Semi-Annual Report ING Fund Management B.V. From 1 January to 30 June 2014

Table of contents

Statement of comprehensive income	3
Statement of financial position	4
Statement of cash flows	5
Statement of changes in equity	6
Notes to condensed financial statements for the period ending 30 June 2014	7-8
Signing by the Board of Directors	9

Statement of Comprehensive Income

For the six months ended 30th June <i>In Euros</i>	Notes	30 June 2014	30 June 2013
Management fees		46,636,413	67,345,554
Management fees paid		(5,354,190)	(34,511,115)
Net management fees		41,282,223	32,834,439
Other costs	1	(5,178,727)	1,719,597
Results from operating activities		36,103,496	34,554,036
Other income		-	83
Net foreign exchange gains - trading		(4,224)	15,874
Profit before income tax		36,099,272	34,569,994
Income tax expense	2	(9,044,152)	(8,675,000)
Profit for the period		27,055,120	25,894,994
Total comprehensive income		27,055,120	25,894,994

Statement of Financial Position

In Euros	Notes	30 June 2014	31 December 2013
Assets			
Current assets			
Debtors		7,715,197	11,176,878
Group companies		93,022,715	68,306,069
Other assets		-	26,944
Cash and cash equivalents			
		100,737,912	79,509,891
Non current assets			
Securities		224,993	224,993
		100,962,905	79,734,884
Current liabilities			
Creditors		480,343	504,147
Current tax liabilities	2	4,319,264	3,811,228
Other liabilities		5,816,505	12,127,835
		10,616,112	16,443,210
Shareholders' equity			
Issued and paid-up capital		193,375	193,375
Other reserves		90,153,419	63,098,299
		90,346,794	63,291,674
		100,962,905	79,734,884

Statement of cash flows

For the six months ended 30th June In Euros	30 June 2014	30 June 2013
Cash flows from operating activities		
Profit for the period	27,055,120	25,894,994
Adjustments for:		
Changes in debtors	3,461,681	(903,204)
Changes in group companies	(24,716,646)	15,932,414
Changes in other receivables	26,944	(2,288,793)
Changes in creditors	(23,804)	(2,730,146)
Changes in tax payable	508,036	150,810
Changes in other payables	(6,311,331)	2,943,925
Net cash flow from operating activities	0	39,000,000
Cash flow from financing activities		(39,000,000)
Net cash flow	0	(0)
Cash and cash equivalents as at at 1 January	-	0
Cash and cash equivalents as at the end of the period	0	0

Statement of changes in equity

In Euros

	Issue	d capital	Reta	nined earnings		Total
Balance at 1 January 2012	€	193,375	€ _	18,913,903	-	19,107,278
Profit for the period	€	-	€	26,713,360 (18,000,000)	€	26,713,360 (18,000,000)
Balance at 30 June 2012	€	193,375	€	27,627,263		27,820,638
Balance at 1 January 2013		193,375	_	53,754,468	_	53,947,843
Profit for the period Dividend Paid	€	-	€	25,894,994 (39,000,000)	€	25,894,994 (39,000,000)
Balance at 30 June 2013	€	193,375	€	40,649,462	€	40,842,837
Balance at 1 January 2014	_	193,375	_	63,098,299	_	63,291,674
Profit for the period Dividend Paid	€	-	€	27,055,120	€	27,055,120
Balance at 30 June 2014	€	193,375	€	90,153,419	€	90,346,794

Notes to condensed financial statements for the period ending 30 June 2014

General

The 2014 Interim Financial Statements of ING Fund Management B.V. are prepared in accordance with generally accepted accounting principles included in Part 9, Book 2 of the Dutch Civil Code.

ING Fund Management B.V. is through a number of group companies a wholly-owned subsidiary of ING Insurance Eurasia N.V., situated in The Hague. The financial statements of ING Fund Management B.V. are included in the consolidated financial statements of ING Insurance Eurasia N.V.

ING Fund Management B.V. has a license as required by section 2.65 of the Financial Supervision Act (Wet op het financial toezicht).

Principles of valuation of assets and liabilities and the determination of results

Basis of preparation

If no explicit accounting policy is given for an individual item on the balance sheet and profit and loss account, the item is accounted for at fair value.

Assets and liabilities

Assets and liabilities are stated at fair value.

Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of the foreign entities at the exchange rate at the dates of the transactions. The foreign currency gains and losses arising on the monetary assets and liabilities are included in the profit and loss account.

Taxes

All taxes are calculated based on the current tax legislation.

Result

All income and expenses are allocated to the financial period to which the income or expenses relates.

Notes to the condensed financial statements for the period ending 30 June 2014

1 Other costs

	6 months until 30 June 2014			6 months until 30 June		
				2013		
Direct Costs	€	1,042,439	€	31,651		
Results from Trading Claims	€	119,500		-		
Bank Costs	€	1,902	€	(658)		
Claims	€	23,956	€	1,879,207		
Audit Costs	€	13,900		-		
Legal Expenses	€	18,361		-		
Fixed Service Fee Expenses	€	3,958,670	€	(190,604)		
	€	5,178,727	€ _	1,719,597		

2 Income tax expense

The effective tax charge for the period 1 January to 30 June 2014 was 25%

Fund Management B.V. is in a fiscal unity with its ultimate parent ING Insurance Eurasia N.V. along with all its Dutch subsidiaries.

ING Insurance Eurasia N.V. and its subsidiaries, that form part of the fiscal unity are jointly and severally liable for taxation payable by the fiscal unity.

Signing by the Board of Directors

The 2014 condensed interim financial statements of IN are signed according to the articles of association of the	NG Fund Management B.V. as well as the notes to these accounts, ne company.
	The Hague, 12 August 2014
The Board of Directors	
D.A. Buggenhout	J.W.F Stoter
B.P. de Belder	