ING

Press release

Corporate Communications

Amsterdam, 1 November 2018

ING posts 3Q18 net result of €776 million

ING recorded strong commercial momentum with continued growth in primary customers and core lending
- Primary customer base increased in 3Q18 by 200,000 to 12.2 million and the total retail customer base stood at 38.0 million
- Net core lending was well diversified and grew by €6.8 billion in 3Q18; net customer deposit inflow amounted to €3.4 billion

ING 3Q18 underlying pre-tax result of €2,124 million; Net result was €776 million after €775 million settlement amount
- 3Q18 result reflects continued business growth at resilient margins, low level of risk costs and expense control
- 3Q18 net result includes €775 million settlement agreement with the Dutch authorities as announced on 4 September 2018
- ING's 3Q18 four-quarter rolling average underlying ROE was 10.7% and the fully loaded CET1 ratio remained strong at 14.0%

CEO statement

"The third quarter of 2018 for ING was deeply marked by the settlement agreement with the Dutch Public Prosecution Service. As a bank, we have the responsibility to ensure that our operations meet the highest standards, especially when it comes to securing the integrity of our own operations and that of the financial system," said Ralph Hamers, CEO of ING Group. "Not meeting these standards is unacceptable. It is sincerely regrettable that the investigations identified serious shortcomings in the execution of policies to prevent financial economic crime at ING Netherlands. We take this very seriously and accept full responsibility. Under the terms of the agreement, ING has paid a fine of €775 million in the third quarter of 2018.

"We are committed to conducting our business with integrity, and are taking a number of robust measures to strengthen our management of compliance risks and support a stronger risk awareness culture. We are enhancing our customer due diligence files where necessary and are working on various structural improvements in our compliance policies, tooling, monitoring and governance. To embed these improvements thoroughly and sustainably across the organisation, we will give continuous attention to fostering a stronger compliance risk management mindset. Regulatory compliance is a key priority which we will advance on through clear leadership communication, training courses, integrity dilemma workshops and behaviour risk assessments. Integrating regulatory compliance more deeply into our DNA will support sustainable results. Last, but not least, we find it very important to continue our collaborations with public and private entities, including our supervisors and regulators, to achieve better structural outcomes in this area.

"Commercial momentum was strong in the third quarter of 2018 and ING recorded continued business growth at resilient margins. The underlying result before tax was €2,124 million, up both year-on-year and sequentially. Net core lending growth in the third quarter was robust at €6.8 billion and was well diversified across Retail and Wholesale Banking. We gained 200,000 primary customers during the quarter, bringing the total to 12.2 million, while our total global customer base was 38.0 million at the end of the quarter. Expenses remained under control and were only slightly higher than a year ago. Compared with the previous quarter, expenses were 1.7% lower. Risk costs amounted to an annualised 27 basis points of average risk-weighted assets, well below the through-the-cycle average, notwithstanding broader financial market volatility including events in Turkey. The underlying return on equity on a four-quarter rolling average basis rose to 10.7%. The quarterly net result was €776 million, including the settlement amount, which was recorded as a special item after tax. ING Group's fully loaded CET1 ratio remained strong at 14.0%.

"Banks also have a responsibility to finance positive change and we are stepping up to that. In the third quarter, we announced ING's commitment to steer our lending portfolio toward the well-below 2-degree goal of the Paris Climate Agreement. This will be done using an innovative measurement approach, which we are co-developing with the 2 Degrees Investing Initiative. We are pleased to be the first global bank to commit to using science-based scenarios to steer our business strategy.

"The settlement did have an impact on our reputation and quarterly results. We remain focused on the execution of our Think Forward strategy and our commitment to our customers, shareholders, supervisors, regulators and other stakeholders. Our transformation plans are on track to reach the milestones set out in our strategy. We move ahead with a heightened resolve to strengthen our compliance risk management framework and further embed compliance into our corporate DNA. This will guide us as we build a sustainable future for ING."

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Investor conference call
1 November 2018 at 9:00 am CET
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+44 203 365 3209 (UK)
+1 866 349 6092 (US)
Live audio webcast at www.ing.com

Media conference call
1 November 2018 at 11:00 am CET
+31 (0)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 4Q2018:	Wednesday, 6 February 2019
Publication 2018 ING Group Annual Report:	Thursday, 7 March 2019
ING Investor Day	Monday, 25 March 2019
2019 Annual General Meeting:	Tuesday, 23 April 2019
Ex-date for final dividend 2018 (Euronext Amsterdam)*:	Thursday, 25 April 2019
Record date for final dividend 2018 entitlement (NYSE)*:	Friday, 26 April 2019
Record date for final dividend 2018 entitlement (Euronext Amsterdam)*:	Friday, 26 April 2019
Payment date final dividend 2018 (Euronext Amsterdam)*:	Thursday, 2 May 2019
Publication results 1Q2019:	Thursday, 2 May 2019
Payment date final dividend 2018 (NYSE)*:	Thursday, 9 May 2019
Publication results 2Q2019:	Thursday, 1 August 2019
Ex-date for interim dividend 2019 (Euronext Amsterdam)*:	Monday, 5 August 2019
Record date for interim dividend 2019 entitlement (Euronext Amsterdam)*:	Tuesday, 6 August 2019
Record date for interim dividend 2019 entitlement (NYSE)*:	Monday, 12 August 2019
Payment date interim dividend 2019 (Euronext Amsterdam)*:	Monday, 12 August 2019
Payment date interim dividend 2019 (NYSE)*:	Monday, 19 August 2019
Publication results 3Q2019:	Thursday, 31 October 2019

** 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).

Listings

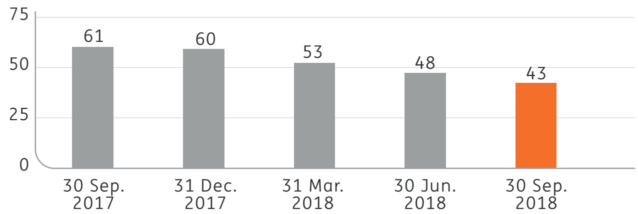
Stock exchanges	Tickers (Bloomberg, Reuters)	Security codes (ISIN, SEDOL1)
Euronext Amsterdam and Brussels	INGA NA, INGA.AS	NL0011821202, BZ57390
New York Stock Exchange	ING US, ING.N	US4568371037, 2452643

Share information

	3Q2017	4Q2017	1Q2018	2Q2018	3Q2018
Shares (in millions, end of period)					
Total number of shares	3,885.6	3,885.8	3,888.0	3,891.5	3,891.6
- Treasury shares	0.6	0.9	0.9	1.7	0.9
- Shares outstanding	3,884.9	3,884.8	3,887.1	3,889.9	3,890.7
Average number of shares	3,884.5	3,884.6	3,885.0	3,889.7	3,890.1
Share price (in euros)					
End of period	15.60	15.33	13.70	12.33	11.18
High	15.90	15.98	16.66	14.45	13.10
Low	14.59	15.00	13.41	12.28	10.89
Net result per share (in euros)	0.35	0.26	0.32	0.37	0.20
Shareholders' equity per share (end of period in euros)	12.81	12.97	12.91	12.85	12.59
Dividend per share (in euros)	-	0.43	-	0.24	-
Price/earnings ratio [1]	13.0	12.1	10.7	9.5	9.8
Price/book ratio	1.22	1.18	1.06	0.96	0.89

[1] Four-quarter rolling average

Market capitalisation (in € billion)



American Depositary Receipts (ADRs)

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

Broker/Institutional investors please contact:
J.P. Morgan Chase Bank, N.A.
Depositary Receipts Group
383 Madison Avenue, Floor 11
New York, NY 10179
In the US: (866) JPM-ADRS
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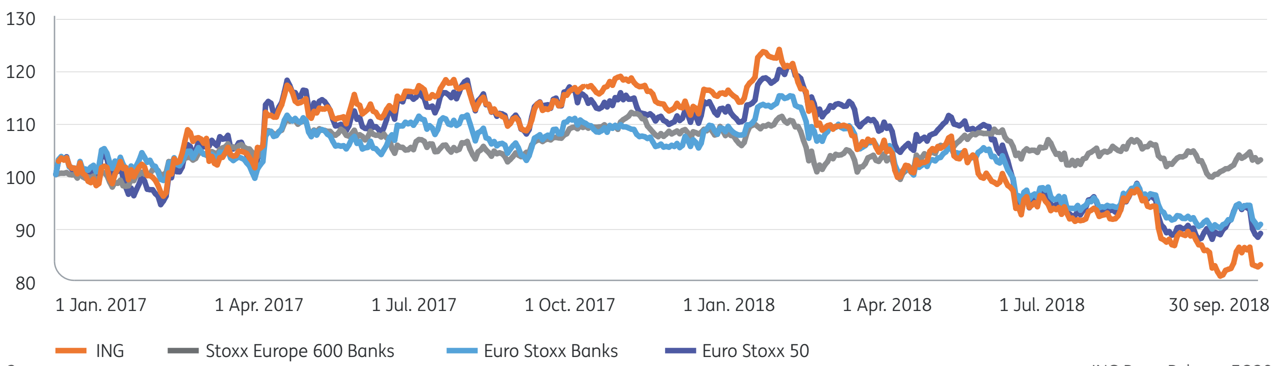
ADR shareholders can contact J.P. Morgan Transfer Agent Service Center:
J.P. Morgan Chase Bank, N.A.
P.O. Box 64504
St. Paul, MN 55164-0504
In the US: +1 800 990 1135
Outside the US: +1 651 453 2128
Email: jpmorgan.adr@eq-us.com

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

Relative share price performance

1 January 2017 to 30 September 2018



Key Developments

At ING, we want to empower our customers with better solutions to meet their financial needs. In the third quarter of 2018, we made progress toward this goal on many fronts. At the same time, we also faced a challenge stemming from shortcomings in the area of regulatory compliance at ING Netherlands between 2010-2016. This had a significant financial impact in the third quarter of 2018 and we are taking actions now and for the future to ensure we meet the highest standards in the management of compliance risks.

Compliance

We were impacted by the €775 million settlement agreement with the Dutch Public Prosecution Service related to criminal investigations that found serious shortcomings in the execution of customer due diligence requirements to prevent financial economic crime. We are working hard to strengthen our management of compliance risks throughout the entire organisation because it is crucial to meet the highest standards in the markets where we operate.

We have started various initiatives to strengthen the management of compliance risks. We are enhancing our customer due diligence files where necessary and are working on various structural improvements in our compliance policies, tooling, monitoring and governance. Know Your Customer (KYC) is one of our strategic priorities and we are further developing a global KYC organisation to functionally steer all KYC-related activities bank-wide. By centralising operational KYC activities into one KYC centre, with standard processes and tooling, we will be able to manage customer due diligence and integrity risks more effectively. We have also set up a KYC enhancement programme to improve the management of customer information and client activity monitoring. The vigilance of all employees and a heightened compliance mindset remain essential in combatting financial economic crime. Initiatives in place to support employees include regular dialogues on compliance topics and trainings. Next to these internal efforts, we have been cooperating with supervisors and regulators on various task forces, in order to harmonise efforts and share knowledge in the fight against financial economic crime.

Innovation

When customers get in touch with us, their experience should be simple and smooth, with multiple channels to choose from. To this end, ING has built a common contact centre platform for our Retail countries, providing customers with access to the same services everywhere. This will make us more flexible in adjusting our services to customer needs. The Netherlands, the Czech Republic and Belgium are introducing the platform. The other Retail countries will be using it by the end of 2020.

Being open to new ideas and to collaboration is an important aspect of our innovation strategy. Our investment in the international payments platform TransferMate, which provides SME customers and corporate clients with faster, cheaper and easier payments solutions, is a good example of this. This collaboration will eliminate administration for companies and reduce costs so that customers can send and receive international payments as if they were local transactions. We also extended our existing partnership with UK-based TradeIX, the world's first open platform for trade finance based entirely on blockchain.

Sustainability

In the third quarter, we announced that we will start steering our portfolio towards meeting the Paris Agreement's goal of limiting climate change to well below two degrees Celsius. We are able to do this because we have co-created an innovative measurement approach with the 2° Investing Initiative (2°ii), a global think tank for researching climate-related metrics in financial markets. Called Terra, this approach makes us the first global bank to commit to using science-based scenarios to steer our business strategy.

The Terra approach looks at the technology shift that's needed across those sectors that are most responsible for greenhouse gas emissions, the main cause of rising temperatures globally. In the automotive sector, for example, it's not enough to lower emissions by making fewer petrol-powered cars; more electric cars must be produced, too. Terra then measures the needed shift in technology against the actual technology that clients are using today, and are planning to use in the future. This is where financing comes in – and where ING can have an impact. We started to implement Terra this quarter by assessing the target sectors in our lending portfolio. We expect to report on our progress in our next annual report. We will make the Terra approach open source to encourage the development of a banking industry standard.

During the quarter we also continued to make our portfolio more sustainable by helping several clients to issue green bonds and finance sustainable projects. For example, we assisted Sindicatum Renewable Energy, which owns and operates clean energy projects worldwide, to issue a green bond whose proceeds will be used in renewable energy projects in the Philippines. ING also extended its first green loan in the Asia-Pacific real estate sector by collaborating with Frasers Property, one of Singapore's top property companies.

Going agile in Germany

To react more quickly to customers' changing expectations, ING has been introducing one agile Way of Working across the bank. Besides helping us to standardise processes and set our priorities in the same way, this work methodology enables employees to collaborate better, resulting in shorter innovation cycles for our products and services.

During the quarter, ING in Germany took the first step towards becoming the first completely agile bank in the country. The implementation of one Way of Working in Germany is expected to be completed by the summer of 2019.

Consolidated Results

Consolidated results	3Q2018	3Q2017	Change	2Q2018	Change	9M2018	9M2017	Change
Profit or loss (in € million)								
Net interest income	3,500	3,490	0.3%	3,441	1.7%	10,345	10,201	1.4%
Net fee and commission income	720	643	12.0%	717	0.4%	2,098	2,040	2.8%
Investment income	89	82	8.5%	38	134.2%	192	173	11.0%
Other income	337	193	74.6%	287	17.4%	951	922	3.1%
Total underlying income	**4,646**	**4,408**	**5.4%**	**4,484**	**3.6%**	**13,586**	**13,336**	**1.9%**
Staff expenses	1,346	1,286	4.7%	1,384	-2.7%	4,069	3,866	5.3%
Regulatory costs[1]	91	94	-3.2%	98	-7.1%	682	637	7.1%
Other expenses	870	909	-4.3%	865	0.6%	2,588	2,708	-4.4%
Underlying operating expenses	**2,307**	**2,289**	**0.8%**	**2,347**	**-1.7%**	**7,339**	**7,211**	**1.8%**
Gross result	**2,339**	**2,119**	**10.4%**	**2,137**	**9.5%**	**6,247**	**6,124**	**2.0%**
Addition to loan loss provisions[2]	215	124	73.4%	115	87.0%	415	486	-14.6%
Underlying result before tax	**2,124**	**1,995**	**6.5%**	**2,022**	**5.0%**	**5,833**	**5,639**	**3.4%**
Taxation	582	595	-2.2%	557	4.5%	1,603	1,617	-0.9%
Non-controlling interests	28	21	33.3%	22	27.3%	79	65	21.5%
Underlying net result	**1,515**	**1,378**	**9.9%**	**1,443**	**5.0%**	**4,151**	**3,957**	**4.9%**
Special items after tax	-775	0		0		-775	0	
Net result from Banking	**740**	**1,378**	**-46.3%**	**1,443**	**-48.7%**	**3,376**	**3,957**	**-14.7%**
Net result Insurance Other	36	-3		-14		55	-66	
Net result ING Group	**776**	**1,376**	**-43.6%**	**1,429**	**-45.7%**	**3,431**	**3,890**	**-11.8%**
Net result per share (in €)	0.20	0.35		0.37		0.88	1.00	
Capital ratios (end of period)								
ING Group shareholders' equity (in € billion)				50.0	-2.0%	49.0	49.8	-1.6%
ING Group common equity Tier 1 ratio fully loaded[3]				14.1%		14.0%	14.5%	
ING Group common equity Tier 1 ratio phased in				14.1%		14.0%	14.5%	
Customer lending/deposits (end of period, in € billion)								
Residential mortgages				281.7	1.1%	284.9	280.4	1.6%
Other customer lending				310.7	2.6%	318.8	288.0	10.7%
Customer deposits				556.7	-0.8%	552.0	538.1	2.6%
Profitability and efficiency								
Underlying interest margin	1.52%	1.57%		1.51%		1.51%	1.53%	
Underlying cost/income ratio	49.7%	51.9%		52.3%		54.0%	54.1%	
Underlying return on equity based on IFRS-EU equity[4]	12.7%	11.5%		12.0%		11.6%	10.9%	
Employees (internal FTEs, end of period)				52,189	0.6%	52,519	51,550	1.9%
Four-quarter rolling average key figures								
Underlying interest margin	1.53%	1.53%		1.54%				
Underlying cost/income ratio	55.5%	53.8%		56.1%				
Underlying return on equity based on IFRS-EU equity[4]	10.7%	11.0%		10.4%				
Risk								
Stage 3 ratio (end of period)[5]				1.6%		1.6%	2.0%	
Stage 3 provision coverage ratio (end of period)[5]				33.9%		34.0%	39.3%	
Underlying risk costs in bps of average RWA	27	16		15		18	21	
Risk-weighted assets (end of period, in € billion)				318.7	-0.8%	316.3	311.0	1.7%

[1] Regulatory costs represent bank taxes and contributions to the deposit guarantee schemes ('DGS') and to 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 not included in CET1 capital in 9M18 amounting to €1,577 million (2Q18: €1,735 million, and 9M17: €1,626 million).
[4] Annualised underlying net result divided by average IFRS-EU shareholders' equity excluding interim profit not included in CET1 capital.
[5] The comparitives for 2017 still represent the previously disclosed NPL ratio and provision coverage ratio under IAS 39.
Note: Underlying figures are non-GAAP measures. These are derived from figures according to IFRS-EU by excluding the impact from divestments, special items and Insurance Other. See the Appendix for a reconciliation between GAAP and non-GAAP figures.

Consolidated Results

ING's third-quarter 2018 net result was €776 million, down from €1,376 million in the third quarter of 2017 and €1,429 million in the previous quarter. The decline in the net result was primarily caused by the €775 million settlement agreement with the Dutch authorities on regulatory issues as announced on 4 September 2018, and is recorded as a special item. Commercial momentum was strong in the third quarter of 2018 as primary clients grew by 200,000 and ING recorded €6.8 billion of net core lending growth. ING Group's fully loaded CET1 ratio at the end of the third quarter was 14.0%.

The underlying net result, defined as the net result excluding special items and Insurance Other, rose to €1,515 million from €1,378 million in the third quarter of 2017 and €1,443 million in the second quarter of 2018. ING's underlying return on IFRS-EU equity was 12.7% in the third quarter of 2018. On a four-quarter rolling average basis, which eliminates the seasonality in results, the underlying return on ING's IFRS-EU equity was 10.7%.

Underlying income increased both year-on-year and sequentially, reflecting continued business growth at resilient margins and higher Bank Treasury-related income, and despite lower results in Financial Markets. Expenses remained under control and were only slightly higher than a year ago, partially supported by currency impacts. Compared with the previous quarter, expenses were 1.7% lower. Risk costs amounted to €215 million, or an annualised 27 basis points of average risk-weighted assets, which is well below ING's through-the-cycle average and reflects the continued benign credit environment.

Underlying results

The strong third-quarter 2018 underlying result before tax of €2,124 million was mainly attributable to continued loan growth at resilient margins, higher Bank Treasury-related revenues, solid net fee and commission income and the €83 million annual dividend from Bank of Beijing. The result was also supported by tight cost control and continued low risk costs, although risk costs were higher than a year ago. Compared with the third quarter of 2017, the underlying result before tax increased 6.5%. Sequentially, the underlying result before tax rose 5.0% as higher income and lower operating expenses more than offset the increase in risk costs relative to the very low level in the second quarter of 2018.

Total underlying income

Total underlying income rose 5.4% to €4,646 million from €4,408 million in the third quarter of 2017. The increase mainly reflects continued business growth in Retail Challengers & Growth Markets and in the Wholesale Banking lending activities, combined with higher Bank Treasury-related income. These drivers more than outpaced negative currency impacts, most notably the depreciation of the Turkish lira against the euro, and a weaker performance in Financial Markets. Income in Retail Benelux was slightly lower year-on-year.

Compared with the second quarter of 2018, total underlying income increased by €162 million, or 3.6%, of which €83 million was attributable to the annual dividend from Bank of Beijing. The remaining increase was primarily due to higher Bank Treasury-related income, increased revenues from Wholesale Banking's Industry Lending and Corporate Investments, and an improvement in the Corporate Line. This was partly offset by lower income from Retail Belgium and Financial Markets.

Total customer lending grew by €11.3 billion in the third quarter of 2018 to €603.7 billion. Adjusted for currency impacts and excluding Bank Treasury (which reported a €6.7 billion increase) and the run-off portfolios of WUB and Lease, net growth in ING's core lending book was €6.8 billion. Third-quarter 2018 net core lending growth was again well diversified across Retail and Wholesale Banking. Residential mortgages increased by €4.3 billion due to mortgage growth in most countries, including €0.7 billion of growth in the core Dutch mortgage book. Other net core lending grew by €2.5 billion, of which €2.7 billion was in Wholesale Banking, predominantly in General Lending. In Retail Banking, other net core lending decreased by €0.2 billion, as a decline in Retail Belgium more than offset growth in the other segments.

Customer deposits decreased by €4.7 billion to €552.0 billion in the third quarter of 2018. However, excluding an increase in Bank Treasury and adjusted for currency impacts, net customer deposits in Retail and Wholesale Banking grew by €3.4 billion. Retail Banking generated a net inflow of €1.2 billion, driven by further growth in Belgium and the Other Challengers & Growth Markets. Retail Germany and Retail Netherlands reported limited net outflows. Net customer deposits in Wholesale Banking rose by €2.2 billion.

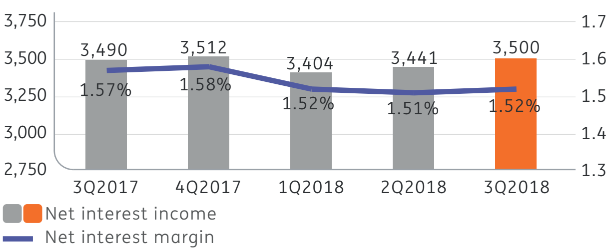
Underlying net interest income increased slightly to €3,500 million from €3,490 million in the third quarter of 2017, which included €91 million of net interest income caused by the decision to end some hedge relationships (with an equally sized opposite move in 'other income'). Excluding the impact of ending some hedge relationships in the year-ago quarter, net interest income rose by €101 million, or 3.0%. This was achieved despite a €77 million decline in the volatile interest results of Financial Markets. The increase was driven by higher interest results on customer lending, as the impact of volume growth in mortgages and other customer lending was

Consolidated Results

accompanied by a higher overall lending margin compared with a year ago. The interest result on customer deposits rose marginally compared with the third quarter of 2017. This was the result of higher volumes in current accounts and a slight improvement in the margin on savings, which was supported by a further lowering of client savings rates in several countries during the last 12 months. However, the impact was almost fully offset by continued margin pressure on current accounts (due to lower reinvestment yields) and a modest decline in savings volumes.

Compared with the second quarter of 2018, total net interest income increased by €59 million, or 1.7%. The increase was mainly caused by higher interest results on customer lending and an improvement in the Corporate Line, while interest results in Financial Markets were lower.

Net interest income (in € million) and net interest margin (in %)



ING's third-quarter 2018 net interest margin rose to 1.52% compared with 1.51% in the second quarter of 2018. The slight improvement was mainly attributable to a higher interest margin on both mortgages and other customer lending. The interest margin on customer deposits was stable as a further decline of the margin on current accounts was offset by a modest improvement of the margin on savings, reflecting the lowering of client savings rates in a number of countries in the third quarter of 2018.

Net fee and commission income rose to €720 million from €643 million one year ago. In Retail Banking, net fee and commission income increased by €21 million due to higher fee income in the Netherlands and most of the Other Challengers & Growth Markets countries, while fees declined in Turkey and Belgium. Total fee income in Wholesale Banking increased by €58 million, mainly due to higher Financial Markets fees and the inclusion of Payvision as from the second quarter of 2018. The increase in Financial Markets fees in the third quarter included €27 million of income related to Global Capital Markets activities that had been recorded under 'other income' in the first half of 2018. Compared with the second quarter of 2018, net fee and commission income rose by €3 million. Excluding the adjustment in Financial Markets fees, net fee and commission income declined, predominantly in Wholesale Banking and Retail Belgium after a very strong second quarter of 2018 for both segments.

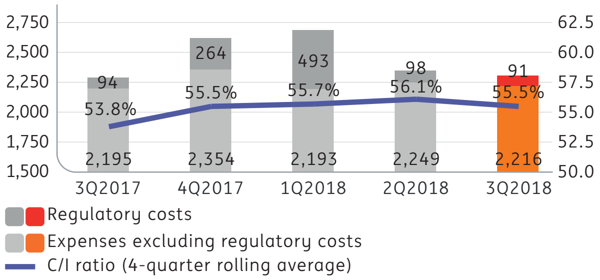
Investment income increased to €89 million from €82 million in the third quarter of 2017. The increase was mainly caused by a higher annual dividend from Bank of Beijing, which rose by €29 million year-on-year to €83 million, whereas the year-ago quarter included a €24 million gain on the sale of MasterCard shares in Turkey. Compared with the second quarter of 2018, investment income rose by €51 million, driven by the Bank of Beijing dividend and partly offset by lower realised gains on debt securities.

Other income rose to €337 million from €193 million in the year-ago quarter. Excluding the aforementioned €91 million accounting impact from ending some hedge relationships in the third quarter of 2017 and the adjustment in Financial Markets fees in the third quarter of 2018, other income rose by €80 million. This was predominantly due to higher Bank Treasury-related other income in Retail Germany and an increase in Financial Markets. On a sequential basis, other income increased by €50 million.

Operating expenses

Underlying operating expenses increased marginally by €18 million, or 0.8%, year-on-year, but they fell by €40 million, or 1.7%, compared with the second quarter of 2018. Regulatory costs in the third quarter of 2018 were €91 million compared with €94 million in the year-ago quarter and €98 million in the second quarter of 2018.

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



Expenses excluding regulatory costs rose by a modest €21 million, or 1.0%, compared with a year ago to €2,216 million. Increases were mainly recorded in Retail Netherlands, which benefited in the year-ago quarter from the release of a provision, and in Wholesale Banking (partly caused by the inclusion of Payvision). These increases were largely offset by lower expenses in the Corporate Line due to lower shareholder expenses and a reimbursement from reinsurance and settlement costs related to previous ING Group entities. Expenses in Retail Challengers & Growth Markets were only slightly higher year-on-year. Costs to support strategic projects and further growth in primary customers increased somewhat, but were largely offset by lower expenses in Turkey (mainly due to foreign currency movements) and in Spain, which included a litigation provision related to its mortgage portfolio in the third quarter of 2017.

Compared with the second quarter of 2018, expenses excluding regulatory costs declined by €33 million, or 1.5%. The decline was primarily visible in Retail Belgium, Wholesale Banking and the Corporate Line. Expenses in Retail Germany and Retail Netherlands rose slightly.

Consolidated Results

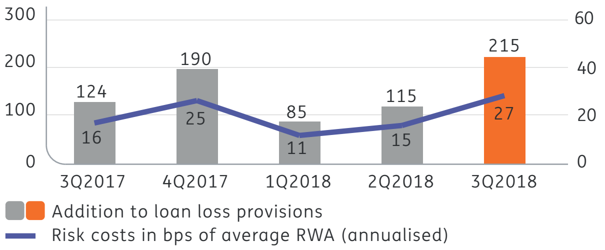
ING's third-quarter 2018 underlying cost/income ratio was 49.7% compared with 51.9% in the year-ago quarter and 52.3% in the previous quarter. On a four-quarter rolling average basis, which eliminates the seasonality of regulatory costs, the underlying cost/income ratio increased to 55.5% from 53.8% one year ago, but improved slightly from 56.1% in the previous four-quarter rolling period.

The total number of internal staff increased by 330 FTEs in the third quarter to 52,519 FTEs at the end of September 2018. This was due to FTE increases in the Netherlands, most of the Challengers & Growth Markets countries and the international network of Wholesale Banking. These increases were partly offset by declines primarily in Belgium and Turkey.

Addition to loan loss provisions

ING recorded €215 million of net additions to loan loss provisions in the third quarter of 2018 compared with €124 million in the year-ago quarter and €115 million in the second quarter of 2018. As from 2018, risk costs are reported in accordance with IFRS 9 and are therefore not fully comparable with those reported in previous years when IAS 39 accounting standards were applied. The increase in risk costs compared with the second quarter of 2018 was mainly in Stage 3 (predominantly individual provisions), and the higher risk costs were well spread over Wholesale and Retail Banking. Overall, macroeconomic circumstances were favourable, despite broader financial market volatility including events in Turkey, like the country-risk downgrade and the depreciation of the Turkish lira.

Addition to loan loss provisions (in € million)



Retail Netherlands recorded a net release from loan loss provisions of €21 million, almost equal to the net release in the third quarter of 2017, but lower than the €47 million net release in the previous quarter, which included releases from model updates. In Retail Belgium, risk costs were €46 million, almost exclusively related to business lending, up from €28 million in the same quarter of last year and €32 million in the second quarter of 2018. Risk costs in the Retail Challengers & Growth Markets were €82 million, up slightly from €71 million in the third quarter of 2017 and €72 million in the previous quarter. Third-quarter 2018 risk costs were recorded mainly in Turkey, Poland and Spain.

Wholesale Banking recorded €108 million of risk costs in the third quarter of 2018 compared with €46 million in the year-ago quarter and €59 million in the previous quarter. Third-quarter 2018 risk costs were predominantly in individual Stage 3 provisions and mainly caused by some larger clients in the Americas and Belgium.

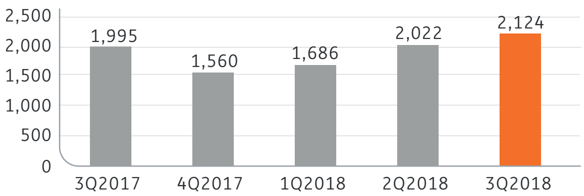
ING's Stage 3 ratio, which represents Stage 3 credit-impaired outstandings as a percentage of total credit outstandings, remained stable at 1.6% compared to 30 June 2018.

Total third-quarter risk costs were 27 basis points of average risk-weighted assets (RWA) versus 16 basis points in the third quarter of 2017 and 15 basis points in the second quarter of 2018. Although higher than in the comparable quarters, risk costs remained well below ING's through-the-cycle average of 40-45 basis points.

Underlying result before tax

ING's third-quarter 2018 underlying result before tax was €2,124 million, up 6.5% from one year ago as higher income and slightly lower expenses more than compensated for an increase in risk costs. Quarter-on-quarter, the underlying result before tax rose 5.0%.

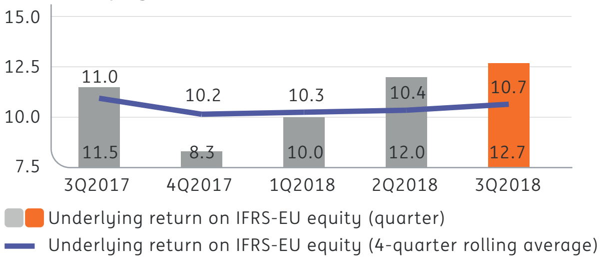
Underlying result before tax (in € million)



Underlying net result

ING's underlying net result was €1,515 million. This is 9.9% higher than the €1,378 million recorded in the third quarter of 2017 and up 5.0% from €1,443 million in the second quarter of 2018. The effective underlying tax rate was 27.4%, almost equal to the previous quarter, but lower than the 29.8% tax rate in the third quarter of 2017. The decline in the effective underlying tax rate compared with the previous year was caused by corporate tax reforms in the US and in Belgium.

Return on equity (in %)



In the third quarter of 2018, ING's underlying return on average IFRS-EU equity was 12.7% compared with 11.5% reported over the third quarter of 2017 and 12.0% over the second quarter of 2018. On a four-quarter rolling average basis, which reduces the seasonality in results, the underlying return on ING Group's average IFRS-EU equity

Consolidated Results

increased slightly to 10.7%. ING's underlying return on equity is calculated using IFRS-EU shareholders' equity after excluding 'interim profit not included in CET1 capital'. As at 30 September 2018, interim profit not included in CET1 capital amounted to €1,577 million, and is already reserved for future dividend payments.

Net result

ING's third-quarter 2018 net result amounted to €776 million compared with €1,376 million in the third quarter of 2017 and €1,429 million in the second quarter of 2018. The net result also includes the net result from special items and Insurance Other.

In the third quarter of 2018, a special item of €-775 million was recorded following the settlement agreement with the Dutch authorities on regulatory issues, as announced on 4 September 2018. Under the terms of the settlement, ING agreed to pay a fine of €675 million and €100 million for disgorgement. ING will not claim a tax deduction in connection with these payments. In the third quarter of 2017, a special item was recorded for a tax charge at ING Australia Holdings Ltd. related to the years 2007-2013, for which a full reimbursement will be received from NN Group. The bottom-line impact for ING was nil, but it affected both the taxation and 'other income' lines in the consolidated statement of profit or loss.

In the third quarter of 2018, ING recorded a €36 million net result from Insurance Other. This profit fully reflects the change in the valuation of warrants on NN Group shares compared with the end of June 2018. ING holds warrants for approximately 35 million shares in NN Group at an exercise price of €40.00 per share. The fair value of these warrants was €39 million as of 30 September 2018. In the second quarter of 2018, a net loss of €14 million was recorded on the warrants on NN Group shares. In the third quarter of 2017, the net result on warrants (at that time still including the result from warrants on Voya shares) was €-3 million. The last remaining warrants on Voya shares were sold in March 2018.

ING's net result per share was €0.20 in the third quarter of 2018 based on an average number of shares outstanding of 3,890 million during the quarter.

ING's total return on average IFRS-EU equity excluding 'interim profit not included in CET1 capital' was 6.5% in the third quarter of 2018; the four-quarter rolling average was 9.3%.

Segment Reporting: Retail Banking

Retail Benelux: Consolidated profit or loss account	Retail Benelux		Netherlands		Belgium	
In € million	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017
Profit or loss						
Net interest income	1,343	1,370	876	924	467	446
Net fee and commission income	257	240	167	148	89	93
Investment income	-5	6	-6	3	0	3
Other income	119	110	96	64	23	46
Total underlying income	**1,713**	**1,726**	**1,134**	**1,138**	**580**	**588**
Expenses excl. regulatory costs	834	807	487	454	348	352
Regulatory costs	20	20	21	21	-1	-1
Operating expenses	**855**	**827**	**508**	**475**	**347**	**351**
Gross result	**858**	**899**	**626**	**663**	**233**	**236**
Addition to loan loss provisions	25	7	-21	-22	46	28
Underlying result before tax	**834**	**893**	**647**	**685**	**187**	**208**
Profitability and efficiency[1]						
Cost/income ratio	49.9%	47.9%	44.8%	41.8%	59.9%	59.8%
Return on equity based on 12.0% common equity Tier 1[2]	23.6%	25.4%	34.0%	34.3%	10.7%	12.7%
Employees (internal FTEs, end of period)	16,824	17,222	8,744	8,737	8,080	8,485
Risk[1]						
Risk costs in bps of average RWA	11	3	-18	-17	48	32
Risk-weighted assets (end of period, in € billion)	85.2	84.5	47.1	49.3	38.1	35.3
Customer lending/deposits (end of period, in € billion)	3Q2018	2Q2018	3Q2018	2Q2018	3Q2018	2Q2018
Residential mortgages	149.2	148.1	111.3	110.9	37.9	37.2
Other customer lending	88.2	84.7	40.3	34.8	48.0	49.9
Customer deposits	230.9	232.5	145.4	147.4	85.6	85.2

[1] Key figures based on underlying figures.
[2] Underlying after-tax return divided by average equity based on 12.0% CET1 ratio (annualised).

Retail Benelux

"The third quarter of 2018 stood very much in the light of the settlement agreement. As an organisation, we are continuously working to improve our compliance risk framework, our KYC processes and risk mindset.

"We saw continued strong performance in the Netherlands. At the same time, we made further progress on expanding the Dutch platform so that we can welcome the first Belgian customers.

"In Belgium, the organisation is working hard to adapt to the consequences of the intensive transformation and integration that were implemented during the first half of the year. Customer loyalty remains high and commercial momentum has been maintained, but service levels require attention in the interim. As the newly created cross-border organisation and the new service model start to gain momentum and digital solutions become available, the service levels will return to our high standards.

"I am grateful for the loyalty of our customers through these times of transformation."

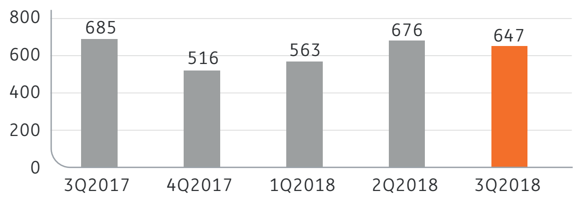
Roland Boekhout, Member Management Board Banking, Head of Market Leaders

Retail Netherlands

Retail Netherlands posted an underlying third-quarter 2018 result before tax of €647 million, down 5.5% from the very strong quarter a year ago. The decrease was mainly attributable to higher expenses, combined with lower net interest income due to lower margins on savings and current accounts. Underlying expenses increased 6.9% due to higher staff-related expenses, largely explained by a release of provisions related to the new collective labour agreement recorded in the third quarter of 2017. Risk costs were negative again at €-21 million, which is comparable with the net release in third quarter of 2017.

Sequentially, the underlying result before tax declined by €29 million, or 4.3%, primarily due to lower net releases from loan loss provisions. Income was broadly unchanged due to a higher result on Bank Treasury-related items, largely offset by an increase in underlying expenses of 1.6%, mainly reflecting slight increases in various expense items. The return on equity, based on a 12% common equity Tier 1 ratio, stood at a strong 34.0% in the third quarter of 2018.

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



Segment Reporting: Retail Banking

Total underlying income was broadly stable year-on-year at €1,134 million. Net interest income decreased due to lower margins on savings and current accounts, which could only be partly offset by higher margins on mortgages and an increase in net fee and commission income. On a sequential basis, total underlying income was also largely unchanged, reflecting higher Bank Treasury-related income combined with a higher margin on mortgages, partly offset by lower income on savings and current accounts.

Customer lending increased by €5.8 billion in the third quarter of 2018 to €151.5 billion. Net core lending (excluding the run-off in the WUB run-off portfolio and an increase in Bank Treasury) grew by €0.8 billion, of which €0.7 billion was in mortgages and €0.1 billion in business lending. Net customer deposits (excluding Bank Treasury) decreased by €0.3 billion after a seasonally strong inflow in the second quarter. The decline reflects €0.6 billion of savings outflow, which was partly compensated by €0.3 billion of inflow into current accounts.

Underlying operating expenses increased by €33 million, or 6.9%, from a year ago. This was mainly due to a release of provisions related to the new collective labour agreement that had been booked in the third quarter of 2017. Excluding this release, expenses rose slightly, mainly due to higher staff-related expenses. Sequentially, expenses were €8 million, or 1.6%, higher, mainly reflecting slight increases in various expense items.

Third-quarter 2018 risk costs were €-21 million compared with €-22 million in the year-ago quarter and €-47 million in the second quarter of 2018, which included releases from model updates. Risk costs remained negative due to releases in mortgages, reflecting the continued positive macroeconomic conditions in the Netherlands.

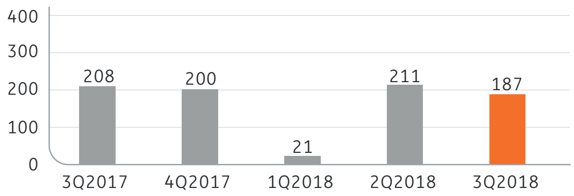
Risk-weighted assets declined by €1.8 billion in the third quarter of 2018 to €47.1 billion, mainly reflecting positive risk migration.

Retail Belgium

Retail Belgium, including Luxembourg, posted a third-quarter 2018 underlying result before tax of €187 million, down by €21 million from a year ago and €24 million lower than in the second quarter of 2018. Total income decreased 1.4% compared with the year-ago quarter, owing mainly to lower income on savings and current accounts. Expenses excluding regulatory costs decreased 1.1% compared with the third quarter of 2017, while risk costs were higher, mainly within business lending.

On a sequential basis, total income declined 3.8%, mainly from lower net fee and commission income. Operating expenses were lower due to decreased staff-related expenses, while risk costs increased. These factors resulted in the sequential decline in the underlying result before tax of €24 million. The third-quarter 2018 return on equity, based on a 12% common equity Tier 1 ratio, was 10.7%.

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



Total income declined by €8 million compared with the third quarter of 2017. This was mainly due to lower income on savings and current accounts, reflecting the continued low interest rate environment, partly offset by higher income on lending. Total underlying income declined by €23 million quarter-on-quarter. This was similarly due to margin pressure on savings and current accounts, as well as a decrease in net fee and commission income due to lower fees on investments products and the integration of Record Bank with ING Belgium.

Customer lending decreased by €1.2 billion in the third quarter of 2018 to €85.9 billion. Net core lending (which excludes Bank Treasury) decreased by €0.9 billion and consisted of a €0.7 billion increase in mortgages, which was more than offset by a €1.6 billion decrease in other lending, mainly related to a lower utilisation of an overdraft facility by a major client. Net customer deposits (excluding Bank Treasury) showed a net inflow of €0.5 billion in the quarter, reflecting a €0.8 billion increase in current accounts that was partially offset by a €0.3 billion decrease in savings. Total customer deposits at the end of the third quarter of 2018 stood at €85.6 billion.

Underlying operating expenses decreased slightly by €4 million from the year-ago quarter to €347 million, partly attributable to a decrease in IT expenses. Compared to the second quarter of 2018, expenses were €13 million lower, mainly due to lower staff-related expenses reflecting a decrease in FTEs.

Third-quarter 2018 risk costs were €46 million, or 48 basis points of average risk-weighted assets, compared with €28 million in the year-ago quarter and €32 million in the previous quarter. The higher amount of risk costs versus last year was almost entirely attributable to midcorporate clients.

Risk-weighted assets declined by €0.3 billion in the third quarter of 2018 to €38.1 billion. The decrease mainly reflects a decline in lending volumes.

Segment Reporting: Retail Banking

Retail Challengers & Growth Markets: Consolidated profit or loss account	Retail Challengers & Growth Markets		Germany		Other Challengers & Growth Markets	
In € million	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017
Profit or loss						
Net interest income	1,091	1,056	418	438	673	618
Net fee and commission income	156	151	61	53	95	98
Investment income	92	81	-2	2	93	79
Other income	69	-19	47	-24	22	5
Total underlying income	**1,407**	**1,269**	**525**	**470**	**883**	**799**
Expenses excl. regulatory costs	686	682	240	229	446	453
Regulatory costs	65	60	19	19	46	41
Operating expenses	**751**	**742**	**259**	**248**	**493**	**494**
Gross result	**656**	**527**	**266**	**222**	**390**	**305**
Addition to loan loss provisions	82	71	5	2	77	69
Underlying result before tax	**574**	**455**	**260**	**220**	**313**	**236**
Profitability and efficiency[1]						
Cost/income ratio	53.4%	58.5%	49.3%	52.7%	55.8%	61.9%
Return on equity based on 12.0% common equity Tier 1[2]	18.8%	16.0%	21.4%	22.5%	17.5%	12.7%
Employees (internal FTEs, end of period)	22,820	22,357	4,696	4,683	18,124	17,675
Risk[1]						
Risk costs in bps of average RWA	44	38	8	3	63	55
Risk-weighted assets (end of period, in € billion)	74.4	75.3	26.0	25.0	48.4	50.3
Customer lending/deposits (end of period, in € billion)	3Q2018	2Q2018	3Q2018	2Q2018	3Q2018	2Q2018
Residential mortgages	134.9	132.7	72.7	71.6	62.2	61.1
Other customer lending	37.6	38.6	11.2	12.0	26.4	26.6
Customer deposits	254.8	257.6	132.7	135.9	122.2	121.8

[1] Key figures based on underlying figures.
[2] Underlying after-tax return divided by average equity based on 12.0% CET1 ratio (annualised).

Retail Challengers & Growth Markets

"In the third quarter of 2018, Retail Challengers & Growth Markets continued their strong momentum in primary customer growth, especially in Australia, while all countries showed a good performance in business lending.

"Poland and Romania contributed strongly during the quarter, while our management team in Turkey continued to demonstrate strong leadership in managing our Turkish business during the challenging market circumstances.

"We started the execution of our partnership with AXA to create a new customer proposition for digital insurance products.

"Our sustained focus on cost control is also paying off, particularly in Germany. When combined with the continued growth in customer lending, the overall segment demonstrated a solid increase in profit before tax."

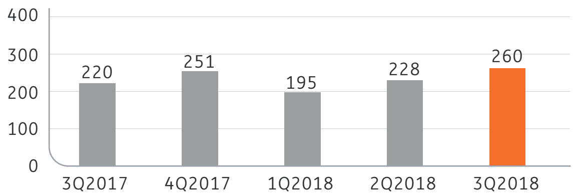
"Across our organisation, we have been working on the KYC enhancement programme and continue to improve our compliance processes."

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

Retail Germany

Retail Germany, which includes Austria, posted a third-quarter 2018 underlying result before tax of €260 million, up from €220 million in the third quarter of 2017. This increase was mainly driven by improved Bank Treasury-related results and higher net fee and commission income, partly offset by higher expenses. Risk costs remained low. Compared with the second quarter of 2018, the result before tax rose by €32 million due to the same reasons as mentioned above. Retail Germany continued its strong commercial momentum, adding approximately 45,000 primary customers in the quarter and growing net core customer lending by €1.5 billion. The return on equity, based on a 12% common equity Tier 1 ratio, was a healthy 21.4% for the quarter.

Underlying result before tax - Retail Germany (in € million)



Total underlying income was €525 million, up 11.7% from the third quarter of 2017. The increase was mainly attributable to higher Bank Treasury performance and increased income on savings due to a higher interest margin, as well as higher net fee and commission income driven by increased investment product volumes and an improvement in fee income on current accounts. These positive impacts were partly offset by margin compression on mortgages. Compared with the second quarter of 2018, total income rose by €44 million, driven by the positive Bank Treasury-related results and improved commission income on current accounts and mortgages.

Total customer lending grew by €0.4 billion in the third quarter of 2018 to €83.9 billion. Net core lending, which excludes Bank Treasury products, increased by €1.5 billion, of which €1.2 billion was attributable to residential mortgages and €0.3 billion to consumer lending. Customer deposits declined by €3.2 billion to €132.7 billion, but excluding Bank Treasury they decreased by €0.5 billion, as an increase in current accounts was more than offset by a decrease in savings, mainly related to the run-off of fixed-term deposits.

Operating expenses increased by €11 million from €248 million in the third quarter of 2017 to €259 million. The increase was driven by a one-off restructuring provision in the current quarter. Compared with the previous quarter, operating expenses increased by €10 million.

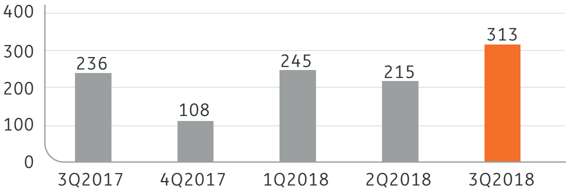
Risk costs were only €5 million, or 8 basis points of average risk-weighted assets in the quarter, compared with €2 million in the third quarter of 2017 and €3 million in second quarter of 2018.

Risk-weighted assets increased by €0.1 billion in the third quarter to €26.0 billion. The impact of lending volume growth was largely offset by lower operational risk-weighted assets.

Retail Other Challengers & Growth Markets

The underlying result before tax of Retail Other Challengers & Growth Markets rose to €313 million from €236 million a year ago. The increase was mainly due to higher net interest income, especially in Poland, Romania and Spain, as well as higher investment and other income. Compared with the second quarter of 2018, the underlying result before tax rose by €98 million. The increase was mainly attributable to the annual dividend received from Bank of Beijing as well as higher net interest income related to strong business growth. The return on equity, based on a 12% common equity Tier 1 ratio, rose to 17.5% in the third quarter of 2018.

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



Total underlying income grew by €84 million to €883 million compared with a year ago. This increase was driven by strongly improved commercial results across most of the countries, reflecting continued customer and volume growth.

The third quarter of 2018 included a €83 million annual dividend from the Bank of Beijing compared with €54 million of dividend one year ago and a €24 million one-time gain on the sale of MasterCard shares in Turkey. Compared with the second quarter of 2018, underlying income increased by €100 million, mainly due to the annual Bank of Beijing dividend. Net interest income rose by €31 million, or 4.8%, driven by continued volume growth and a slightly improved interest margin. This increase was partly offset by lower net fee and commission income in the growth markets.

Customer lending increased by €0.9 billion quarter-on-quarter to €88.6 billion. Excluding currency impacts (mainly depreciation of the Turkish lira) and Bank Treasury, net core lending grew by €2.7 billion, of which €1.6 billion was in mortgages and €1.1 billion in other lending. The net core lending growth was generated in all countries, with the largest increases in Poland, Spain and Australia. Customer deposits increased by €0.4 billion to €122.2 billion. Net customer deposits (excluding currency impacts and Bank Treasury) grew by €1.6 billion, with increases in all countries except for Spain and France, which recorded a small outflow.

Operating expenses remained almost flat, decreasing by €1 million from a year ago to €493 million in the third quarter of 2018. Year-on-year, higher costs for strategic projects and increased staff numbers to support commercial growth were fully offset by currency movements and the impact of the litigation provision related to Spanish mortgages which was booked in the third quarter of last year. Compared with the second quarter of 2018, operating expenses decreased by €6 million.

Risk costs came in at €77 million, up €8 million versus both comparable quarters. The increase is predominantly due to higher risk costs in Turkey and Romania, partly offset by a decline in Poland. Third-quarter 2018 risk costs were 63 basis points of average risk-weighted assets compared with 56 basis points in the previous quarter.

Risk-weighted assets decreased by €1.1 billion in the third quarter of 2018 to €48.4 billion on the back of the depreciation of the Turkish lira and the decreased value of ING's stake in Kotak Mahindra Bank.

Segment Reporting: Wholesale Banking

Wholesale Banking: Consolidated profit or loss account

	Total Wholesale Banking		Industry Lending		General Lending & Transaction Services		Financial Markets[4]		Bank Treasury & Other	
In € million	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017
Profit or loss										
Net interest income	974	967	596	538	305	282	30	107	42	41
Net fee and commission income	310	252	151	147	109	92	54	21	-4	-9
Investment income	3	-3	0	-6	0	0	0	0	3	4
Other income excl. CVA/DVA	200	164	-5	17	11	11	140	123	53	12
Underlying income excl. CVA/DVA	1,487	1,380	743	696	425	385	224	251	95	49
CVA/DVA[1]	-6	2					-6	2		
Total underlying income	**1,481**	**1,382**	**743**	**696**	**425**	**385**	**218**	**253**	**95**	**49**
Expenses excl. regulatory costs	643	625	180	167	210	188	225	226	29	45
Regulatory costs	10	13	0	1	2	0	1	6	7	6
Operating expenses	**654**	**638**	**180**	**168**	**212**	**188**	**226**	**232**	**36**	**51**
Gross result	**827**	**745**	**563**	**528**	**213**	**198**	**-8**	**21**	**59**	**-2**
Addition to loan loss provisions	108	46	54	-4	52	21	-1	1	3	28
Underlying result before tax	**720**	**698**	**509**	**532**	**162**	**177**	**-7**	**20**	**56**	**-31**
Profitability and efficiency[2]										
Cost/income ratio	44.1%	46.1%	24.2%	24.1%	49.9%	48.7%	103.6%	91.7%	37.5%	104.4%
Return on equity based on 12.0% common equity Tier 1[3]	11.8%	10.3%	19.1%	18.5%	6.4%	9.2%	-0.8%	0.0%	7.4%	-16.2%
Employees (internal FTEs, end of period)	12,871	11,968								
Risk[2]										
Risk costs in bps of average RWA	28	12	29	-2	42	18	-2	1	13	123
Risk-weighted assets (end of period, in € billion)	154.0	148.2	75.4	67.3	50.2	47.0	20.1	24.9	8.3	9.0
Customer lending/deposits (end of period, in € billion)	3Q2018	2Q2018	3Q2018	2Q2018	3Q2018	2Q2018	3Q2018	2Q2018	3Q2018	2Q2018
Residential mortgages	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8
Other customer lending	192.6	187.0	126.1	124.9	57.2	55.3	1.4	1.3	8.0	5.5
Customer deposits	66.2	66.5	2.0	1.6	50.7	49.6	5.0	4.3	8.4	10.9

[1] As from 2018 only CVA/DVA on derivatives, as DVA on notes directly impacts equity under IFRS 9.
[2] Key figures based on underlying figures.
[3] Underlying after-tax return divided by average equity based on 12.0% CET1 ratio (annualised).
[4] Return on equity of ING's total Financial Markets activities (including Retail Banking) was 3.1% in 3Q2018 versus 3.0% in 3Q2017.

Wholesale Banking

"We continued to make progress to transform Wholesale Banking into a more client-centric and more efficient business that offers a consistent experience across borders.

"Also in Wholesale Banking, work on the KYC enhancement and compliance programmes is continuing.

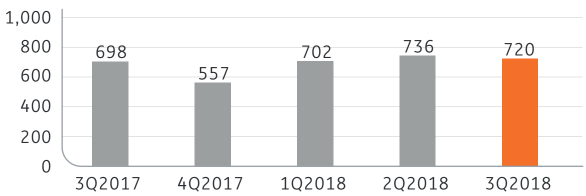
"Innovation remains a top priority and ING has been selected to be the launching customer for TradeIX, an API and blockchain-powered trade finance platform. Currently being piloted by 14 banks and with ING Ventures as an investor, TradeIX supports banks and businesses to perform trade transactions faster and more cheaply and with increased transparency.

"In the third quarter, we also announced our efforts to steer our portfolio towards the well-below two-degree goal to help combat climate change. The approach – called Terra – is an innovative and accurate way to measure our portfolio."

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

Wholesale Banking recorded an underlying result of €720 million in the third quarter of 2018, up from €698 million one year ago. The increase reflects higher income, despite lower Financial Markets revenues, and stricter cost management this quarter, which more than compensated for a higher net addition to loan loss provisions which equalled to 28 basis points of average risk-weighted assets. Wholesale Banking maintained its positive business momentum, with €2.8 billion of net core lending growth this quarter (excluding Bank Treasury and currency impacts), despite stiff competition in certain regions and a stricter risk appetite in certain sectors. The return on equity, based on a 12% common equity Tier 1 ratio, was 11.8% in the third quarter of 2018.

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



Total underlying income rose by €99 million, or 7.2%, from the third quarter of 2017. This was mainly due to better results in

Segment Reporting: Wholesale Banking

Industry Lending, General Lending & Transaction Services and Bank Treasury & Other, which compensated for lower income in Financial Markets. Sequentially, total income excluding credit valuation and debt valuation adjustments (CVA/DVA) was 2.5% higher than in the previous quarter, reflecting higher income in Industry Lending and Bank Treasury & Other. This was partially offset by a decline in Financial Markets.

Net interest income increased 0.7% year-on-year, driven by resilient margins and further volume growth in both Industry Lending and General Lending & Transaction Services, and despite €77 million lower net interest income in Financial Markets. On a sequential basis, net interest income fell 1.3%, as the increase in Industry Lending could not compensate for the lower interest result in Financial Markets.

Net fee and commission income rose by €58 million year-on-year, mainly due to higher Financial Markets fees and the inclusion of Payvision as of the second quarter of 2018. The €33 million increase in fee income from Financial Markets included €27 million of income related to Global Capital Markets activities that had been recorded under 'other income' in the first half of 2018 (€8 million in the second quarter and €19 million in the first quarter of 2018). Sequentially, total net fee and commission income increased by €20 million. However, adjusted for the reclassification in Financial Markets, fee income fell 5.0%, mainly due to lower lending-related commission income. Investment income increased by €6 million compared with the third quarter of 2017, driven by Industry Lending. Sequentially, investment income declined by €7 million, reflecting lower capital gains in Bank Treasury.

Total other income was €194 million, up from €166 million in the third quarter of 2017 and €176 million in the previous quarter. The increase compared with both periods is mainly explained by the gain on the sale of an equity stake in Corporate Investments and higher other income in Bank Treasury, as well as an increase at Financial Markets when adjusted for the aforementioned reclassification to net fee and commission income.

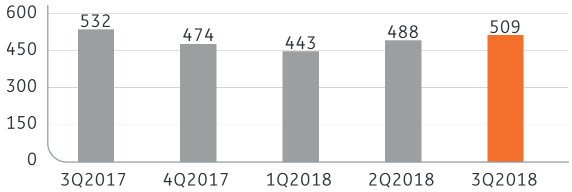
Operating expenses increased to €654 million, up from €638 million in the third quarter of 2017. A large part of this increase is due to the inclusion of Payvision and FTE growth to support business growth and innovation. Sequentially, expenses declined by €13 million, mainly due to stricter cost management this quarter.

In the third quarter of 2018, risk costs amounted to €108 million (or 28 basis points of average risk-weighted assets), up from €46 million in the third quarter of 2017 and €59 million in the previous quarter.

In the third quarter of 2018, risk-weighted assets increased by €0.5 billion to €154.0 billion, mainly reflecting volume growth and model updates, partly offset by positive risk migration.

Industry Lending

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



Industry Lending posted an underlying result before tax of €509 million, down 4.3% from the third quarter of 2017 due to higher risk costs and higher expenses against strong income growth. On a sequential basis, the underlying result before tax rose 4.3% on the back of income growth and stable expenses, partly offset by slightly higher risk costs. Net core lending (excluding currency impacts) grew by €0.9 billion in the third quarter of 2018.

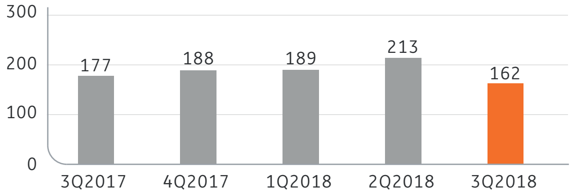
Income increased 6.8% year-on-year, driven by strong net core lending growth at resilient margins during the last 12 months. Compared with the second quarter of 2018, income increased 3.5%, reflecting higher income from continued lending growth in that quarter. Additionally, the previous quarter included negative revaluation results. The aforementioned factors were slightly offset by lower commission income due to fewer large syndicated deals in the quarter.

Expenses were 7.1% higher than in the third quarter of 2017, mainly due to higher personnel expenses related to wage inflation and higher headcount in the front office and in Innovation. Sequentially, expenses decreased 0.6%.

Risk costs amounted to €54 million and primarily included larger files in the Americas and Belgium. Risk costs were up from €-4 million in the third quarter of 2017, which included releases in Asia and UK. Sequentially, risk costs rose slightly from €49 million in the second quarter of 2018.

General Lending & Transaction Services

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



General Lending & Transaction Services posted an underlying result before tax of €162 million, down 8.5% from one year ago due to an increase in operating expenses and risk costs, partially compensated by income growth. Sequentially, the pre-tax result decreased 23.9%, primarily due to an increase in risk costs.

Segment Reporting: Wholesale Banking

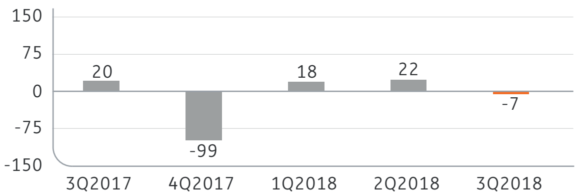
Income rose 10.4% year-on-year, mainly attributable to General Lending, Payments & Cash Management (PCM), and the inclusion of Payvision. The increase in General Lending was mainly driven by higher net interest income stemming from portfolio growth and an improved interest margin, supported by one-offs on some specific files. PCM benefited from higher US-dollar margins and higher volumes. Compared with the previous quarter, income decreased 1.8%, mainly due to lower margins and lower commission income in General Lending. Net core lending (excluding currency impacts) grew by €1.9 billion in the third quarter of 2018.

Expenses increased 12.8% year-on-year, mainly due to the inclusion of Payvision as well as higher staff-related expenses to support business growth. Sequentially, expenses fell 2.3%.

Risk costs amounted to €52 million for the quarter compared with €21 million in the third quarter of 2017 and €3 million in the previous quarter. Risk costs in the current quarter included some larger files in General Lending.

Financial Markets

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



Financial Markets posted an underlying result before tax of €-7 million, down from €20 million in the third quarter of 2017 and €22 million in the second quarter of 2018. The third-quarter 2018 result included €-6 million of CVA/DVA impacts compared with €2 million of CVA/DVA impacts in the third quarter of 2017 and €11 million in the previous quarter.

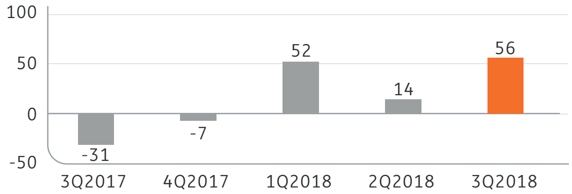
Income excluding CVA/DVA impacts fell 10.8% compared with the third quarter of 2017. The decline was mainly caused by lower net revenues in the Fixed Income, Credit Trading and Money Markets businesses, which were impacted during the third quarter of 2018 by challenging market conditions, reduced client activity and low interest rates in Europe.

Compared with the second quarter of 2018, income excluding CVA/DVA fell 5.9%, mainly due to lower income in the Equity business as a result of seasonally lower client activity in the third quarter.

Operating expenses decreased 2.6% year-on-year, largely due to lower regulatory expenses. Excluding regulatory costs, expenses decreased 0.4%. Compared with the second quarter of 2018, expenses were stable at €226 million.

Bank Treasury & Other

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



Bank Treasury & Other recorded an underlying result before tax of €56 million versus €-31 million in the third quarter of 2017 and €14 million in the previous quarter. Income increased to €95 million from €49 million a year ago. The increase was driven by the sale of an equity stake in Corporate Investments and higher Bank Treasury income, the latter mainly related to positive revaluations on derivatives used for hedging purposes. Sequentially, total income rose by €33 million, mainly attributable to the aforementioned sale of an equity stake and positive revaluations.

Operating expenses fell by €15 million year-on-year and decreased by €7 million compared to the previous quarter.

Risk costs amounted to €3 million for the quarter, down from €28 million in the third quarter of 2017 and €6 million in the second quarter of 2018. The decline versus both comparable quarters was mainly related to lower risk costs in the Italian Lease run-off portfolio.

Segment Reporting: Corporate Line

Corporate Line: Consolidated profit or loss account		
In € million	3Q2018	3Q2017
Profit or loss		
Net interest income	92	97
Net commission income	-3	0
Investment income	0	-3
Other income	-46	-64
Total underlying income	**44**	**31**
Expenses excl. regulatory costs	52	82
Regulatory costs	-5	1
Operating expenses	**47**	**83**
Gross result	**-3**	**-52**
Addition to loan loss provisions	0	0
Underlying result before tax	**-3**	**-52**
Of which:		
Income on capital surplus	-2	28
Foreign currency exchange ratio hedging	127	81
Other Capital Management	-10	-18
Capital Management	115	91
Bank Treasury	-71	-70
Other Corporate Line	-47	-72

Corporate Line posted an underlying result before tax of €-3 million in the third quarter of 2018 compared with €-52 million in the third quarter of 2017. Underlying income improved to €44 million from €31 million one year ago. This was primarily due to higher income from foreign currency exchange ratio hedging, which was only partly offset by a lower result on capital investments. Operating expenses decreased by €36 million compared with the same quarter of last year. This was due to lower shareholder expenses; a reimbursement from reinsurance and settlement costs related to previous ING Group entities; and a higher mark-up related to head-office services that are charged to the business lines. The underlying result before tax in the second quarter of 2018 was €-45 million.

The Capital Management-related result was €115 million in the third quarter of 2018 compared with €91 million in the same quarter of 2017. The income on capital surplus was €-2 million in the third quarter of 2018 versus €28 million one year ago, mainly due to a lower result on capital investments. The foreign currency exchange ratio hedging result was €127 million in the third quarter of 2018 versus €81 million in the third quarter of last year. The €46 million increase was mainly due to a higher capital charge received from non-euro entities. The result of Other Capital Management amounted to €-10 million in the third quarter of 2018 versus €-18 million in the same quarter of 2017.

Bank Treasury-related results primarily include the isolated legacy costs (mainly negative interest results) caused by the replacement of short-term funding with long-term funding during 2012 and 2013. The third-quarter 2018 result remained stable at €-71 million from €-70 million in the third quarter of 2017.

The Other Corporate Line result, which includes items such as shareholder expenses and unallocated income and other expenses, improved to €-47 million from €-72 million one year ago due to lower shareholder expenses; a reimbursement from reinsurance and settlement costs related to previous ING Group entities; and the higher mark-up related to head-office services that are charged to the business lines.

Consolidated Balance Sheet

Consolidated balance sheet[1]							
in € million	30 Sep. 18	30 Jun. 18	1 Jan.18		30 Sep. 18	30 Jun. 18	1 Jan. 18
Assets				**Liabilities**			
Cash and balances with central banks	40,290	38,276	21,992	Deposits from banks	39,481	38,776	36,929
Loans and advances to banks	31,035	31,627	28,690	Customer deposits	552,010	556,681	539,852
Financial assets at fair value through profit or loss	135,568	151,503	128,248	- savings accounts	317,331	319,833	319,664
- trading assets	59,825	63,817	65,484	- credit balances on customer accounts	196,555	192,026	186,324
- non-trading derivatives	2,671	2,743	2,808	- corporate deposits	35,515	39,135	32,626
- designated as at fair value through profit or loss	2,858	2,775	2,162	- other	2,609	5,687	1,238
- mandatorily at fair value through profit or loss	70,214	82,168	57,795	Financial liabilities at fair value through profit or loss	109,102	110,874	89,369
Financial assets at fair value through OCI	31,211	31,500	37,601	- trading liabilities	44,710	42,711	38,233
- equity securities fair value through OCI	3,425	3,667	3,800	- non-trading derivatives	2,525	3,041	2,657
- debt securities fair value through OCI	25,164	24,968	30,437	- designated as at fair value through profit or loss	61,867	65,122	48,479
- loans and advances fair value through OCI	2,623	2,865	3,364	Other liabilities	17,813	16,612	15,834
Securities at amortised cost	47,789	48,966	48,480	Debt securities in issue	117,158	116,099	96,826
Loans and advances to customers	598,801	587,415	565,402	Subordinated loans	16,284	16,225	16,209
- customer lending	603,708	592,392	570,670	**Total liabilities**	**851,848**	**855,267**	**795,018**
- provision for loan losses	-4,907	-4,977	-5,269				
Investments in associates and joint ventures	1,105	1,082	1,060	**Equity**			
Property and equipment	1,772	1,775	1,801	Shareholders' equity	48,997	49,984	49,363
Intangible assets	1,751	1,785	1,469	Non-controlling interests	740	734	700
Other assets	12,263	12,053	10,338	**Total equity**	**49,737**	**50,717**	**50,063**
Total assets	**901,585**	**905,984**	**845,081**	**Total liabilities and equity**	**901,585**	**905,984**	**845,081**

[1] For a reconciliation between the reported balance sheet at year-end 2017 and the opening balance sheet as at 1 January 2018, see note 1 'Accounting policies' in the ING Group Interim Accounts for the period ended 30 June 2018.

ING Group's total assets decreased by €4.4 billion to €901.6 billion in the third quarter of 2018, including €1.9 billion of negative currency impacts. The decrease was mainly due to lower financial assets at fair value through profit or loss, largely offset by higher customer lending. On the liability side, the main decreases were in customer deposits and financial liabilities at fair value through profit or loss.

Adjusted for currency impacts, the net growth in core customer lending amounted to €6.8 billion, whereas the net growth in customer deposits was €3.4 billion. ING Group's loan-to-deposit ratio increased to 1.08 from 1.06 at the end of June.

Cash and balances with central banks
Cash and balances with central banks increased by €2.0 billion to €40.3 billion, partly related to active liquidity management.

Loans and advances to and deposits from banks
Loans and advances to banks decreased by €0.6 billion to €31.0 billion. Deposits from banks increased slightly by €0.7 billion to €39.5 billion.

Financial assets/liabilities at fair value through profit or loss
Financial assets at fair value through profit or loss decreased by €15.9 billion to €135.6 billion. This was mainly due to €11.5 billion of lower reverse repo activity mandatorily recorded at fair value through profit or loss, and €4.0 billion of lower trading assets. Financial liabilities at fair value through profit or loss decreased by €1.8 billion, mainly due to €3.3 billion of lower designated financial liabilities at fair value through profit or loss (mainly repo activity), which was only partly offset by higher trading liabilities. Financial assets and liabilities at fair value through profit or loss consist predominantly of derivatives, securities and (reverse) repos, and are mainly used to facilitate client needs.

Financial assets at fair value through OCI
Financial assets at fair value through other comprehensive income (OCI) decreased slightly by €0.3 billion to €31.2 billion, among others due to a lower valuation of our stake in Kotak Mahindra Bank.

Securities at amortised cost
Securities at amortised cost decreased by €1.2 billion to €47.8 billion, mainly due to matured bonds.

Loans and advances to customers
Loans and advances to customers increased by €11.4 billion to €598.8 billion, primarily driven by growth in customer lending which, adjusted for €1.5 billion of negative currency impacts, increased by €12.8 billion. This was mainly due to €6.8 billion of net core lending growth and a €6.7 billion lending increase in Bank Treasury (short-term, for balance sheet management). The run-off portfolio of WUB and Lease showed a decline of €0.4 billion. In Retail Banking, net

Consolidated Balance Sheet

core lending assets grew by €4.1 billion due to increased residential mortgages, partly offset by lower other customer lending. Wholesale Banking grew net core lending by €2.8 billion, predominantly in General Lending.

Customer deposits

Customer deposits decreased by €4.7 billion to €552.0 billion. Adjusted for €1.2 billion of negative currency impacts and a €6.9 billion decrease in Bank Treasury deposits, the net production of customer deposits was €3.4 billion. Retail Banking recorded a net production of €1.2 billion, reflecting a €2.4 billion increase in current accounts, partly offset by a €1.1 billion decrease in savings and deposits. In Wholesale Banking, net customer deposits grew by €2.2 billion.

Debt securities in issue

Debt securities in issue increased by €1.1 billion to €117.2 billion. While CD/CPs were €1.2 billion lower (related to liquidity management and the facilitation of short-term commercial activities), other debt securities (mainly long-term debt) increased by €2.3 billion.

Subordinated loans

Subordinated loans remained relatively unchanged at €16.3 billion.

Shareholders' equity

Shareholders' equity decreased by €1.0 billion to €49.0 billion. This mainly reflects the €0.9 billion interim dividend payment in August 2018, a €0.3 billion decline in the equity securities revaluation reserve and negative currency impacts of €0.4 billion. This was partly offset by the third-quarter 2018 net result of €776 million. Shareholders' equity per share decreased to €12.59 as of 30 September 2018 from €12.85 as of 30 June 2018.

Change in shareholders' equity

in € million	3Q2018	2Q2018
Shareholders' equity beginning of period	**49,984**	**50,164**
Net result for the period	776	1,429
Unrealised revaluations of equity securities	-269	-109
Unrealised revaluations of debt instruments	-39	-22
Realised gains/losses debt instruments transferred to profit or loss	-8	-10
Change in cashflow hedge reserve	-172	200
Realised and unrealised other revaluations	-5	0
Change in liability credit reserve	5	28
Defined benefit remeasurement	-16	0
Exchange rate differences	-354	-13
Change in treasury shares	10	-8
Change in employee stock options and share plans	20	16
Changes in the composition of the group	0	-9
Dividend	-934	-1,673
Other changes	1	-11
Total changes	**-987**	**-181**
Shareholders' equity end of period	**48,997**	**49,984**

Shareholders' equity

in € million	30 Sep. 18	30 Jun. 18
Share premium/capital	17,088	17,088
Revaluation reserve equity securities	1,994	2,263
Revaluation reserve debt instruments	434	481
Revaluation reserve cashflow hedge	250	422
Other revaluation reserves	196	201
Defined benefit remeasurement reserve	-411	-394
Currency translation reserve	-2,295	-1,941
Treasury shares	-11	-20
Liability credit reserve	-111	-116
Retained earnings and other reserves	28,432	29,346
Net result year to date	3,431	2,654
Total	**48,997**	**49,984**

Risk Management

ING Group: Total credit outstandings						
	Credit outstandings		Stage 3 credit-impaired		Stage 3 ratio	
in € million	30 Sep. 2018	30 Jun. 2018	30 Sep. 2018	30 Jun. 2018	30 Sep. 2018	30 Jun. 2018
Residential mortgages Netherlands	116,371	116,271	763	826	0.7%	0.7%
Other lending Netherlands	32,571	33,822	1,478	1,582	4.5%	4.7%
of which business lending Netherlands	25,067	24,902	1,269	1,366	5.1%	5.5%
Residential mortgages Belgium	38,984	38,371	885	895	2.3%	2.3%
Other lending Belgium	54,766	54,828	1,356	1,345	2.5%	2.5%
of which business lending Belgium	41,445	43,092	1,091	1,091	2.6%	2.5%
Retail Benelux	**242,692**	**243,293**	**4,482**	**4,648**	**1.8%**	**1.9%**
Residential mortgages Germany	72,090	70,877	442	438	0.6%	0.6%
Other lending Germany	12,831	14,363	223	221	1.7%	1.5%
Residential mortgages Other C&G Markets	63,195	62,059	491	499	0.8%	0.8%
Other lending Other C&G Markets	27,146	27,408	949	973	3.5%	3.6%
Retail Challengers & Growth Markets	**175,262**	**174,706**	**2,105**	**2,131**	**1.2%**	**1.2%**
Industry Lending	147,697	145,273	2,462	2,736	1.7%	1.9%
of which: Project and Asset-based Finance	113,952	111,737	1,958	2,232	1.7%	2.0%
of which: Real Estate Finance	33,745	33,536	503	504	1.5%	1.5%
General Lending & Transaction Services	90,720	91,340	810	731	0.9%	0.8%
FM, Bank Treasury, Real Estate & Other	14,239	10,348	695	718	4.9%	6.9%
of which General Lease run-off	2,237	2,337	679	702	30.4%	30.0%
Wholesale Banking	**252,657**	**246,961**	**3,966**	**4,186**	**1.6%**	**1.7%**
Total credit outstandings	**670,611**	**664,960**	**10,554**	**10,964**	**1.6%**	**1.6%**

Lending and money market credit outstandings, including guarantees and letters of credit but excluding undrawn committed exposures (off-balance positions).

ING Group's Stage 3 ratio remained stable at 1.6% in the third quarter of 2018. On a portfolio level, improvements were observed in business lending Netherlands and in Project and Asset-based Finance.

Credit risk management

ING Group's Stage 3 ratio, which represents Stage 3 credit-impaired assets as a percentage of total credit outstandings, remained stable at 1.6% compared with the previous quarter. The Stage 3 credit-impaired outstandings decreased slightly, particularly in Project and Asset-based Finance, whereas the total credit outstandings went up quarter-on-quarter. On a portfolio level, improvements were observed in business lending Netherlands, where the Stage 3 ratio decreased to 5.1% from 5.5% (reflecting the positive macroeconomic environment) and in Project and Asset-based Finance, where the Stage 3 ratio dropped by 0.3 percentage points to 1.7% following rating upgrades and the restructuring of some larger files. Overall, ING Group's Stage 3 ratio remained low, with minimal impact from the events in Turkey.

ING Group's stock of provisions decreased slightly by €0.1 billion to €5.0 billion, among others due to exchange-rate movements following the depreciation of the Turkish lira.

ING Group's Stage 3 provision-coverage ratio increased slightly to 34.0% from 33.9% in the second quarter of 2018. ING Group's loan portfolio consists predominantly of asset-based and secured loans, including residential mortgages, Project and Asset-based Finance, and Real Estate Finance.

Market risk

In the third quarter, the average Value-at-Risk (VaR) for ING Group's trading portfolio increased to €8 million from €6 million in the previous quarter. Compared with the second quarter of 2018, the minimum of the total overnight VaR slightly increased to €6 million from €5 million, while the maximum increased to €10 million from €8 million.

Consolidated VaR trading books				
in € million	Minimum	Maximum	Average	Quarter-end
Foreign exchange	1	10	6	8
Equities	1	5	3	4
Interest rate	3	6	4	4
Credit spread	3	5	4	3
Diversification			-9	-9
Total VaR[1]	**6**	**10**	**8**	**9**

[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.

Stock of provisions[1]			
in € million	30 Sep. 2018	30 Jun. 2018	Change
Stage 1 12-month Expected Credit Loss (ECL)	485	462	23
Stage 2 Lifetime ECL not credit impaired	914	937	-23
Stage 3 Lifetime ECL credit impaired	3,593	3,713	-120
Purchased credit impaired	2	2	-
Total	**4,994**	**5,115**	**-121**

[1] At the end of September 2018, the stock of provisions included provisions for loans and advances to banks (€3 million), financial assets at FVOCI (€15 million), securities at amortised cost (€11 million) and provisions for credit risk on contingent liabilities recorded under Provisions (€58 million).

Capital, Liquidity and Funding

ING Group: Capital position

in € million	2019 rules (fully loaded) 30 Sep. 2018	30 Jun. 2018	2018 rules (phased in) 30 Sep. 2018	30 Jun. 2018
Shareholders' equity (parent)	48,997	49,984	48,997	49,984
- Interim profit not included in CET1 capital[1]	-1,577	-1,735	-1,577	-1,735
- Other regulatory adjustments	-3,193	-3,467	-3,139	-3,415
Regulatory adjustments	-4,770	-5,202	-4,717	-5,150
Available common equity Tier 1 capital	**44,227**	**44,782**	**44,280**	**44,833**
Additional Tier 1 securities[2]	5,276	5,260	5,276	5,260
Regulatory adjustments additional Tier 1	47	45	45	43
Available Tier 1 capital	**49,550**	**50,087**	**49,601**	**50,137**
Supplementary capital - Tier 2 bonds[3]	11,122	11,095	11,122	11,095
Regulatory adjustments Tier 2	-2,342	-2,358	-2,642	-2,661
Available BIS capital	**58,330**	**58,824**	**58,081**	**58,570**
Risk-weighted assets	316,313	318,729	316,313	318,729
Common equity Tier 1 ratio	**14.0%**	**14.1%**	**14.0%**	**14.1%**
Tier 1 ratio	15.7%	15.7%	15.7%	15.7%
Total capital ratio	18.4%	18.5%	18.4%	18.4%
Leverage Ratio	**4.2%**	**4.3%**	**4.3%**	**4.3%**

[1] The interim profit not included in CET1 capital as per 30 September 2018 (€1,577 million) includes €776 million for 3Q2018 (YTD 3Q2018: €2,511 million) minus a ING Group interim dividend payment of €934 million paid out in August 2018.
[2] Including €2,788 million which is CRR/CRD IV-compliant (2Q2018: €2,771 million), and €2,488 million to be replaced as capital recognition is subject to CRR/CRD IV grandfathering rules (2Q2018: €2,489 million).
[3] Including €10,949 million which is CRR/CRD IV-compliant (2Q2018: €10,918 million), and €172 million to be replaced as capital recognition is subject to CRR/CRD IV grandfathering rules (2Q2018: €177 million).

Despite the inclusion of a special item following the settlement agreement with the Dutch Public Prosecution Service (DPPS) on regulatory issues, ING Group's fully loaded common equity Tier 1 (CET1) ratio decreased only marginally to 14.0% and remained above our CET1 ambition of around 13.5%. The liquidity position also remained robust, with a Liquidity Coverage Ratio (LCR) of 119% based on a 12-month moving average.

Capital ratios

ING Group's fully loaded common equity Tier 1 ratio remained strong at 14.0% during the third quarter of 2018. The ratio decreased slightly compared to the second quarter of 2018 due to lower CET1 capital, partly offset by lower risk-weighted assets (RWA) as a result of positive risk migration and lower Operational RWA.

The CET1 capital decreased by €0.6 billion to €44.2 billion, mainly due to a reduction in the equity securities revaluation reserve of €0.3 billion and negative currency impacts of €0.4 billion. The latter was mainly related to the depreciation of the Turkish lira.

The remaining net profit of €776 million, after the inclusion of a special item of €-775 million following the settlement with the DPPS, has been fully reserved for future dividend payments. The remaining dividend to be able to pay a progressive dividend over the financial year 2018 is expected to be reserved in the fourth quarter of 2018. The interim dividend for 2018, amounting to €934 million and paid in August 2018, did not have an impact on the common equity Tier 1 ratio as it was already excluded from CET1 capital.

ING Group's fully loaded Tier 1 ratio (including grandfathered securities) remained at the level of 15.7%. The fully loaded total capital ratio (including grandfathered securities) decreased marginally to 18.4% at the end of September 2018, reflecting the decrease in the common equity Tier 1 ratio.

ING Group's phased-in common equity Tier 1 ratio decreased from 14.1% at the end of June 2018 to 14.0% at the end of September 2018. The phased-in Tier 1 ratio remained at the level of 15.7%. The developments in the phased-in capital ratios largely mirror trends in the fully loaded capital ratios in combination with the application of the transitional rules under CRR/CRDIV. All ratios remain significantly ahead of regulatory requirements.

ING Bank received regulatory approval to redeem a euro and US dollar CRDIV compliant Tier 2 note in November 2018. A formal notice to our bondholders will follow early November.

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-pooling activities. The leverage ratio on 30 September 2018 was 4.2% versus 4.3% on 30 June 2018. The decline was mainly attributable to an increase in the total balances due to increased notional cash-pooling activities in Bank Mendes Gans.

Risk-weighted assets (RWA)

At the end of September 2018, ING Group's total RWA were €316.3 billion, down €2.4 billion from the end of the previous quarter. The decrease includes €0.6 billion of currency impacts, mainly caused by the depreciation of the Turkish lira, which was partially offset by the appreciation of the US dollar. At comparable FX rates, RWA decreased by €1.8 billion.

Capital, Liquidity and Funding

This decline reflects three impacts: positive risk migration in Retail Netherlands (primarily mortgages); improved risk profiles in Wholesale Banking Belgium and the Netherlands; and a decrease in Operational RWA. These elements more than offset a €3.0 billion increase from model updates, a €0.6 billion impact due to Turkey country-risk downgrade, and a €3.5 billion impact from volume growth on Credit RWA. Market RWA were approximately stable at €5.3 billion. Operational RWA declined by €1.0 billion to €36.4 billion, due to a regular update of underlying scenarios in the advanced measurement approach (AMA) model based on industry data.

ING Group: Composition of RWA

in € billion	30 Sep. 2018	30 Jun. 2018
Credit RWA	274.6	276.1
Operational RWA	36.4	37.3
Market RWA	5.3	5.3
Total RWA	**316.3**	**318.7**

Resolution strategy

ING has been replacing, and will continue to replace, maturing ING Bank N.V. debt with ING Groep N.V. instruments. In the third quarter of 2018, ING Group issued a multi-tranche senior unsecured transaction of €3.5 billion and subsequently a $3.25 billion senior unsecured transaction that settled in October 2018. This will not only allow us to support business growth, but also ensure we can meet future MREL and TLAC requirements with ING Group instruments only.

Dividend

ING paid a cash interim dividend of €0.24 per ordinary share in August 2018. The Board's final dividend proposal for 2018 will be made at year-end, and will reflect considerations including expected future capital requirements, growth opportunities available to the Group, net earnings, and regulatory developments.

Liquidity and funding

LCR 12-month moving average

in € billion	30 Sep. 2018	30 Jun. 2018
Level 1	118.5	115.6
Level 2A	4.8	4.7
Level 2B	8.3	8.6
Total HQLA	**131.6**	**129.0**
Outflow	**199.0**	**198.3**
Inflow	**88.6**	**87.2**
LCR	**119%**	**116%**

ING holds a buffer of High Quality Liquid Assets (HQLA) to ensure sufficient liquidity in times of stress. The adequacy of this buffer is measured by the Liquidity Coverage Ratio (LCR). ING's 12-month moving average LCR increased from 116% in the second quarter to 119%. This was mainly driven by an increase in average HQLA of €2.6 billion.

Funding mix

In %	30 Sep. 2018	30 Jun. 2018
Customer deposits (retail)	48%	48%
Customer deposits (corporate)	21%	21%
Lending / repurchase agreement	8%	8%
Interbank	5%	5%
CD/CP	7%	7%
Long-term public debt	9%	9%
Subordinated debt	2%	2%

ING's funding is well-diversified, consists mainly of retail deposits, corporate deposits and public debt. In addition to customer deposits, ING's capital base (both equity and subordinated instruments) and long-term debt issuance are the main sources of stable long-term funding. The funding mix was unchanged, with all funding sources remaining broadly stable over the quarter.

Long-term debt securities increased by €2.5 billion. This excludes the $3.25 billion senior unsecured issuance that settled in October 2018. ING issued €4.0 billion of senior debt (excluding the issuance that settled in October) and €1.9 billion of covered bonds in the third quarter. Maturities, early repayments and redemptions resulted in a decrease in outstandings of €-3.0 billion; the FX impact of the strengthening of the US dollar versus the euro resulted in an increase in outstanding long-term debt securities of €0.2 billion; and the move in hedge reserves led to a decrease in outstanding of €0.3 billion.

Long-term debt maturity ladder per currency, 30 September 2018

in € billion	Total	'18	'19	'20	'21	'22	'23	'24	'25	'26	>'26
EUR	55	2	6	6	6	6	5	1	3	4	15
USD	21	1	4	2	2	4	4	0	0	0	4
Other	6	1	1	1	2	0	0	0	0	0	1
Total	**81**	**3**	**11**	**10**	**10**	**10**	**9**	**1**	**3**	**4**	**20**

Out of the €81 billion of outstanding long-term debt, €55 billion is in euro, compared to €51 billion in the previous quarter. In total, €3 billion of long-term debt is maturing in the remainder of 2018 and €11 billion will mature in 2019.

Ratings

During the third quarter of 2018, the ratings and outlooks from S&P, Moody's and Fitch remained unchanged.

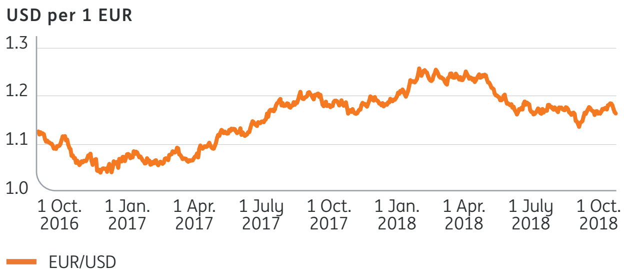
Main credit ratings of ING on 31 Oct 2018

	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	Aa3	Stable	A+	Positive

Economic Environment

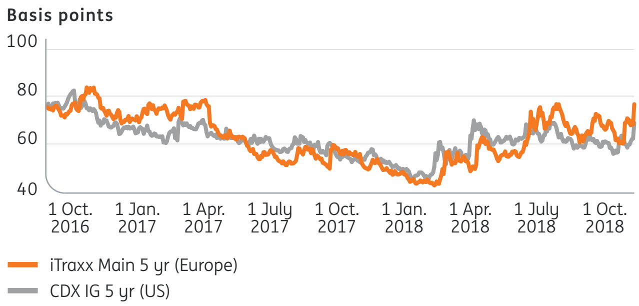
Currency markets

The euro/dollar exchange rate was relatively stable over the third quarter at around 1.16. More hawkish messages from the ECB have not sent the euro soaring, as the Fed rate hike counteracted this.



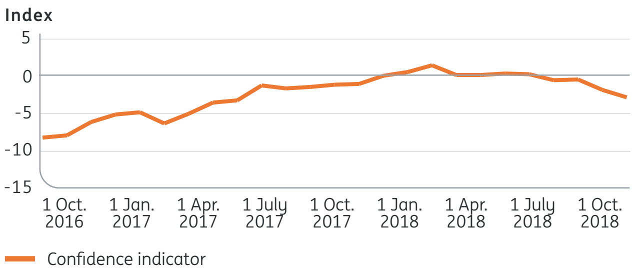
Credit markets

Credit spreads widened in the first half of 2018, but they stabilised in the third quarter despite increased worries about emerging-market risk.



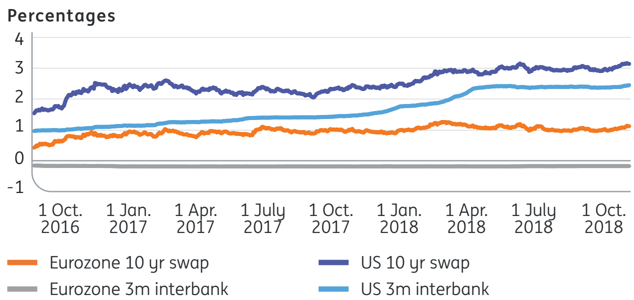
Consumer confidence

Concerns about the trade war among other things have caused consumers to become more pessimistic about the global economic environment this year. The higher oil price has caused inflation to increase, which subdues real income growth. This has made consumers less confident.



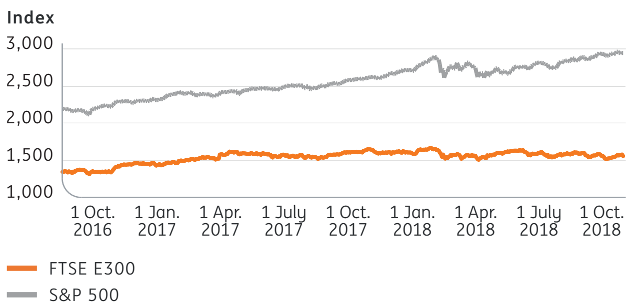
Interest rates

US long-term yields have been rising on expectations in recent months of future rate hikes. The Fed hiked rates in September, thereby further tightening monetary policy. In the eurozone, long-term rates have increased slightly on the back of higher US rates.



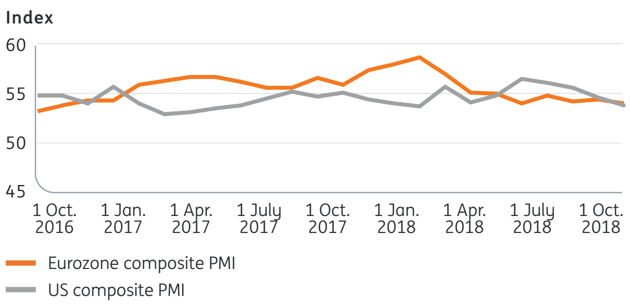
Stock markets

The S&P 500 continued to rise in the third quarter, reaching new highs. The quarter ended just below record highs, after which October started with a significant correction. European stocks did not move much during the third quarter, in line with the trend observed in the first half of 2018 when stocks also largely moved sideways.



Economic activity

Eurozone business activity has stabilised at a decent pace of growth, according to the purchasing managers' index (PMI). This suggests that the current growth rate of 0.4% quarter-on-quarter is the new 'cruising speed' of the economy after a stronger 2017. In the US, the PMI declined during the third quarter, contradicting some other survey indicators. After a very strong second quarter, growth could moderate somewhat, but the economic environment in the US remains very strong on the back of the stimulus from tax cuts.



Source: ING Economics Department

Appendix

Consolidated profit or loss account: ING Group

ING Group: Consolidated profit or loss account	Total ING Group		of which: Divestments/Special Items		of which: Insurance Other		of which: Underlying Banking	
In € million	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017
Net interest income	3,500	3,490					3,500	3,490
Net fee and commission income	720	643					720	643
Investment income	89	82					89	82
Other income	373	311		121	36	-3	337	193
Total income	**4,682**	**4,527**	**-**	**121**	**36**	**-3**	**4,646**	**4,408**
Expenses excl. regulatory costs	2,991	2,195	775				2,216	2,195
Regulatory costs	91	94					91	94
Operating expenses	**3,082**	**2,289**	**775**	**-**	**-**	**-**	**2,307**	**2,289**
Gross result	**1,600**	**2,238**	**-775**	**121**	**36**	**-3**	**2,339**	**2,119**
Addition to loan loss provisions	215	124					215	124
Result before tax	**1,385**	**2,113**	**-775**	**121**	**36**	**-3**	**2,124**	**1,995**
Taxation	582	717		121			582	595
Non-controlling interests	28	21					28	21
Net result ING Group	**776**	**1,376**	**-775**	**0**	**36**	**-3**	**1,515**	**1,378**

ING Group: Underlying profit or loss account	Total ING Group		of which: Retail Banking		of which: Wholesale Banking		of which: Corporate Line	
In € million	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017
Net interest income	3,500	3,490	2,433	2,426	974	967	92	97
Net fee and commission income	720	643	412	391	310	252	-3	0
Investment income	89	82	86	87	3	-3	0	-3
Other income	337	193	188	91	194	166	-46	-64
Total underlying income	**4,646**	**4,408**	**3,120**	**2,995**	**1,481**	**1,382**	**44**	**31**
Expenses excl. regulatory costs	2,216	2,195	1,521	1,488	643	625	52	82
Regulatory costs	91	94	85	80	10	13	-5	1
Underlying operating expenses	**2,307**	**2,289**	**1,606**	**1,569**	**654**	**638**	**47**	**83**
Gross result	**2,339**	**2,119**	**1,514**	**1,426**	**827**	**745**	**-3**	**-52**
Addition to loan loss provisions	215	124	107	78	108	46	0	0
Underlying result before tax	**2,124**	**1,995**	**1,407**	**1,348**	**720**	**698**	**-3**	**-52**
Taxation	582	595	372	343	177	241	32	12
Non-controlling interests	28	21	24	18	4	4	-0	-
Underlying net result	**1,515**	**1,378**	**1,011**	**988**	**539**	**454**	**-35**	**-63**
Special items after tax	-775	0	-	-	-	-	-775	0
Net result Banking	**740**	**1,378**	**1,011**	**988**	**539**	**454**	**-810**	**-63**
Net result Insurance Other	36	-3						
Net result ING Group	**776**	**1,376**						

ING Group: Profitability and efficiency	ING Group		Retail Banking		Wholesale Banking		Corporate Line	
In € million	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017
Cost/income ratio	65.8%	50.6%						
Underlying cost/income ratio	49.7%	51.9%	51.5%	52.4%	44.1%	46.1%	n.a.	n.a.
ING Group's total return on IFRS-EU equity[1)]	6.5%	11.4%						
ING Group's underlying return on IFRS-EU equity[1)]	12.7%	11.5%						

[1)] Annualised (underlying) net result divided by average IFRS-EU shareholders' equity excluding interim profit not included in CET1 capital.

Appendix

Consolidated profit or loss account: ING Group

ING Group: Consolidated profit or loss account

	Total ING Group		of which: Divestments/Special Items		of which: Insurance Other		of which: Underlying Banking	
In € million	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017
Net interest income	10,345	10,201					10,345	10,201
Net fee and commission income	2,097	2,039			-2	-1	2,098	2,040
Investment income	192	173					192	173
Other income	1,007	978		121	56	-65	951	922
Total income	**13,640**	**13,391**	**-**	**121**	**54**	**-66**	**13,586**	**13,336**
Expenses excl. regulatory costs	7,432	6,574	775				6,657	6,574
Regulatory costs	682	637					682	637
Operating expenses	**8,114**	**7,211**	**775**	**-**	**-**	**-**	**7,339**	**7,211**
Gross result	**5,527**	**6,179**	**-775**	**121**	**54**	**-66**	**6,247**	**6,124**
Addition to loan loss provisions	415	486					415	486
Result before tax	**5,112**	**5,694**	**-775**	**121**	**54**	**-66**	**5,833**	**5,639**
Taxation	1,602	1,738	-	121	-0		1,603	1,617
Non-controlling interests	79	65					79	65
Net result ING Group	**3,431**	**3,890**	**-775**	**0**	**55**	**-66**	**4,151**	**3,957**

ING Group: Underlying profit or loss account

	Total ING Group		of which: Retail Banking		of which: Wholesale Banking		of which: Corporate Line	
In € million	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017
Net interest income	10,345	10,201	7,252	7,169	2,895	2,864	197	168
Net fee and commission income	2,098	2,040	1,239	1,214	863	829	-4	-3
Investment income	192	173	150	153	37	31	5	-11
Other income	951	922	502	346	549	792	-100	-216
Total underlying income	**13,586**	**13,336**	**9,143**	**8,882**	**4,345**	**4,516**	**98**	**-62**
Expenses excl. regulatory costs	6,657	6,574	4,566	4,441	1,904	1,900	187	233
Regulatory costs	682	637	548	525	135	111	-1	2
Underlying operating expenses	**7,339**	**7,211**	**5,113**	**4,966**	**2,040**	**2,010**	**186**	**235**
Gross result	**6,247**	**6,124**	**4,030**	**3,916**	**2,305**	**2,505**	**-88**	**-297**
Addition to loan loss provisions	415	486	268	269	147	216	-0	1
Underlying result before tax	**5,833**	**5,639**	**3,761**	**3,647**	**2,158**	**2,289**	**-87**	**-298**
Taxation	1,603	1,617	1,003	979	547	679	53	-41
Non-controlling interests	79	65	68	54	11	11	-0	-
Underlying net result	**4,151**	**3,957**	**2,690**	**2,614**	**1,600**	**1,599**	**-140**	**-257**
Special items after tax	-775	0	-	-	-	-	-775	0
Net result Banking	**3,376**	**3,957**	**2,690**	**2,614**	**1,600**	**1,599**	**-915**	**-257**
Net result Insurance Other	55	-66						
Net result ING Group	**3,431**	**3,890**						

ING Group: Profitability and efficiency

	ING Group		Retail Banking		Wholesale Banking		Corporate Line	
In € million	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017
Cost/income ratio	59.5%	53.9%						
Underlying cost/income ratio	54.0%	54.1%	55.9%	55.9%	46.9%	44.5%	n.a.	n.a.
ING Group's total return on IFRS-EU equity[1]	9.6%	10.7%						
ING Group's underlying return on IFRS-EU equity[1]	11.6%	10.9%						

[1] Annualised (underlying) net result divided by average IFRS-EU shareholders' equity excluding interim profit not included in CET1 capital.

Appendix

Consolidated profit or loss account: Geographical split

Geographical split: Consolidated profit or loss account

	Total ING Group		Netherlands		Belgium		Germany		Other Challengers		Growth Markets		Wholesale Banking Rest of World		Other[1]	
In € million	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017
Net interest income	3,500	3,490	1,103	1,153	544	512	546	556	424	385	420	388	370	398	92	97
Net fee and commission income	720	643	250	206	147	113	74	65	59	57	73	79	120	122	-3	0
Investment income	89	82	-4	5	2	4	-2	2	10	-2	83	79	-0	-4	0	-2
Other income	337	193	130	95	28	70	61	-25	3	-18	51	42	105	93	-41	-65
Total underlying income	**4,646**	**4,408**	**1,480**	**1,460**	**720**	**699**	**678**	**599**	**496**	**422**	**627**	**588**	**596**	**610**	**48**	**30**
Expenses excl. regulatory costs	2,216	2,195	661	625	418	444	273	258	282	283	242	246	286	255	53	84
Regulatory costs	91	94	24	21	-1	-1	19	19	18	16	33	29	3	9	-5	1
Underlying operating expenses	**2,307**	**2,289**	**685**	**646**	**417**	**443**	**292**	**277**	**300**	**299**	**275**	**276**	**289**	**264**	**48**	**85**
Gross result	**2,339**	**2,119**	**795**	**814**	**303**	**256**	**386**	**322**	**196**	**122**	**352**	**313**	**307**	**346**	**0**	**-55**
Addition to loan loss provisions	215	124	-19	-16	61	36	1	-2	32	44	79	55	60	7	0	0
Underlying result before tax Banking	**2,124**	**1,995**	**813**	**830**	**242**	**220**	**386**	**324**	**163**	**79**	**273**	**258**	**246**	**339**	**0**	**-55**
Retail Banking	1,407	1,348	647	685	187	208	260	220	78	16	235	220	-	-	-	-
Wholesale Banking	720	698	167	145	55	12	125	104	85	63	38	38	246	339	3	-3
Corporate Line	-3	-52	-	-	-	-	-	-	-	-	-	-	-	-	-3	-52
Underlying result before tax	**2,124**	**1,995**	**813**	**830**	**242**	**220**	**386**	**324**	**163**	**79**	**273**	**258**	**246**	**339**	**0**	**-55**
Taxation	582	595	197	179	79	105	132	105	61	33	37	35	45	111	31	27
Non-controlling interests	28	21	0	-	0	0	1	1	-	-	27	21	-	-	-0	-
Underlying net result Banking	**1,515**	**1,378**	**616**	**650**	**164**	**115**	**253**	**219**	**102**	**46**	**209**	**202**	**202**	**229**	**-30**	**-82**
Special items after tax	-775	0	-	-	-	-	-	-	-	-	-	-	-	-	-775	0
Net result Banking	**740**	**1,378**	**616**	**650**	**164**	**115**	**253**	**219**	**102**	**46**	**209**	**202**	**202**	**229**	**-805**	**-82**
Net result Insurance Other	36	-3														
Net result ING Group	**776**	**1,376**														
Profitability and efficiency[2]																
Cost/income ratio	49.7%	51.9%	46.3%	44.3%	57.9%	63.3%	43.0%	46.2%	60.5%	71.0%	43.9%	46.9%	48.6%	43.2%	99.8%	280.1%
Return on equity based on 12.0% common equity Tier 1[3]	16.2%	15.0%	27.1%	26.6%	10.4%	7.5%	19.3%	19.3%	10.6%	5.1%	18.0%	16.8%	10.1%	12.1%	-35.8%	-87.7%
Employees (internal FTEs, end of period)	52,519	51,550	14,423	13,597	9,424	9,956	5,034	5,001	5,173	4,525	14,868	15,119	3,588	3,344	8	8
Risk[2]																
Risk costs in bps of average RWA	27	16	-10	-8	47	28	1	-2	40	59	72	50	36	4	1	2
Risk-weighted assets (end of period, in € billion)	316.3	311.0	73.9	80.2	52.1	51.2	44.2	37.8	32.5	30.1	43.5	44.2	67.2	64.3	2.9	3.2
	3Q2018	2Q2018	3Q2018	2Q2018	3Q2018	2Q2018	3Q2018	2Q2018	3Q2018	2Q2018	3Q2018	2Q2018	3Q2018	2Q2018	3Q2018	2Q2018
Customer lending/deposits (end of period, in € billion)																
Residential mortgages	284.9	281.7	111.9	111.7	38.0	37.2	72.7	71.6	52.6	51.9	9.6	9.3	0.0	0.0	-	0.0
Other lending	318.8	310.7	83.0	74.0	63.9	66.2	44.4	44.7	32.4	31.1	27.0	27.2	67.7	67.0	0.4	0.4
Customer deposits	552.0	556.7	173.2	175.0	104.1	102.0	133.6	137.5	91.2	91.3	36.6	36.8	13.3	14.0	0.1	0.0

[1] Region Other consists of Corporate Line and Real Estate run-off portfolio.
[2] Key figures based on underlying figures.
[3] Underlying after-tax return divided by average equity based on 12.0% CET1 ratio (annualised).

Appendix

Consolidated profit or loss account: Geographical split

Geographical split: Consolidated profit or loss account

	Total ING Group		Netherlands		Belgium		Germany		Other Challengers		Growth Markets		Wholesale Banking Rest of World		Other[1]	
In € million	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017
Net interest income	10,345	10,201	3,376	3,409	1,588	1,591	1,663	1,607	1,271	1,134	1,205	1,130	1,047	1,161	193	169
Net fee and commission income	2,098	2,040	721	654	399	401	191	190	187	170	236	240	367	386	-4	-3
Investment income	192	173	48	44	35	31	5	14	0	3	97	102	0	-10	6	-12
Other income	951	922	295	286	194	337	67	-28	28	4	158	141	302	293	-93	-111
Total underlying income	**13,586**	**13,336**	**4,441**	**4,393**	**2,216**	**2,360**	**1,926**	**1,783**	**1,487**	**1,311**	**1,696**	**1,613**	**1,717**	**1,831**	**102**	**44**
Expenses excl. regulatory costs	6,657	6,574	1,969	1,975	1,261	1,353	794	761	824	755	757	724	856	767	195	240
Regulatory costs	682	637	170	145	207	211	92	87	60	54	114	103	41	34	-1	2
Underlying operating expenses	**7,339**	**7,211**	**2,139**	**2,120**	**1,468**	**1,564**	**886**	**848**	**884**	**809**	**871**	**827**	**897**	**801**	**194**	**241**
Gross result	**6,247**	**6,124**	**2,302**	**2,273**	**748**	**795**	**1,040**	**935**	**603**	**502**	**825**	**787**	**820**	**1,030**	**-91**	**-197**
Addition to loan loss provisions	415	486	-129	-10	128	114	52	-0	99	140	163	165	101	76	-0	1
Underlying result before tax Banking	**5,833**	**5,639**	**2,431**	**2,283**	**620**	**682**	**988**	**935**	**504**	**362**	**662**	**622**	**719**	**954**	**-91**	**-198**
Retail Banking	3,761	3,647	1,886	1,727	418	585	684	618	235	207	539	510	-	-	-	-
Wholesale Banking	2,158	2,289	545	555	202	97	305	317	269	155	123	112	719	954	-4	100
Corporate Line	-87	-298	-	-	-	-	-	-	-	-	-	-	-	-	-87	-298
Underlying result before tax	**5,833**	**5,639**	**2,431**	**2,283**	**620**	**682**	**988**	**935**	**504**	**362**	**662**	**622**	**719**	**954**	**-91**	**-198**
Taxation	1,603	1,617	595	544	182	266	336	309	170	118	121	115	150	285	49	-19
Non-controlling interests	79	65	0	-	6	3	2	2	-	-	71	60	-	-	-0	-
Underlying net result Banking	**4,151**	**3,957**	**1,835**	**1,739**	**431**	**412**	**651**	**625**	**334**	**244**	**471**	**447**	**569**	**669**	**-140**	**-179**
Special items after tax	-775	0	-	-	-	-	-	-	-	-	-	-	-	-	-775	0
Net result Banking	**3,376**	**3,957**	**1,835**	**1,739**	**431**	**412**	**651**	**625**	**334**	**244**	**471**	**447**	**569**	**669**	**-915**	**-179**
Net result Insurance Other	55	-66														
Net result ING Group	**3,431**	**3,890**														
Profitability and efficiency[2]																
Cost/income ratio	54.0%	54.1%	48.2%	48.3%	66.2%	66.3%	46.0%	47.6%	59.4%	61.7%	51.3%	51.3%	52.3%	43.8%	189.2%	n.a.
Return on equity based on 12.0% common equity Tier 1[3]	14.9%	14.4%	26.6%	23.7%	9.4%	9.0%	17.3%	18.6%	11.7%	9.2%	13.8%	12.8%	9.6%	11.6%	-50.1%	-56.8%
Employees (internal FTEs, end of period)	52,519	51,550	14,423	13,597	9,424	9,956	5,034	5,001	5,173	4,525	14,868	15,119	3,588	3,344	8	8
Risk[2]																
Risk costs in bps of average RWA	18	21	-22	-2	33	30	17	-0	42	64	50	50	20	16	-0	3
Risk-weighted assets (end of period, in € billion)	316.3	311.0	73.9	80.2	52.1	51.2	44.2	37.8	32.5	30.1	43.5	44.2	67.2	64.3	2.9	3.2
	9M2018	1 Jan. 18	9M2018	1 Jan. 18	9M2018	1 Jan. 18	9M2018	1 Jan. 18	9M2018	1 Jan. 18	9M2018	1 Jan. 18	9M2018	1 Jan. 18	9M2018	1 Jan. 18
Customer lending/deposits (end of period, in € billion)																
Residential mortgages	284.9	278.6	111.9	112.6	38.0	36.2	72.7	70.0	52.6	50.8	9.6	8.9	0.0	0.0	-	0.0
Other lending	318.8	292.1	83.0	74.2	63.9	61.3	44.4	38.5	32.4	29.5	27.0	27.5	67.7	60.7	0.4	0.3
Customer deposits	552.0	539.9	173.2	167.4	104.1	98.8	133.6	133.7	91.2	90.5	36.6	36.6	13.3	13.0	0.1	-0.2

[1] Region Other consists of Corporate Line and Real Estate run-off portfolio.
[2] Key figures based on underlying figures.
[3] Underlying after-tax return divided by average equity based on 12.0% CET1 ratio (annualised).

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 more than 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 strategy, evidenced by ING's ranking as a leader in the banks industry group by Sustainalytics. ING Group shares are included in the FTSE4Good Index and in the Dow Jones Sustainability Index (Europe and World), where ING is also among the leaders in the banks industry group.

Further information

All publications related to ING's 3Q18 results can be found at www.ing.com/3q18, including a video with CEO Ralph Hamers. The video 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)

For further information on ING, please visit 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 ing.yourmediakit.com or can be requested by emailing info@yourmediakit.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.

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 2017 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 a number of factors, including, 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) potential consequences of European Union countries leaving the European Union or a break-up of the euro, (4) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness, (5) changes affecting interest rate levels, (6) changes affecting currency exchange rates, (7) changes in investor and customer behaviour, (8) changes in general competitive factors, (9) changes in laws and regulations and the interpretation and application thereof, (10) geopolitical risks and policies and actions of governmental and regulatory authorities, (11) changes in standards and interpretations under International Financial Reporting Standards (IFRS) and the application thereof, (12) conclusions with regard to purchase accounting assumptions and methodologies, and other changes in accounting assumptions and methodologies including changes in valuation of issued securities and credit market exposure, (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) the outcome of current and future legal and regulatory proceedings, (16) operational risks, such as system disruptions or failures, breaches of security, cyberattacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (17) the inability to protect our intellectual property and infringement claims by third parties, (18) the inability to retain key personnel, (19) business, operational, regulatory, reputation and other risks in connection with climate change, (20) ING's ability to achieve its strategy, including projected operational synergies and cost-saving programmes and (21) the other risks and uncertainties detailed in the 2017 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. Many of those factors are beyond ING's control.

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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