontinued operations	111	215		162		273	371	
Special items after tax	37	-57		-111		-74	-121	
Net result	**288**	**547**	**-47.3%**	**-151**	**n.a.**	**136**	**781**	**-82.6%**
Insurance - Margin analysis								
Investment margin	475	455	4.4%	425	11.8%	900	811	11.0%
Fees and premium-based revenues	765	777	-1.5%	790	-3.2%	1,554	1,577	-1.5%
Technical margin	92	222	-58.6%	82	12.2%	175	371	-52.8%
Income non-modelled life business	6	9	-33.3%	4	50.0%	11	22	-50.0%
Life & ING IM operating income	**1,338**	**1,463**	**-8.5%**	**1,301**	**2.8%**	**2,639**	**2,781**	**-5.1%**
Administrative expenses	625	576	8.5%	633	-1.3%	1,258	1,148	9.6%
DAC amortisation and trail commissions	318	288	10.4%	324	-1.9%	642	589	9.0%
Life & ING IM expenses	**943**	**864**	**9.1%**	**957**	**-1.5%**	**1,900**	**1,737**	**9.4%**
Life & ING IM operating result	**395**	**599**	**-34.1%**	**344**	**14.8%**	**739**	**1,044**	**-29.2%**
Non-life operating result	31	67	-53.7%	7	342.9%	39	108	-63.9%
Corporate Line operating result	-122	-100	n.a.	-94	n.a.	-216	-234	n.a.
Operating result	**304**	**565**	**-46.2%**	**258**	**17.8%**	**562**	**918**	**-38.8%**
Gains/losses and impairments	-54	-116		93		39	-262	
Revaluations	21	106		-177		-156	192	
Market & other impacts	-42	-83		-407		-449	-129	
Underlying result before tax	**229**	**472**	**-51.5%**	**-234**	**n.a.**	**-4**	**719**	**-100.6%**
Life Insurance - New business figures								
Single premiums	2,555	2,647	-3.5%	2,528	1.1%	5,083	5,524	-8.0%
Annual premiums	412	348	18.4%	529	-22.1%	941	866	8.7%
New sales (APE)	668	613	9.0%	782	-14.6%	1,449	1,418	2.2%
Life & ING IM - Key figures								
Administrative expenses / operating income	46.7%	39.4%		48.7%		47.7%	41.3%	
Life general account invested assets (end of period, in EUR billion)				131	3.8%	136	125	8.8%
Investment margin / Life general account invested assets (in bps)[1]	133	119		134				
Client balances (end of period, in EUR billion)				341	2.1%	348	308	13.0%
ING IM Assets under Management (end of period, in EUR billion)	293	263	11.4%	284	3.2%	293	263	11.4%
Other key figures								
Administrative expenses (total)	730	715	2.1%	763	-4.3%	1,494	1,420	5.2%
Return on equity[2]	5.4%	8.1%		-3.5%		1.1%	5.5%	
Employees (FTEs, end of period)	20,399	20,737	-1.6%	20,493	-0.5%	20,399	20,737	-1.6%

1 Four-quarter rolling average
2 Annualised underlying net result divided by average IFRS-EU equity

ING Insurance continued to focus on protecting regulatory capital amid the volatile financial markets in the second quarter. Results increased sequentially on both an operating and an underlying basis, despite the challenging environment. The Insurance operating result rose 17.8% from the first quarter, as seasonally higher dividend income and growth in general account assets pushed the investment margin higher. Compared with a year ago, operating results were down 46.2%, due in part to positive non-recurring items in the investment and technical margins last year, as well as pressure on non-life results in the Benelux. Underlying results before tax were EUR 229 million, supported by positive results on regulatory capital hedges in the US Closed Block VA.

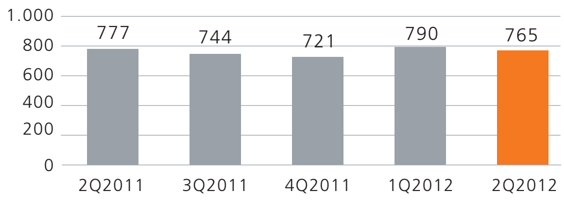
The operating result from Life Insurance and Investment Management jumped 14.8% from the previous quarter to EUR 395 million, primarily fuelled by a higher investment margin. The operating result was 34.1% lower year-on-year, mainly due to positive non-recurring items in both the technical and investment margins in the Benelux in the second quarter of 2011, as well as lower results from the US Closed Block VA in the current quarter.

INVESTMENT MARGIN (in EUR million)



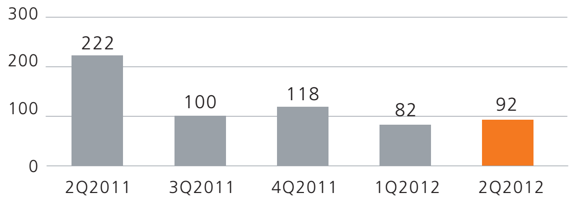
The investment margin was EUR 475 million, up 9.5% from the first quarter but down 2.1% versus the second quarter of last year, excluding currency effects. The sequential increase was driven by seasonally higher dividends in the Benelux, and growth in general account assets and lower average crediting rates in the US. The investment margin was lower year-on-year, as the second quarter of 2011 included EUR 28 million of positive one-time items that lifted the investment margin. The decline was also caused by the impact of de-risking measures taken in the Benelux in the second half of 2011, offset by the improvements in the US investment margin in the current quarter. The four-quarter rolling average investment spread was 133 basis points. The investment spread is expected to decline gradually in 2012, mainly reflecting ongoing de-risking of the investment portfolio in the Benelux.

FEES AND PREMIUM-BASED REVENUES (in EUR million)



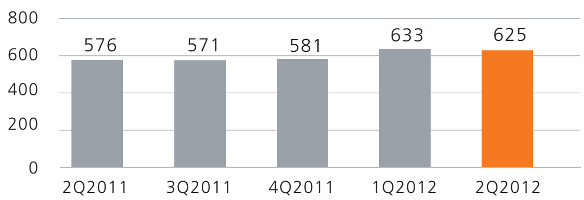
Fees and premium-based revenues declined 1.5% from one year ago to EUR 765 million. Higher premium-based revenues in the current quarter in the US were more than offset by lower results in the US Closed Block VA, as well as lower fees in Central & Rest of Europe stemming from a shift in product mix and pension fund regulatory changes in Poland and Hungary. Fees and premium-based revenues declined 3.2% sequentially as first-quarter sales in the Benelux were seasonally higher.

TECHNICAL MARGIN (in EUR million)



The technical margin declined to EUR 92 million from EUR 222 million in the second quarter of 2011, as that quarter included a EUR 70 million non-recurring item in the Benelux. Results in the current quarter also reflect the negative impact of the current low interest rate environment on the guarantee provisions for individual life insurance contracts in the Benelux, as well as a lower mortality result in Individual Life in the US. Compared with the previous quarter, the technical margin rose 12.2%, mainly due to an addition to guarantee provisions related to group life contracts in the Benelux in the first quarter.

ADMINISTRATIVE EXPENSES (in EUR million)



Life & ING IM administrative expenses were up 8.5% from a year ago, but flat excluding currency effects. Second-quarter expenses reflect the continued focus on prudent cost containment in all regions and lower project costs related to the establishment of a regional IT organisation in Central & Rest of Europe. These positive factors were offset by higher expenses for Solvency II and the creation of NN Bank in the Benelux. Compared with the previous quarter, expenses were down 1.3%, or 3.1% excluding currency effects. This decline was caused by lower expenses in Central & Rest of Europe due to the annual financial institutions tax in Hungary, incurred in the first quarter.

The Non-life operating result declined to EUR 31 million from EUR 67 million one year ago. This decline was largely caused by continued unfavorable claims experience in Disability & Accident due to the effects of the Dutch economic downturn. On a sequential basis, the Non-life operating result increased by EUR 24 million, in part driven by non-recurring reserve releases in Property & Casualty.

The Corporate Line operating result was EUR -122 million compared with EUR -100 million in the second quarter of 2011. This decline was mainly due to lower results from Sul America and higher corporate expenses.

The underlying result before tax of Insurance was EUR 229 million, down from EUR 472 million one year ago, due to the lower operating result and despite a EUR 18 million improvement in market-related items. The underlying result before tax improved from EUR -234 million in the first quarter of 2012 as that quarter included EUR 570 million of negative results on hedges to protect regulatory capital.

Gains/losses and impairments on investments were EUR -54 million, including EUR 45 million of impairments on equities and EUR 44 million of losses and impairments on debt securities, primarily from de-risking. Partially offsetting these impacts was EUR 43 million of capital gains on sales of public equities, mainly in the Benelux.

Revaluations were EUR 21 million and primarily reflect EUR 101 million of positive revaluations of CMO investments in the US and EUR 20 million positive revaluation result in Central & Rest of Europe driven by the unwinding of interest rate hedges. These items more than compensated for a EUR 73 million loss related to the agreement to sell a portfolio of limited partnership interests in the US and EUR -32 million of real estate revaluations in the Benelux.

Market and other impacts were EUR -42 million, including a EUR 46 million non-recurring pension curtailment charge in the US. Furthermore there was a EUR 258 million gain on hedges (net of reserve changes) in the US Closed Block VA as the hedge programme continues to focus on protecting regulatory capital rather than mitigating earnings volatility. This was offset by a EUR -241 million change in the provision for guarantees on separate account pension contracts (net of hedging) in the Benelux.

As of 30 June 2012, the Asian Insurance and Investment Management businesses and the reinsured Japan SPVA businesses in Corporate Reinsurance are classified as held for sale and as discontinued operations. Although no divestment transactions have yet been completed, it has been decided to write off the EUR 180 million goodwill in ING Investment Management (IIM) Korea. IFRS 5 requires a write-off of certain assets, such as goodwill, if a unit is expected to be divested below book value.

For other assets in Asia, such as investments and insurance-related assets, the regular accounting policies continue to apply and the carrying value of these assets is not impacted by the held for sale classification. Negotiations are on-going and it is too early to predict the final financial outcome with respect to the divestments of the operations held for sale.

The quarterly net result for Insurance was EUR 288 million. This included a EUR 111 million net result from Asia Insurance and Investment Management, reported under discontinued operations, and EUR 188 million of net losses on divestments. The latter mainly consists of the EUR 180 million goodwill write-off for IIM Korea. Special items after tax were EUR 37 million and predominantly reflect a EUR 87 million favourable impact of a provision release following the new Dutch employee pension scheme, announced on 3 July 2012, which offset other costs related to restructuring programmes and separation expenses.

The EUR 111 million net result from discontinued operations included EUR 112 million from Insurance Asia, EUR 3 million from the Corporate Line and EUR -4 million from IIM Asia. Insurance Asia showed a solid second-quarter performance with a pro-forma underlying pre-tax result of EUR 160 million, up from EUR 135 million one year ago. Strong sales growth of non-cancer COLI products in Japan and improved mortality results in Korea drove results higher, while expenses stayed flat. Underlying pre-tax results declined from the first quarter of 2012, as that quarter included positive non-recurring items and seasonally higher premium income from Japan COLI. The Corporate Line results represent the internally reinsured Japanese SPVA guarantees and related hedges.

Total new sales (APE) at ING Insurance were EUR 668 million, up 9.0% from one year ago. However, on a constant currency basis, sales were down 5.0% year-on-year. Sales in Central and Rest of Europe rose 8.8% as higher sales in the Czech Republic and Turkey more than compensated for lower sales in Poland and Hungary. At Insurance US, sales rose 1.1%, reflecting higher full service retirement plan, individual life and employee benefits sales. Sales in the Benelux declined 6.7%, due to lower sales from individual life products in the Netherlands. Compared with the previous quarter, total Insurance sales fell 17.7% at constant currencies, mainly attributable to seasonally higher sales in the Benelux and the US in the first quarter.

INSURANCE

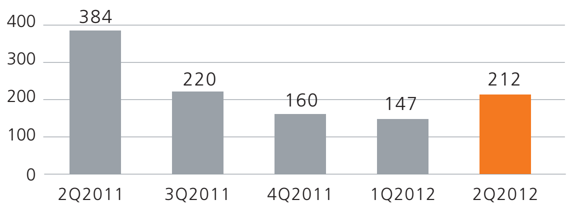
Insurance: Breakdown by business area

	Benelux		Central & Rest of Europe		United States		US Closed Block VA		ING IM	
In EUR million	2Q2012	2Q2011	2Q2012	2Q2011	2Q2012	2Q2011	2Q2012	2Q2011	2Q2012	2Q2011
Investment margin	180	216	15	20	283	213	-4	7	1	-0
Fees and premium-based revenues	143	141	103	124	298	260	24	61	196	191
Technical margin	56	145	43	48	-8	23	0	6	-	-
Income non-modelled life business	1	8	5	1	0	-0	0	-0	-0	0
Life & ING IM operating income	**381**	**509**	**166**	**192**	**573**	**496**	**21**	**74**	**197**	**191**
Administrative expenses	153	142	68	75	222	193	27	20	155	146
DAC amortisation and trail commissions	44	49	54	52	183	149	37	38	1	1
Life & ING IM expenses	**197**	**191**	**122**	**127**	**405**	**342**	**64**	**58**	**156**	**147**
Life & ING IM operating result	**184**	**318**	**44**	**66**	**168**	**154**	**-43**	**17**	**42**	**44**
Non-life operating result	29	66	2	1	-	-	-	-	-	-
Operating result	**212**	**384**	**47**	**67**	**168**	**154**	**-43**	**17**	**42**	**44**
Gains/losses and impairments	-50	0	-13	-109	6	-6	0	-5	0	0
Revaluations	-44	7	20	-	41	119	1	0	10	7
Market & other impacts	-229	-109	-	-	-70	-22	258	49	-	-
Underlying result before tax	**-111**	**282**	**53**	**-42**	**145**	**244**	**216**	**61**	**53**	**52**
Life Insurance - New business figures										
Single premiums	426	486	146	198	1,983	1,962	-	-	-	-
Annual premiums	69	70	72	63	271	215	-	-	-	-
New sales (APE)	111	119	87	83	469	411	-	-	-	-
Key figures										
Gross premium income	1,305	1,477	453	527	2,925	2,570	114	110	-	-
Adm. expenses / operating income (Life & ING IM)	40.2%	27.9%	41.0%	39.1%	38.7%	38.9%	128.6%	27.0%	78.7%	76.4%
Life general account invested assets (end of period, in EUR billion)	60	58	7	8	64	55	5	4	-	-
Investment margin / Life general account invested asset (in bps)[1]	111	97	90	98	169	149	32	55	-	-
Provision for life insurance & investm. contracts for risk policyholder (end of period)	22,113	21,813	3,583	3,806	40,716	34,944	33,113	32,156	-	-
Net production client balances (in EUR billion)	-0.6	0.1	0.1	-1.7	-0.1	-0.1	-0.6	-0.7	-1.4	1.7
Client balances (end of period, in EUR billion)	70.7	70.4	27.0	27.9	103.7	90.0	34.0	32.9	112.4	87.4
Administrative expenses (total)	248	242	69	76	222	193	27	20	155	146

1 Four-quarter rolling average

INSURANCE BENELUX

OPERATING RESULT - BENELUX (in EUR million)



The operating result improved from the first quarter but declined to EUR 212 million from EUR 384 million in the second quarter of 2011, which included a total of EUR 98 million of non-recurring positive items in the technical margin and the investment margin. Investment margins have also trended lower compared with a year ago, reflecting the impact of de-risking efforts since the second half of 2011. Non-life results continue to be under pressure due to unfavourable claims experience in the Disability & Accident line. Operating results improved to EUR 212 million from EUR 147 million in the first quarter of 2012, supported by a seasonally higher investment margin and better non-life results.

Underlying results from Insurance Benelux were significantly impacted by unfavourable financial markets in Europe in the second quarter, including declining equity markets, large decreases in interest rates, non-parallel interest rate curve movements, and widening credit spreads. Under these circumstances, Insurance Benelux continued its hedging strategy to protect regulatory capital and further de-risked its investment portfolio through selective sales within the fixed income portfolio. The underlying result before tax for Insurance Benelux declined to EUR -111 million in the second quarter, mainly reflecting a negative result (net of hedging) on separate account pension contracts of EUR 241 million.

The life investment margin declined to EUR 180 million from EUR 216 million in the second quarter of 2011. This reflects de-risking and other management actions, which have shifted the fixed income portfolio to lower-yielding Dutch and German government bonds, while equity exposures have been reduced. The second quarter of 2011 was also positively impacted by non-recurring items of EUR 28 million, largely related to interest credited on separate account pension contracts. Compared with the first quarter of 2012, the investment margin increased by EUR 36 million. This reflects the seasonal impact of dividends on equity securities, which are typically received in the second quarter. The investment spread, calculated as a four-quarter rolling average, improved to 111 basis points from 97 basis points in the second quarter of 2011. However, the spread declined from 117 basis points in the previous quarter, reflecting a larger impact from de-risking on the four-quarter rolling average calculation. The de-risking actions are expected to reduce the 2012 investment spread by 10 to 15 basis points.

Fees and premium-based revenues increased slightly to EUR 143 million from EUR 141 million in the second quarter of 2011. The inclusion of AZL, the pension administration company (included in the margin analysis as of the first quarter of 2012), contributed EUR 7 million with a corresponding reduction in non-modelled income. On a comparable basis, fees and premium-based revenues decreased by EUR 5 million, in line with lower gross premium income. Compared with the first quarter of 2012, fees and premium-based revenues declined by EUR 31 million due to seasonality, as annual premiums for corporate pensions are typically received and recognised in the first quarter of the year.

The technical margin declined to EUR 56 million from EUR 145 million in the second quarter of last year, which included a EUR 70 million non-recurring result related to the early surrender of a contract with a large pension fund. In the current quarter, the technical margin included a EUR 9 million increase of guarantee provisions related to retail life contracts due to lower interest rates, as well as EUR 13 million lower morbidity and mortality results than a year ago. The technical margin was EUR 20 million higher than in the previous quarter, which included an addition of EUR 19 million to guarantee provisions related to group life contracts.

Life administrative expenses were EUR 153 million, up 7.7% from a year ago, but down slightly from the first quarter of 2012. The increase from the same quarter of last year was mainly due to Solvency II project costs and higher recurring costs related to the start-up of NN Bank. The ratio of Life administrative expenses to operating income increased to 40.2% from 27.9% in the second quarter of 2011, due to lower Life operating income and higher Life administrative expenses.

DAC amortisation and trail commissions declined to EUR 44 million from EUR 49 million in the second quarter of 2011, reflecting lower commissions in line with lower gross premium income. DAC amortisation and trail commissions were higher in the first quarter of 2012, reflecting seasonally higher premium income.

The non-life operating result declined to EUR 29 million from EUR 66 million in the second quarter of last year, largely caused by unfavourable claims experience in Disability & Accident (D&A) insurance in the Netherlands. The downturn of the economy has led to an acceleration of claims in group income protection products. Consequently, additional reserve strengthening took place in the quarter, following earlier additions both in the previous quarter and the second half of last year. In addition, claims in Property & Casualty (P&C) products increased from the second quarter of 2011, partly offset by EUR 17 million of non-recurring provision releases in this quarter. Compared with the first quarter of 2012, the non-life operating result increased by EUR 22 million, driven mainly by the aforementioned non-recurring reserve releases and lower claims in individual income protection products.

The impact of market volatility and de-risking was primarily evident in the non-operating items. The underlying result before tax decreased to EUR -111 million from EUR 282 million in the second quarter of 2011 and EUR -8 million in the first quarter of 2012.

Gains/losses and impairments were EUR -50 million compared to nil in the second quarter of last year and EUR 70 million in the first quarter of 2011. The negative result in the current quarter was due to EUR 44 million of impairments on equities and EUR 34 million of net losses and impairments on debt securities, which included EUR 23 million of losses on the sale of Portuguese and Spanish bonds due to de-risking. These items were partially offset by gains of EUR 40 million on the sale of public equities.

The current quarter included EUR -32 million of revaluations on real estate. Furthermore, revaluations on equity options amounted to EUR -7 million, despite the drop in equity markets. While the hedging strategy remained focused on protecting local regulatory capital from a market decline, the roll-over of put options in volatile markets, changes in strike levels, and decay of time value of the options resulted in a small negative revaluation for the quarter.

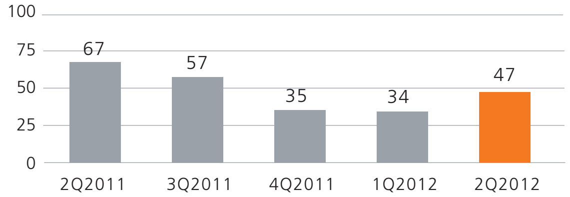
Market & other impacts totalled EUR -229 million compared with EUR -109 million a year ago and EUR -18 million in the first quarter. The loss in the current quarter mainly stems from a EUR 241 million negative change in provision for guarantees on separate accounts pension contracts (net of hedging) and a EUR 5 million gain on macro interest rate hedges to protect solvency. Non-parallel interest rate movements in the long-end of the curve, together with basis risk on interest rates and equities, caused the large negative result in this quarter.

New sales (APE) declined slightly to EUR 111 million from EUR 119 million in the second quarter of last year, due to lower sales of individual life products in the Netherlands. Sales were down from EUR 127 million in the first quarter due to seasonality in corporate pension sales.

The total funds entrusted to NN Banksparen accounts, which were introduced in October 2011, grew to EUR 226 million from EUR 145 million at the end of the first quarter of 2012. Sales of ‘banksparen’ products are not captured in APE.

INSURANCE CENTRAL AND REST OF EUROPE

OPERATING RESULT - CENTRAL AND REST OF EUROPE (in EUR million)



The financial turmoil in Greece and Spain, as well as regulatory changes in the pension markets in Poland and Hungary, continued to put pressure on the operating results of Central and Rest of Europe. The operating result declined to EUR 47 million from EUR 67 million in the second quarter of last year, reflecting the impact of pension reforms implemented in Poland and Hungary, which affected the results as from the third quarter of 2011, as well as lower results in Greece due to the challenging macroeconomic climate. The operating result increased 38.2% from EUR 34 million in the first quarter, which included the EUR 14 million annual Hungarian financial institutions tax.

Underlying results improved significantly compared with the second quarter of last year and the previous quarter. The second quarter of last year included impairments on Greek government bonds of EUR 106 million and the previous quarter included losses from the execution of the Greek Private Sector Involvement (PSI) debt exchange and the sale of financial institutions bonds in Spain. Sales growth remained robust, rising 8.8% on the same quarter of last year, driven by multi-distribution channel initiatives.

The investment margin declined to EUR 15 million from EUR 20 million in the second quarter of last year, down 21.1% excluding currency effects. The decrease was mainly due to lower investment yields in Greece, reflecting de-risking measures taken last year, as well as the impact of the PSI debt exchange. Compared with the previous quarter, the investment margin increased 36.4%, excluding currency effects, due in part to dividends received in Spain and a depreciation of the Hungarian forint versus the euro on a local euro exposure in the quarter.

Fees and premium-based revenues fell to EUR 103 million from EUR 124 million in the second quarter of last year, down 13.4% excluding currency effects. The decline reflects lower fees on life insurance (as older higher-margin portfolios mature and are replaced by lower-margin products) as well as the impact of regulatory changes to pension funds in Poland and Hungary. Declining equity markets, increased risk-aversion among customers and the economic downturn in Greece, all negatively impacted fee income compared with last year. Compared with the previous quarter, fees and premium-based revenues declined 5.5%, excluding currency effects, mainly due to lower fee income in the Polish pension fund.

The technical margin was EUR 43 million, down from EUR 48 million in the second quarter of last year and EUR 46 million in the previous quarter. Both comparable quarters included higher surrender results, which in the previous quarter were mainly due to regulatory changes on mortgages in Hungary, which were implemented in the third quarter of 2011.

DAC amortisation and trail commissions increased to EUR 54 million from EUR 52 million in the same quarter of last year, as higher commissions were paid in line with higher sales.

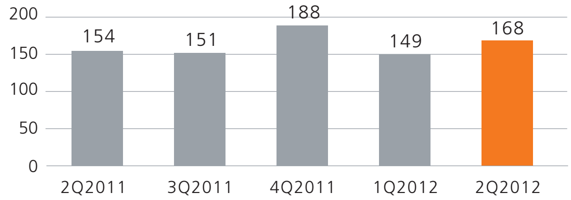
Life administrative expenses fell 5.6%, excluding currency effects, to EUR 68 million from EUR 75 million in the second quarter of 2011, as project costs related to the establishment of a regional IT organisation have come down since last year. Life administrative expenses dropped 18.1%, excluding currency effects, compared with the previous quarter, which included the annual financial institutions tax in Hungary.

The underlying result before tax improved significantly to EUR 53 million from EUR -42 million in the same quarter of 2011 and EUR 19 million in the previous quarter. The current quarter included EUR 13 million of losses on the sale of financial institutions bonds due to de-risking, which were offset by a EUR 20 million positive revaluation result driven by the unwinding of interest rate hedges, both in Spain. The second quarter of 2011 included impairments on Greek government bonds of EUR 106 million, and the first quarter of 2012 included losses from the execution of the Greek PSI debt exchange and the sale of financial institutions bonds in Spain.

New Sales (APE) increased to EUR 87 million from EUR 83 million in the same quarter of last year, up 8.8% excluding currency effects. Life insurance sales climbed 10.5% excluding currency effects. This increase was mainly driven by strong sales in the Czech Republic and Turkey, fuelled by multi-distribution channel initiatives. Pension sales increased 4.3% excluding currency effects, due to the broker expansion strategy in Turkey. This offset lower sales in Poland and Hungary following regulatory changes to pension funds in both countries last year. APE was down 17.9% excluding currency effects compared with the previous quarter, which included strong sales of a short-term life product in Hungary, a new single premium unit-linked product in Greece, and a new group contract in Spain.

INSURANCE UNITED STATES

OPERATING RESULT - UNITED STATES (in EUR million)



The operating result for Insurance US was EUR 168 million, down 2.3% excluding currency effects from the second quarter of last year, but up 10.5% from the first quarter of 2012. Results for the quarter were dampened by lower mortality results and a higher reserve increase in the Individual Life business. Results from the

Retirement and Annuities businesses increased 14% and 98%, respectively, driven by improved investment margins and flat expenses, while Employee Benefits and the closed block Group Reinsurance business benefited from improvements in the technical margin.

Insurance US took important steps in the second quarter to cut costs, through outsourcing, and to reduce capital requirements, through the sale of alternative assets. While both of these measures reduced underlying results in the second quarter, operating results held up well and improved strongly from the first quarter, supported by a higher investment spread and growth in general account assets, mainly in the Retirement business.

The investment margin for the US businesses increased to EUR 283 million, up 17.5% from a year earlier and 3.7% from the first quarter, excluding currency effects. The increase over the second quarter of 2011 was primarily due to growth in general account assets in the Retirement business and lower average crediting rates in both the Retirement and Annuities businesses. The decrease in the average credited rates in Annuities was primarily caused by lapses in multi-year guaranteed annuities ('MYGAs'). Certain MYGAs, mostly sold in 2002, will reach the end of their initial term in 2012. The run-off of these MYGA contracts is enhancing the investment margin. The increase from the first quarter of 2012 was also due to higher Retirement assets and lower credited rates, but was partially offset by lower prepayment fee income.

Fees and premium-based revenues increased slightly to EUR 298 million, up 1.4% from the second quarter of 2011 and 0.7% from the first quarter of 2012, excluding currency effects. The increase over both quarters is primarily due to growth in premium-based revenue in the term life business. Fee income was flat on the second quarter of 2011 as higher net flows in the Retirement full service business and slightly higher equity market levels were offset by customer transfers to fixed accounts and lower recordkeeping fees due to terminated contracts.

The technical margin was EUR -8 million, versus EUR 23 million in the second quarter of 2011 and EUR -8 million in the first quarter of 2012. The decrease from the second quarter of 2011 was due to lower results in Individual Life, partially offset by higher results in Employee Benefits and the closed block Group Reinsurance business. The flat result on the first quarter of 2012 reflected lower results in Individual Life, which were completely offset by improved results in the Employee Benefits and the closed block Group Reinsurance business. The lower results in the Individual Life were due to increasing reserves as a result of the growth in the business (offset by growth in fees and premium-based revenues) and to volatility related to the mix of claims, which impacted the percentage of reinsurance recoveries and the amount of reserves released.

Insurance US continued to focus on strong cost control in the second quarter. Administrative expenses increased just 1.8% to EUR 222 million from a year earlier and were down 2.6% from the first quarter, excluding currency effects, despite a non-recurring charge of EUR 9 million from severance accruals.

DAC amortisation and trail commissions were EUR 183 million, an increase of 8.3% from the second quarter of 2011 and up 2.2% from the first quarter of 2012, excluding currency effects. The increase over both quarters was primarily due to higher operating income subject to DAC amortisation.

The underlying result before tax declined to EUR 145 million from EUR 244 million in the second quarter of 2011 and EUR 191 million in the first quarter of 2012, mainly due to non-recurring items related to outsourcing and the sale of alternative assets in the current quarter. Results included a EUR 73 million loss related to the agreement to sell a portfolio of limited partnership interests in order to reduce capital requirements and earnings volatility. In addition, results included a EUR 46 million pension curtailment charge related to the reduction of more than 1,000 of our employees as part of a seven-year agreement to receive a comprehensive array of insurance business process services. Excluding these two items, the underlying result before tax for the second quarter of 2012 was EUR 264 million.

Gains/losses and impairments were EUR 6 million compared to EUR -6 million in the second quarter of 2011 and EUR 18 million in the first quarter of 2012. The current quarter reflected EUR 26 million of gains from securities that were sold in the quarter, partially offset by EUR -20 million in impairments and credit losses.

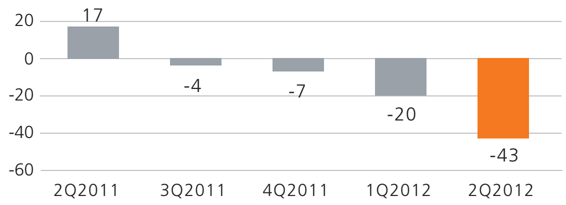
Revaluations were EUR 41 million compared with EUR 119 million in the second quarter of 2011 and EUR 35 million in the first quarter of 2012. The current quarter contained EUR 101 million of positive revaluations of CMO investments, primarily due to updated prepayment assumptions, partially offset by EUR 64 million in negative revaluations of alternative investments, including EUR 73 million related to the agreement to sell a portfolio of limited partnership interests. This sale reduces the exposure to alternative investments and will reduce capital requirements in light of the high capital charge associated with this asset class. The prior year included very strong revaluations of EUR 64 million in the alternative investment portfolio.

Market and other impacts were EUR -70 million compared with EUR -22 million in the second quarter of 2011 and EUR -11 million in the first quarter of 2012. The current quarter reflected EUR -54 million of DAC amortisation, which was driven by positive revaluations and investment gains subject to DAC amortisation, as well as EUR -46 million due to a non-recurring pension curtailment charge, partially offset by EUR 23 million in hedge gains related to Stable Value product guarantees.

New sales (APE) were EUR 469 million, which was 1.1% higher than in the second quarter of 2011 but 16.9% lower than in the first quarter (excluding currency effects) mainly due to seasonality. The increase from the second quarter of 2011 reflects an 11% increase in Full Service Retirement Plan sales, a 6% increase in Individual Life sales, and a 44% increase in Employee Benefits sales, partially offset by a decrease in Stable Value and Fixed Annuity sales. The decrease from the first quarter of 2012 is primarily due to a decrease in Employee Benefits sales. Typically, more than half of the annual Employee Benefit sales occur during the first quarter.

INSURANCE US CLOSED BLOCK VA

OPERATING RESULT - US CLOSED BLOCK VA (in EUR million)



Operating results for the US Closed Block VA continued to be impacted by higher hedge and reserve costs, which have increased primarily due to the fourth-quarter 2011 assumption changes, as well as lower fee income and lower yields on investments. As equity markets declined during the second quarter, underlying results increased, reflecting a gain on hedges in place to protect regulatory capital.

The operating result for the US Closed Block VA declined to EUR -43 million from EUR 17 million in the second quarter of 2011 and EUR -20 million in the first quarter of 2012. The decrease was primarily due to higher hedge and reserve costs, which were netted against fees and premium-based revenue, as well as to a lower investment margin and a lower technical margin.

The investment margin declined to EUR -4 million from EUR 7 million in the second quarter of 2011 and EUR 6 million in the first quarter of 2012. The decline was caused by lower yields on investments backing reserves due to higher liquidity balances and the low interest rate environment. A decrease in assets/reserves, due to the rise in equity markets in the first quarter of 2012, also contributed to the decrease in investment income compared with the first quarter of 2012.

Fees and premium-based revenues declined to EUR 24 million from EUR 61 million in the second quarter of 2011, but were flat compared with EUR 25 million in the first quarter of 2012. The decrease from last year reflected higher hedge and reserve costs, as a result of higher notional balances on equity derivatives and higher reserve levels which have increased primarily due to the fourth-quarter 2011 assumption changes. Fee income also declined due to lower AuM levels as a result of negative net flows. Net flows were EUR -648 million for the second quarter of 2012 and EUR -2.7 billion for the 12 months ending 30 June 2012.

The technical margin was nil for the current quarter versus EUR 6 million in the second quarter of 2011 and EUR 9 million in the first quarter of 2012. The decrease from the second quarter of 2011 reflected higher letter of credit costs and lower surrender fee income. The decrease from the first quarter of 2012 was due to a non-recurring reserve release in the first quarter.

Administrative expenses were EUR 27 million, up from EUR 20 million in the second quarter of 2011 and EUR 24 million in the first quarter of 2012. The increase over the prior year was primarily due to a shift in technology and finance costs between the US Closed Block VA and Insurance US.

DAC amortisation and trail commissions were EUR 37 million compared with EUR 38 million in the second quarter of 2011 and EUR 36 million in the first quarter of 2012.

The underlying result before tax was EUR 216 million, up from EUR 61 million in the second quarter of 2011 and EUR -384 million in the first quarter of 2012. The current quarter reflected a EUR 258 million gain on hedges, net of reserve changes, as the hedge programme focused on protecting regulatory capital rather than mitigating earnings volatility.

Gains/losses and impairments were nil versus EUR -5 million in the second quarter of 2011 and EUR 16 million in the first quarter of 2012. Revaluations in the current quarter were EUR 1 million compared to nil in the second quarter of 2011 and EUR -1 million in the first quarter of 2012. Market and other impacts were EUR 258 million versus EUR 49 million in the second quarter of 2011 and EUR -379 million in the first quarter of 2012, due to gains from the hedge programme.

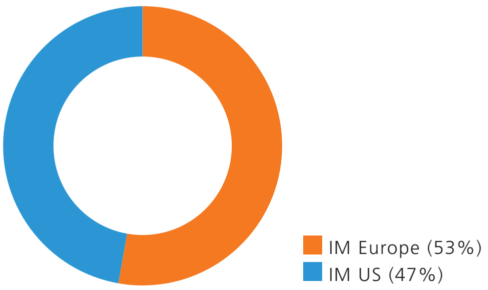
ING INVESTMENT MANAGEMENT

ING Investment Management: Key figures

	2Q2012	1Q2012	2Q2011
Operating result (in EUR million)	42	43	44
of which Europe	31	25	35
of which US	11	18	9
Assets under Management (in EUR billion)	293.2	283.7	263.2
of which Proprietary	138.2	129.4	120.2
of which Retail	72.2	72.5	69.5
of which Institutional	82.8	81.8	73.5
Net inflow (in EUR billion)	0.4	1.3	-1.3
Fees and premium based revenues / average AUM (annualised in bps)	27	27	29
Administrative expenses / operating income	78.7%	77.3%	76.4%

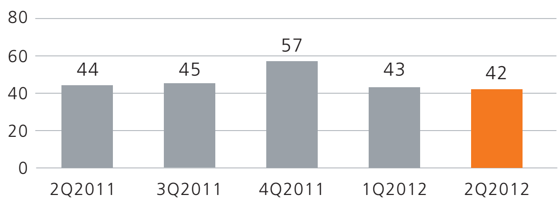
The results of the Asian Investment Management businesses (2012 and 2011 periods) have been transferred to 'net result from discontinued operations', pending the planned sale of ING's Insurance and Investment Management businesses in the region.

ING IM: AuM BY REGION



Total assets under management for the European and US Investment Management businesses rose to EUR 293 billion at the end of the second quarter, up by EUR 9.6 billion, or 3.4%, compared with the first quarter. Net inflows totalled EUR 0.4 billion in the quarter, driven mainly by inflows in the Proprietary segment in the US, while currency impacts added EUR 7.5 billion and market appreciation EUR 1.2 billion.

OPERATING RESULT - ING IM (in EUR million)



Despite the growth in AuM, operating results declined slightly, reflecting changes in asset allocation away from equities and into lower-margin fixed income products. The operating result was EUR 42 million in the second quarter, down from EUR 44 million a year ago and EUR 43 million in the first quarter of 2012.

Fees and premium-based revenues rose 2.6% compared with a year ago to EUR 196 million, due entirely to currency effects. Excluding currency effects, fees and premium-based revenues decreased 3.9%. The annualised ratio of fees to average AuM declined due to a change in the underlying asset mix from equity to fixed income assets, where average fees are lower, as institutional investors de-risk their portfolios. Moreover, management fees were lower in Hungary due to regulatory changes that came into effect in the third quarter of 2011, which affected the AuM flows and fees. Compared with the previous quarter, fees and premium-based revenues increased 1.6%, due entirely to currency effects.

Administrative expenses rose 6.2% from a year ago to EUR 155 million, due to currency effects, while expenses remained flat on a constant currency basis, reflecting strong cost control. Compared with the previous quarter, administrative expenses increased 3.3%, mainly due to currency effects. Excluding currency effects, administrative expenses increased 1.3%.

The underlying result before tax of EUR 53 million was 1.9% higher than in the same quarter of last year. The decline in operating result was more than offset by EUR 3 million of higher revaluations of private equity investments in the US. Compared with the previous quarter, the underlying result before tax increased 12.8%, mainly driven by EUR 6 million of higher revaluations in the US.

CORPORATE LINE INSURANCE

Corporate Line Insurance		
in EUR million	2Q2012	2Q2011
Interest on hybrids and debt	-78	-99
Amortisation intangible assets	-7	-3
Investment income & fees (ING Insurance holding)	-4	6
Capital Management	-89	-96
Results from reinsurance run-off portfolios	0	0
Other	-33	-4
Operating result	**-122**	**-100**
Gains/losses and impairments	3	3
Revaluations	-8	-28
Market and other impacts	0	0
Underlying result before tax	**-127**	**-125**

The results of the internally reinsured Japanese SPVA guaranteed benefits as well as the hedges associated with those benefits (2012 and 2011 periods) have been transferred to 'net result from discontinued operations', pending the planned sale of ING's Insurance and Investment Management businesses in Asia.

The Corporate Line Insurance operating result declined to EUR -122 million from EUR -100 million in the second quarter of 2011, primarily due to lower results from Sul America and higher corporate expenses reported under 'Other'.

The result from Capital Management activities improved from EUR -96 million in the second quarter of 2011 to EUR -89 million in the second quarter of 2012. Interest paid on hybrids and debt was reduced as the coupon on the EUR 1,250 million hybrid loan of ING Verzekeringen N.V. changed from fixed to floating as of June 2011. In addition, the result improved following the termination near the end of the second quarter of 2011 of interest rate swaps, which converted floating rates to fixed rates.

The 'Other' result of EUR -33 million was EUR 29 million lower than the second quarter of 2011. This decrease reflects lower results for ING's stake in the Brazilian insurer Sul America, which were EUR 15 million in the current quarter versus EUR 22 million in the same quarter of 2011, as well as higher allocated corporate expenses (including Solvency II) in the current quarter.

Revaluations amounted to EUR -8 million this quarter versus EUR -28 million in the second quarter of 2011. This line reflects the changes in the market value of interest and currency-related derivative positions.

CONSOLIDATED BALANCE SHEET

ING Verzekeringen N.V.: Consolidated balance sheet

in EUR million	30 June 12	31 Mar. 12 pro forma[1]	31 Mar. 12		30 June 12	31 Mar. 12 pro forma[1]	31 Mar. 12
Assets				**Equity**			
Cash and balances with central banks	11,162	10,640	12,172	Shareholders' equity	25,165	23,531	23,531
Financial assets at fair value through P&L	107,990	107,012	130,796	Minority interests	158	84	84
- trading assets	533	518	553	**Total equity**	**25,323**	**23,615**	**23,615**
- non-trading derivatives	5,620	4,920	6,018	**Liabilities**			
- investments for risk of policyholders	99,402	98,982	121,593	Subordinated loans	4,286	4,173	4,173
- other	2,436	2,592	2,632	Debt securities in issue	1,547	3,425	3,425
Investments	116,523	108,780	132,870	Other borrowed funds	8,877	6,527	6,849
- debt securities available-for-sale	110,871	102,876	126,163	Insurance and investment contracts	234,252	228,866	281,554
- equity securities available-for-sale	5,652	5,903	6,707	- life insurance provisions	124,947	120,137	150,193
Loans and advances to customers	28,242	27,744	30,080	- non-life insurance provisions	3,808	3,891	3,921
Reinsurance contracts	5,679	5,554	5,632	- provision for risk of policyholders	99,525	99,090	121,612
Investments in associates	1,375	1,166	1,477	- other	5,973	5,749	5,828
Real estate investments	813	816	902	Financial liabilities at fair value through P&L	3,762	3,134	4,526
Property and equipment	386	376	442	- non-trading derivatives	3,762	3,134	4,526
Intangible assets	1,251	1,337	1,950	Other liabilities	10,572	9,080	11,785
Deferred acquisition costs	4,670	4,617	10,054				
Other assets	8,212	7,663	9,552				
Total assets excl. assets held for sale	**286,303**	**275,705**	**335,927**	**Total liabilities excl. liabilities held for sale**	**263,297**	**255,205**	**312,312**
Assets held for sale	63,876	60,222		Liabilities held for sale	61,559	57,107	
				Total liabilities	**324,856**	**312,312**	**312,312**
Total assets	**350,179**	**335,927**	**335,927**	**Total equity and liabilities**	**350,179**	**335,927**	**335,927**

1) Adjusted for transfer of Insurance/IM Asia to assets/liabilities held for sale

In the second quarter, ING Insurance's balance sheet increased by EUR 14.0 billion, or EUR 0.7 billion excluding EUR 13.3 billion of currency effects. Shareholders' equity increased by EUR 1.6 billion. The balance sheet items of Insurance/IM Asia have been transferred to assets/liabilities held for sale as per June 2012.

Assets

Financial assets at fair value through P&L decreased by EUR 3.6 billion on a constant currency basis, caused by EUR 3.9 billion of negative revaluations of Investments for risk of policyholders. These negative revaluations are reflected in the provision for risk of policyholders on the liability side of the balance sheet.

Debt securities available-for-sale increased by EUR 4.7 billion, excluding currency effects, due to EUR 3 billion of additional investments in the Benelux and the US and EUR 1.5 billion of positive revaluations.

Liabilities

The changes in Debt securities in issue and Other borrowed funds mainly reflect the successful completion of a liability management transaction in April. Through this transaction, security holders exchanged EUR 1.7 billion of ING Verzekeringen N.V. senior debt securities for ING Groep N.V. senior debt securities. Within the balance sheet of ING Verzekeringen N.V., the external debt securities have been replaced by on-lent securities from ING Group. The decrease in Debt securities in issue also reflects the maturity of the ING Verzekeringen N.V. April 24 2012 2.5%, CHF 300 million senior unsecured debt security. The increase in Other borrowed funds also reflects a total of USD 2.0 billion drawn under a USD 5.0 billion senior unsecured credit facility by ING US in April.

Insurance and investment contracts decreased by EUR 2.4 billion, excluding currency effects, mainly reflecting a EUR 3.9 billion decrease in the provision for risk of policyholders, which mirrored the movement in the investments for risk of policyholders.

Assets/Liabilities held for sale

The balance sheet items of Insurance/IM Asia have been transferred to assets/liabilities held for sale as per June 2012. The sales process for these businesses has progressed to a stage that requires such classification under IFRS accounting rules.

Shareholders' equity

Shareholders' equity increased by EUR 1.6 billion compared with the first quarter of 2012 mainly due to EUR 0.7 billion of positive revaluations on the investment portfolio, EUR 0.8 billion of exchange rate differences and the EUR 0.3 billion net result.

RISK MANAGEMENT

Market conditions deteriorated, interest rates fell, and Spanish and Italian sovereign spreads widened during the second quarter. Against this backdrop, ING Insurance continued to take a conservative stance by prioritising the protection of regulatory capital over the mitigation of P&L volatility.

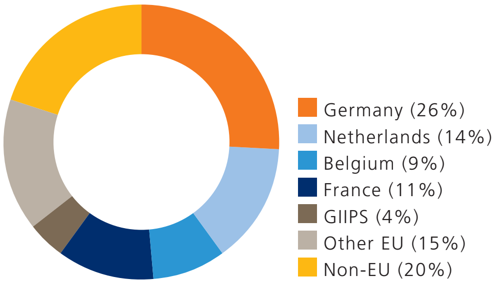
Credit risk

ING Insurance: General account		
In EUR billion	2Q2012	1Q2012
Government bonds	44.8	42.2
Corporate bonds	43.4	38.3
Covered bonds	1.0	1.2
Financial institutions	9.3	9.3
RMBS and other ABS	15.8	15.3
- US agency RMBS	5.2	4.8
- US prime RMBS	1.3	1.3
- US Alt-A RMBS	0.3	0.3
- US subprime RMBS	0.7	0.7
- Non-US RMBS	4.7	4.7
- CDO/CLO	0.5	0.6
- Other ABS	3.1	2.9
CMBS	4.4	4.4
Public equities	2.3	2.5
Real estate equities	1.5	1.5
Other equities	2.4	2.4
Real estate	1.7	1.7
Cash	11.2	10.6
Mortgages	14.2	13.9
Other loans	7.3	7.3
Other	6.9	6.3
Total	166.2	156.9

The general account increased by EUR 9.3 billion, mainly caused by the depreciation of the euro against the US dollar, a decrease of interest rates, and amounts drawn from a senior unsecured credit facility in the US.

'Government bonds' increased by EUR 2.6 billion, reflecting net investments in US, Dutch, Finnish, Belgian and Austrian bonds (EUR 1.2 billion), positive revaluations (EUR 0.9 billion) and the depreciation of the euro against the US dollar (EUR 0.3 billion).

INSURANCE - BREAKDOWN OF GOVERNMENT BONDS 2Q2012



'Corporate bonds' increased by EUR 5.1 billion due to the decrease in US interest rates (EUR 1.1 billion), the temporary investment of excess cash in money market funds (EUR 2.0 billion) and the depreciation of the euro against the US dollar (EUR 1.9 billion).

'Financial institutions' exposure remained flat as selective sales in Spanish financial institutions were offset by the depreciation of the euro against the US dollar.

'RMBS and other ABS' increased by EUR 0.5 billion, mainly due to the depreciation of the euro against the US dollar and lower interest rates.

'Public equities' decreased by EUR 0.2 billion, mainly due to negative revaluations in the Benelux.

'Cash' increased from EUR 10.6 billion to 11.2 billion, mainly due to an inflow of cash in the US, reflecting amounts drawn from a senior unsecured credit facility. In the Benelux, Cash was reduced in favour of the bond portfolio.

The 'Other' category includes the market value of derivatives. The EUR 0.6 billion increase is related to the depreciation of the euro (EUR 0.3 billion) and an increase in the market value of derivatives that are used to hedge the market risks in the US portfolio.

Greece, Italy, Ireland, Portugal and Spain

ING Insurance has continued to selectively de-risk its exposures to the GIIPS countries in the second quarter. Total exposures to these countries were reduced by EUR 569 million. ING Insurance has

ING Insurance: Greece, Italy, Ireland, Portugal and Spain - Total exposures - 30 June 2012						
in EUR million	Greece	Italy	Ireland	Portugal	Spain	Total
Residential mortgages and other consumer lending	12				19	31
Financial institutions lending	3				299	302
Total Lending	**15**				**318**	**333**
RMBS		390	379	190	373	1,332
Other ABS		55	152		138	345
Corporate bonds	4	701	540	38	384	1,668
Covered bonds		18	15		541	574
Financial institutions bonds (unsecured)		91	62	38	133	324
Government bonds	27	1,357	53	5	978	2,419
Total Debt Securities	**31**	**2,612**	**1,202**	**271**	**2,548**	**6,663**
Real Estate	**36**	**286**		**221**	**416**	**959**
Total Risk exposures 30 June 2012	**82**	**2,898**	**1,202**	**492**	**3,282**	**7,956**
Total Risk exposures 31 March 2012	**84**	**2,964**	**1,095**	**866**	**3,516**	**8,525**
Total change in second quarter 2012	**-2**	**-66**	**107**	**-374**	**-234**	**-569**

Footnote: ING Insurance/IM has no credit risks linked to Cyprus.

actively brought down exposures in Spain (EUR -234 million), Italy (EUR -66 million) and Portugal (EUR -374 million).

In Spain, exposures in financial institutions and covered bonds have been cut by EUR -150 million. Portuguese government, financial institutions and ABS exposures were actively reduced by EUR -55 million, EUR -63 million and EUR -241 million respectively. The main reductions in Italian exposures were caused by redemptions in ABS and corporate bonds. ING Insurance will remain in a selective de-risking mode with special focus on reducing its Spanish and Italian debt securities portfolio.

Market risk

Earnings sensitivities for market risks (full year impact)

In EUR million	2Q2012	1Q2012
Interest rates +30% *	71	-40
Interest rates -30% *	-82	44
Equity -25%	52	545
Equity +25%	-440	-386
Implied volatility (interest rates +30%, equity 1-3yr +30%)	20	-14
Real estate -15%	-751	-757
Foreign exchange -10%	-97	-97

* Parallel shock based on 30% move in 10 year swap rate at third quarter end 2011

With regard to interest rates, Insurance earnings are mainly sensitive to non-parallel movements in the yield curve due to an asymmetry between liability and hedge asset accounting for the guaranteed separate account pension business in the Netherlands. In general, a steepening of the yield curve at longer durations will lead to losses through the IFRS profit and loss account, and vice versa. Sensitivity to parallel movements are more limited, and are largely driven by Insurance US, reflecting the potential for positive or negative DAC unlocking.

Equity sensitivities are driven by the US Closed Block VA, with offsetting impacts from the Benelux and, to a lesser extent, Insurance US. The US Closed Block VA tends to produce counterintuitive gains in falling equity markets and losses in rising equity markets due to a focus on protecting regulatory capital rather than mitigating IFRS earnings volatility. Benelux equity sensitivities are driven by the guaranteed separate account business in the Netherlands and the risk of equity impairments, with smaller offsetting impacts on equity options in place to protect regulatory solvency. The reduction in the net sensitivity to downward equity movements during the second quarter was driven by a decrease in the equity markets and lower strike prices on equity options in place to protect regulatory capital in the Benelux. The lower equity markets have led to a smaller buffer above the 50% confidence level (RAT 50) for the US Closed Block VA and also increased equity impairment risk in the Benelux.

The real estate sensitivity is driven almost entirely by the Benelux and reflects investments in real estate funds and direct real estate assets.

Insurance and other risks

Insurance risks, such as mortality, longevity and morbidity result from the pricing and underwriting of insurance contracts. Through scenario analysis, ING Insurance measures the sensitivity of pre-tax earnings of the insurance operations to an adverse change of the insurance risk factors over a one-year period. Earnings sensitivities in this section are defined on a shock scenario at the 90% confidence level on pre-tax IFRS-EU earnings, projected one year forward from the calculation date.

Earnings sensitivities for Insurance risks (full year impact)

In EUR million	2Q2012	1Q2012
Mortality	-33	-29
Morbidity	-127	-119
P&C	-75	-75

The sensitivities presented in the text above are figures after diversification between the different insurance risks and after diversification across business units. The overall exposure to insurance risks did not change significantly during the second quarter of 2012. The main change was an assumption update reflecting the worsening claims experience for income protection products in the Netherlands.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

ING Group: Consolidated profit and loss account

	Total Group[1]		Total Banking		Total Insurance	
in EUR million	2Q2012	2Q2011	2Q2012	2Q2011	2Q2012	2Q2011
Gross premium income	4,739	4,626			4,739	4,626
Interest result Banking operations	2,929	3,051	2,953	3,054		
Commission income	916	955	569	589	346	367
Total investment & other income	2,772	1,722	167	21	2,620	1,815
Total underlying income	**11,355**	**10,355**	**3,689**	**3,663**	**7,705**	**6,808**
Underwriting expenditure	6,513	5,448			6,513	5,448
Staff expenses	1,777	1,750	1,285	1,324	492	426
Other expenses	1,149	1,183	813	848	335	336
Intangibles amortisation and impairments	56	42	56	42		
Operating expenses	2,981	2,976	2,154	2,214	827	762
Interest expenses Insurance operations	87	6			127	123
Addition to loan loss provision	541	304	541	304		
Other	8	3			8	3
Total underlying expenditure	**10,131**	**8,738**	**2,695**	**2,518**	**7,475**	**6,336**
Underlying result before tax	**1,224**	**1,617**	**995**	**1,145**	**229**	**472**
Taxation	162	333	261	253	-99	80
Minority interests	17	12	20	11	-2	1
Underlying net result	**1,045**	**1,271**	**714**	**881**	**331**	**390**
Net gains/losses on divestments	-188	25		25	-188	
Net result from divested units	-3	105		106	-3	-1
Net result from discontinued operations[2]	111	215			111	215
Special items after tax	206	-109	169	-52	37	-57
Net result	**1,171**	**1,507**	**884**	**960**	**288**	**547**

ING Group: Consolidated profit and loss account

	Total Group[1]		Total Banking		Total Insurance	
in EUR million	1H2012	1H2011	1H2012	1H2011	1H2012	1H2011
Gross premium income	10,790	10,954			10,790	10,954
Interest result Banking operations	5,971	6,140	6,005	6,145		
Commission income	1,788	1,890	1,115	1,176	673	714
Total investment & other income	3,044	3,102	371	380	2,714	2,930
Total underlying income	**21,593**	**22,085**	**7,490**	**7,700**	**14,178**	**14,598**
Underwriting expenditure	12,287	12,085			12,287	12,085
Staff expenses	3,544	3,501	2,586	2,657	959	844
Other expenses	2,361	2,379	1,678	1,706	683	673
Intangibles amortisation and impairments	125	112	125	112		
Operating expenses	6,030	5,992	4,388	4,476	1,642	1,516
Interest expenses Insurance operations	166	58			241	271
Addition to loan loss provision	982	546	982	546		
Other	12	7			12	7
Total underlying expenditure	**19,477**	**18,688**	**5,370**	**5,022**	**14,182**	**13,879**
Underlying result before tax	**2,116**	**3,397**	**2,120**	**2,678**	**-4**	**719**
Taxation	467	855	614	680	-146	175
Minority interests	60	45	47	36	14	9
Underlying net result	**1,588**	**2,497**	**1,460**	**1,961**	**128**	**535**
Net gains/losses on divestments	301	36	489	36	-188	
Net result from divested units	-3	211		215	-3	-4
Net result from discontinued operations[2]	273	371			273	371
Special items after tax	-309	-226	-235	-104	-74	-121
Net result	**1,851**	**2,888**	**1,715**	**2,107**	**136**	**781**

1 Including intercompany eliminations
2 The results of Insurance/IM Asia (2012 and 2011 periods) and Insurance Latin America (2011 periods) have been transferred to “net result from discontinued operations”.

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