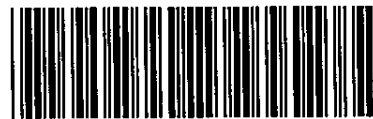


ING LONDON (NO. 12) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Registered No. 3021535

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ING LONDON (NO.12) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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ING LONDON (NO.12) LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

A N Marsh
G Richardson

SECRETARY

A N Marsh

REGISTERED OFFICE

60 London Wall
London
EC2M 5TQ

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

ING LONDON (NO.12) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company is to act as an investment company

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company has performed in line with the directors' expectations. The profit and loss account for the year is set out on page 7

The directors have assessed the company's ability to continue as a going concern and confirm that they are satisfied that the company currently has adequate resources to continue in business for the foreseeable future. For this reason, they believe it is appropriate to prepare the financial statements of the company on a "going concern" basis.

DIVIDENDS AND TRANSFERS TO RESERVES

The loss for the financial year 2012 of £714,667 (2011 Profit of £151,593) has been transferred to reserves. No dividend was paid in 2012 (2011 £1,000,000)

DIRECTORS AND THEIR INTERESTS

The directors during the year and up to the signing of these financial statements were

- A N Marsh
- G Richardson

None of the directors who held office at the end of the financial year had any disclosable interests in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares or debentures of the company have been granted to any of the directors and their immediate families, or exercised by them, during the financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is mainly exposed to liquidity, foreign exchange, credit and market risks.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities. The company mitigates liquidity risk by managing and generating liquidity with group undertakings.

Foreign exchange risk

Foreign exchange risk is the risk that the company's assets and liabilities denominated in foreign currencies are subject to changes in foreign currency rates. The company manages the foreign exchange risk through transactions with group companies in the same currency as the asset or liability denominated in a foreign currency.

Credit risk

Credit risk is the risk that the company's debtors will cause a financial loss by failing to discharge an obligation. This risk is mitigated as most debtor balances are with group companies.

Market risk

Market risk is the risk that the value of the company's investments may change due to changes in interest rates, economic or market conditions. The company manages this risk through the ING Groep N V market risk management framework.

RISK MANAGEMENT

The company monitors principal risks and uncertainties through the ING Groep N V risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives. The framework aims to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risks faced by the company.

ING LONDON (NO.12) LIMITED

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors at the date of approving this report are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

In accordance with the Companies Act 2006, the company has elected to dispense with the obligation to appoint auditors annually. Ernst & Young LLP are therefore deemed to be re-appointed as the company's auditors for each succeeding year, as long as the election remains in force.

Approved by the board of directors on 12/6/13 and signed on behalf of the Board



G Richardson
Director

ING LONDON (NO.12) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period. In preparing those financial statements, the directors are required to,

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ING LONDON (NO.12) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ING LONDON (NO.12) LIMITED

We have audited the financial statements of (ING London No 12) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account and the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report and Financial Statements of ING London (No 12) Limited to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ING LONDON (NO.12) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ING LONDON (NO.12) LIMITED
(continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Andy Bates (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

June 2013

12M

ING LONDON (NO.12) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Investment income		89,750	20,934
Dividend income		<u>72,396</u>	<u>62,537</u>
OPERATING PROFIT		162,146	83,471
Interest receivable	4	12,878	18,352
Loss on foreign exchange translations		(192,917)	23,679
(Loss)/Profit on Investments	6	(603,114)	153,279
Profit on sale of Hantech		50,596	-
Management Fees		(140,623)	(123,885)
Other expenses		<u>(3,632)</u>	<u>(3,303)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(714,667)	151,593
Tax on ordinary activities	5	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(714,667)	151,593

All results from the previous and current year are from continuing operations

There are no recognised gains or losses for the current or previous year other than as stated in the profit and loss account

The notes on pages 9 to 13 form an integral part of these financial statements


ING LONDON (NO.12) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Investments	6	8,894,199	8,310,258
CURRENT ASSETS			
Debtors amounts falling due within one year	7	1,770,700	3,069,308
NET CURRENT ASSETS		<u>1,770,700</u>	<u>3,069,308</u>
NET ASSETS		<u>10,664,899</u>	<u>11,379,566</u>
CAPITAL AND RESERVES			
Called up share capital	8	10,000,000	10,000,000
Profit and loss account	9	<u>664,899</u>	<u>1,379,566</u>
EQUITY SHAREHOLDERS' FUNDS		<u>10,664,899</u>	<u>11,379,566</u>

The notes on pages 9 to 13 form an integral part of these financial statements

The board of directors approved the accounts on 12/6/13
Signed on behalf of the board of directors



G Richardson
Director

ING LONDON (NO.12) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

a) Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention and on a going concern basis

Due to the nature of the company's business, it has no equivalent to turnover, cost of sales and gross profit. Such figures are therefore not included in the profit and loss account. The directors believe that this departure from statutory requirements is necessary for the best presentation of company's results.

b) Revenue recognition

Interest income is recognised on an accrual basis at the rate of interest per the terms of agreement with group companies.

Dividend income is recognised on a cash basis.

c) Foreign currencies

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction.

Assets and liabilities denominated in foreign currency at the balance sheet date are translated at the rate of exchange prevailing at that date. All foreign exchange differences are taken to the profit and loss account.

d) Taxation

The charge for taxation is based on the Profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided in accordance with FRS 19. Under FRS 19 full provision is made in respect of all timing differences that have originated but not reversed by the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in future, except that deferred tax assets are recognised to the extent that they are considered recoverable. Deferred tax is measured on a non-discounted basis at the tax rates which apply at the balance sheet date.

The charge for corporation tax is based on profit for the year and is provided for at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

e) Cashflow statement

Under FRS 1 (Revised 1996) the company is exempt from the requirement to prepare a cashflow statement as it is a wholly-owned subsidiary of ING Groep N.V., a company incorporated in the Netherlands, and its cash flows are included in the consolidated cashflow statement within that group's financial statements.

f) Investments

All investments are stated at the lower of cost or net realisable value. If the directors have reason to believe that there has been an impairment of an investment, the loss is reflected in the profit and loss account. The directors assess the net realisable value at each balance sheet date by reference to the net asset value of the investments. On a quarterly basis, impairment review meetings are held to assess whether impairments are required.

ING LONDON (NO.12) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

On a 7-yearly basis, valuations of the works of art and historical archive are carried out by an external firm which is then used as input for impairment review

In the opinion of the directors, the aggregate value of the subsidiary undertakings and investment in works of art and historical archive is not less than the aggregate amount at which the assets are included in the company's balance sheet

g) Related party transactions

Under paragraph 3(c) of the Amendment to FRS 8 the company is exempt from making the related party disclosures required by that standard in respect of entities within the ING Groep N V. This is because 100% of the company's voting rights are controlled by that group and consolidated accounts for ING Groep N V, which include the company, are publicly available

2. ADMINISTRATIVE EXPENSES

For the current and previous financial year, auditors' remuneration was borne by ING Bank N V London Branch and are disclosed in the consolidated financial statements of the ultimate parent undertaking

3. STAFF COSTS AND DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to this company for the current or previous financial year. ING London (No 12) Limited has no employees (2011: none)

4. INTEREST RECEIVED

	2012	2011
	£	£
Interest received on deposits with other group companies	11,787	18,352
Other interest received	1,091	-
	<u>12,878</u>	<u>18,352</u>

5. TAX

	2012	2011
	£	£
Factors affecting the tax charge for the current period		
The tax (credit) / charge is made up as follows		
Current tax:		
UK Corporation Tax on profit for the year	-	-
Adjustment in respect of prior periods	-	-
Total current tax (credit) / charge	<u>-</u>	<u>-</u>
Current tax reconciliation	£	£
Profit/(loss) on ordinary activities before tax	<u>(714,667)</u>	<u>151,593</u>
Profit on ordinary activities multiplied by implied rate of corporation tax in the UK at 24.5% (2011: 26.5%)	(175,093)	40,172
<i>Effects of</i>		
Non-taxable income	(52,308)	(70,325)
Non-deductible expenses	211,454	35,002
Losses for which no deferred tax asset is recognised	14,773	-
Group relief claimed for nil consideration	1,174	(4,849)
Total current tax charge/(credit)	<u>-</u>	<u>-</u>

ING LONDON (NO.12) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

5. TAX (continued)

At 31 December 2012, the company had unused non trading tax losses carried forward. Since there is no certainty of future trading profits against which to utilise these losses, no deferred tax asset has been recognised. The unrecognised deferred tax asset is in respect of non-trading losses carried forward of £181,173 (2011: £265,506) and capital losses carried forward of £342,862 (2011: £393,458). The losses are not expected to expire.

As a result of the 2012 UK Budget, a reduction in the main rate of corporation tax to 23% was announced. This was substantively enacted in Finance Act 2012 and effective from 1 April 2013.

As a result of the 2012 Autumn Statement and 2013 UK Budget, further reductions in the main rate of corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015 were announced. Both of these changes are due to be substantively enacted in Finance Act 2013.

The effect on the company of the further proposed reduction in the UK main rate of corporation tax to 20% will be reflected in the company's financial statements in future years, as appropriate, once the change has been substantively enacted.

6. INVESTMENTS

	2012	2011
	£	£
Financial assets (a)	4,597,507	4,015,066
Works of art and historical archive (b)	4,296,692	4,295,192
	<u>8,894,199</u>	<u>8,310,258</u>

(a) Financial assets

Investment in financial assets represents investment in unlisted equity shares.

	2012	2011
	£	£
At cost		
At 1 January	4,015,066	3,624,014
Additions	1,471,120	362,502
Disposals	(93,652)	-
Impairments	(603,114)	-
Exchange adjustment	(191,914)	28,550
At 31 December	<u>4,597,507</u>	<u>4,015,066</u>

During 2012 the company's investment in HanTech was sold for consideration of TWD\$ 6,759,465. A profit on sale of GBP 50,596 has been recognised through the Profit and Loss account. The company impaired its stake in a Private Equity fund.

(b) Works of art and historical archive

	2012	2011
	£	£
At cost		
At 1 January	4,295,192	4,293,518
Additions	1,500	1,750
Write-off	-	(76)
At 31 December	<u>4,296,692</u>	<u>4,295,192</u>

ING LONDON (NO.12) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

7. DEBTORS amounts falling due within one year

	2012 £	2011 £
Tax receivable	-	11,448
Cash and cash equivalent	1,716,557	3,057,860
Management fee prepayment	54,143	-
	<u>1,770,700</u>	<u>3,069,308</u>

Cash, cash equivalent and short term deposits held with group companies

8. AUTHORISED AND ISSUED SHARE CAPITAL

	2012 £	2011 £
<i>Authorised</i>		
500,000,000 Ordinary shares of £1 each	<u>500,000,000</u>	<u>500,000,000</u>
<i>Allotted, issued and fully paid</i>		
10,000,000 ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

9. PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
Opening balance	1,379,566	(47,734,879)
Retained (loss)/profit for the financial year	(714,667)	151,593
Consumed in statutory share reduction	-	49,962,852
Dividend paid	-	(1,000,000)
Closing balance	<u>664,899</u>	<u>1,379,566</u>

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	11,379,566	12,227,973
(Loss)/profit for the financial year	(714,667)	151,593
Dividend paid	-	(1,000,000)
Closing shareholders' funds	<u>10,664,899</u>	<u>11,379,566</u>

11. DIVIDENDS PAID

	2012 £	2011 £
Ordinary dividend paid	<u>-</u>	<u>1,000,000</u>

ING LONDON (NO.12) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There is £581,386 (USD \$939,578) of uncalled capital commitment with respect to the Investcorp fund (2011 £2.2 million (USD \$3.44 million)). There are no other capital commitments or contingent liabilities as at 31 December 2012.

13. CAPITAL MANAGEMENT

The company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The company is not subject to any external capital requirements, except for the minimum requirement under the Companies Act 2006.

14. ULTIMATE HOLDING COMPANY

The ultimate parent undertaking is ING Groep N.V., a company incorporated in the Netherlands. ING Groep N.V. is the only undertaking preparing consolidated financial statements, which include the financial statements of ING UK Holdings Limited, of which group the company is a member. Copies of the ultimate parent's consolidated financial statements may be obtained from:

The Secretary,
ING Groep N.V.,
Bijlmerplein 888,
Amsterdam Zuidoost,
1102 MG,
Netherlands