ING

Press release

Corporate Communications

Amsterdam, 3 November 2016

ING 3Q16 underlying net result EUR 1,336 million

ING Bank 3Q16 underlying net result EUR 1,336 million, up 22.3% year-on-year, reflecting solid commercial momentum
- ING Bank recorded EUR 3.6 billion of net core lending growth and attracted EUR 2.0 billion of net customer deposits in 3Q16
- Performance reflects continued loan growth at healthy margins, as well as higher commission and fee income
- Operating expenses declined slightly year-on-year and sequentially; risk costs remained relatively low at 34 bps of average RWA

ING Group 3Q16 net result EUR 1,349 million (or EUR 0.35 per share); robust ING Group CET1 ratio and ING Bank ROE
- ING Group fully-loaded CET1 ratio rose to 13.5%; ING Bank underlying ROE of 11.3% for the first nine months of 2016

CEO statement

"ING delivered another quarterly result that exemplifies our Think Forward strategy in action," said Ralph Hamers, CEO of ING Group. "We again recorded solid commercial growth and introduced several new innovations. Year-to-date, we have established over 400,000 new primary customer relationships. To foster further growth and maintain our standing as a leading European bank, we strive to keep getting better every day, while managing the pressure on returns from the continuous regulatory burden and the low interest rate environment. In this context, I am convinced that our recently announced investment programme and intention to converge towards a single digital banking platform are necessary steps to enable ING to evolve with changing customer expectations and to increase operational efficiency."

"ING Bank recorded EUR 3.6 billion of net core lending growth and attracted EUR 2.0 billion of net customer deposits in the third quarter. Lending growth was well diversified across Retail and Wholesale Banking. We also continued to facilitate our clients' sustainable transitions through deals that support recycling, the circular economy and renewable energy. We are proud that our integrated sustainability approach earned ING the number-one ranking among global listed banks by Sustainalytics in August. We also achieved a significant year-on-year improvement in our Dow Jones Sustainability Index ranking, and received the highest possible score in CDP's annual review for our performance and disclosure related to our climate change strategy."

"During the third quarter, we introduced another wave of innovative and insightful financial tools that empower customers. In Spain, the launch of Twyp Cash provides customers with greater convenience by enabling them to withdraw cash using their smartphones when making purchases at more than 3,500 supermarkets and petrol stations. In Wholesale Banking, we developed Virtual Cash Management, an advanced application that allows companies to manage their cash across banks and borders. It provides corporate treasurers with enhanced cash visibility, access and control, anytime and anywhere."

"More recently, we created and launched the money management platform Yolt as a next step in digitalisation and in preparation for upcoming European regulation that will open the payment services market to new players in 2018. Yolt gives users insight into their account information from different banks in one easy overview, helping customers stay on top of their finances. The app is currently being tested only in the United Kingdom, but we will explore opportunities for expansion."

"ING's third-quarter underlying result before tax was EUR 1,878 million, reflecting continued loan growth at healthy margins, effective cost control and a relatively low level of risk costs. Challengers & Growth Markets delivered another record quarterly result on the back of further organic growth. Retail Benelux showed resilience, as the performance of the Netherlands compensated for the decline in results at Retail Belgium, which were down 16.5% year-on-year. ING Group's fully-loaded CET1 ratio rose to 13.5%. ING Bank's underlying ROE was 11.3% for the first nine months of 2016."

"As announced on 3 October, we intend to invest EUR 800 million over the next five years to create a scalable banking platform to cater for continued commercial growth, an improved customer experience and a quicker delivery of products. Regrettably, our intended transformation will impact many of our employees, particularly in Belgium and the Netherlands. We will do our utmost to build on our track record of helping colleagues who are or could be affected to find new job opportunities. All of those affected will be treated with respect and care."

"I fully appreciate the hard work of our employees that is reflected in our quarterly results. While change is not easy, it is essential to build on our position of strength. I have complete confidence in our ability to execute on our strategy and truly believe that the measures we intend to implement will ensure that we continue to empower customers to stay a step ahead."

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Investor conference call
3 November 2016 at 9:00 CET
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+1 719 325 2213 (US)
Live audio webcast at www.ing.com

Media conference call
3 November 2016 at 11:00 CET
+31 20 531 5871 (NL)
+44 203 365 3210 (UK)
Live audio webcast at www.ing.com

Share Information

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Financial calendar

Publication results 4Q2016:	Thursday, 2 February 2017
Publication 2016 ING Group Annual Report:	Thursday, 16 March 2017
2017 Annual General Meeting:	Monday, 8 May 2017
Ex-date for final dividend 2016 (Euronext Amsterdam)*:	Wednesday, 10 May 2017
Publication results 1Q2017:	Thursday, 11 May 2017
Record date for final dividend 2016 entitlement (NYSE)*:	Thursday, 11 May 2017
Record date for final dividend 2016 entitlement (Euronext Amsterdam)*:	Thursday, 11 May 2017
Payment date final dividend 2016 (Euronext Amsterdam)*:	Thursday, 18 May 2017
Payment date final dividend 2016 (NYSE)*:	Thursday, 25 May 2017
Publication results 2Q2017:	Thursday, 3 August 2017
Ex-date for interim dividend 2017 (Euronext Amsterdam)*:	Monday, 7 August 2017
Record date for interim dividend 2017 entitlement (Euronext Amsterdam)*:	Tuesday, 8 August 2017
Record date for interim dividend 2017 entitlement (NYSE)*:	Monday, 14 August 2017
Payment date interim dividend 2017 (Euronext Amsterdam)*:	Tuesday, 15 August 2017
Payment date interim dividend 2017 (NYSE)*:	Tuesday, 22 August 2017
Publication results 3Q2017:	Thursday, 2 November 2017
** only if any dividend is paid*	*All dates are provisional*

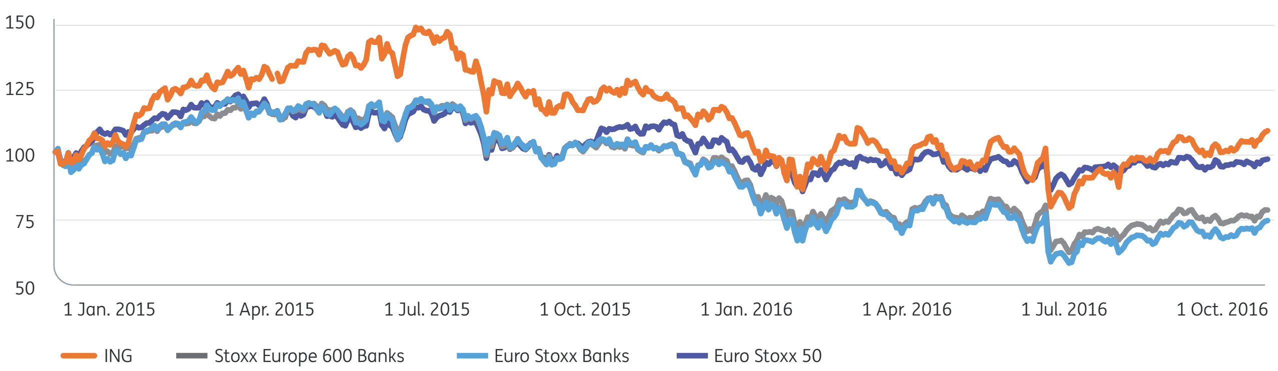
Listing information

The 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 and Brussels	INGA NA, INGA.AS	NL0011821202, BZ57390
New York Stock Exchange	ING US, ING.N	US4568371037, 2452643

Relative share price performance

1 January 2015 to 1 October 2016

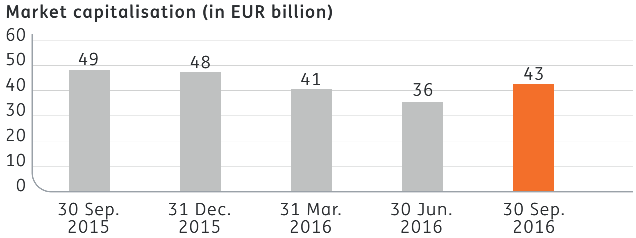


Share information

	3Q2015	4Q2015	1Q2016	2Q2016	3Q2016
Shares (in millions, end of period)					
Total number of shares	3,870.1	3,870.2	3,871.5	3,878.0	3,878.1
- Treasury shares	1.5	1.5	1.0	1.1	0.8
- Shares outstanding	3,868.6	3,868.7	3,870.5	3,876.9	3,877.3
Average number of shares	3,868.0	3,868.9	3,869.4	3,875.8	3,877.1
Share price (in euros)					
End of period	12.65	12.45	10.63	9.18	10.99
High	15.90	13.74	12.45	11.47	11.45
Low	12.38	11.92	9.30	8.61	8.54
Net result per share (in euros)	0.28	0.21	0.32	0.33	0.35
Shareholders' equity per share (end of period in euros)	11.90	12.36	12.61	12.66	12.75
Dividend per share (in euros)	n.a.	0.41	n.a.	0.24	n.a.
Price/earnings ratio[1]	11.2	12.0	11.8	8.1	9.1
Price/book ratio	1.06	1.01	0.84	0.73	0.86

[1] Four-quarter rolling average.

Market capitalisation (in EUR billion)



American Depositary Receipts (ADRs)

For questions related to the ING ADR program, please visit J.P. Morgan Depositary Receipts Services at www.adr.com, or contact:

J.P. Morgan Shareholder Services:
JPMorgan Chase Bank, N.A.
4 New York Plaza, Floor 12
New York, NY 10004
Attention: Depositary Receipts Group
Fax: +1 212 552-1950
In the U.S.: (866) JPM-ADRS
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J.P. Morgan Transfer Agent Service Center
ADR shareholders can contact:
JPMorgan Chase Bank N.A.
P.O. Box 64504
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Email: jpmorgan.adr@wellsfargo.com

Shareholders or holders of ADRs can request a hard copy of ING's audited financial statements, free of charge via www.ing.com/Publications.htm

Business & Sustainability Highlights

Customer expectations, new technologies and new competitors are rapidly transforming the banking industry. That's why accelerating the pace of innovation is a strategic priority for ING—sourcing fresh ideas that improve the customer experience, selecting the best ones and then translating them into new products and services.

This quarter, we highlight several new innovations that support our purpose to empower our customers both in life and in business.

In Spain, ING launched Twyp Cash, which allows customers to withdraw cash using their smartphone when making purchases at more than 3,500 supermarkets and petrol stations. This provides customers with a cheaper alternative to competitors' ATMs, where non-customers must pay a fee for withdrawals.

Merchants in Romania can now get paid on the move and have real-time insight into transactions via mPOS, a mobile payments device. It was launched by ING, together with GoSwiff and Mastercard. The device is light, can be carried in a pocket and connects via Bluetooth to an app that enables credit- and debit-card payments to be made and processed.

We created and launched the money management platform Yolt, which gives users insight into their accounts with different banks in one easy overview, thereby helping them to stay on top of their finances. Yolt is now being tested in beta only in the United Kingdom, but we will explore opportunities to expand its reach. With Yolt, we are acting ahead of new European regulation that will be introduced in 2018, opening the payments services market to new players.

ING Wholesale Banking is introducing Virtual Cash Management (VCM), an advanced cash-management solution that allows companies to manage their cash across borders using a single bank account. VCM combines a cross-border Virtual Bank Account structure with Virtual Ledger Accounts displayed in an online dashboard and can seamlessly integrate into any treasury department's existing IT infrastructure. It empowers corporate treasurers to make better financial decisions as they gain full visibility, insight, access and control of their company's cash position.

Financing sustainable transitions

ING believes that banking can play a significant role in creating a fairer and greener economy. We approach this by financing projects that accelerate our clients' transitions to becoming more sustainable, and by supporting clients that develop solutions to environmental and social challenges.

One notable deal in the third quarter was our role as advisor and underwriter to international waste-to-product business Shanks Group plc's merger with leading Dutch waste processor Van Gansewinkel Groep. The merger will create one of Europe's leading players in recycling. This transaction clearly strengthens ING's commitment to the circular economy, as both Shanks and Van Gansewinkel Groep put the circular economy at the heart of their businesses by making new products out of waste. The deal is awaiting anti-trust clearance in Belgium and the Netherlands and is expected to close in December.

High rankings on sustainability

In August, ING was ranked number one out of 395 publicly listed banks by global sustainability research leader Sustainalytics, up from third place last year. ING scored 90 out of 100 on social issues, receiving top marks for our financial inclusion efforts, strong diversity programme and anti-discrimination policy. We scored 90 out of 100 on environmental issues, reflecting initiatives including our strong environmental policy, renewable energy targets and green procurement programme. For governance, ING scored 80 out of 100, in recognition of our strong policies on issues such as bribery and corruption.

In September, ING also scored 90 out of 100 in the Dow Jones Sustainability Index (DJSI), up from 86 in 2015 and compared with an industry average score of 61. ING received the highest score possible in the categories of climate strategy, environmental reporting and financial inclusion. We also improved our score in the area of customer relationship and scored high in the newly introduced category 'information security and cybersecurity'.

In terms of climate change action, ING in October was once again named to the 'A-list' of 193 leading companies by CDP. This international not-for-profit organisation assessed thousands of companies on their environmental performance related to climate change at the request of 827 investors representing USD 1 trillion in assets. ING was also honoured with a Euronext/CDP Leadership Award for our outstanding environmental disclosure.

Consolidated Results

Consolidated results	3Q2016	3Q2015	Change	2Q2016	Change	9M2016	9M2015	Change
Profit and loss data (in EUR million)								
Interest result	3,385	3,140	7.8%	3,267	3.6%	9,899	9,418	5.1%
Commission income	605	524	15.5%	610	-0.8%	1,822	1,713	6.4%
Investment income	139	-7		172	-19.2%	382	131	191.6%
Other income	235	345	-31.9%	498	-52.8%	893	1,247	-28.4%
Total underlying income	**4,363**	**4,002**	**9.0%**	**4,547**	**-4.0%**	**12,997**	**12,509**	**3.9%**
Staff expenses	1,250	1,203	3.9%	1,258	-0.6%	3,775	3,725	1.3%
Regulatory costs[1]	65	105	-38.1%	75	-13.3%	636	340	87.1%
Other expenses	905	939	-3.6%	898	0.8%	2,677	2,642	1.3%
Operating expenses	**2,220**	**2,247**	**-1.2%**	**2,231**	**-0.5%**	**7,088**	**6,707**	**5.7%**
Gross result	**2,143**	**1,756**	**22.0%**	**2,316**	**-7.5%**	**5,909**	**5,802**	**1.8%**
Addition to loan loss provisions[2]	265	261	1.5%	307	-13.7%	836	1,045	-20.0%
Underlying result before tax	**1,878**	**1,495**	**25.6%**	**2,009**	**-6.5%**	**5,073**	**4,757**	**6.6%**
Taxation	522	379	37.7%	569	-8.3%	1,420	1,300	9.2%
Minority interests	20	23	-13.0%	23	-13.0%	58	60	-3.3%
Underlying net result	**1,336**	**1,092**	**22.3%**	**1,417**	**-5.7%**	**3,595**	**3,397**	**5.8%**
Net gains/losses on divestments	0	0		0		0	367	
Special items after tax	0	-15		0		-13	-42	
Net result from Banking	**1,336**	**1,078**	**23.9%**	**1,417**	**-5.7%**	**3,582**	**3,721**	**-3.7%**
Net result Insurance Other	12	-90		-58		-125	-55	
Net result IC elimination between ING Bank and NN Group							-20	
Net result from discontinued operations NN Group	1	76	-98.7%	-64		443	-779	
Net result from discontinued operations Voya Financial							323	
Net result ING Group	**1,349**	**1,064**	**26.8%**	**1,295**	**4.2%**	**3,900**	**3,191**	**22.2%**
Net result per share (in EUR)	0.35	0.28		0.33		1.01	0.83	
Capital ratios (end of period)								
ING Group shareholders' equity (in EUR billion)				49	0.7%	49	46	7.4%
ING Group common equity Tier 1 ratio fully-loaded[3]				13.1%		13.5%	12.3%	
ING Bank shareholders' equity (in EUR billion)				43	3.0%	45	39	14.5%
ING Bank common equity Tier 1 ratio fully-loaded				12.2%		12.6%	11.3%	
ING Bank common equity Tier 1 ratio phased in				12.3%		12.6%	11.4%	
Customer lending/deposits ING Bank (end of period)								
Residential mortgages (in EUR billion)				281.1	0.5%	282.4	276.7	2.1%
Other customer lending (in EUR billion)				269.9	1.0%	272.5	252.3	8.0%
Customer deposits (in EUR billion)				519.6	0.6%	522.8	509.4	2.6%
Profitability and efficiency								
Underlying interest margin Banking	1.55%	1.46%		1.50%		1.52%	1.45%	
Underlying cost/income ratio Banking	50.9%	56.1%		49.1%		54.5%	53.6%	
Underlying return on equity based on IFRS-EU equity ING Bank[4]	12.1%	11.2%		13.3%		11.3%	11.6%	
Employees ING Bank (FTEs, end of period)				51,833	-0.1%	51,776	52,560	-1.5%
Risk								
Non-performing loans/total loans (end of period)				2.3%		2.2%	2.6%	
Stock of provisions/provisioned loans (end of period)				40.9%		41.0%	37.6%	
Underlying risk costs in bps of average RWA	34	34		39		35	46	
Risk-weighted assets ING Bank (end of period, in EUR billion)				317.0	-2.2%	310.5	310.3	-0.1%

[1] Regulatory costs comprise bank taxes and contributions to the deposit guarantee schemes ('DGS') and the (European) single resolution fund ('SRF').
[2] The amount presented in 'Addition to loan loss provisions' (which is equivalent to risk costs) includes write-offs and recoveries on loans and receivables not included in the stock of provision for loan losses.
[3] Interim profit of 9M2016 has not been included in CET1 capital.
[4] Annualised underlying net result divided by average IFRS-EU shareholders' equity of ING Bank N.V.
Note: Underlying figures are non-GAAP measures. These are derived from figures according to IFRS-EU by excluding the impact from divestments, special items, Insurance Other, intercompany eliminations between ING Bank and NN Group, and discontinued operations.

Consolidated Results

ING Bank posted a very strong set of third-quarter 2016 results. The underlying net result was EUR 1,336 million, up 22.3% from the third quarter of 2015. Commercial growth continued in the third quarter of 2016 as ING Bank grew net core lending by EUR 3.6 billion and attracted EUR 2.0 billion of net customer deposits. Year-to-date, we have established over 400,000 new primary customer relationships.

The interest result increased both sequentially and year-on-year, driven by continued customer lending growth at improved margins. Income was further supported by the annual dividend from the Bank of Beijing and the gain on the sale of Kotak Mahindra Bank shares in September. Expenses were slightly lower both sequentially and year-on-year due to lower regulatory costs in Germany, while cost savings from the ongoing cost-containment programmes and investments for selective business growth effectively offset each other. Risk costs were EUR 265 million, or 34 basis points of average RWA , which is below the through-the-cycle guidance range of 40-45 basis points. The non-performing loan ratio decreased to 2.2%.

The year-to-date underlying return on ING Bank's IFRS-EU equity was 11.3%. ING's capital position strengthened and the fully-loaded CET1 ratio for ING Group improved to 13.5% at the end of the quarter as positive credit risk migration and lower market risk led to a reduction in RWA. The third-quarter 2016 net result of ING Group was EUR 1,349 million.

Banking

ING Bank's very strong third-quarter underlying result before tax of EUR 1,878 million was mainly attributable to continued loan growth at attractive margins, sound cost control and a low level of risk costs. Improved performance in Bank Treasury and the release of reserves in the Corporate Line also supported the results. Regulatory expenses were limited this quarter at EUR 65 million compared with EUR 105 million in the third quarter of 2015. Year-on-year, the underlying result before tax rose 25.6%. Compared with the second quarter of 2016, which included a EUR 200 million one-time gain on the sale of Visa shares, the pre-tax result fell 6.5%. Excluding the Visa gain, the pre-tax result improved by 3.9%.

Total underlying income

Total underlying income rose 9.0% year-on-year to EUR 4,363 million. The increase was driven by a 7.8% rise in the interest result, largely reflecting strong volume growth in customer lending and customer deposits at resilient margins. A higher interest result on Financial Markets activities also explains part of the increase, but the interest result growth excluding FM was robust at 5.6%. Income was furthermore supported by higher commission income and strongly improved investment income as the third quarter of 2016 included a gain on the sale of Kotak Mahindra Bank shares, whereas the year-ago-quarter included an impairment on an equity stake. These positive impacts were partly offset by EUR -72 million of credit and debt valuation adjustments (CVA/DVA) in Wholesale Banking and the Corporate Line, versus EUR 40 million in the third quarter of 2015.

Compared with the second quarter of 2016, which included EUR 54 million of negative CVA/DVA impacts, total underlying income declined 4.0%. The decrease was mainly attributable to the EUR 200 million one-time gain on the sale of Visa shares in the previous quarter (which was fully recorded under Retail Banking), combined with lower revenues in Financial Markets after the strong second quarter. Excluding the one-time Visa gain, income slightly improved by 0.4% as higher income in Retail Banking more than compensated for the lower revenues in Financial Markets. The higher quarter-on-quarter Retail Banking income was mainly due to higher interest results on customer lending and customer deposits, higher commission income, the EUR 48 million annual dividend from the Bank of Beijing and the EUR 32 million gain on the sale of Kotak Mahindra Bank shares.

Total customer lending at ING Bank rose by EUR 3.8 billion in the third quarter to EUR 554.9 billion. Net growth in the core lending book (excluding Bank Treasury and the run-off portfolios, and adjusted for currency impacts and changes in the netting of cash pooling arrangements) was EUR 3.6 billion in the third quarter of 2016. This brought the total net growth of the core lending business to EUR 25.6 billion for the first nine months of the year.

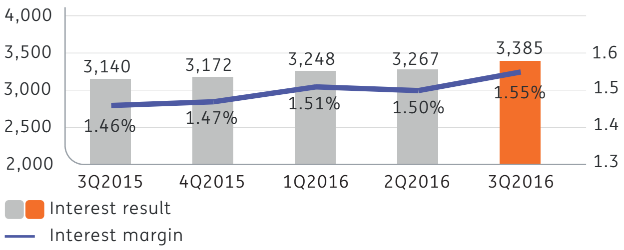
Third-quarter net core lending growth was well diversified across Retail and Wholesale Banking. Residential mortgages increased by EUR 1.5 billion, as a further decline in Retail Netherlands was more than offset by mortgage growth in most other countries. Other net core lending grew by EUR 2.1 billion, of which EUR 0.9 billion was in Retail Banking and EUR 1.2 billion in Wholesale Banking, particularly in Industry Lending (despite a decline in International Trade & Export Finance).

Customer deposits at ING Bank, excluding Bank Treasury and adjusted for currency impacts and changes in the netting of cash pooling arrangements, grew by EUR 2.0 billion in the third quarter of 2016. Retail Banking generated a net inflow of EUR 0.4 billion, as growth in the Challengers & Growth Markets outpaced a decline in the Benelux. In Wholesale Banking, net customer deposits increased by EUR 2.7 billion, mainly in current accounts. The remaining decrease was related to a lower placement of deposits by ING Group at ING

Consolidated Results

Bank due to the payment of the interim dividend in August. The total underlying interest result rose 7.8% to EUR 3,385 million from EUR 3,140 million in the third quarter of 2015. The interest result on customer lending activities increased, driven by higher volumes in both mortgages and non-mortgage customer lending, combined with a slightly higher overall lending margin. The interest result on customer deposits was somewhat lower than it was a year ago as volume growth was offset by margin pressure on current accounts due to lower reinvestment yields. The interest margin on savings accounts was stable compared with a year ago, supported by the lowering of client rates in most countries. The growth of the interest result was furthermore supported by higher interest results in Financial Markets and the Corporate Line. Compared with the second quarter of 2016, the total underlying interest result rose by EUR 118 million, or 3.6%, including a EUR 62 million increase in the interest result of Financial Markets. Excluding Financial Markets, the net interest result improved 1.8% compared with the previous quarter.

Interest result (in EUR million) and interest margin (in %)



The third-quarter 2016 underlying net interest margin of ING Bank rose to 1.55% (up from 1.50% in the second quarter of 2016), of which three basis points was caused by higher interest results in Financial Markets. Sequentially, the interest margin on lending activities and savings improved slightly; the latter was supported by the lowering of client savings rates in several countries. The interest margin on current accounts further declined due to the continually low interest rate environment.

Commission income increased 15.5% from its relatively low level in the third quarter of 2015 to EUR 605 million. The increase was visible in all segments and mainly attributable to higher commission income in the Retail Challengers & Growth Markets and from fees on Wholesale Banking lending. Year-to-date, commission income rose 6.4%. Compared with the previous quarter, commission income was stable as an increase in Retail Banking was offset by a decline in Wholesale Banking, mainly due to lower fee income from Industry Lending and Financial Markets following the strong second quarter for both products.

Investment income rose to EUR 139 million from EUR -7 million in the third quarter of 2015. The strong improvement was mainly caused by EUR 66 million of realised results on the sale of equity and debt securities (of which EUR 32 million was from the sale of Kotak Mahindra Bank shares) versus a loss of EUR 64 million in the same quarter of 2015 due to an impairment on an equity stake. The remaining increase was mainly attributable to a EUR 7 million higher annual dividend from the Bank of Beijing (EUR 48 million in 2016 versus EUR 41 million in 2015). Compared with the second quarter of 2016, which included EUR 163 million of gains on the sale of Visa shares related to ING's direct memberships in Visa Europe, investment income declined by EUR 33 million.

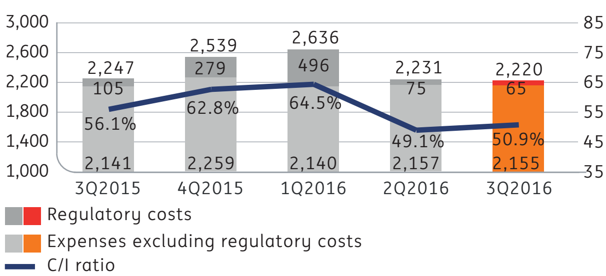
Other income decreased to EUR 235 million from EUR 345 million in the third quarter of 2015, due to the aforementioned EUR 112 million negative swing in CVA/DVA impacts. Compared with the second quarter of 2016, which included EUR -54 million of CVA/DVA impacts, other income fell by EUR 263 million. Excluding CVA/DVA adjustments, the decrease was EUR 246 million quarter-on-quarter, mainly due to lower revenues from Financial Markets relating to lower client activity, while the previous quarter included the EUR 38 million gain on the sale of Visa shares related to ING's indirect memberships in Visa Europe as well as the release of a hedge reserve.

Operating expenses

Underlying operating expenses decreased 1.2% to EUR 2,220 million compared with a year ago. Regulatory expenses were EUR 65 million this quarter, down from EUR 105 million in the third quarter of 2015. Excluding regulatory costs, operating expenses increased by EUR 14 million to EUR 2,155 million. This was mainly due to selective business growth in the Retail Challengers & Growth Markets and Industry Lending and additional redundancy costs in the Netherlands. These impacts were largely offset by savings from the ongoing cost-containment programmes.

Compared with the second quarter of 2016, which included a EUR 137 million addition to the provision for Dutch SME and Real Estate Finance clients with interest rate derivatives and a EUR -116 million one-off procured cost saving in Belgium, operating expenses fell by EUR 11 million, or 0.5%, reflecting lower regulatory expenses (EUR 65 million versus EUR 75 million in the prior quarter). Our current estimate for the total amount of regulatory costs for the year 2016 is now EUR 900 million, mainly due to lower deposit guarantee costs in Germany.

Operating expenses (in EUR million) and cost/income ratio (in %)



The third-quarter underlying cost/income ratio was 50.9% compared with 56.1% one year ago and 49.1% in the previous quarter. If the total regulatory costs in 2015 and 2016 were equally distributed over the respective four quarters, the underlying cost/income ratio would be 54.6%

Consolidated Results

in the third quarter of 2016, versus 57.4% in the third quarter of 2015 and 52.4% in the second quarter of 2016 (which benefited from the one-time Visa gain).

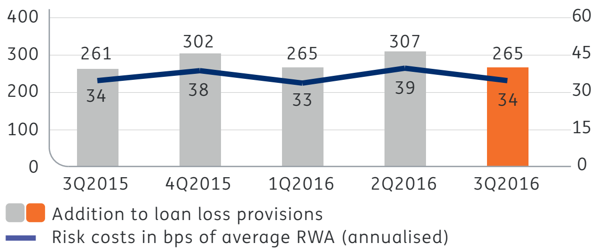
The cost-saving programmes that have been underway at ING Bank since 2011 are expected to generate gross annual savings of EUR 1.2 billion by 2017, and EUR 1.3 billion by 2018. Of these targeted amounts, EUR 977 million of cost savings have already been achieved.

The total number of internal staff declined in the third quarter by 57 FTEs to 51,776 FTEs at the end of September 2016. Declines in internal staff were recorded in the Benelux, Poland and Turkey and were largely offset by FTE increases in Germany and the international network of Wholesale Banking to support commercial growth.

Addition to loan loss provisions

ING Bank recorded EUR 265 million of risk costs in the third quarter of 2016, up slightly from EUR 261 million a year ago, but down from EUR 307 million in the previous quarter.

Addition to loan loss provisions (in EUR million)



Net additions in Retail Netherlands declined further to EUR 43 million from EUR 50 million in the previous quarter and EUR 82 million in the third quarter of 2015. The decline on both comparable quarters was caused by a net release from the loan loss provision for Dutch mortgages due to the improvement in the Dutch housing market. The net addition for Dutch business lending was EUR 56 million compared with EUR 45 million a year ago and EUR 39 million in the previous quarter. In Retail Belgium, risk costs were EUR 51 million. This is slightly higher than the quarterly average in 2015, but down from EUR 57 million in the previous quarter. Net additions in the Retail Challengers & Growth Markets were EUR 74 million, up from EUR 66 million in the third quarter of 2015, but down from EUR 77 million in the previous quarter.

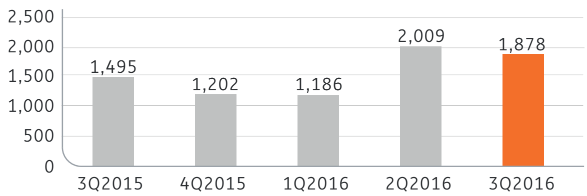
Risk costs in Wholesale Banking were EUR 97 million, the same level as a year ago, but down from EUR 123 million in the previous quarter. On a sequential basis, the decline was mainly in General Lending and the Lease run-off portfolio, and was despite higher risk costs in Industry Lending.

The non-performing loan (NPL) ratio of ING Bank improved to 2.2% compared with 2.3% at the end of June 2016. Total third-quarter risk costs at ING Bank were 34 basis points of average risk-weighted assets (RWA), equal to the third quarter of 2015 and down from 39 basis points in the previous quarter. ING Bank's through-the-cycle guidance range for risk costs is 40-45 basis points of average RWA.

Underlying result before tax

ING Bank's third-quarter 2016 underlying result before tax was EUR 1,878 million, up 25.6% from a year ago mainly due to higher interest results and fee income, whereas higher investment income was offset by a negative swing in CVA/DVA impacts. Sequentially, the underlying result before tax fell 6.5%, predominantly due to the EUR 200 million gain on the Visa sale in the previous quarter.

Underlying result before tax (in EUR million)



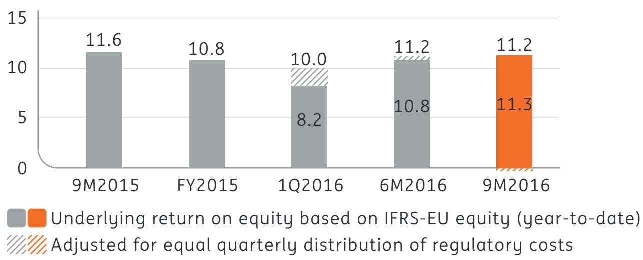
Net result Banking

ING Bank's underlying net result rose to EUR 1,336 million from EUR 1,092 million in the third quarter of 2015, but declined 5.7% from EUR 1,417 million in the second quarter of 2016. The third-quarter effective underlying tax rate was 27.8% compared with 25.4% a year ago and 28.3% in the previous quarter.

ING Bank's third-quarter 2016 net result was EUR 1,336 million, which is 23.9% higher than in the third quarter of 2015, which included EUR -15 million of special items after tax.

The year-to-date underlying return on ING Bank's IFRS-EU equity declined to 11.3% from 11.6% in the first nine months of 2015. The decline versus a year ago was caused by a 9% increase in the average equity base, which was principally attributable to retained earnings outpacing the 5.8% growth in underlying net result. The year-to-date impact of the uneven recognition of total regulatory costs over the four quarters of 2016 was less visible in the third quarter. If total expected 2016 regulatory costs were equally distributed over the four quarters of the year, the underlying return on IFRS-EU equity would have been slightly lower at 11.2% for the first nine months of 2016.

Return on equity ING Bank (in %)



Consolidated Results

The underlying return on ING Group's IFRS-EU equity was 9.8% for the first nine months of 2016, or 9.7% if the total expected regulatory costs for 2016 were equally distributed over the four quarters of 2016.

Net result ING Group

ING Group's third-quarter net result was EUR 1,349 million compared with EUR 1,064 million in the third quarter of 2015 and EUR 1,295 million in the second quarter of 2016. All of these figures include the net results of the legacy insurance businesses.

In the third quarter of 2016, ING Group recorded a net profit of EUR 13 million on the legacy insurance activities, predominantly related to a higher valuation of warrants on Voya shares compared with the end of June 2016.

ING Group holds warrants for approximately 35 million shares in NN Group at an exercise price of EUR 40.00 per share and warrants for approximately 26 million shares in Voya at an exercise price of USD 48.75 per share. There is no regulatory requirement to divest these warrants. The book value of these warrants was EUR 36 million at the end of September 2016.

In the third quarter of 2015, ING Group's net result included EUR -14 million for the legacy insurance activities. Of this amount, EUR 76 million was related to the discontinued operations of NN Group and EUR -90 million due to a lower valuation of warrants on NN Group and Voya shares.

ING Group's net result per share was EUR 0.35 in the third quarter of 2016, based on an average number of shares outstanding of 3,877.1 million during the quarter.

Other events

Accelerating Think Forward

On 3 October 2016, ING Group held an Investor Day in Amsterdam, The Netherlands, during which the 'Accelerating Think Forward' strategy update was presented. ING announced a number of initiatives to further improve the customer experience, grow primary customers and lending, and increase efficiency.

As announced that day, ING intends to start a path of convergence towards one digital banking platform. Countries with similar value propositions intend to harmonise their business models and develop shared operating platforms. Infrastructure, data and support functions are intended to be standardised across countries and business lines. From 2016 to 2021 we intend to invest EUR 800 million in our digital transformation, building a scalable platform to cater for continued commercial growth, an improved customer experience and a quicker delivery of new products. This would allow us to continue our success in growing our client franchise and diversify our income. Through improved efficiency, the Accelerating Think Forward programme is expected to deliver approximately EUR 900 million of annual gross cost savings by 2021.

It is inevitable that the various measures and intentions announced will have a significant impact on many of our colleagues. It means some functions will change significantly in nature. It might mean that the location of functions will change. And it might mean that positions will no longer be there in the future. All-in-all, over the coming five years, around 7,000 functions might be impacted by these effects, including 950 positions employed by external suppliers.

While not all plans are finalised yet, the intended initiatives are expected to result in a reduction of ING´s workforce in Belgium by around 3,500 FTEs and by around 2,300 FTEs in the Netherlands for the years 2016-2021. These numbers include the intended move to an integrated banking platform in the Benelux, with the remainder of functions affected spread over intended programmes in IT, operations, Wholesale Banking and various business support functions. At the same time, we will add colleagues in parts of our business where we expect to accelerate growth given our plans to continue to attract new customers and increase lending to support the economies we are active in.

A pre-tax restructuring provision of around EUR 1.1 billion, primarily related to the intended workforce reductions, is expected to be booked as a special item. Approximately EUR 1.0 billion of this estimated provision is expected to be recorded in the fourth quarter of 2016.

In line with our strategy, we introduced ING Group financial targets for 2020. We will maintain our ING Group CET1 ratio above the prevailing fully-loaded requirement, currently 12.5%, with a Group leverage ratio above 4%. Our target for the cost/income ratio is 50-52%. In light of the continuing regulatory uncertainty, we have postponed setting a Group ROE target (currently 10-13% of ING Bank IFRS-EU equity), but we reiterate our intention to pay a progressive dividend over time.

Further details of the various programmes will become available in the coming months. Wherever there is an impact on the workforce, all intended measures will be made in accordance with local regulations and will be discussed with the respective stakeholders.

Resolution entity

Following discussions with the Single Resolution Board (SRB) throughout 2016, and subject to final SRB confirmation towards the end of 2016 or early 2017, and taking advantage of our pre-existing holding company structure, we have concluded that ING Groep N.V. should be our designated resolution entity. This simplifies our resolution structure and will allow us to move forward with the issuance of qualifying securities notwithstanding the many remaining uncertainties related to resolution requirements.

Segment Reporting: Retail Banking

Retail Benelux: Consolidated profit and loss account	Retail Benelux		Netherlands		Belgium	
In EUR million	3Q2016	3Q2015	3Q2016	3Q2015	3Q2016	3Q2015
Profit and loss data						
Interest result	1,399	1,413	911	927	488	486
Commission income	230	218	139	133	91	86
Investment income	10	10	9	0	1	10
Other income	110	88	72	30	38	58
Total underlying income	**1,749**	**1,729**	**1,132**	**1,090**	**617**	**639**
Expenses excl. regulatory costs	873	936	527	592	346	344
Regulatory costs	38	37	19	0	19	37
Operating expenses	**911**	**973**	**546**	**592**	**365**	**381**
Gross result	**838**	**756**	**585**	**498**	**252**	**258**
Addition to loan loss provision	94	98	43	82	51	16
Underlying result before tax	**744**	**658**	**542**	**416**	**202**	**242**
Customer lending/deposits (end of period, in EUR billion)[1]						
Residential mortgages	158.4	162.1	123.2	128.4	35.2	33.7
Other customer lending	78.0	77.8	37.0	38.7	41.0	39.1
Customer deposits	216.7	213.5	135.6	133.8	81.1	79.7
Profitability and efficiency[1]						
Cost/income ratio	52.1%	56.3%	48.3%	54.3%	59.1%	59.7%
Return on equity based on 10.0% common equity Tier 1[2]	25.7%	23.4%	30.7%	21.1%	17.7%	28.1%
Employees (FTEs, end of period)	17,759	18,839	9,099	9,952	8,661	8,887
Risk[1]						
Risk costs in bps of average RWA	44	44	33	55	61	22
Risk-weighted assets (end of period, in EUR billion)	85.3	88.5	52.3	58.6	33.0	30.0

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

Retail Benelux

"On 3 October, ING announced a number of intended initiatives to prepare the Bank for sustainable success in the future. Although changes will be implemented across ING, most of the individuals likely to be directly affected would be in Belgium and in the Netherlands. This would be an extremely difficult consequence of our transformation. But we should act now, from a position of strength, to make sure that ING is adequately prepared for a fast-changing future in which we maintain our market leadership.

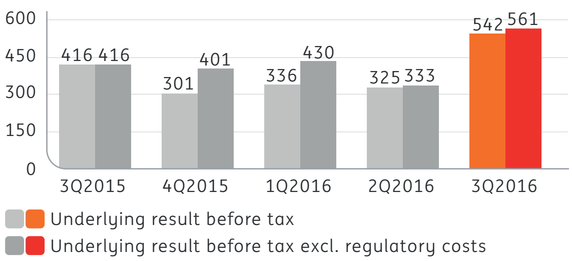
Pre-tax results at Retail Belgium fell both year-on-year and sequentially, reflecting declining margins on mortgages, savings and current accounts, as well as lower Bank Treasury results. In the Netherlands, third-quarter results showed resilience, despite pressure on income due to lower volumes. Risk costs declined compared with both previous quarters, mainly due to improved sentiment in the Dutch housing market. Operating expenses for Retail Benelux were under control, consistent with the impact of ongoing cost-saving programmes."

Koos Timmermans, Member and Vice-chairman, Management Board Banking

Retail Netherlands

Retail Netherlands posted a strong third-quarter underlying result before tax of EUR 542 million, reflecting resilient net interest income, lower expenses (as the running cost-reduction programmes delivered additional gross savings in the quarter) and a low level of risk costs. Higher revenues from Bank Treasury further supported the third-quarter result. Net interest income was broadly stable as a small improvement in margins offset a decline in lending volumes (also related to the WUB portfolio). Risk costs were substantially lower, reflecting the continued improvement in the Dutch housing market. The underlying result before tax rose 30.3% on the third quarter of 2015 and was up 66.8% sequentially, as the second quarter of 2016 was negatively affected by a EUR 117 million addition to the provision for Dutch SME clients with interest rate derivatives.

Underlying result before tax - Retail Netherlands (in EUR million)



Total underlying income rose 3.9% from a year ago to EUR 1,132 million, mainly due to higher revenues from

Segment Reporting: Retail Banking

Bank Treasury. The interest result declined 1.7%, reflecting lower lending volumes and margin pressure on current accounts, partly offset by higher customer deposit volumes and improved margins on lending and savings accounts. Compared with the previous quarter, income rose 4.8%. The main driver was the high result from Bank Treasury, but the interest result and commission income also showed a positive trend. The interest result was supported by a higher margin on savings accounts, reflecting the further lowering of client savings rates during the third quarter.

Customer lending fell by EUR 2.1 billion in the third quarter, of which EUR -0.7 billion was in the WUB portfolio and EUR -0.4 billion at Bank Treasury. This was partly offset by EUR 0.7 billion of changes in the netting of cash pooling arrangements. Excluding these items, net core lending dropped by EUR 1.6 billion, of which EUR -0.8 billion was in mortgages and EUR -0.8 billion in other lending, reflecting subdued demand in business lending. Net customer deposits (excluding Bank Treasury and the changes in netting) shrank by EUR 1.7 billion, mainly due to seasonality caused by the usage of holiday allowances compared to an inflow in the previous quarter.

Operating expenses decreased 7.8% compared with a year ago to EUR 546 million, despite EUR 19 million of Dutch DGS costs in the third quarter of 2016. The decline reflects the impact of ongoing cost-savings initiatives and lower redundancy costs, while the year-ago quarter included a provision for retail products. Sequentially, expenses fell by EUR 159 million as the previous quarter included a EUR 117 million addition to the provision for SME clients with interest rate derivatives and higher redundancy costs. As of the end of September 2016, the previously announced cost-savings programmes of Retail Netherlands had realised EUR 515 million of cost savings since they started in 2011, out of a targeted total amount of EUR 675 million by the end of 2017.

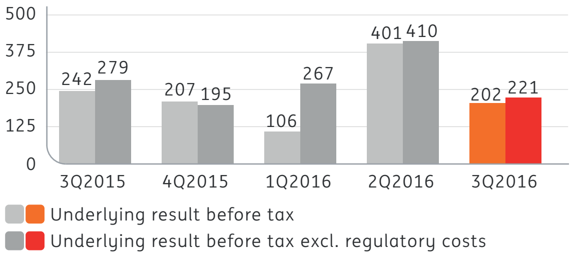
Risk costs fell to EUR 43 million, or 33 basis points of average risk-weighted assets, from EUR 82 million a year ago and from EUR 50 million in the previous quarter. Risk costs for mortgages showed a release of EUR 18 million versus a net addition of EUR 23 million a year ago and EUR 3 million in the previous quarter, reflecting the continued improvement in the Dutch housing market. Risk costs for business lending were EUR 56 million, which is EUR 11 million higher than they were a year ago and up EUR 17 million from the previous quarter.

Risk-weighted assets decreased by EUR 1.2 billion in the third quarter to EUR 52.3 billion, mainly reflecting a further improvement in the Dutch mortgage portfolio.

Retail Belgium

The third-quarter 2016 underlying result before tax of Retail Belgium was EUR 202 million, down 16.5% from EUR 242 million a year ago and down 49.6% from EUR 401 million in the previous quarter. The second quarter of 2016 included a one-time procured cost saving of EUR 95 million, a EUR 30 million one-off gain on the sale of Visa shares, and higher results from Bank Treasury. The third quarter of 2015 included a one-time EUR 23 million gain. When adjusting for these items, the underlying business performance was down on both comparable quarters. This was caused by declining margins on mortgages, savings and current accounts, as well as lower Bank Treasury results.

Underlying result before tax - Retail Belgium (in EUR million)



Underlying income was EUR 617 million, down 3.4% year-on-year. The interest result rose by 0.4%, supported by higher customer lending volumes and improved margins on lending. These factors were largely offset by lower margins on savings and current accounts due to the persistently low interest rate environment. A further decline in savings margins is expected as ING has already reached the legal floor for client savings rates in Belgium. Commission income rose by EUR 5 million. Investment and other income declined by EUR 29 million, as the third quarter of 2015 included EUR 23 million of revenues from the sale of associates. On a sequential basis, income fell by EUR 81 million, or 11.6%. The decline was mainly due to the EUR 30 million Visa gain recorded in the previous quarter, lower results from Bank Treasury after the strong second quarter (which included gains on hedge releases) and modest decreases in commission and investment income. When excluding Bank Treasury, the interest result was stable, as higher lending volumes compensated for lower prepayment and renegotiation fees on mortgages and a lower margin on savings and deposits.

The net production of customer lending in the third quarter was EUR 1.2 billion, of which EUR 0.4 billion was mortgages and EUR 0.8 billion other customer lending. Net customer deposits declined by EUR 0.8 billion, which was recorded entirely in current accounts reflecting seasonal patterns.

Operating expenses declined 4.2% compared with a year ago. The decrease was mainly due to lower staff expenses and lower regulatory costs. Compared with the previous quarter, expenses were EUR 125 million higher, primarily due to the EUR 95 million one-off procured cost saving that was booked in the second quarter of 2016 and an increase in regulatory costs following new legislation on Belgian bank taxes.

Risk costs were EUR 51 million, or 61 basis points of average risk-weighted assets, versus EUR 16 million a year ago and EUR 57 million in the previous quarter. Risk costs were again somewhat above the average quarterly level in 2015 (EUR 42 million), mainly because of additions for a few specific files.

Risk-weighted assets edged up EUR 0.1 billion in the third quarter to EUR 33.0 billion.

Segment Reporting: Retail Banking

Retail Challengers & Growth Markets: Consolidated profit and loss account	Retail Challengers & Growth Markets		Germany		Other	
In EUR million	3Q2016	3Q2015	3Q2016	3Q2015	3Q2016	3Q2015
Profit and loss data						
Interest result	977	919	439	421	538	498
Commission income	132	92	47	31	85	62
Investment income	87	43	0	0	87	42
Other income	40	55	-9	12	49	43
Total underlying income	**1,237**	**1,109**	**478**	**464**	**759**	**645**
Expenses excl. regulatory costs	589	549	199	187	390	362
Regulatory costs	30	48	-8	39	38	9
Operating expenses	**619**	**597**	**191**	**226**	**428**	**371**
Gross result	**618**	**512**	**287**	**237**	**331**	**275**
Addition to loan loss provision	74	66	5	17	69	49
Underlying result before tax	**544**	**446**	**282**	**220**	**262**	**226**
Customer lending/deposits (end of period, in EUR billion)[1]						
Residential mortgages	122.6	113.2	68.2	65.2	54.4	48.0
Other customer lending	34.0	33.2	10.8	12.5	23.2	20.7
Customer deposits	236.2	220.5	125.3	118.7	110.9	101.9
Profitability and efficiency[1]						
Cost/income ratio	50.0%	53.8%	39.9%	48.8%	56.4%	57.4%
Return on equity based on 10.0% common equity Tier 1[2]	20.9%	17.8%	28.8%	24.3%	16.8%	14.4%
Employees (FTEs, end of period)	22,493	22,632	4,462	4,205	18,030	18,427
Risk[2]						
Risk costs in bps of average RWA	40	36	9	28	56	41
Risk-weighted assets (end of period, in EUR billion)	73.9	72.5	25.5	25.1	48.4	47.4

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

Retail Challengers & Growth Markets

"Retail Challengers & Growth Markets delivered another record quarterly result, despite the challenging market environment characterised by ever-lower interest rates. We also continued to attract primary customers throughout our geographies, while achieving further diversification of our product portfolio, and this is driving the increase in the interest result and an even faster rate of increase in commission income.

Use of the mobile channel continues to increase in all countries, validating the attractiveness of our digital-first strategy. I'm confident that our transformation in five of our Challenger Markets towards a Model Bank, with one retail strategy and a harmonised retail proposition, will further increase customer interaction and commercial growth. In Germany, we will enhance our digital banking platform, introducing an omnichannel approach and investing in scalability to provide room for business growth and improve operational efficiency."

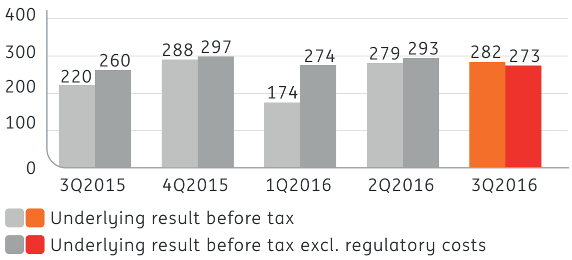
Aris Bogdaneris, Member Management Board Banking, Head of Challengers & Growth Markets

Retail Germany

Retail Germany's third-quarter 2016 underlying result before tax was EUR 282 million, up from EUR 220 million in the third quarter of 2015. The increase is explained by the continually positive business momentum, resulting in higher interest and commission income that was only partly offset by negative hedge ineffectiveness results. The result was furthermore supported by EUR 47 million of lower regulatory expenses.

Compared with the second quarter of 2016, the result before tax slightly increased by EUR 3 million, even though the previous quarter included a EUR 44 million one-time gain on the sale of Visa shares and the current quarter included negative hedge ineffectiveness results. The increase was driven by EUR 31 million higher interest income, which benefited from the lowering in mid-June of the core savings rate in Germany, higher commission income, EUR 23 million lower regulatory expenses and decreased risk costs.

Underlying result before tax - Germany (in EUR million)



Segment Reporting: Retail Banking

Total underlying income was EUR 478 million, up 3.0% from the third quarter of 2015. This was driven by higher net interest income reflecting higher lending and savings volumes, while the total margin was stable compared with a year ago. Commission income also increased year-on-year. These improvements in income were partly offset by negative hedge ineffectiveness results in the current quarter. Compared with the previous quarter, which included the one-time Visa gain, total income decreased 5.9%. When adjusting for Visa, total income was up 3.0% sequentially, despite the negative hedge ineffectiveness results in the current quarter. The main driver for the growth was the higher interest result, which benefited from continued volume growth and the impact of lowering the core savings rate in mid-June.

Total customer lending increased by EUR 1.4 billion in the third quarter to EUR 79.0 billion, while net growth in core lending, excluding Bank Treasury products, was EUR 1.2 billion. Residential mortgages increased by EUR 0.9 billion and consumer lending by EUR 0.3 billion (to EUR 6.4 billion). Customer deposits, excluding Bank Treasury, recorded net growth of EUR 2.1 billion in the third quarter of 2016.

Excluding regulatory costs, total operating expenses were EUR 199 million, up 6.4% from a year ago. The increase was mainly due to higher headcount as well as higher investments to support business growth and maintain the momentum of growth in customers and primary relationships. Compared with the previous quarter, expenses excluding regulatory costs decreased by 0.5%. The cost/income ratio was 39.9% for the third quarter of 2016.

Risk costs were only EUR 5 million compared with EUR 17 million in the third quarter of 2015 and EUR 14 million in the previous quarter. Third-quarter risk costs were low at 9 basis points of average risk-weighted assets, reflecting the current benign credit environment in Germany.

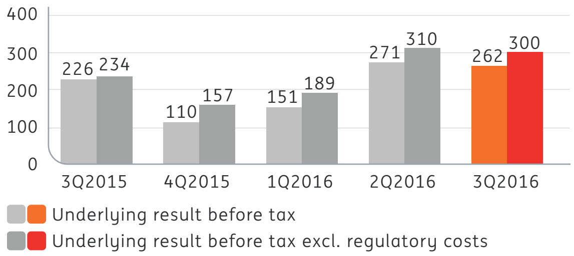
Risk-weighted assets increased by EUR 0.4 billion in the third quarter to EUR 25.5 billion, mainly reflecting lending growth.

Retail Other Challengers & Growth Markets

The underlying result before tax of Retail Other Challengers & Growth Markets increased to EUR 262 million from EUR 226 million in the third quarter of 2015. The increase can largely be explained by revenue growth in most businesses combined with a EUR 32 million one-time gain following the reduction of ING's stake in Kotak Mahindra Bank from 6.4% to 3.9%. The annual Bank of Beijing dividend was also received in the third quarter and amounted to EUR 48 million compared with EUR 41 million last year. The positive development in revenues was only partly offset by higher regulatory costs and strategic project expenses, as well as higher risk costs.

Compared with the second quarter of 2016, the result before tax decreased only slightly by EUR 9 million, even though the previous quarter included a EUR 109 million one-time gain on the sale of Visa shares and the current quarter recorded higher cost to support business growth. Strong underlying income growth due to continued business momentum in most markets as well as the Bank of Beijing dividend and the one-time gain on the sale of Kotak shares supported the results in the quarter.

Underlying result before tax - Retail Other Challengers & Growth Markets (in EUR million)



Total underlying income rose by EUR 114 million to EUR 759 million compared with a year ago. This increase was due to improved commercial results across most of the business units and the one-time gain from the reduction of ING's stake in Kotak Mahindra Bank. Sequentially, underlying income increased by EUR 19 million. Interest income improved by EUR 26 million and commission income by EUR 16 million on the back of continued client and volume growth in most countries, as well as the lowering of the core savings rates in Poland, Australia, France and Romania in the third quarter. These increases, combined with the Bank of Beijing dividend and the one-time Kotak gain, pushed income higher despite the one-time gain on Visa in the previous quarter.

Customer lending increased by EUR 2.1 billion in the third quarter to EUR 77.6 billion. Excluding currency impacts and Bank Treasury, net core lending grew by EUR 1.7 billion, with a large part of the growth generated in Australia, Poland and Spain. Customer deposits excluding currency impacts increased by EUR 0.8 billion, primarily reflecting net inflows from customers in Australia, Spain and Italy.

Operating expenses rose by EUR 57 million from a year ago to EUR 428 million. This was due to a EUR 29 million increase in regulatory costs, as well as higher IT and professional services expenses related to strategic projects. Compared with the previous quarter, operating expenses increased by EUR 22 million due to the aforementioned impacts. The cost/income ratio was 56.4% in the third quarter.

Risk costs were EUR 69 million versus EUR 49 million in the third quarter of 2015 and EUR 63 million in the previous quarter. Risk costs in basis points of average risk-weighted assets increased slightly to 56 basis points in the third quarter of 2016 from 51 basis points in the previous quarter.

Risk-weighted assets decreased by EUR 0.6 billion in the third quarter to EUR 48.4 billion, mainly due to the reduction of ING's stake in Kotak Mahindra Bank.

Segment Reporting: Wholesale Banking

Wholesale Banking: Consolidated profit and loss account

In EUR million	Total Wholesale Banking 3Q2016	Total Wholesale Banking 3Q2015	Industry Lending 3Q2016	Industry Lending 3Q2015	General Lending & Transaction Services 3Q2016	General Lending & Transaction Services 3Q2015	Financial Markets 3Q2016	Financial Markets 3Q2015	Bank Treasury & Other 3Q2016	Bank Treasury & Other 3Q2015
Profit and loss data										
Interest result	964	850	528	480	261	251	138	67	37	53
Commission income	244	216	132	112	93	83	22	18	-3	2
Investment income	15	-60	-4	-7	0	0	-1	5	20	-58
Other income excl. CVA/DVA	169	194	4	-16	9	12	93	173	64	25
Underlying income excl. CVA/DVA	1,392	1,200	660	570	362	345	252	263	118	22
CVA/DVA	-42	14					-42	14		
Total underlying income	**1,350**	**1,214**	**660**	**570**	**362**	**345**	**210**	**277**	**118**	**22**
Expenses excl. regulatory costs	617	582	154	143	179	189	220	224	65	26
Regulatory costs	-2	20	-4	3	-4	13	-6	1	12	3
Operating expenses	**615**	**603**	**150**	**146**	**175**	**203**	**214**	**225**	**77**	**29**
Gross result	**735**	**612**	**510**	**424**	**187**	**143**	**-4**	**52**	**41**	**-7**
Addition to loan loss provision	97	97	86	39	3	39	4	0	4	19
Underlying result before tax	**638**	**515**	**425**	**385**	**184**	**104**	**-8**	**52**	**37**	**-26**
Customer lending/deposits (end of period, in EUR billion)[1]										
Residential mortgages	1.4	1.4	0.0	0.0	0.0	0.0	0.0	0.0	1.4	1.4
Other customer lending	160.4	141.3	107.0	93.4	45.8	37.5	1.0	2.6	6.6	7.8
Customer deposits	64.2	68.6	1.1	1.8	49.2	47.2	5.1	6.1	8.8	13.5
Profitability and efficiency[1]										
Cost/income ratio	45.6%	49.6%	22.7%	25.6%	48.3%	58.7%	102.0%	81.2%	65.0%	130.7%
Return on equity based on 10.0% common equity Tier 1[2]	13.1%	10.9%	19.9%	21.5%	11.9%	8.0%	-1.6%	7.0%	19.9%	-16.8%
Employees (FTEs, end of period)	11,521	11,087								
Risk[1]										
Risk costs in bps of average RWA	26	27	54	28	3	37	5	0	16	68
Risk-weighted assets (end of period, in EUR billion)	148.8	146.3	63.2	54.8	45.2	42.3	30.1	37.6	10.3	11.6

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

Wholesale Banking

"Wholesale Banking delivered a strong third quarter. Income increased 11% year-on-year, primarily driven by volume growth in Industry Lending and General Lending as ING continued to support clients' financing needs and facilitate their sustainable transitions.

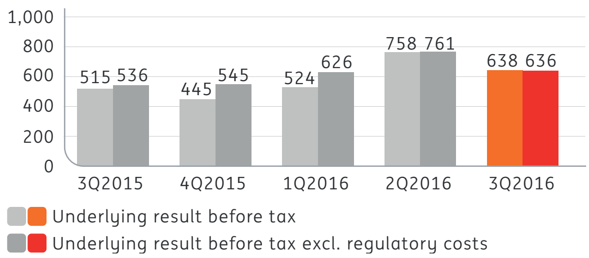
During the third quarter, we developed our Virtual Cash Management application. This new service allows corporate clients, regardless of their financial IT infrastructure, to rationalise their bank accounts, centralise multi-entity cash and improve cash visibility. It's a prime example of how we continuously strive to improve the customer experience. I'm proud that the success of our innovation capabilities was recently recognised by the 'Top Innovator in Transaction Services 2016' award from Global Finance magazine for transforming the documentation process in the payments and cash management business.

Last but not least, we are delighted to announce that we have opened a securities branch in South Korea. This will further strengthen our franchise and ability to service clients globally through our network in over 40 countries."

Isabel Fernandez, Member Management Board Banking, Head of Wholesale Banking

Wholesale Banking recorded a solid third-quarter result. The underlying result before tax was EUR 638 million, driven by continued strong performance in Industry Lending and General Lending. Financial Markets recorded lower results after the strong second quarter. Expenses increased on both comparable quarters due to an IT-related restructuring provision recognised in Bank Treasury & Other. Underlying expenses excluding the provision were well contained. Risk costs declined further to 26 basis points of average RWA, despite the higher risk costs in Industry Lending.

Underlying result before tax - Wholesale Banking (in EUR million)



The pre-tax result was up by EUR 123 million, or 23.9% from a year ago. The prior-year quarter included a EUR 71 million impairment on an equity stake, but benefited from EUR 14 million positive CVA/DVA. By contrast, the current quarter included EUR -42 million of CVA/DVA adjustments.

Segment Reporting: Wholesale Banking

Excluding these items, the pre-tax result was up 18.9%, driven by continued growth in Industry Lending and General Lending, with a positive impact on the net interest result and commission income. The pre-tax result declined by EUR 120 million from the previous quarter, mainly due to lower revenues in Financial Markets after the strong second quarter and the aforementioned restructuring provision in Bank Treasury & Other.

Total underlying income was 11.2% higher year-on-year, but 8.2% lower than in the previous quarter. Total underlying income excluding CVA/DVA effects and the equity impairment improved 9.5% compared with the third quarter 2015, largely driven by continued volume growth, both in Industry Lending and General Lending. The current quarter also benefited from stronger income in Bank Treasury. Excluding CVA/DVA impacts, income was down 8.9% sequentially, mainly due to lower Financial Markets revenues caused by lower client flows after the strong second quarter, as well as lower income in the equities business.

The interest result rose 13.4% from the third quarter of 2015. Excluding Financial Markets, the interest result was up 5.5%, driven by ongoing volume growth in Industry Lending and General Lending as ING continued to support clients' financing needs. Interest income in Transaction Services and Bank Treasury declined slightly year-on-year. Excluding the contribution from Financial Markets, interest income was flat sequentially, as stronger interest income in Industry Lending, General Lending and Transaction Services was offset by lower interest income in Bank Treasury & Other.

Commission income rose 13.0% year-on-year in line with the portfolio growth in Industry Lending and General Lending and due to higher Transaction Services fee income. Commission income declined 10.6% from the strong second quarter, when high fee income was generated in Structured Finance.

Investment income was EUR 15 million for the quarter, in line with the previous quarter and up from a loss of EUR 60 million in the third quarter of 2015, which was caused by a EUR 71 million impairment on an equity stake.

Total other income amounted to EUR 127 million, down from EUR 208 million a year ago and EUR 281 million in the previous quarter. The variance on both comparable quarters was mainly at Financial Markets and partly caused by negative CVA/DVA effects.

Operating expenses increased 2.0% on the same quarter last year, driven by an IT-related restructuring provision, inflationary impacts and expenses related to higher FTEs to support business growth, partly offset by cost savings from the ongoing cost-containment programmes and lower regulatory expenses. Compared with the previous quarter, operating expenses were 4.2% higher, mainly due to the IT-related provision and higher IT costs.

Wholesale Banking's previously announced restructuring programmes are on track to realise EUR 340 million of cost savings by the end of 2017. At the end of the third quarter of 2016, EUR 302 million of cost savings had already been realised.

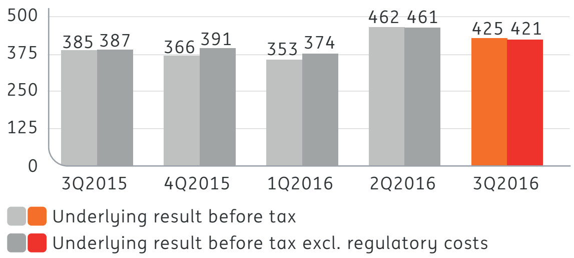
The cost/income ratio of Wholesale Banking was 45.6% in the third quarter of 2016, up from 40.1% in the previous quarter. The deterioration primarily reflects lower income in Financial Markets.

Risk costs for Wholesale Banking amounted to EUR 97 million, or 26 basis points of average RWA, which is equal to the third quarter of 2015 and down from EUR 123 million in the previous quarter. Third-quarter 2016 risk costs included an extra charge due to a model update for corporates.

Risk-weighted assets dropped by EUR 4.9 billion in the quarter to EUR 148.8 billion, mainly due to improvements in the book quality and lower market risk.

Industry Lending

Underlying result before tax - Industry Lending (in EUR million)



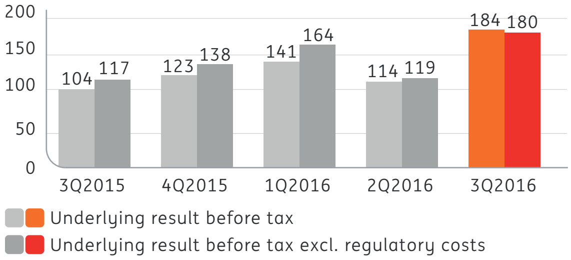
Industry Lending posted an underlying result before tax of EUR 425 million, up strongly year-on-year, but down sequentially after the exceptionally strong second quarter in terms of lending growth and related fee income. Income rose 15.8% from the third quarter of 2015, reflecting continued volume growth in Structured Finance and Real Estate Finance. Year-on-year, portfolio growth totalled EUR 14.3 billion, excluding FX effects, of which EUR 11.8 billion was generated by Structured Finance and EUR 2.5 billion by Real Estate Finance. Positive momentum continued in the third quarter, with EUR 1.3 billion of net core lending growth. Expenses, excluding regulatory costs, rose 7.7% on the same quarter of 2015. They were mainly due to ongoing investments to support future growth, and were in line with expenses in the prior quarter.

Total risk costs amounted to EUR 86 million, compared with EUR 39 million in the third quarter of 2015 and EUR 60 million in the previous quarter. As in the previous quarter, the net additions to loan loss provisions included the impact of the model update for corporates.

Segment Reporting: Wholesale Banking

General Lending & Transaction Services

Underlying result before tax -
General Lending & Transaction Services (in EUR million)



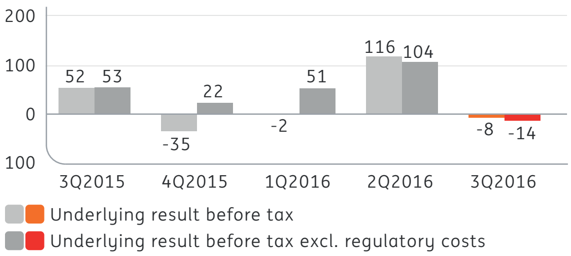
The underlying result before tax from General Lending & Transaction Services was EUR 184 million, up 76.9% compared with the same quarter of 2015 and up 61.4% sequentially. This was in addition to stronger income and lower expenses, both mainly the result of lower risk costs.

Income rose 4.9% year-on-year, consistent with portfolio growth in General Lending and Working Capital Solutions. Sequentially, income was up 2.3% due to the aforementioned growth in lending assets. Year-on-year, portfolio growth totalled EUR 6.2 billion, excluding FX effects and the changes due to the netting of cash pooling arrangements, of which EUR 3.1 billion was generated by General Lending and another EUR 3.1 billion by Transaction Services, of which EUR 1.9 billion in Working Capital Solutions. Net core lending grew slightly by EUR 0.1 billion in the third quarter. Income in Trade Finance Services rose 16.2% sequentially, mainly attributable to one large deal. Income in Payments & Cash Management was down 6.6%, primarily due to margin pressure as a result of the record-low interest rate environment.

Expenses fell 13.8% year-on-year and declined 8.4% compared to the previous quarter, mainly due to lower regulatory costs. Risk costs were negligible at EUR 3 million for the quarter, down from EUR 50 million in the second quarter of 2016 and EUR 39 million one year ago.

Financial Markets

Underlying result before tax -
Financial Markets (in EUR million)

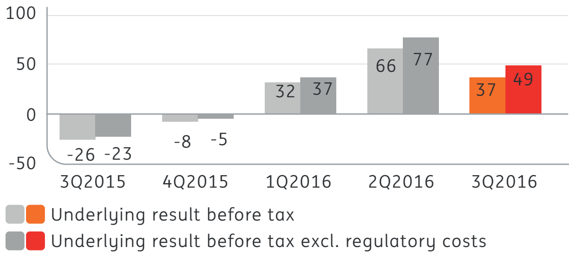


Financial Markets posted an underlying result before tax of EUR -8 million, down from EUR 52 million in the third quarter of 2015 and EUR 116 million in the previous quarter. The result in the current quarter included EUR -42 million of CVA/DVA adjustments compared with EUR 14 million of positive CVA/DVA impacts a year ago and EUR -57 million in the previous quarter. Income excluding CVA/DVA effects declined 4.2% year-on-year as higher income in the Credit Trading business was more than offset by lower income from the FX business. On a sequential basis, income excluding CVA/DVA impacts declined 33.5% due to lower client flows and lower income in the Equities business. Operating expenses declined 4.9% year-on-year due to lower regulatory costs and lower IT costs. Compared with the previous quarter, expenses increased 3.4%. Excluding regulatory costs, expenses were almost flat.

Market risk-weighted assets have been reduced by EUR 2.0 billion this quarter through increased netting of derivative positions and lower risk taking, and the business continues to take measures to optimise our product suite while balancing the needs of our clients with changing capital requirements and market conditions.

Bank Treasury & Other

Underlying result before tax -
Bank Treasury & Other (in EUR million)



Bank Treasury & Other booked an underlying result before tax of EUR 37 million, up from EUR -26 million in the same quarter of 2015, but down from EUR 66 million in the previous quarter. Income increased by EUR 96 million from a year ago, as the third quarter of 2015 included a EUR 71 million impairment on an equity stake in Corporate Investments. The remaining increase was mainly due to positive revaluations on derivatives used for hedging purposes. Sequentially, income rose slightly by 0.9%. Operating expenses increased both year-on-year and sequentially, among others due to an IT-related restructuring provision.

Segment Reporting: Corporate Line Banking

Corporate Line: Consolidated profit and loss account		
In EUR million	3Q2016	3Q2015
Profit and loss data		
Interest result	45	-42
Commission income	-1	-3
Investment income	27	0
Other income	-43	-6
Total underlying income	**27**	**-50**
Expenses excl. regulatory costs	75	74
Regulatory costs	0	0
Operating expenses	**75**	**74**
Gross result	**-48**	**-124**
Addition to loan loss provision	0	0
Underlying result before tax	**-48**	**-124**
of which:		
Income on capital surplus	44	24
Financing charges	-15	-35
Other capital management	122	50
Capital Management excl. DVA	150	39
Bank Treasury excl. DVA	-109	-125
DVA	-30	26
Other excl. DVA	-58	-64

Corporate Line Banking posted an underlying result before tax of EUR -48 million compared with EUR -124 million in the third quarter of 2015. Total income improved largely due to positive one-off impacts, lower financing charges and the run-off of the legacy portfolio. The result in the second quarter of 2016 was EUR -25 million.

The Capital Management-related results, excluding DVA, amounted to EUR 150 million in the third quarter of 2016 compared with EUR 39 million in the same quarter of last year.

Within the Capital Management-related results, income on capital surplus was EUR 44 million compared with EUR 24 million in the third quarter of 2015. Financing charges improved to EUR -15 million from EUR -35 million in the same quarter of 2015. The improvement was mainly caused by the maturity of senior unsecured debt of ING Group, which lowered interest expenses. The result of Other Capital Management was EUR 122 million versus EUR 50 million one year ago. The increase was primarily caused by positive one-off results due to the release of revaluation reserves partly linked to the liquidation of legal entities. The result was further supported by the redemption of intercompany funding earlier this year.

Bank Treasury-related results include the isolated legacy costs (mainly negative interest results) for replacing short-term funding with long-term funding. The third-quarter 2016 result was EUR -109 million compared with EUR -125 million in the same quarter of 2015. The improvement was mainly due to the run-off of the legacy portfolio.

DVA on own-issued debt was EUR -30 million compared with EUR 26 million in the third quarter of 2015. The negative result is due to a steady tightening of ING's credit spreads versus a widening in the same quarter of last year.

The result of 'Other' was EUR -58 million versus EUR -64 million in the third quarter of 2015.

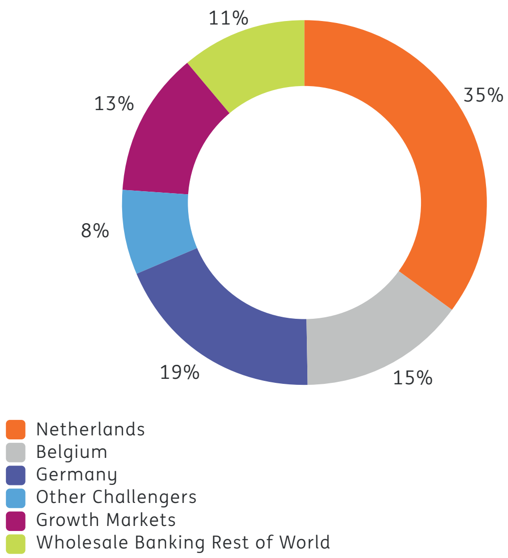
Segment Reporting: Geographical Split Banking

Geographical split: Consolidated profit and loss account

In EUR million	Netherlands 3Q2016	Netherlands 3Q2015	Belgium 3Q2016	Belgium 3Q2015	Germany 3Q2016	Germany 3Q2015	Other Challengers 3Q2016	Other Challengers 3Q2015	Growth Markets 3Q2016	Growth Markets 3Q2015	Wholesale Banking Rest of World 3Q2016	Wholesale Banking Rest of World 3Q2015	Other[1] 3Q2016	Other[1] 3Q2015
Profit and loss data														
Interest result	1,187	1,162	564	563	530	463	341	325	333	292	385	378	46	-41
Commission income	190	186	115	100	60	43	41	33	85	63	114	102	-1	-3
Investment income	16	-59	12	10	0	0	9	0	81	43	-6	-2	27	0
Other income excl. CVA/DVA	84	37	95	85	-7	16	13	22	75	53	50	108	-4	-16
Underlying income excl. CVA/DVA	**1,477**	**1,326**	**786**	**758**	**584**	**521**	**403**	**379**	**574**	**451**	**542**	**587**	**68**	**-61**
CVA/DVA [2]	-1	13	3	7	0	0	0	-1	0	1	-44	-5	-30	26
Underlying income	**1,475**	**1,339**	**790**	**765**	**584**	**521**	**403**	**378**	**574**	**452**	**498**	**582**	**38**	**-35**
Expenses excl. regulatory costs	717	756	439	438	221	205	215	205	248	228	235	232	80	77
Regulatory costs	17	0	16	52	-8	40	15	3	28	7	-2	4	0	0
Operating expenses	**734**	**756**	**454**	**490**	**212**	**245**	**230**	**208**	**276**	**234**	**233**	**237**	**80**	**77**
Gross result	**741**	**583**	**336**	**274**	**371**	**276**	**174**	**171**	**299**	**218**	**265**	**345**	**-42**	**-111**
Addition to loan loss provision	64	81	57	20	6	42	29	20	54	28	55	69	0	0
Underlying result before tax	**677**	**502**	**279**	**255**	**366**	**234**	**144**	**150**	**244**	**190**	**210**	**276**	**-42**	**-112**
Retail Banking	542	416	202	242	282	220	66	86	196	140	0	0	0	0
Wholesale Banking	135	85	77	13	84	14	78	64	48	50	210	276	6	13
Corporate Line	0	0	0	0	0	0	0	0	0	0	0	0	-48	-124
Underlying result before tax	**677**	**502**	**279**	**255**	**366**	**234**	**144**	**150**	**244**	**190**	**210**	**276**	**-42**	**-112**
Customer lending/deposits (end of period, in EUR billion)[3]														
Residential mortgages	124.4	129.6	35.3	33.7	68.3	65.3	46.6	41.5	7.8	6.6	0.0	0.0	0.0	0.0
Other lending	75.7	74.1	55.4	52.0	30.4	22.8	24.8	21.3	26.7	25.1	59.4	57.0	0.0	0.0
Customer deposits	164.2	163.2	97.1	95.5	126.2	119.2	84.1	77.6	32.5	29.9	13.1	17.3	5.6	6.7
Profitability and efficiency[3]														
Cost/income ratio	49.8%	56.5%	57.5%	64.1%	36.4%	47.0%	56.9%	54.9%	48.0%	51.8%	46.8%	40.7%	210.6%	n.a.
Return on equity based on 10.0% common equity Tier 1[4]	23.2%	14.7%	16.4%	20.1%	26.8%	20.5%	14.2%	14.6%	18.5%	14.8%	10.4%	14.3%	-99.9%	-108.6%
Employees (FTEs, end of period)	12,507	13,394	10,288	10,642	4,754	4,442	4,034	3,958	16,052	16,376	4,132	3,728	8	21
Risk[3]														
Risk costs in bps of average RWA	29	33	44	17	6	57	44	30	47	25	34	46	0	1
Risk-weighted assets (end of period, in EUR billion)	85.6	97.1	51.2	47.7	35.7	30.1	26.8	27.3	45.2	43.3	63.1	61.1	2.8	3.5

[1] Region Other consists of Corporate Line and Real Estate run-off portfolio.
[2] CVA/DVA reported within Wholesale Banking and Corporate Line.
[3] Key figures based on underlying figures.
[4] Underlying after-tax return divided by average equity based on 10.0% common equity Tier 1 ratio (annualised).

Underlying result before tax - 3Q2016
Geographical split (in percentages) excluding Other



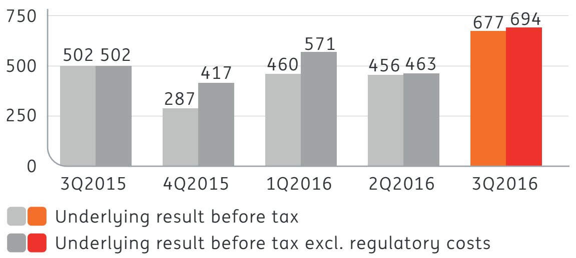
The Netherlands

The underlying result before tax of the banking activities in the Netherlands was EUR 677 million compared with EUR 502 million in the third quarter of 2015. This strong increase was mainly caused by higher income in all individual line items, combined with lower expenses and risk costs. Total income rose by EUR 136 million year-on-year, or 10.2%, supported by higher income from Bank Treasury activities in the third quarter of 2016, while the third quarter of 2015 included a EUR 71 million impairment on an equity stake. Expenses declined by EUR 22 million, despite EUR 17 million of regulatory costs this quarter versus nil a year ago. Risk costs declined mainly due to a net release in the mortgage portfolio following improvements in the Dutch housing market. Compared with the second quarter of 2016, which was negatively affected by a EUR 137 million addition to the provision for Dutch SME and Real Estate Finance clients with interest rate derivatives, the result before tax increased by EUR 221 million. This increase was in addition to lower expenses, partly caused by lower risk costs and slightly higher income. The third-quarter 2016 underlying cost/income ratio in the Netherlands improved to 49.8% from 56.5%

Segment Reporting: Geographical Split Banking

in the third quarter of 2015 and 61.5% in the previous quarter. The underlying return on equity, based on a 10% common equity Tier 1 ratio, was 23.2% compared with 14.7% a year ago and 15.3% in the second quarter of 2016.

Underlying result before tax - Netherlands (in EUR million)

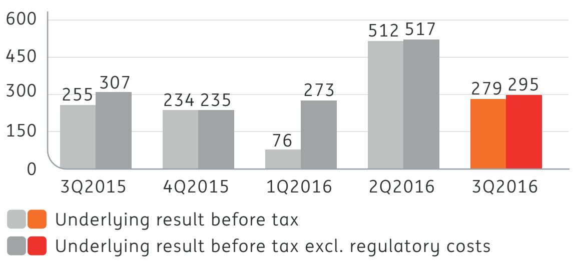


Total customer lending decreased by EUR 2.1 billion in the third quarter of 2016 to EUR 200.1 billion, of which EUR -0.7 billion was in the WUB portfolio (due to run-off and additional transfers of WUB mortgages to NN Group), EUR -0.6 billion in Bank Treasury lending and EUR -0.2 billion of currency impacts. This was partly offset by EUR 1.7 billion of changes due to the netting of cash pooling arrangements. Excluding all of these items, net core lending decreased by EUR 2.3 billion, of which EUR -0.7 billion was in Wholesale Banking. Net core lending in Retail Banking declined by EUR 1.6 billion, of which EUR -0.8 billion was in mortgages and EUR -0.8 billion in Retail business lending. Total customer deposits increased by EUR 2.0 billion to EUR 164.2 billion. Net customer deposits (excluding Bank Treasury products, currency impacts and the changes due to the netting of cash pooling arrangements) grew by EUR 1.2 billion: customer savings and deposits rose by EUR 1.0 billion and current accounts by EUR 0.2 billion.

Belgium

The banking activities in Belgium, including ING Luxembourg, recorded an underlying result before tax of EUR 279 million, up 9.4% from EUR 255 million in the third quarter of 2015. The increase was mainly attributable to EUR 36 million of lower regulatory costs, as higher income (fully driven by Wholesale Banking) was offset by increased risk costs at Retail Banking. Compared with the previous quarter, which included EUR -116 million of one-off procured cost savings and a EUR 30 million gain from the Visa sale, the result before tax declined by EUR 233 million. Excluding the procured cost savings and the Visa gain, the result before tax decreased 23.8%, mainly due to lower income. The underlying cost/income ratio improved to

Underlying result before tax - Belgium (in EUR million)



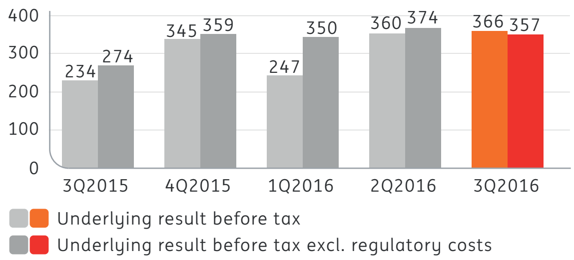
57.5% from 64.1% in the third of 2015, but increased from 32.5% in the previous quarter. The underlying return on equity, based on a 10% common equity Tier 1 ratio, was 16.4% in the third quarter of 2016, down from 20.1% a year ago and from 27.3% in the previous quarter.

Total customer lending increased by EUR 1.2 billion in the third quarter to EUR 90.7 billion, with negligible impacts from Bank Treasury and currency movements. The net production in mortgages was EUR 0.4 billion. Growth in other (non-mortgage) customer lending was EUR 0.8 billion and fully generated in Retail Banking. Customer deposits declined by EUR 0.5 billion to EUR 97.1 billion, as EUR 0.4 billion growth in savings and deposits was more than offset by a decline in current accounts.

Germany

The underlying result before tax of the banking activities in Germany, including ING Austria, increased 56.4% to EUR 366 million from the third quarter of 2015. Income rose 12.1%, fuelled by volume growth and higher commission income, partly offset by negative hedge ineffectiveness results reported in 'other income'. Expenses excluding regulatory costs increased by EUR 16 million, or 7.8%, mainly reflecting an increase in staff and selective investments to support further business growth. Risk costs were only EUR 6 million compared with EUR 42 million a year ago. The underlying cost/income ratio was 36.4% versus 47.0% in the third quarter of 2015. The underlying return on equity, based on a 10% common equity Tier 1 ratio, increased to 26.8% in the third quarter of 2016 from 20.5% a year ago.

Underlying result before tax - Germany (in EUR million)



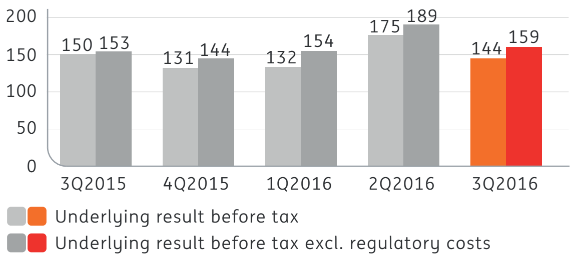
Total customer lending increased by EUR 3.6 billion in the third quarter to EUR 98.7 billion. Excluding Bank Treasury products, currency impacts and a transfer of EUR 1.0 billion of loans to ING Germany as a part of the balance-sheet optimisation programme, the net production in customer lending was EUR 2.4 billion. This consisted of EUR 1.2 billion of Wholesale Banking loans, EUR 0.9 billion of residential mortgages and EUR 0.3 billion in consumer lending. Customer deposits increased by EUR 1.8 billion to EUR 126.2 billion. Excluding Bank Treasury products, net customer deposits grew by EUR 2.1 billion, of which EUR 1.7 billion was in customer savings and deposits and EUR 0.4 billion in current accounts.

Segment Reporting: Geographical Split Banking

Other Challengers

The segment Other Challengers includes ING's banking activities in Australia, Czech Republic, France, Italy, Spain and Portugal, as well as the results of the UK legacy run-off portfolio. The third-quarter result before tax decreased by EUR 6 million to EUR 144 million compared with the third quarter of 2015. Income rose by EUR 25 million, with most countries contributing to the increase. The EUR 22 million increase in expenses year-on-year was primarily due to a EUR 12 million increase in regulatory expenses combined with higher staff costs and increased IT and professional services expenses relating to strategic initiatives. Risk costs rose by EUR 9 million to EUR 29 million, mainly due to releases in the Real Estate Finance Portfolio in Spain in the third quarter of 2015. The underlying cost/income ratio increased to 56.9% from 54.9% in the third quarter of 2015. The underlying return on equity, based on a 10% common equity Tier 1 ratio, decreased slightly to 14.2% in the third quarter of 2016 from 14.6% a year ago.

Underlying result before tax - Other Challengers (in EUR million)

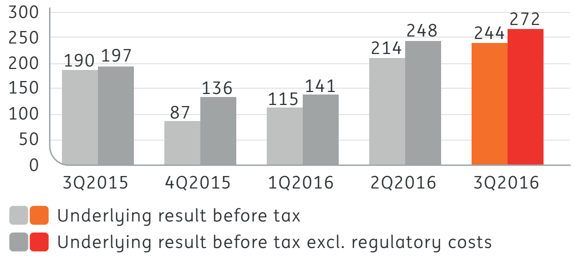


Total customer lending increased by EUR 1.5 billion in the third quarter to EUR 71.4 billion. Net core lending growth, excluding currency impacts and Bank Treasury products, was EUR 1.1 billion, mainly driven by growth in Australia and France. Customer deposits grew by EUR 1.5 billion in the third quarter to EUR 84.1 billion. Excluding currency impacts and Bank Treasury products, net customer deposits grew by EUR 1.0 billion, mainly due to increases in Australia and Spain.

Growth Markets

The segment Growth Markets consists of ING's banking activities in Poland, Romania and Turkey, as well as the Asian bank stakes. The third-quarter underlying result before tax of this segment increased by EUR 54 million to EUR 244 million compared with the third quarter of 2015 as a result of higher income, partly offset by higher expenses and higher risk costs. Income rose by EUR 122 million, primarily due to a EUR 32 million gain from the reduction of ING's stake in Kotak Mahindra Bank from 6.4% to 3.9%. Results were also supported by improved commercial results in Poland, Turkey and Romania which were only partly offset by negative currency impacts. The EUR 42 million, or 17.9%, increase in expenses was mainly the result of EUR 21 million higher regulatory costs, additional severance expenses and higher IT expenses, partially offset by currency impacts. The increase in risk costs was mainly related to Poland and Turkey. The underlying cost/income ratio improved to 48.0% from 51.8% in the third quarter of 2015. The underlying return on equity, based on a 10% common equity Tier 1 ratio, rose to 18.5% in the third quarter from 14.8% a year ago.

Underlying result before tax - Growth Markets (in EUR million)

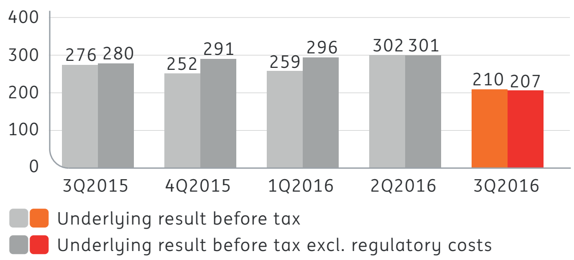


Total customer lending increased by EUR 0.8 billion in the third quarter of 2016 to EUR 34.5 billion. Excluding currency impacts and Bank Treasury products, net customer lending grew by EUR 0.7 billion due to increases in Poland, Romania and Turkey. Total customer deposits increased by EUR 0.1 billion to EUR 32.5 billion. Adjusted for currency impacts, net customer lending declined by EUR 0.4 billion due to outflows in Poland and Turkey.

Wholesale Banking Rest of World

Wholesale Banking Rest of World encompasses ING's activities in the UK, Americas, Asia and other countries in Central and Eastern Europe. This segment recorded an underlying result before tax of EUR 210 million, down from EUR 276 million in the third quarter of 2015 and from EUR 302 million in the previous quarter. The result in the current quarter included EUR -44 million of CVA/DVA adjustments compared with EUR -5 million a year ago and EUR -33 million in the second quarter of 2016.

Underlying result before tax - WB Rest of World (in EUR million)



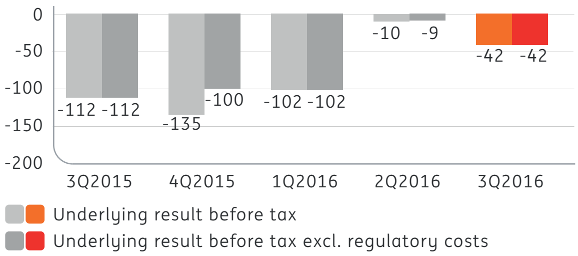
Income excluding CVA/DVA impacts declined 7.7% from the third quarter of 2015, predominantly in Financial Markets. The decline in Financial Markets was mainly attributable to lower interest rate derivatives and FX income. Compared to the previous quarter, income excluding CVA/DVA impacts fell 9.7%, primarily in Financial Markets and Industry Lending. The decline in Financial Markets was mainly attributable to lower Securities Finance, Capital Markets and FX income. The decline in Industry Lending was mainly attributable to lower income in Structured Finance due to lower volumes in International Trade and Export Finance. Expenses declined 1.7% year-on-year and 6.8% sequentially. Risk costs were EUR 55 million, or 34 basis points of average risk-weighted assets, down from EUR 69 million in the third quarter of 2015, but up from EUR 15 million in the previous quarter. Risk costs in all three quarters included provisions for several Oil & Gas related files. The underlying cost/income ratio was 46.8% for the third quarter of 2016 versus 40.7% in the third quarter of 2015. The underlying return on equity, based on a 10% common equity Tier 1 ratio, was 10.4% in the third quarter of 2016 versus 14.3% a year ago.

Total customer lending decreased by EUR 1.1 billion in the third quarter to EUR 59.4 billion. Excluding currency impacts and a transfer of loans to ING Germany, net customer lending grew by EUR 0.3 billion. Net customer deposits declined by EUR 0.5 billion to EUR 13.1 billion.

Other

The segment Other consists of the Corporate Line Banking and the Real Estate run-off portfolio. The third-quarter 2016 underlying result before tax was EUR -42 million compared with EUR -112 million in the third quarter of 2015. The loss in the Corporate Line narrowed to EUR 48 million from a loss of EUR 124 million a year ago, mainly due to lower financing charges, the run-off in the legacy portfolio and some positive one-off items. The pre-tax result from the Real Estate run-off portfolio fell to EUR 6 million from EUR 13 million in the third quarter of 2015.

Underlying result before tax - Other (in EUR million)



Customer deposits decreased by EUR 1.1 billion in the second quarter to EUR 5.6 billion. The decrease was fully related to a lower placement of deposits from ING Group at ING Bank, which was mainly due to the payment of the interim dividend in August 2016.

Consolidated Balance Sheet

ING Group: Consolidated balance sheet							
in EUR million	30 Sep. 16	30 Jun. 16	31 Dec. 15		30 Sep. 16	30 Jun. 16	31 Dec. 15
Assets				**Equity**			
Cash and balances with central banks	24,331	26,121	21,458	Shareholders' equity	49,444	49,086	47,832
Amounts due from banks	27,192	29,024	29,988	Minority interests	645	619	638
Financial assets at fair value through P&L	143,879	154,628	138,048	**Total equity**	**50,089**	**49,705**	**48,470**
- trading assets	136,888	147,110	131,467	**Liabilities**			
- non-trading derivatives	2,459	2,653	3,347	Subordinated loans	5,967	6,713	7,265
- other	4,532	4,865	3,234	Debt securities in issue	109,590	119,384	121,289
Investments	93,259	96,335	94,826	Other borrowed funds	9,989	10,099	9,146
- debt securities available-for-sale	81,616	84,377	82,567	Amounts due to banks	36,971	34,682	33,813
- debt securities held -to-maturity	7,796	7,790	7,826	Customer deposits[1]	516,884	512,819	500,777
- equity securities available-for-sale	3,847	4,168	4,433	- savings accounts	313,892	313,210	305,941
Loans and advances to customers[1]	558,604	554,969	537,343	- credit balances on customer accounts	166,217	160,831	153,253
- customer lending	555,645	551,781	533,490	- corporate deposits	35,646	37,160	40,244
- securities at amortised cost	8,472	8,911	9,625	- other	1,129	1,618	1,339
- provision for loan losses	-5,513	-5,723	-5,772	Financial liabilities at fair value through P&L	120,781	130,557	105,680
Investments in associates and joint ventures	983	956	962	- trading liabilities	104,754	114,166	88,807
Real estate investments	77	76	77	- non-trading derivatives	3,518	3,900	4,257
Property and equipment	1,987	1,972	2,027	- other	12,509	12,491	12,616
Intangible assets	1,623	1,600	1,567	Other liabilities	20,271	21,700	15,329
Assets held for sale			2,153				
Other assets	18,607	19,978	13,320				
Total assets before change accounting policy	**870,542**	**885,659**	**841,769**	**Total liabilities before change accounting policy**	**820,453**	**835,954**	**793,299**
Impact change accounting policy on Loans and advances to customers[1]			163,464	Impact change accounting policy on Customer deposits[1]			163,464
				Total liabilities	**820,453**	**835,954**	**956,763**
Total assets	**870,542**	**885,659**	**1,005,233**	**Total equity and liabilities**	**870,542**	**885,659**	**1,005,233**

[1] ING changed its accounting policy for the netting of cash pooling arrangements in the second quarter of 2016. In accordance with IFRS, the comparable amounts must be adjusted. The comparable amounts have been adjusted in the ING 2Q 2016 Interim accounts. In this press release, however, the year-end 2015 cash pool balances in Loans and advances to customers and in Customer deposits are still presented on a net basis in order to provide consistent information to its users.

ING Group's total assets decreased by EUR 15.1 billion in the third quarter to EUR 870.5 billion, including negligible currency impacts. The decrease was mostly due to lower financial assets at fair value and lower investments. On the liability side of the balance sheet, the decrease was mainly caused by lower debt securities in issue and lower trading liabilities. Net core customer lending at ING Bank increased by EUR 3.6 billion and the net production of customer deposits was EUR 2.0 billion. ING Bank's loan-to-deposit ratio remained flat at 1.05 compared with the end of June.

Cash and balances with central banks
Cash and balances with central banks decreased by EUR 1.8 billion to EUR 24.3 billion, as part of active liquidity management.

Amounts due from and to banks
Amounts due from banks decreased by EUR 1.8 billion to EUR 27.2 billion, mainly due to Bank Treasury and lower bank lending. Amounts due to banks increased by EUR 2.3 billion to EUR 37.0 billion.

Financial assets/liabilities at fair value
Financial assets at fair value through P&L decreased by EUR 10.7 billion to EUR 143.9 billion, mainly due to lower trading derivatives and less repo activity. This was largely mirrored on the liability side where Financial liabilities at fair value through P&L decreased by EUR 9.8 billion. Financial assets and liabilities at fair value consist predominantly of derivatives, securities and (reverse) repos that are mainly used to facilitate the needs of ING's clients.

Investments
Investments decreased by EUR 3.1 billion to EUR 93.3 billion, mainly due to lower government bonds. The decrease also includes the reduction of ING's stake in Kotak Mahindra Bank as announced on 29 September.

Loans and advances to customers
Loans and advances to customers increased by EUR 3.6 billion to EUR 558.6 billion. This was fully due to the net core lending growth at ING Bank, as the EUR 1.7 billion increase due to changes in the netting of cash pooling arrangements was offset by a decline in the run-off portfolios of WUB and Leasing, a decrease in short-term Bank Treasury lending, and the continued transfers of WUB residential mortgages to NN Group. Retail Banking grew its net core lending assets outside of the Netherlands, in both residential mortgages and other customer lending. The growth in Wholesale Banking mainly occurred in Industry Lending.

Consolidated Balance Sheet

ING Group: Change in shareholders' equity	ING Group		ING Bank N.V.		Holding/Eliminations	
in EUR million	3Q2016	2Q2016	3Q2016	2Q2016	3Q2016	2Q2016
Shareholders' equity beginning of period	**49,086**	**48,810**	**43,389**	**41,535**	**5,697**	**7,275**
Net result for the period	1,349	1,295	1,345	1,419	4	-124
Unrealised revaluations of equity securities	107	203	107	203		
Unrealised revaluations of debt securities	-15	56	-15	56		
Realised gains/losses equity securities released to P&L	-55	-12	-55	-138		126
Realised gains/losses debt securities transferred to P&L	-9	11	-9	11		
Change in cashflow hedge reserve	-39	158	-39	157		1
Other revaluations	-190	5	-190	3		2
Defined benefit remeasurement	-24	-18	-24	-18		
Exchange rate differences	19	48		48	19	
Changes in treasury shares	2				2	
Employee stock options and share plans	17	30	16	22	1	8
Dividend	-931	-1,590			-931	-1,590
Other	127	90	150	91	-23	-1
Total changes	**358**	**276**	**1,286**	**1,854**	**-928**	**-1,578**
Shareholders' equity end of period	**49,444**	**49,086**	**44,675**	**43,389**	**4,769**	**5,697**

ING Group: Shareholders' equity	ING Group		ING Bank N.V.		Holding/Eliminations	
in EUR million	30 Sep. 16	30 Jun. 16	30 Sep. 16	30 Jun. 16	30 Sep. 16	30 Jun. 16
Share premium/capital	16,987	16,986	17,067	17,067	-80	-81
Revaluation reserve equity securities	2,481	2,429	2,481	2,429		
Revaluation reserve debt securities	1,299	1,324	1,299	1,324		
Revaluation reserve cashflow hedge	1,248	1,287	1,248	1,287		
Other revaluation reserves	205	334	203	332	2	2
Defined benefit remeasurement reserve	-389	-365	-389	-365		
Currency translation reserve	-758	-716	-779	-718	21	2
Treasury shares	-9	-11			-9	-11
Retained earnings and other reserves	24,480	25,266	19,935	19,768	4,545	5,498
Net result year to date	3,900	2,552	3,610	2,265	290	287
Total	**49,444**	**49,086**	**44,675**	**43,389**	**4,769**	**5,697**

Other assets/liabilities

Other assets decreased by EUR 1.4 billion, mainly due to a lower amount of financial transactions pending settlement. Other liabilities also decreased by EUR 1.4 billion, mirroring the development in unsettled balances of financial transactions on the asset side.

Debt securities in issue

Debt securities in issue decreased by EUR 9.8 billion to EUR 109.6 billion. The decrease was caused by a EUR 8.0 billion reduction in CD/CPs, in anticipation of the US money market reform, which came into effect mid-October, in combination with active Liquidity Coverage Ratio (LCR) management. Other debt securities, mainly long-term debt, also declined.

Customer deposits and other funds on deposits

Customer deposits at ING Group increased by EUR 4.1 billion to EUR 516.9 billion, partly caused by the EUR 1.7 billion increase due to changes in the netting of cash pooling arrangements. At ING Bank, the net production of customer deposits was EUR 2.0 billion, excluding currency impacts, Bank Treasury and the changes in the netting of cash pooling arrangements. Retail Banking recorded a EUR 0.4 billion net production of customer deposits, supported by growth in most countries. In Wholesale Banking, net customer deposits increased by EUR 2.7 billion, mainly in Transaction Services. The remaining decrease at ING Bank was related to a lower placement of deposits by ING Group due to the payment of the 2016 interim dividend in August.

Total equity

Shareholders' equity increased by EUR 0.4 billion to EUR 49.4 billion in the third quarter. The increase was attributable to the EUR 1.3 billion net result for the quarter, which was mostly offset by the EUR 0.9 billion payment of the 2016 interim dividend.

Shareholders' equity per share increased to EUR 12.75 as per 30 September 2016 from EUR 12.66 on 30 June 2016.

Risk & Capital Management

ING Bank: Loan book[1]

	Credit outstandings		Non-performing loans		NPL%	
in EUR million	30 Sep. 2016	30 Jun. 2016	30 Sep. 2016	30 Jun. 2016	30 Sep. 2016	30 Jun. 2016
Residential mortgages Netherlands	125,804	127,384	1,638	1,891	1.3%	1.5%
Other lending Netherlands	34,582	38,538	2,244	2,217	6.5%	5.8%
of which Business Lending Netherlands	25,307	25,728	1,976	1,924	7.8%	7.5%
Residential mortgages Belgium	34,860	34,477	1,042	1,079	3.0%	3.1%
Other lending Belgium	47,480	46,707	1,450	1,485	3.1%	3.2%
of which Business Lending Belgium	36,656	36,299	1,149	1,175	3.1%	3.2%
Retail Benelux	**242,726**	**247,106**	**6,374**	**6,672**	**2.6%**	**2.7%**
Residential mortgages Germany	66,799	65,936	535	548	0.8%	0.8%
Other lending Germany	14,280	11,211	190	184	1.3%	1.6%
Residential mortgages Other C&G Markets	55,368	53,841	375	377	0.7%	0.7%
Other lending Other C&G Markets	24,560	24,929	935	912	3.8%	3.7%
Retail Challengers & Growth Markets	**161,007**	**155,917**	**2,035**	**2,021**	**1.3%**	**1.3%**
Industry Lending	121,257	119,120	2,923	2,979	2.4%	2.5%
of which Structured Finance	92,941	91,909	2,109	2,160	2.3%	2.4%
of which Real Estate Finance	28,316	27,211	814	819	2.9%	3.0%
General Lending & Transaction Services	75,914	75,148	1,217	1,353	1.6%	1.8%
FM, Bank Treasury, Real Estate & other	18,608	19,791	945	1,015	5.1%	5.1%
of which General Lease run-off	3,105	3,333	911	982	29.3%	29.5%
Wholesale Banking	**215,779**	**214,059**	**5,085**	**5,347**	**2.4%**	**2.5%**
Total loan book	**619,512**	**617,082**	**13,494**	**14,040**	**2.2%**	**2.3%**

[1] Lending and money market credit outstandings. This includes off-balance positions for guarantees and letters of credit (but excludes undrawn committed exposures) which are not reported on the balance sheet.

ING Bank's non-performing loans (NPL) ratio further improved in the third quarter of 2016 following a reduction in NPLs and continued lending growth. ING Group's capital position improved strongly, with the fully-loaded common equity Tier 1 ratio increasing to 13.5%.

Credit risk management

ING Bank's non-performing loans ratio further improved compared with the previous quarter. The decrease in the NPL ratio was caused by lower NPL amounts – especially in residential mortgages Netherlands and in General Lending & Transaction Services – and increased credit outstandings.

Within Retail Netherlands, the NPL ratio for residential mortgages continued its improving trend, as observed during the last year and a half. The decrease in NPLs more than offset the reduction in credit outstandings, resulting in a further decline in the NPL ratio to 1.3% from 1.5% in the second quarter of 2016. For the business lending portfolio in the Netherlands, the NPL ratio edged up to 7.8% from 7.5% in the previous quarter, mainly due to a reduction in credit outstandings.

For Retail Belgium, the NPL ratio for residential mortgages decreased slightly to 3.0% from 3.1% in the second quarter of 2016, mainly due to lending growth. For Retail Challengers & Growth Markets, the NPL ratio remained flat at 1.3% as an improvement in Other lending in Germany was offset by a deterioration in Other lending in Other Challengers & Growth Markets.

In Wholesale Banking, the NPL ratio decreased to 2.4% from 2.5% in the previous quarter as the reduction in NPLs was combined with a slight increase of credit outstandings. In Structured Finance, the NPL ratio declined to 2.3% from

ING Bank: Stock of provisions[1]

in EUR million	Retail Benelux	Retail Challengers & Growth Markets	Wholesale Banking	Total ING Bank 3Q 2016	Total ING Bank 2Q 2016
Stock of provisions at beginning of period	**2,036**	**1,291**	**2,412**	**5,739**	**5,634**
Changes in composition of the Bank				0	0
Amounts written off	-193	-38	-256	-487	-242
Recoveries of amounts written off	11	2	3	16	44
Increases in loan loss provisioning	245	121	178	544	558
Releases from loan loss provisioning	-151	-47	-81	-279	-251
Net additions to loan loss provisions	94	74	97	265	307
Exchange rates or other movements	5	-3	-1	1	-4
Stock of provisions at end of period	**1,953**	**1,326**	**2,255**	**5,534**	**5,739**
Coverage ratio 3Q 2016	**30.6%**	**65.2%**	**44.3%**	**41.0%**	
Coverage ratio 2Q 2016	30.5%	63.9%	45.1%	40.9%	

[1] At the end of September 2016, the stock of provisions included provisions for amounts due from banks: EUR 21 million (June 2016: EUR 16 million).

2.4% due to lending growth and somewhat lower NPLs. The same applies to the NPL ratio for the Real Estate Finance portfolio, which dropped by 0.1 percentage points to 2.9%. For the oil and gas portfolio, the NPL ratio improved to 2.5% from 2.8% in the previous quarter despite the fact that the market conditions remain challenging. The decrease was mainly caused by lower NPL amounts and increased credit outstandings.

During the third quarter of 2016, ING Bank's stock of provisions decreased by EUR 0.2 billion to EUR 5.5 billion, mainly due to higher amounts written off. ING Bank's provision coverage ratio increased slightly to 41.0% from 40.9% in the previous quarter as the decrease in the stock of provisions was more than offset by a decline in the amount of NPLs. In Retail Benelux, the coverage ratio slightly increased as the decline in NPL amounts more than offset the reduction in provisions. In Retail Challengers & Growth Markets, the coverage ratio increased as a result of higher provisions and stable NPLs. In Wholesale Banking, the coverage ratio decreased due to higher write-offs. ING Bank's loan portfolio consists predominantly of asset-based and/or well-secured loans, including Structured Finance, Real Estate Finance and residential mortgages.

Securities portfolio

In the third quarter of 2016, ING Bank's overall exposure to debt securities decreased to EUR 98.9 billion from EUR 102.1 billion in the previous quarter, mainly due to maturing and sold sovereign and covered bonds. The revaluation reserve of debt securities was stable at EUR 1.3 billion after tax.

ING Bank: Debt securities[1)]

in EUR billion	30 Sep. 16	30 Jun. 16
Government bonds	50.6	52.9
Sub-sovereign, Supranationals and Agencies (SSA)	22.9	23.3
Covered bonds	14.8	15.4
Financial institutions	2.2	1.8
Corporate bonds	2.3	2.3
ABS	6.1	6.4
Total	**98.9**	**102.1**

1) Excluding positions at fair value through the P&L but including securities classified as Loans & Receivables.

Breakdown government bonds

in EUR billion	30 Sep. 16	30 Jun. 16
The Netherlands	10.2	10.3
Poland	6.5	6.5
Belgium	6.3	7.4
France	5.6	5.8
Germany	4.7	4.8
Austria	4.3	4.6
United States	2.6	2.6
Spain	2.6	2.6
Finland	2.3	2.3
Italy	1.5	2.1
Turkey	0.9	1.0
Other	3.1	2.9
Total	**50.6**	**52.9**

Funding and liquidity

In the third quarter, ING Bank issued EUR 1.8 billion of long-term senior unsecured debt. These issuances were more than offset by maturities, early repayments and redemptions. This resulted in a net decrease of EUR 1.8 billion in long-term debt securities. ING Bank's loan-to-deposit ratio, excluding securities recognised at amortised cost, remained flat at 1.05 and the liquidity position was above minimum requirements.

Market risk

The average Value-at-Risk (VaR) decreased in the third quarter of 2016 to EUR 9 million compared with the average of EUR 13 million in the second quarter of 2016. This decrease was due to increased netting of derivative positions, lower risk taking and fluctuations in the financial markets. The overnight VaR for ING Bank's trading portfolio fluctuated between EUR 6 million and EUR 14 million.

ING Bank: Consolidated VaR trading books

in EUR million	Minimum	Maximum	Average	Quarter-end
Foreign exchange	1	5	2	2
Equities	3	10	5	4
Interest rate	4	7	5	6
Credit spread	4	8	5	5
Diversification			-8	-7
Total VaR[1)]	**6**	**14**	**9**	**10**

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

Risk & Capital Management

ING Bank: Capital position				
	2019 rules (fully-loaded)		2016 rules (phased-in)	
in EUR million	30 Sep. 16	30 Jun. 16	30 Sep. 16	30 Jun. 16
Shareholders' equity (parent)	44,675	43,389	44,675	43,389
- Interim profit not included in CET1 capital [1]	-1,345	0	-1,345	0
- Other regulatory adjustments	-4,320	-4,590	-4,284	-4,541
Regulatory adjustments	-5,665	-4,590	-5,629	-4,541
Available common equity Tier 1 capital	**39,010**	**38,798**	**39,046**	**38,847**
Subordinated loans qualifying as Tier 1 capital [2]	6,286	7,018	6,286	7,018
Regulatory adjustments additional Tier 1 [3]	0	0	-859	-871
Available Tier 1 capital	**45,296**	**45,817**	**44,473**	**44,995**
Supplementary capital - Tier 2 bonds [4]	9,280	9,334	9,280	9,334
Regulatory adjustments Tier 2	104	105	-106	-126
Available BIS capital	**54,680**	**55,255**	**53,646**	**54,202**
Risk-weighted assets	310,473	316,969	310,473	316,969
Common equity Tier 1 ratio	**12.6%**	**12.2%**	**12.6%**	**12.3%**
Tier 1 ratio	14.6%	14.5%	14.3%	14.2%
Total capital ratio	17.6%	17.4%	17.3%	17.1%

[1] The interim profit of the third quarter of 2016 (EUR 1,345 million) has not been included in CET1 capital, pending payment of the entire amount as dividend to ING Group.
[2] Including EUR 3,441 million which is CRR/CRD IV-compliant and EUR 2,845 million to be replaced, as capital recognition is subject to CRR/CRD IV grandfathering rules.
[3] Such as goodwill and intangibles
[4] Including EUR 7,136 million which is CRR/CRD IV-compliant and EUR 2,144 million to be replaced, as capital recognition is subject to CRR/CRD IV grandfathering rules.

Capital ratios ING Bank

ING Bank's fully-loaded common equity Tier 1 ratio increased strongly to 12.6% from 12.2% at the end of June 2016. ING Bank continued to generate a sizeable amount of shareholders' equity in the third quarter of 2016, driven by continued strong profitability. This increase was to a large extent offset by not including the third-quarter net profit in common equity Tier 1 capital, as this will be upstreamed as dividend to ING Group, reflecting the decision to manage capital more efficiently.

Risk-weighted assets (RWA) declined by EUR 6.5 billion to EUR 310.5 billion, reflecting positive risk migration, the partial sale of ING's stake in Kotak Mahindra Bank, and the impact from foreign currency movements. In addition, market risk-weighted assets declined in line with reduced exposures.

ING Bank's fully-loaded Tier 1 ratio (including grandfathered securities) increased to 14.6% at 30 September 2016. The increase of 0.1 percentage point mirrors the developments in ING Bank's common equity Tier 1 ratio and reflects the redemption of USD 800 million 7.05% grandfathered Perpetual Debt Securities in September 2016. The fully-loaded total capital ratio (including grandfathered securities) increased to 17.6% at the end of September 2016.

ING Bank's phased-in (transitional) common equity Tier 1 ratio was 12.6% at the end of the third quarter, up 0.3 percentage point compared with the previous quarter. ING Bank's phased-in Tier 1 ratio (including grandfathered securities) increased by 0.1 percentage point to 14.3% at 30 September 2016. The phased-in total capital ratio (including grandfathered securities) increased to 17.3% at the end of September 2016.

The leverage ratio of ING Bank according to the Delegated Act (including grandfathered securities) takes into account the impact of grossing up the notional cash pool activities. On 30 September 2016, the leverage ratio was 4.1%, which is stable compared with the end of June.

Risk-weighted assets (RWA)

At the end of September 2016, ING Bank's total RWA were EUR 310.5 billion, or EUR 6.5 billion lower than they were at the end of the previous quarter. The decline includes a EUR 0.9 billion impact from foreign currency movements. Credit risk-weighted assets, excluding foreign currency impacts, declined by EUR 4.0 billion, largely reflecting positive risk migration which was mainly attributable to the Dutch mortgage portfolio and the partial sale of ING's stake in Kotak Mahindra Bank. Market risk-weighted assets declined by EUR 2.0 billion to EUR 6.3 billion, primarily due to increased netting of derivative positions and lower risk taking in Financial Markets. Operational risk-weighted assets increased by EUR 0.4 billion versus the previous quarter.

ING Bank: Composition of RWA		
in EUR billion	30 Sep. 16	30 Jun. 16
Credit RWA	262.9	267.9
Operational RWA	41.2	40.8
Market RWA	6.3	8.3
Total RWA	**310.5**	**317.0**

Risk & Capital Management

ING Group: Capital position

	2019 rules (fully-loaded)		2016 rules (phased-in)	
in EUR million	30 Sep. 16	30 Jun. 16	30 Sep. 16	30 Jun. 16
Shareholders' equity (parent)	49,444	49,086	49,444	49,086
- Interim profit not included in CET1 capital[1]	-2,970	-2,552	-2,970	-2,552
- Other regulatory adjustments	-4,339	-4,606	-4,293	-4,548
Regulatory adjustments	-7,310	-7,158	-7,263	-7,100
Available common equity Tier 1 capital	**42,135**	**41,928**	**42,181**	**41,986**
Additional Tier 1 securities[2]	6,434	7,166	6,434	7,166
Regulatory adjustments additional Tier 1	0	0	-870	-882
Available Tier 1 capital	**48,569**	**49,094**	**47,745**	**48,271**
Supplementary capital - Tier 2 bonds[3]	9,280	9,334	9,280	9,334
Regulatory adjustments Tier 2	104	105	-107	-126
Available BIS capital	**57,953**	**58,533**	**56,919**	**57,479**
Risk-weighted assets	312,820	319,115	312,820	319,115
Common equity Tier 1 ratio	**13.5%**	**13.1%**	**13.5%**	**13.2%**
Tier 1 ratio	15.5%	15.4%	15.3%	15.1%
Total capital ratio	18.5%	18.3%	18.2%	18.0%

1) No net profit has been included in the CET1 capital in the first three quarters of 2016 (EUR 3,900 million), from which EUR 931 million has been paid as interim dividend in August.
2) Including EUR 2,009 million which is CRR/CRD IV-compliant and EUR 4,425 million to be replaced as capital recognition is subject to CRR/CRD IV grandfathering rules.
3) IIncluding EUR 7,136 million which is CRR/CRD IV-compliant and EUR 2,144 million to be replaced as capital recognition is subject to CRR/CRD IV grandfathering rules.

Capital ratios ING Group

The fully-loaded common equity Tier 1 ratio for ING Group rose to 13.5% in the third quarter of 2016 from 13.1% at the end of June 2016. Fully-loaded common equity Tier 1 capital increased by EUR 0.2 billion. Fully-loaded risk-weighted assets decreased by EUR 6.3 billion to EUR 312.8 billion. The decrease mirrors developments at ING Bank to a large extent.

In August 2016, ING paid an interim cash dividend of EUR 0.24 per ordinary share, or EUR 0.9 billion in total. This payment had no impact on the Group's capitalisation as ING has paid this from interim profits not included in common equity Tier 1 capital. ING has decided not to include the third-quarter 2016 profit in the common equity Tier 1 capital of ING Group, similar to previous quarters.

ING's dividend policy remains unchanged, and aims to pay a progressive dividend over time. The final dividend proposal will reflect considerations including expected future capital requirements, growth opportunities available to the Group, net earnings, and regulatory developments.

ING Group's fully-loaded Tier 1 ratio (including grandfathered securities) increased to 15.5% from 15.4% at the end of June 2016. The increase of 0.1 percentage point reflects changes in the fully-loaded common equity Tier 1 ratio that were partly offset by the redemption of USD 800 million 7.05% grandfathered Perpetual Debt Securities in September 2016. The fully-loaded total capital ratio (including grandfathered securities) increased to 18.5% at the end of September 2016.

ING Group's phased-in common equity Tier 1 ratio rose from 13.2% at the end of June 2016 to 13.5% at the end of September 2016, largely mirroring trends in fully-loaded common equity Tier 1 capital.

The leverage ratio of ING Group according to the Delegated Act (including grandfathered securities) takes into account the impact of grossing up the notional cash pool activities. The leverage ratio remained stable at 4.4% at the end of the third quarter.

Following discussions with the Single Resolution Board (SRB) throughout 2016, and subject to final SRB confirmation towards the end of 2016 or early 2017, and taking advantage of our pre-existing holding company structure, we have concluded that ING Groep N.V. should be our designated resolution entity. This simplifies our resolution structure and will allow us to move forward with the issuance of qualifying securities notwithstanding the many remaining uncertainties related to resolution requirements.

Ratings

There were no rating changes during the third quarter of 2016.

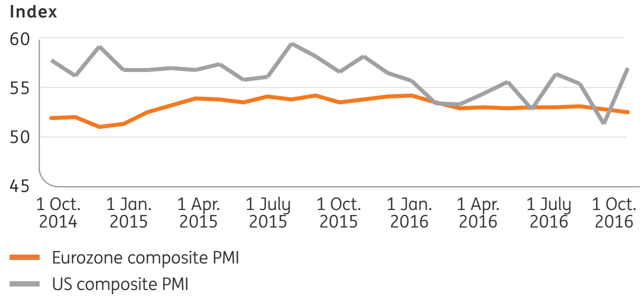
Main credit ratings of ING on 2 November 2016

	Standard & Poor's		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
ING Groep N.V.	A-	Stable	Baa1	Stable	A+	Stable
ING Bank N.V.	A	Stable	A1	Stable	A+	Stable

Economic Environment

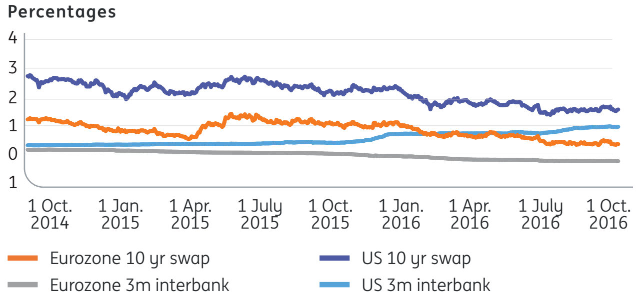
Economic activity

- The composite purchasing managers' index (PMI) for the eurozone declined slightly in the third quarter. This indicates that the economic environment remains challenging, as tailwinds from declining oil prices and a weakening dollar have faded.
- In the US, the composite PMI moved sideways, indicating that economic growth may be stabilising.
- PMIs are regarded as timely indicators of underlying trends in economic activity.



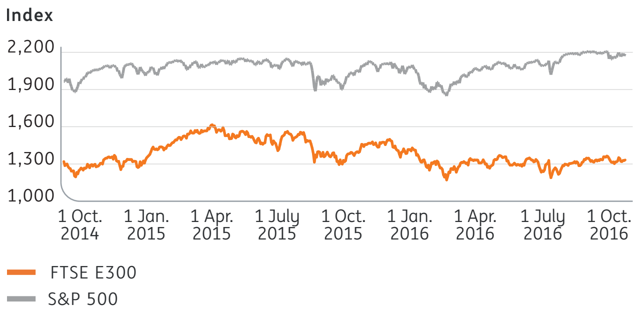
Interest rates

- The increase in US short-term interest rates seemed largely related to the impact of impending money market reforms. These produced upward pressure on money market rates. Part of the rise of short-term rates was also related to an expected further increase of the federal funds rate, which was reflected in an uptick in longer-dated US bond yields.
- Extremely loose monetary policies by the ECB are keeping both short- and long-term interest rates at historically low levels. In 3Q16, the flattening of the yield curve seemed to have halted.



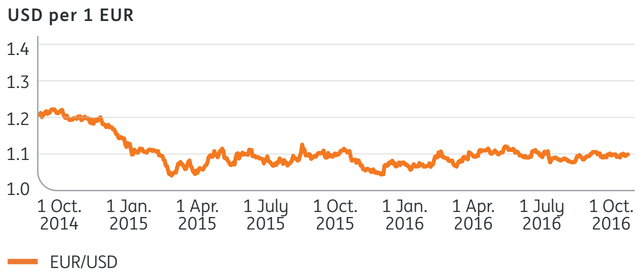
Stock markets

Eurozone stock markets underperformed US stock markets. Less positive prospects for economic growth, uncertainty about the banking sector and about European integration (e.g. issues such as Brexit) continued to affect European stock markets.



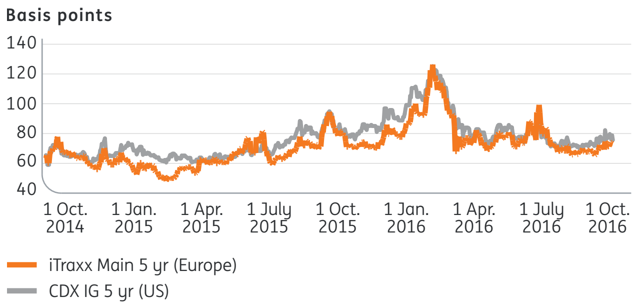
Currency markets

The euro-dollar exchange rate roughly traded sideways in 3Q16. Expectations that the Federal Reserve would hike interest rates were pushed back, while the ECB was not expected to change its monetary policy stance significantly in the near term.



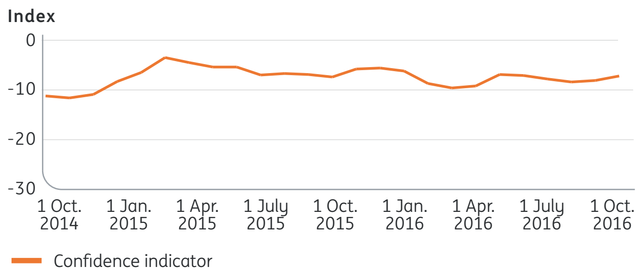
Credit markets

The assessment of corporate credit risk decreased somewhat further in 3Q16. Loose monetary policies continued to support the search for yield. Moreover, 1Q16 worries about a possible slowdown of the global economy and 2Q16 worries about the immediate impact of Brexit have faded. The outcome of important upcoming political events (US presidential election on 8 November, Italian referendum on 4 December) are being closely watched for their potential impact on markets.



Consumer confidence

Consumer confidence broadly stabilsed in 3Q16, showing that the confidence of eurozone consumers has thus far not been affected by the decision of the British to leave the European Union (Brexit).



Source: ING Economics Department

Appendix

Consolidated profit and loss account: ING Group

ING Group: Consolidated profit and loss account

In EUR million	Total ING Group 3Q2016	Total ING Group 3Q2015	of which: Retail Banking 3Q2016	of which: Retail Banking 3Q2015	of which: Wholesale Banking 3Q2016	of which: Wholesale Banking 3Q2015	of which: Corporate Line Banking 3Q2016	of which: Corporate Line Banking 3Q2015
Interest result Banking operations	3,385	3,140	2,376	2,332	964	850	45	-42
Commission income	605	524	362	311	244	216	-1	-3
Investment income	139	-7	97	53	15	-60	27	0
Other income	235	345	150	143	127	208	-43	-6
Total underlying income	**4,363**	**4,002**	**2,985**	**2,838**	**1,350**	**1,214**	**27**	**-50**
Expenses excl. regulatory costs	2,155	2,141	1,462	1,485	617	582	75	74
Regulatory costs	65	105	67	85	-2	20	0	-
Operating expenses	**2,220**	**2,247**	**1,530**	**1,570**	**615**	**603**	**75**	**74**
Gross result	**2,143**	**1,756**	**1,456**	**1,268**	**735**	**612**	**-48**	**-124**
Addition to loan loss provisions	265	261	168	164	97	97	-0	0
Underlying result before tax Banking	**1,878**	**1,495**	**1,288**	**1,104**	**638**	**515**	**-48**	**-124**
Taxation	522	379	350	263	144	119	28	-3
Minority interests	20	23	16	18	3	6	-	-
Underlying net result Banking	**1,336**	**1,092**	**922**	**824**	**491**	**390**	**-76**	**-122**
Net gains/losses on divestments	-	-	-	-	-	-	-	-
Net result from divested units	-	-	-	-	-	-	-	-
Special items after tax	-	-15	-	-15	-	-	-	-
Net result Banking	**1,336**	**1,078**	**922**	**809**	**491**	**390**	**-76**	**-122**
Net result Insurance Other	12	-90						
Net result intercompany elimination between ING Bank and NN Group								
Net result from discontinued operations NN Group	1	76						
Net result from discontinued operations Voya Financial								
Net result ING Group	**1,349**	**1,064**						

ING Group: Consolidated profit and loss account

In EUR million	Total ING Group 9M2016	Total ING Group 9M2015	of which: Retail Banking 9M2016	of which: Retail Banking 9M2015	of which: Wholesale Banking 9M2016	of which: Wholesale Banking 9M2015	of which: Corporate Line Banking 9M2016	of which: Corporate Line Banking 9M2015
Interest result Banking operations	9,899	9,418	7,039	6,919	2,791	2,631	69	-132
Commission income	1,822	1,713	1,057	1,006	768	711	-3	-4
Investment income	382	131	310	148	45	-18	27	1
Other income	893	1,247	420	392	533	951	-60	-96
Total underlying income	**12,997**	**12,509**	**8,826**	**8,465**	**4,137**	**4,274**	**34**	**-230**
Expenses excl. regulatory costs	6,452	6,366	4,464	4,452	1,778	1,764	210	150
Regulatory costs	636	340	533	299	102	41	1	0
Operating expenses	**7,088**	**6,707**	**4,997**	**4,751**	**1,880**	**1,806**	**210**	**150**
Gross result	**5,909**	**5,802**	**3,829**	**3,714**	**2,257**	**2,468**	**-176**	**-380**
Addition to loan loss provisions	836	1,045	499	665	337	380	-0	0
Underlying result before tax Banking	**5,073**	**4,757**	**3,329**	**3,048**	**1,920**	**2,088**	**-176**	**-380**
Taxation	1,420	1,300	903	839	560	530	-43	-69
Minority interests	58	60	49	48	10	12	-	-
Underlying net result Banking	**3,595**	**3,397**	**2,378**	**2,161**	**1,350**	**1,547**	**-133**	**-311**
Net gains/losses on divestments	-	367	-	367	-	-	-	-
Net result from divested units	-	-	-	-	-	-	-	-
Special items after tax	-13	-42	-13	-42	-	-	-	-
Net result Banking	**3,582**	**3,721**	**2,365**	**2,486**	**1,350**	**1,547**	**-133**	**-311**
Net result Insurance Other	-125	-55						
Net result intercompany elimination between ING Bank and NN Group		-20						
Net result from discontinued operations NN Group	443	-779						
Net result from discontinued operations Voya Financial		323						
Net result ING Group	**3,900**	**3,191**						

Appendix

Consolidated profit and loss account: Geographical split

Geographical split: Consolidated profit and loss account

	Total ING Group		Netherlands		Belgium		Germany		Other Challengers		Growth Markets		Wholesale Banking Rest of World		Other	
In EUR million	3Q2016	3Q2015	3Q2016	3Q2015	3Q2016	3Q2015	3Q2016	3Q2015	3Q2016	3Q2015	3Q2016	3Q2015	3Q2016	3Q2015	3Q2016	3Q2015
Interest result Banking operations	3,385	3,140	1,187	1,162	564	563	530	463	341	325	333	292	385	378	46	-41
Commission income	605	524	190	186	115	100	60	43	41	33	85	63	114	102	-1	-3
Investment income	139	-7	16	-59	12	10	0	0	9	0	81	43	-6	-2	27	0
Other income	235	345	82	50	99	92	-7	16	13	21	76	54	5	103	-34	10
Total underlying income	**4,363**	**4,002**	**1,475**	**1,339**	**790**	**765**	**584**	**521**	**403**	**378**	**574**	**452**	**498**	**582**	**38**	**-35**
Expenses excl. regulatory costs	2,155	2,141	717	756	439	438	221	205	215	205	248	228	235	232	80	77
Regulatory costs	65	106	17	-	16	52	-8	40	15	3	28	7	-2	4	0	0
Operating expenses	**2,220**	**2,247**	**734**	**756**	**454**	**490**	**212**	**245**	**230**	**208**	**276**	**234**	**233**	**237**	**80**	**77**
Gross result	**2,143**	**1,756**	**741**	**583**	**336**	**274**	**371**	**276**	**174**	**171**	**299**	**218**	**265**	**345**	**-42**	**-111**
Addition to loan loss provisions	265	261	64	81	57	20	6	42	29	20	54	28	55	69	-0	0
Underlying result before tax Banking	**1,878**	**1,495**	**677**	**502**	**279**	**255**	**366**	**234**	**144**	**150**	**244**	**190**	**210**	**276**	**-42**	**-112**
Retail Banking	1,288	1,104	542	416	202	242	282	220	66	86	196	140	-	-	-	-
Wholesale Banking	638	515	135	85	77	13	84	14	78	64	48	50	210	276	6	13
Corporate Line	-48	-124	-	-	-	-	-	-	-	-	-	-	-	-	-48	-124
Underlying result before tax	**1,878**	**1,495**	**677**	**502**	**279**	**255**	**366**	**234**	**144**	**150**	**244**	**190**	**210**	**276**	**-42**	**-112**
Taxation	522	379	169	142	69	22	130	81	50	53	34	26	42	58	29	-2
Minority interests	20	23	-	-	1	2	1	1	-	-	18	21	-	-	-	-
Underlying net result Banking	**1,336**	**1,092**	**508**	**360**	**209**	**231**	**235**	**152**	**95**	**97**	**193**	**143**	**167**	**218**	**-71**	**-109**
Net gains/losses on divestments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result from divested units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special items after tax	-	-15	-	-15	-	-	-	-	-	-	-	-	-	-	-	-
Net result Banking	**1,336**	**1,078**	**508**	**345**	**209**	**231**	**235**	**152**	**95**	**97**	**193**	**143**	**167**	**218**	**-71**	**-109**
Net result Insurance Other	12	-90														
Net result intercompany elimination between ING Bank and NN Group																
Net result from discontinued operations NN Group	1	76														
Net result from discontinued operations Voya Financial																
Net result ING Group	**1,349**	**1,064**														

Appendix

Consolidated profit and loss account: Geographical split

Geographical split: Consolidated profit and loss account

	Total ING Group		Netherlands		Belgium		Germany		Other Challengers		Growth Markets		Wholesale Banking Rest of World		Other	
In EUR million	9M2016	9M2015	9M2016	9M2015	9M2016	9M2015	9M2016	9M2015	9M2016	9M2015	9M2016	9M2015	9M2016	9M2015	9M2016	9M2015
Interest result Banking operations	9,899	9,418	3,504	3,526	1,651	1,724	1,518	1,323	1,042	950	933	858	1,181	1,167	71	-131
Commission income	1,822	1,713	591	556	383	373	181	141	113	116	222	198	335	332	-2	-3
Investment income	382	131	78	-79	51	18	48	67	20	14	172	57	-11	20	24	34
Other income	893	1,247	178	254	323	366	22	31	55	-17	211	196	133	470	-29	-53
Total underlying income	**12,997**	**12,509**	**4,350**	**4,257**	**2,408**	**2,481**	**1,769**	**1,563**	**1,230**	**1,064**	**1,537**	**1,308**	**1,638**	**1,989**	**65**	**-153**
Expenses excl. regulatory costs	6,452	6,366	2,364	2,253	1,141	1,307	660	597	632	609	720	730	717	708	219	163
Regulatory costs	636	340	135	-	218	198	109	90	51	6	88	39	34	7	1	0
Operating expenses	**7,088**	**6,707**	**2,499**	**2,253**	**1,359**	**1,505**	**769**	**687**	**684**	**615**	**808**	**769**	**750**	**715**	**219**	**163**
Gross result	**5,909**	**5,802**	**1,851**	**2,004**	**1,049**	**976**	**1,000**	**876**	**546**	**449**	**729**	**539**	**888**	**1,275**	**-155**	**-316**
Addition to loan loss provisions	836	1,045	258	547	182	102	28	69	95	69	156	120	116	138	-0	0
Underlying result before tax Banking	**5,073**	**4,757**	**1,593**	**1,457**	**867**	**874**	**973**	**807**	**451**	**380**	**573**	**419**	**771**	**1,136**	**-155**	**-316**
Retail Banking	3,329	3,048	1,203	1,194	709	637	734	723	241	200	442	294	-	-	-	-
Wholesale Banking	1,920	2,088	390	263	158	237	239	84	210	180	131	125	771	1,136	22	63
Corporate Line	-176	-380	-	-	-	-	-	-	-	-	-	-	-	-	-176	-380
Underlying result before tax	**5,073**	**4,757**	**1,593**	**1,457**	**867**	**874**	**973**	**807**	**451**	**380**	**573**	**419**	**771**	**1,136**	**-155**	**-316**
Taxation	1,420	1,300	394	382	252	226	315	273	143	140	96	64	258	262	-38	-47
Minority interests	58	60	-	-	-0	5	1	1	-	-	57	53	-	-	-	-
Underlying net result Banking	**3,595**	**3,397**	**1,199**	**1,075**	**615**	**642**	**656**	**532**	**308**	**239**	**421**	**302**	**513**	**874**	**-117**	**-269**
Net gains/losses on divestments	-	367	-	-	-	-	-	-	-	-	-	367	-	-	-	-
Net result from divested units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special items after tax	-13	-42	-13	-42	-	-	-	-	-	-	-	-	-	-	-	-
Net result Banking	**3,582**	**3,721**	**1,187**	**1,033**	**615**	**642**	**656**	**532**	**308**	**239**	**421**	**669**	**513**	**874**	**-117**	**-269**
Net result Insurance Other	-125	-55														
Net result intercompany elimination between ING Bank and NN Group		-20														
Net result from discontinued operations NN Group	443	-779														
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Net result ING Group	**3,900**	**3,191**														

ING profile

ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank. The purpose of ING Bank is empowering people to stay a step ahead in life and in business. ING Bank's 52,000 employees offer retail and wholesale banking services to customers in over 40 countries.

ING Group shares are listed on the exchanges of Amsterdam (INGA NA, INGA.AS), Brussels and on the New York Stock Exchange (ADRs: ING US, ING.N).

Sustainability forms an integral part of ING's corporate strategy, which is evidenced by ING Group shares being included in the FTSE4Good index and in the Dow Jones Sustainability Index (Europe and World) where ING is among the leaders in the Banks industry group.

Further information

All publications related to ING's 3Q16 results can be found at www.ing.com/3q16, including a video interview with Ralph Hamers. The interview is also available on YouTube.

Additional financial information is available at www.ing.com/qr:
- ING Group historical trend data
- ING Group analyst presentation (also available via SlideShare)

See also ing.world, ING Group's online magazine, which can be found in the About Us section on www.ing.com.

Frequent news updates can be found in the Newsroom or via the @ING_news Twitter feed. Photos of ING operations, buildings and its executives are available for download at Flickr. Footage (B-roll) of ING is available via videobankonline.com, or can be requested by emailing info@videobankonline.com. ING presentations are available at SlideShare.

Important legal information

Elements of this press release contain or may contain information about ING Groep N.V. and/ or ING Bank N.V. within the meaning of Article 7(1) to (4) of EU Regulation No 596/ 2014.

Projects may be subject to regulatory approvals. Insofar as they could have an impact in Belgium, all projects described are proposed intentions of the bank. No formal decisions will be taken until the information and consultation phases with the Work Council have been properly finalised.

ING Group's annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2015 ING Group consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) potential consequences of European Union countries leaving the European Union, (5) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (6) changes affecting interest rate levels, (7) changes affecting currency exchange rates, (8) changes in investor and customer behaviour, (9) changes in general competitive factors, (10) changes in laws and regulations, (11) changes in the policies of governments and/or regulatory authorities, (12) conclusions with regard to purchase accounting assumptions and methodologies, (13) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (14) changes in credit ratings, (15) ING's ability to achieve projected operational synergies and (16) the other risks and uncertainties detailed in the most recent annual report of ING Groep N.V. (including the Risk Factors contained therein) and ING's more recent disclosures, including press releases, which are available on www.ING.com. Any forward-looking statements made by or on behalf of ING speak only as of the date they are made, and, ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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