

ING Group Condensed consolidated interim financial information for the period ended

30 September 2015

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Condensed consolidated balance sheet

as at

	30 September	31 December
in EUR million	2015	2014
Assets		
Cash and balances with central banks	31,730	12,233
Amounts due from banks	37,971	37,119
Financial assets at fair value through profit and loss 2	143,316	144,099
Investments 3	94,653	97,641
Loans and advances to customers 4	533,475	517,478
Investments in associates and joint ventures 5	953	953
Real estate investments	79	80
Property and equipment	2,007	2,100
Intangible assets 6	1,546	1,655
Assets held for sale 7	2,153	165,532
Other assets 8	14,156	13,966
Total assets	862,039	992,856
Equity 9		
Shareholders' equity (parent)	46,022	50,424
Minority interests	619	8,072
Total equity	46,641	58,496
Liabilities		
Subordinated loans 10	7,421	6,861
Debt securities in issue 10	125,472	126,352
Other borrowed funds 10	9,274	11,297
Amounts due to banks	42,047	29,999
Customer deposits and other funds on deposit	502,440	483,871
Financial liabilities at fair value through profit and loss 11	112,694	116,682
Liabilities held for sale 7		142,132
Other liabilities 12	16,050	17,166
Total liabilities	815,398	934,360
Total equity and liabilities	862,039	992,856

References relate to the accompanying notes. These form an integral part of the Condensed consolidated interim accounts.

Reference is made to Note 1 'Accounting policies' for information on Changes in the composition of ING Group.

Condensed consolidated profit and loss account

in EUR million	3 month period 1 July to 30 September		9 month period 1 January to 30 September	
	2015	2014	2015	2014
Continuing operations				
Interest income banking operations	11,657	11,831	35,159	36,135
Interest expense banking operations	-8,517	-8,706	-25,770	-27,037
Interest result banking operations	3,140	3,125	9,389	9,098
Investment income 13	-7	79	126	221
Commission income	524	584	1,711	1,738
Other income 14	256	197	1,564	727
Total income	3,913	3,985	12,790	11,784
Addition to loan loss provisions 4	261	322	1,045	1,194
Staff expenses 15	1,214	1,212	3,763	4,570
Other operating expenses 16	1,052	1,045	3,003	3,047
Total expenses	2,527	2,579	7,811	8,811
Result before tax from continuing operations	1,386	1,406	4,979	2,973
Taxation	375	346	1,275	791
Net result from continuing operations	1,011	1,060	3,704	2,182
Discontinued operations 17				
Net result from discontinued operations	59	372	793	527
Net result from classification as discontinued operations		-591	3	-591
Net result from disposal of discontinued operations	17	40	83	-1,984
Total net result from discontinued operations	76	-179	879	-2,048
Net result (before minority interests)	1,087	881	4,583	134
Minority interests	23	-47	391	59
Net result attributable to Equityholders of the parent	1,064	928	4,192	75

in EUR million	3 month period 1 July to 30 September		9 month period 1 January to 30 September	
	2015	2014	2015	2014
Minority interests				
- from continuing operations	23	14	57	57
- from discontinued operations		-61	334	2
	23	-47	391	59
Net result attributable to Equityholders of the parent				
- from continuing operations	988	1,046	3,647	2,125
- from discontinued operations	76	-118	545	-2,050
	1,064	928	4,192	75

References relate to the accompanying notes. These form an integral part of the Condensed consolidated interim accounts.

Reference is made to Note 1 'Accounting policies' for information on Changes in presentation of the Condensed consolidated profit and loss account.

Condensed consolidated profit and loss account

	3 month period 1 July to 30 September		9 month period 1 January to 30 September	
in EUR	2015	2014	2015	2014
Earnings per ordinary share 18				
Basic earnings per ordinary share	0.28	0.24	1.09	-0.08
Diluted earnings per ordinary share	0.28	0.24	1.08	-0.08
Earnings per ordinary share from continuing operations 18				
Basic earnings per ordinary share from continuing operations	0.26	0.27	0.95	0.45
Diluted earnings per ordinary share from continuing operations	0.26	0.27	0.94	0.45
Dividend per ordinary share 19	0.24	0.00	0.24	0.00

References relate to the accompanying notes. These form an integral part of the Condensed consolidated interim accounts.

Reference is made to Note 1 'Accounting policies' for information on Changes in presentation of the Condensed consolidated profit and loss account.

Condensed consolidated statement of comprehensive income

	3 month period 1 July to 30 September		9 month period 1 January to 30 September	
in EUR million	2015	2014	2015	2014
Net result (before minority interests)	1,087	881	4,583	134
Other comprehensive income				
Items that will not be reclassified to the profit and loss account:				
Remeasurement of the net defined benefit asset/liability 20	39	28	14	-320
Unrealised revaluations property in own use	-2	-15	-2	-27
Items that may subsequently be reclassified to the profit and loss account:				
Unrealised revaluations available-for-sale investments and other	-877	-167	-1,048	3,992
Realised gains/losses transferred to the profit and loss account	66	-19	-92	-111
Changes in cash flow hedge reserve	441	-242	-761	1,390
Transfer to insurance liabilities/DAC		547	601	-1,159
Share of other comprehensive income of associates and joint ventures	-21	6	6	46
Exchange rate differences and other	-501	2,239	1,407	2,475
Total comprehensive income	232	3,258	4,708	6,420
Comprehensive income attributable to:				
Equityholders of the parent	189	2,950	4,196	5,839
Minority interests	43	308	512	581
	232	3,258	4,708	6,420

References relate to the accompanying notes. These form an integral part of the Condensed consolidated interim accounts.

Reference is made to Note 1 'Accounting policies' for information on Changes in the composition of ING Group.

Condensed consolidated statement of cash flows

		9 month period 1 January to 30 September	
in EUR million		2015	2014
Cash flows from operating activities			
Result before tax⁽¹⁾		6,001	1,110
Adjusted for:	- depreciation	474	514
	- deferred acquisition costs and value of business acquired	-53	-43
	- change in provisions for insurance and investment contracts	-1,499	-2,325
	- addition to loan loss provisions	1,045	1,194
	- other	610	3,476
Taxation paid		-1,058	-757
Changes in:	- amounts due from banks, not available on demand	105	599
	- trading assets	-167	-20,113
	- non-trading derivatives	-78	-2,282
	- other financial assets at fair value through profit and loss	-447	-2,219
	- loans and advances to customers	-21,727	-16,104
	- other assets	2,371	-1,927
	- amounts due to banks, not payable on demand	7,417	1,968
	- customer deposits and other funds on deposit	21,213	29,558
	- trading liabilities	-1,182	11,548
	- other financial liabilities at fair value through profit and loss	-1,951	-75
	- other liabilities	631	370
Net cash flow from/(used in) operating activities		11,705	4,492
Cash flows from investing activities			
Investments and advances:	- available-for-sale investments	-38,087	-67,693
	- investments for risk of policyholders	-2,417	-18,831
	- other investments	-4,159	-2,258
Disposals and redemptions:	- group companies (including cash in company disposed) ⁽²⁾	-6,926	-1,360
	- associates and joint ventures ⁽³⁾	138	1,378
	- available-for-sale investments	42,766	53,205
	- investments for risk of policyholders	7,566	24,551
	- loans	2,373	-14
	- other investments	1,027	978
Net cash flow from/(used in) investing activities		2,281	-10,044
Cash flows from financing activities			
Proceeds from borrowed funds and debt securities		115,422	118,980
Repayments of borrowed funds and debt securities		-119,814	-115,170
Proceeds of IPO NN Group			1,747
Proceeds from issuance of undated subordinated notes			986
Repayment of non-voting equity securities			-817
Repurchase premium paid on non-voting equity securities			-408
Proceeds from partial divestment of NN Group ⁽⁴⁾		1,040	
Dividends paid 19		-1,393	
Other net cash flow from financing activities		34	-347
Net cash flow from/(used in) financing activities		-4,711	4,971
Net cash flow		9,275	-581
Cash and cash equivalents at beginning of period		17,113	17,180
Effect of exchange rate changes on cash and cash equivalents		-23	-139
Cash and cash equivalents at end of period		26,365	16,460

(1) Result before tax includes results from continuing operations of EUR 4,979 million (first nine months of 2014: EUR 2,973 million) as well as results from discontinued operations of EUR 1,022 million (first nine months of 2014: EUR -1,863 million).

(2) Disposals and redemption – group companies includes EUR -8 billion and EUR 1 billion related to cash and cash equivalents of NN Group and proceeds from the sale of shares of NN Group resulting in loss of control on 29 May 2015 respectively. (first nine months of 2014: EUR 1 billion proceeds from the sale of shares of Voya which resulted in loss of control in the first quarter of 2014.)

(3) Disposals and redemptions – associates and joint ventures includes in the first nine months of 2014: EUR 0.9 billion proceeds from the sale of Voya shares in September 2014.

(4) Proceeds from divestment of NN Group includes EUR 1 billion proceeds from the sale of shares of NN Group in February 2015 (excluding the repurchase by NN Group).

Condensed consolidated statement of cash flows

	9 month period 1 January to 30 September	
in EUR million	2015	2014
Cash and cash equivalents comprises the following items:		
Treasury bills and other eligible bills	769	991
Amounts due from/to banks	-6,134	-1,659
Cash and balances with central banks	31,730	13,272
Cash and cash equivalents classified as Assets held for sale		3,856
Cash and cash equivalents at end of the period	26,365	16,460

The increase in Cash and balances with central banks of EUR 18.5 billion is mainly as a result of excess liquidity resulting in higher placements with central banks mainly in the Netherlands, UK and Japan.

References relate to the accompanying notes. These form an integral part of the Condensed consolidated interim accounts.

Reference is made to Note 1 'Accounting policies' for information on Changes in the composition of ING Group.

Condensed consolidated statement of changes in equity

in EUR million	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Minority interests	Total equity
Balance as at 1 January 2015	925	16,046	33,453	50,424	8,072	58,496
Remeasurement of the net defined benefit asset/liability 20			23	23	-9	14
Unrealised revaluations property in own use			-2	-2		-2
Unrealised revaluations available-for-sale investments and other			-1,153	-1,153	105	-1,048
Realised gains/losses transferred to the profit and loss account			-94	-94	2	-92
Changes in cash flow hedge reserve			-752	-752	-9	-761
Transfer to insurance liabilities/DAC			609	609	-8	601
Share of other comprehensive income of associates and joint ventures			4	4	2	6
Exchange rate differences and other			1,369	1,369	38	1,407
Total amount recognised directly in equity (other comprehensive income)			4	4	121	125
Net result from continuing and discontinued operations			4,192	4,192	391	4,583
Total comprehensive income			4,196	4,196	512	4,708
Impact of partial divestment of NN Group			-1,769	-1,769	3,042	1,273
Impact of deconsolidation of NN Group			-5,345	-5,345	-10,801	-16,146
Dividends			-1,393	-1,393	-118	-1,511
Coupon on undated subordinated notes			-19	-19	-15	-34
Changes in treasury shares			27	27		27
Employee stock option and share plans	3	8	78	89	1	90
Changes in the composition of the group and other changes			-188	-188	-74	-262
Balance as at 30 September 2015	928	16,054	29,040	46,022	619	46,641

References relate to the accompanying notes. These form an integral part of the Condensed consolidated interim accounts.

Reference is made to Note 1 'Accounting policies' for information on Changes in the composition of ING Group.

Changes in individual components are presented in Note 9 'Equity'.

Condensed consolidated statement of changes in equity

in EUR million	Share capital	Share premium	Reserves	Total shareholders' equity (parent)	Non-voting equity securities	Minority interests	Total equity
Balance as at 1 January 2014	921	16,038	28,817	45,776	1,500	5,913	53,189
Remeasurement of the net defined benefit asset/liability			-292	-292		-28	-320
Unrealised revaluations property in own use			-27	-27			-27
Unrealised revaluations available-for-sale investments and other			3,207	3,207		785	3,992
Realised gains/losses transferred to the profit and loss account			-108	-108		-3	-111
Changes in cash flow hedge reserve			1,226	1,226		164	1,390
Transfer to insurance liabilities/DAC			-755	-755		-404	-1,159
Share of other comprehensive income of associates and joint ventures			46	46			46
Exchange rate differences and other			2,467	2,467		8	2,475
Total amount recognised directly in equity (other comprehensive income)			5,764	5,764		522	6,286
Net result from continuing and discontinued operations			75	75		59	134
Total comprehensive income			5,839	5,839		581	6,420
Impact of issuance of undated subordinated notes						986	986
Repayment of non-voting equity securities					-817		-817
Repurchase premium			-408	-408			-408
Dividends						-44	-44
Impact of deconsolidation of Voya			87	87		-5,100	-5,013
Impact of IPO NN Group			-4,263	-4,263		5,397	1,134
Changes in treasury shares			18	18			18
Employee stock option and share plans	4	6	67	77		11	88
Changes in the composition of the group and other changes			40	40		-437	-397
Balance as at 30 September 2014	925	16,044	30,197	47,166	683	7,307	55,156

Reference is made to Note 1 'Accounting policies' for information on Changes in the composition of ING Group.

Notes to the Condensed consolidated interim accounts

amounts in millions of euros, unless stated otherwise

Notes to the accounting policies

1 Accounting policies

These Condensed consolidated interim accounts of ING Groep N.V. ('ING Group') have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The accounting principles used to prepare these Condensed consolidated interim accounts comply with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and are consistent with those set out in the notes to the 2014 ING Group Consolidated Annual Accounts.

These Condensed consolidated interim accounts should be read in conjunction with the 2014 ING Group Consolidated Annual Accounts.

IFRS-EU provide several options in accounting principles. ING Group's accounting principles under IFRS-EU and its decision on the options available are set out in Note 1 'Accounting policies' in the 2014 ING Group Consolidated Annual Accounts.

Certain amounts recorded in the Condensed consolidated interim accounts reflect estimates and assumptions made by management. Actual results may differ from the estimates made. Interim results are not necessarily indicative of full-year results.

The presentation of and certain terms used in these Condensed consolidated interim accounts may have been changed to provide additional and more relevant information or (for changes in comparative information) to better align with the current period presentation. The impact of these changes is explained in the relevant notes when significant.

When a group of assets that is classified as held for sale represents a major line of business or geographical area, the disposal group is classified as discontinued operations. Upon classification of a business as held for sale and discontinued operations, the individual income and expenses are classified to Total net result from discontinued operations instead of being presented in the usual Condensed consolidated profit and loss account line items. All comparative periods in the Condensed consolidated profit and loss account are restated and presented as discontinued operations for all periods presented. Furthermore, the individual assets and liabilities are presented in the Condensed consolidated balance sheet as 'Assets and liabilities held for sale' and are no longer included in the usual balance sheet line items. The comparative periods for the Condensed consolidated balance sheet are not restated. Changes in assets and liabilities as a result of classification as held for sale are included in the notes in the line 'Changes in the composition of the group and other changes'.

Upon classification as held for sale, the carrying amount of the disposal group (or group of assets) is compared to its fair value less cost to sell. If the fair value less cost to sell is lower than the carrying value, this expected loss is recognised through a reduction of the carrying value of any goodwill related to the disposal group and the carrying value of certain other non-current non-financial assets. Any excess of the expected loss over the reduction of the carrying amount of these relevant assets is not recognised upon classification as held for sale, but is recognised as part of the result on disposal if and when a divestment transaction occurs.

Investments in associates held for sale are measured at the lower of the carrying value and the fair value less costs to sell. Any subsequent decrease in the fair value less costs to sell below this carrying amount is recognised in the profit and loss account as part of the 'Net result from disposal of discontinued operations'. Subsequent increases in the fair value will only be recognised to the extent that these are a reversal of previously recognised decreases in fair value less costs to sell. Any subsequent dividend received from the associate is recognised as income in the profit and loss account, in the line 'Net result from discontinued operations', as and when declared.

Changes in accounting policies in 2015

There were no changes in accounting policies effective from 1 January 2015.

Notes to the Condensed consolidated interim accounts

Changes in IFRS-EU

New and/or amended IFRS-EU standards under the Annual Improvements Cycle: 2011 – 2013, effective 1 January 2015, were adopted by ING Group. The implementation of these amendments had no or no material effect on the Condensed consolidated interim accounts of ING Group.

Changes in presentation of the Condensed consolidated profit and loss account

The layout of the Condensed consolidated profit and loss account is changed to more clearly present the 'Net result from continuing and discontinued operations attributable to Equityholders of the parent'. Additionally, the layout is changed to present 'Earnings per ordinary share' and Earnings per ordinary share from continuing operations'. Reference is made to Note 18 for 'Earnings per ordinary share from discontinued operations'.

Other significant changes

Changes in the composition of ING Group

During 2015 and 2014, the following changes in the composition of ING Group occurred:

- › Voya was classified as held for sale and discontinued operations in September 2013. A number of divestment transactions resulted in Voya being deconsolidated as of 31 March 2014.
- › Following changes to the governance structure of ING Vysya in 2014, ING Vysya was no longer consolidated as of 31 March 2014.
- › In September 2014, NN Group was classified as held for sale and discontinued operations. A number of divestment transactions resulted in NN Group being deconsolidated as of 29 May 2015.

Reference is made to Note 25 'Other events' for further information on these transactions.

NN Group

In February 2015, ING Group sold 52 million ordinary shares of NN Group. As part of the transaction, NN Group repurchased 8.3 million ordinary shares. The transaction reduced the ownership of ING Group in NN Group from 68.14% (at 31 December 2014) to 54.58%. The transaction did not impact the profit and loss account of ING Group as NN Group continued to be fully consolidated. The transaction had a negative impact of EUR 1,769 million on the shareholder's equity of ING Group, being the difference between the net proceeds of the transaction and the IFRS carrying value per the transaction date of the equity stake sold.

In May 2015, in order to fulfil its commitment to the European Commission ('EC'), ING Group injected capital in NN Group by subscribing for newly issued shares for an amount of EUR 57 million. The transaction increased the ownership of ING in NN Group to 54.77%.

In May 2015, ING Group sold 45 million ordinary shares in NN Group. As part of the transaction, NN Group repurchased 5.9 million ordinary shares. This transaction reduced ING Group's interest in NN Group to 42.43%, resulting in ING Group losing control over NN Group. The share sale and deconsolidation of NN Group resulted in an after tax loss of EUR 223 million in the second quarter of 2015 and is recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'. The transaction had a negative impact of EUR 5,568 million on the shareholder's equity of ING Group. The profit and loss account of ING Group for the first half of 2015 includes, in the line 'Net result from discontinued operations', the result of NN Group until deconsolidation on 29 May 2015.

With the injection of capital and deconsolidation of NN Group, ING Group fulfils its commitment to the EC, per the EC decision of 16 November 2012. The restrictions from this decision regarding acquisition and price leadership will no longer apply to ING Group.

In June 2015, ING exchanged the second tranche of EUR 337.5 million mandatorily exchangeable subordinated notes of Anchor investors into 13.6 million NN Group ordinary shares. Accrued interest on these notes of EUR 14.6 million were settled in an additional 0.6 million NN Group ordinary shares. The transaction was settled on 15 June 2015 and resulted in a further decrease in ownership of ING Group in NN Group from 42.43% to 38.23%. The transaction did not have a material impact on the profit and loss account of ING Group.

In June 2015, NN Group repurchased 2.1 million ordinary shares from ING Group. This transaction reduced ING's remaining interest in NN Group to 37.61%.

Notes to the Condensed consolidated interim accounts

In September 2015, NN Group repurchased 1.7 million ordinary shares from ING Group. This transaction reduced ING's remaining interest in NN Group to 37.12%.

In September 2015, ING Group sold 40 million ordinary shares in NN Group. As part of the transaction, NN Group repurchased 6 million ordinary shares. The transaction reduced ING Group's interest in NN Group to 25.76%. The transaction resulted in a loss of EUR 17 million in the third quarter of 2015 and is recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'. The transaction was settled on 5 October 2015. The remaining interest in NN Group is recognised as an Investment in associate held for sale at EUR 2,153 million as at 30 September 2015.

ING Group holds warrants for 35 million shares in NN Group.

Voya

In March 2015, ING Group sold 45.6 million ordinary shares of Voya. ING Group sold 32 million Voya shares in the public offering and sold 13.6 million shares to Voya. The gross proceeds to ING Group from the public offering and the repurchase by Voya amounted to EUR 1.8 billion (USD 2.0 billion).

The sale of the total 45.6 million shares from the combined transactions reduced ING Group's stake in Voya from 18.9% (as at 31 December 2014) to zero. The transactions settled on 9 March 2015 and resulted in a profit of EUR 323 million which reflects the difference between the market value of our 18.9% stake in Voya at the date on which ING Group lost significant influence and the proceeds from these transactions. The profit is recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'.

ING Group holds warrants for 26 million shares in Voya.

ING Vysya Bank

In April 2015, the merger between ING Vysya Bank ('ING Vysya') and Kotak Mahindra Bank ('Kotak') was completed and the legal entity ING Vysya ceased to exist. As a result of this transaction, ING now holds a stake of 6.5% in the combined company, which operates under the Kotak brand. The transaction resulted in a gain of EUR 367 million and is recognised in Other income – 'Result from associates and joint ventures'. The transaction did not materially impact the shareholders' equity of ING Group. As at 30 September 2015, ING accounts for the investment in Kotak as an Available-for-sale equity investment.

For further information on the above transactions, reference is made to Note 2 'Financial assets at fair value through profit and loss', Note 3 'Investments', Note 7 'Assets and liabilities held for sale', Note 9 'Equity', Note 10 'Subordinated loans, Debt securities in issue and Other borrowed funds', Note 12 'Other liabilities', Note 14 'Other income', Note 17 'Discontinued operations' and Note 25 'Other events'.

Significant upcoming changes in IFRS-EU after 2015

IFRS 15 'Revenue from Contracts with Customers'

In May 2014, the International Accounting Standards Board ('IASB') issued IFRS 15 'Revenue from Contracts with Customers'. The standard is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. IFRS 15 is not yet endorsed by the EU. IFRS 15 provides a principles-based approach for revenue recognition and introduces the concept of recognising revenue as and when the agreed performance obligations are satisfied. The standard should be applied retrospectively, with certain exceptions. ING is currently assessing the impact of this standard.

IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' was issued by the IASB in July 2014. The new requirements become effective as of 1 January 2018. IFRS 9 is not yet endorsed by the EU. IFRS 9 is replacing IAS 39 'Financial Instruments: Recognition and Measurement', and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Notes to the Condensed consolidated interim accounts

Classification and measurement

The classification and measurement of financial assets will depend on the entity's business model for their management and their contractual cash flow characteristics and result in financial assets being recognised at amortised cost, fair value through OCI ('FVOCI') or fair value through profit and loss. In many instances, the classification and measurement outcomes will be similar to IAS 39, although certain differences will arise. The classification of financial liabilities is essentially the same. Except for certain liabilities measured at fair value, gains or losses relating to changes in the entity's own credit risk are to be included in OCI.

Impairment

The recognition and measurement of impairment is intended to be more forward-looking than under IAS 39 and the resulting impairment charge will tend to be more volatile. The impairment requirements apply to financial assets measured at amortised cost, FVOCI, lease receivables, and certain loan commitments and financial guarantee contracts. Initially, a provision is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12 month ECL'). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

Hedge accounting

The hedge accounting requirements of IFRS 9 aims to simplify general hedge accounting requirements. Furthermore, IFRS 9 aims to create a stronger link between financial accounting and the risk management strategy and permits a greater variety of hedging instruments and risks. The standard does not address macro fair value hedge account strategies.

Application

The classification and measurement and impairment requirements are applied retrospectively by adjusting the opening balance sheet at 1 January 2018, with no requirement to restate comparative periods. Hedge accounting is applied prospectively from that date.

Expected impact

ING is currently assessing the impact of this standard. The implementation of IFRS 9, if and when endorsed by the EU, may have a significant impact on Shareholders' equity, Net result and/or Other comprehensive income.

Notes to the Condensed consolidated interim accounts

Notes to the Condensed consolidated balance sheet

2 Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss		
	30 September 2015	31 December 2014
Trading assets	137,090	136,959
Non-trading derivatives	3,507	4,384
Designated as at fair value through profit and loss	2,719	2,756
	143,316	144,099

Trading assets and trading liabilities include assets and liabilities that are classified under IFRS-EU as 'Trading' but are closely related to servicing the needs of the clients of ING Group. ING offers institutional and corporate clients and governments products that are traded on the financial markets. A significant part of the derivatives in the trading portfolio are related to servicing corporate clients in their risk management to hedge for example currency or interest rate exposures. In addition, ING provides its customers access to equity and debt markets for issuing their own equity or debt securities ('securities underwriting'). Although these are presented as 'Trading' under IFRS-EU, these are directly related to services to ING's customers. Loans and receivables in the trading portfolio mainly relate to (reverse) repurchase agreements, which are comparable to collateralised lending. These products are used by ING as part of its own regular treasury activities, but also relate to the role that ING plays as intermediary between different professional customers. Trading assets and liabilities held for ING's own risk are very limited. From a risk perspective, the gross amount of trading assets must be considered together with the gross amount of trading liabilities, which are presented separately on the balance sheet. However, IFRS-EU does not allow netting of these positions in the balance sheet. Reference is made to Note 11 'Financial liabilities at fair value through profit and loss' for information on trading liabilities.

As at 30 September 2015, Non-trading derivatives include EUR 136 million (31 December 2014: EUR 180 million) and EUR 13 million (31 December 2014: nil) relating to warrants on the shares of Voya and NN Group respectively. Reference is made to Note 7 'Assets and liabilities held for sale', Note 14 'Other income' and Note 25 'Other events'.

3 Investments

Investments by type		
	30 September 2015	31 December 2014
Available-for-sale		
- equity securities - shares in third party managed structured entities	173	210
- equity securities - other	3,483	2,508
	3,656	2,718
- debt securities	83,068	92,684
	86,724	95,402
Held-to-maturity		
- debt securities	7,929	2,239
	7,929	2,239
	94,653	97,641

Notes to the Condensed consolidated interim accounts

In April 2015, the merger between ING Vysya Bank and Kotak Mahindra Bank ('Kotak') was completed. As a result of this transaction, ING Group now holds 6.5% in Kotak at EUR 1 billion as at 30 September 2015. Reference is made to Note 7 'Assets and liabilities held for sale', Note 14 'Other income' and Note 25 'Other events'.

In the first quarter of 2015, EUR 3.5 billion of mainly Government bonds previously classified as Investments Available-for-sale are classified as Investments Held-to-maturity. These Government bonds are expected to be held until their redemption dates. The remainder of the decrease in the first nine months of 2015 relates mainly to lower positions in Government bonds held in Germany, Australia and Belgium.

Investments held-to-maturity increased by EUR 5.7 billion. The increase is attributable to the classification from Investments Available-for-sale as mentioned above and additional investments in Government bonds.

In 2014, the remaining stake of 10.3% in SulAmérica S.A. was divested for EUR 170 million. The profit of EUR 31 million was recognised as Investment income in the profit and loss account. Reference is made to Note 13 'Investment income'.

Exposure to debt securities

ING Group's exposure to debt securities is included in the following balance sheet lines:

Debt securities		
	30 September 2015	31 December 2014 ⁽¹⁾
Available-for-sale investments	83,068	92,684
Held-to-maturity investments	7,929	2,239
Loans and advances to customers	9,573	10,579
Amounts due from banks	1,892	2,583
Available-for-sale investments and Assets at amortised cost	102,462	108,085
Trading assets	15,559	21,584
Designated as at fair value through profit and loss	824	1,124
Financial assets at fair value through profit and loss	16,383	22,708
	118,845	130,793

(1) Excludes exposure to debt securities classified as held for sale.

Notes to the Condensed consolidated interim accounts

ING Group's total exposure to debt securities included in available-for-sale investments and assets at amortised cost is specified as follows:

Debt securities by type and balance sheet lines - Available-for-sale investments and Assets at amortised cost										
	Available-for-sale investments		Held-to-maturity investments		Loans and advances to customers		Amounts due from banks		Total	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Government bonds	47,113	54,860	5,341	315	878	889			53,332	56,064
Sub-sovereign Supranationals and Agencies	19,919	22,893	1,631		274	257			21,824	23,150
Covered bonds	11,288	10,829	600	1,567	2,118	2,810	1,785	2,525	15,791	17,731
Corporate bonds	1,070	802			1,028	919			2,098	1,721
Financial institutions' bonds	2,574	2,902			245	386	63	58	2,882	3,346
ABS portfolio	1,104	398	357	357	5,030	5,318	44		6,535	6,073
Bond portfolio	83,068	92,684	7,929	2,239	9,573	10,579	1,892	2,583	102,462	108,085

As of the third quarter of 2015, the asset class Sub-sovereign Supranationals and Agencies ('SSA') is disclosed separately in order to align with ING's Investment Portfolio Management approach. SSA comprise, amongst others, multilateral development banks, regional governments, local authorities and US agencies. Under certain conditions, SSA bonds may qualify as 'Level 1 High Quality Liquid Assets' for LCR and were previously largely disclosed as financial institutions or government bonds. The comparative amounts were restated accordingly.

Reclassifications to Loans and advances to customers and Amounts due from banks (2009 and 2008)

Reclassifications out of available-for-sale investments to loans and receivables are allowed under IFRS-EU as of the third quarter of 2008. In the first quarter of 2009 and in the fourth quarter of 2008 ING Group reclassified certain financial assets from Investments available-for-sale to Loans and advances to customers and Amounts due from banks. The Group identified assets, eligible for reclassification, for which at the reclassification date it had the intention to hold for the foreseeable future. The table below provides information on the two reclassifications made in the fourth quarter of 2008 and the first quarter of 2009. Information is provided for each of the two reclassifications as at the date of reclassification and as at the end of the subsequent reporting periods. This information is disclosed under IFRS-EU as long as the reclassified assets continue to be recognised in the balance sheet.

Reclassifications to Loans and advances to customers and Amounts due from banks		
	Q1 2009	Q4 2008
As per reclassification date		
Fair value	22,828	1,594
Range of effective interest rates (weighted average)	2.1%-11.7%	4.1%-21%
Expected recoverable cash flows	24,052	1,646
Unrealised fair value gains/losses in shareholders' equity (before tax)	-1,224	-69
Recognised fair value gains (losses) in shareholders' equity (before tax) between the beginning of the year in which the reclassification took place and the reclassification date	nil	-79
Recognised fair value gains (losses) in shareholders' equity (before tax) in the year prior to reclassification	-192	-20
Recognised impairment (before tax) between the beginning of the year in which the reclassification took place and the reclassification	nil	nil
Recognised impairment (before tax) in the year prior to reclassification	nil	nil

Notes to the Condensed consolidated interim accounts

Reclassifications to Loans and advances to customers and Amounts due from banks – Q1 2009

	30 September 2015	31 December 2014	31 December 2013	31 December 2012	31 December 2011	31 December 2010	31 December 2009
Impact on the period/years after reclassification							
Carrying value as at	4,138	5,936	7,461	8,707	14,419	16,906	20,551
Fair value as at	4,074	5,982	7,215	8,379	13,250	16,099	20,175
Unrealised fair value gains/losses recognised in shareholders' equity (before tax) as at	-73	-98	-137	-221	-446	-633	-902
Effect on shareholders' equity (before tax) if reclassification had not been made	-64	46	-246	-328	-1,169	-807	-376
Effect on result (before tax) for the period/year if reclassification had not been made	nil	nil	nil	nil	nil	nil	nil
Effect on result (before tax) for the period/year (mainly interest income)	95	182	188	219	390	467	629
Effect on result (before tax) for the period/year (mainly sales results)	n.a	n.a	n.a	-383	n.a	n.a	n.a
Recognised impairments (before tax) for the period/year	nil	nil	nil	nil	nil	nil	nil
Recognised provision for credit losses (before tax) for the period/year	nil	nil	nil	nil	nil	nil	nil

The decrease in the carrying value of the reclassified Loans and advances in 2012 compared to 2011 was mainly due to disposals.

Notes to the Condensed consolidated interim accounts

Reclassifications to Loans and advances to customers and Amounts due from banks – Q4 2008

	30 September 2015	31 December 2014	31 December 2013	31 December 2012	31 December 2011	31 December 2010	31 December 2009	31 December 2008
Impact on the period/years after reclassification								
Carrying value as at	363	361	366	443	633	857	1,189	1,592
Fair value as at	418	426	422	512	648	889	1,184	1,565
Unrealised fair value gains/losses recognised in shareholders' equity (before tax) as at	nil	nil	nil	-2	-8	-65	-67	-79
Effect on shareholders' equity (before tax) if reclassification had not been made	55	65	56	69	15	32	-5	-27
Effect on result (before tax) for the period/year if reclassification had not been made	nil	nil	nil	nil	nil	nil	nil	nil
Effect on result (before tax) for the period/year (mainly interest income)	14	19	20	22	28	34	47	9
Effect on result (before tax) for the period/year (mainly sales results)	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Recognised impairments (before tax) for the period/year	nil	nil	nil	nil	nil	nil	nil	nil
Recognised provision for credit losses (before tax) for the period/year	nil	nil	nil	nil	nil	nil	nil	nil

4 Loans and advances to customers

Loans and advances to customers by type

	30 September 2015	31 December 2014 ⁽¹⁾
Loans to, or guaranteed by, public authorities	51,806	45,398
Loans secured by mortgages	297,595	299,445
Loans guaranteed by credit institutions	770	1,327
Personal lending	21,913	20,948
Asset backed securities	5,029	5,318
Corporate loans	162,224	151,031
	539,337	523,467
Loan loss provisions	-5,862	-5,989
	533,475	517,478

(1) Restated for comparison purposes.

Notes to the Condensed consolidated interim accounts

Changes in loan loss provisions						
	Banking operations		Insurance operations		Total	
	9 month period ended 30 September 2015	year ended 31 December 2014	9 month period ended 30 September 2015	year ended 31 December 2014	9 month period ended 30 September 2015	year ended 31 December 2014
Opening balance	5,995	6,154		88	5,995	6,242
Write-offs	-1,274	-1,729		-25	-1,274	-1,754
Recoveries	64	105			64	105
Increase in loan loss provisions	1,045	1,594			1,045	1,594
Exchange rate differences	13	36			13	36
Changes in the composition of the group and other changes	27	-165		-63	27	-228
Closing balance	5,870	5,995	-	0	5,870	5,995

In 2014, Changes in the composition of the group and other changes in loan loss provisions included EUR -73 million as a result of the classification of NN Group as held for sale and EUR -170 million related to the deconsolidation of ING Vysya. Reference is made to Note 25 'Other events'.

The loan loss provision relating to banking operations as at 30 September 2015 of EUR 5,870 million (31 December 2014: EUR 5,995 million) is presented in the balance sheet under Loans and advances to customers and Amounts due from banks for EUR 5,862 million (31 December 2014: EUR 5,989 million) and EUR 8 million (31 December 2014: EUR 6 million) respectively.

5 Investments in associates and joint ventures

Investments in associates and joint ventures						
	30 September 2015			31 December 2014		
	Interest held (%)	Fair value of listed investment	Balance sheet value	Interest held (%)	Fair value of listed investment	Balance sheet value
TMB Public Company Limited	30	780	686	30	961	670
Appia Group	30		44	30		35
Ontwikkelingscombinatie Overhoeks C.V. ⁽¹⁾				70		36
Ivy Retail SRL	50		35	50		33
Other investments in associates and joint ventures			188			179
			953			953

(1) Disposed in March 2015.

TMB Public Company Limited

TMB Public Company Limited ('TMB'), is a public listed retail bank in Thailand.

Other investments in associates and joint ventures

ING Group does not hold any interests in Investments in Associates and joint ventures that are individually significant to ING Group. Other investments in associates and joint ventures represents a large number of associates and joint ventures with an individual balance sheet value of less than EUR 25 million.

Notes to the Condensed consolidated interim accounts

6 Intangible assets

Intangible assets		
	30 September 2015	31 December 2014
Goodwill	955	1,061
Software	574	574
Other	17	20
	1,546	1,655

Goodwill

Goodwill is allocated to goodwill reporting units as follows:

Goodwill allocation to reporting units		
	30 September 2015	31 December 2014
Retail Belgium	50	50
Retail Germany	349	349
Retail Central Europe	532	638
Commercial Banking	24	24
	955	1,061

No goodwill impairment was recognised in the first nine months of 2015. Changes in the goodwill per reporting unit in the first nine months of 2015 are due to changes in currency exchange rates. In the first nine months of 2014, goodwill of EUR 103 million was written-off, as NN Group was expected to be sold below its carrying value. Reference is made to Note 17 'Discontinued operations'.

Goodwill impairment testing

Impairment reviews with respect to goodwill are performed at least annually and more frequently if events indicate that impairments may have occurred. Goodwill is tested for impairment at the lowest level at which it is monitored for internal management purposes. This level is defined as the so called 'reporting units' as set out above. Goodwill is tested for impairment by comparing the carrying value of the reporting unit to the best estimate of the recoverable amount of the reporting unit. The carrying value is determined as the IFRS-EU net asset value including goodwill. The recoverable amount is estimated as the higher of fair value less cost to sell and value in use. Several methodologies are applied to arrive at the best estimate of the recoverable amount. For further information on the accounting policies applied by ING Group, refer to the 2014 ING Group Consolidated Annual Accounts.

7 Assets and liabilities held for sale

Assets and liabilities held for sale includes disposal groups whose carrying amount will be recovered principally through a sale transaction rather than through continuing operations. This relates to businesses and other significant investments for which a sale is agreed upon but for which the transaction has not yet closed or a sale is highly probable at the balance sheet date but for which no sale has yet been agreed.

As at 30 September 2015, Assets held for sale relates to the investment of 25.76% in the associate NN Group which amounts to EUR 2,153 million. The investment in associate is presented as Assets held for sale and discontinued operations, because it is assessed highly probable that ING will dispose of NN Group within a year.

As at 31 December 2014, Assets and liabilities held for sale related mainly to NN Group, the associate ING Vysya and the available-for-sale investment Voya. As at 31 December 2014, the Investment in associate of 43% in ING Vysya amounted to EUR 704 million. As at 31 December 2014, the available-for-sale equity investment of 18.9% in Voya amounted to EUR 1,591 million.

Notes to the Condensed consolidated interim accounts

Assets held for sale		
	30 September 2015	31 December 2014
Cash and balances with central banks		6,239
Financial assets at fair value through profit and loss		49,438
Investments		73,868
Loans and advances to customers		27,530
Reinsurance contracts		241
Investments in associates and joint ventures	2,153	2,244
Real estate investments		1,104
Intangible assets		17
Deferred acquisition costs		1,403
Other assets		3,448
	2,153	165,532

Liabilities held for sale		
	30 September 2015	31 December 2014
Other borrowed funds		7,341
Insurance and investments contracts		119,237
Amounts due to banks		56
Customer deposits and other funds on deposit		5,911
Financial liabilities at fair value through profit and loss		3,100
Other liabilities		6,487
	–	142,132

Included in Shareholders' equity is cumulative other comprehensive income of nil (31 December 2014: EUR 5,987 million) related to Assets and liabilities held for sale.

In the first nine months of 2015, Assets and liabilities held for sale decreased by EUR 163.4 billion and EUR 142.1 billion respectively. The decrease is related to:

- › divestment of Voya in March 2015, reducing ING Group's stake from 18.9% at 31 December 2014 to zero;
- › completion of the merger of ING Vysya Bank and Kotak Mahindra Bank in April 2015, resulting in derecognition of the share held in ING Vysya and recognition of the investment in Kotak as an available-for-sale equity investment; and
- › further divestment of ING Group's stake in NN Group, resulting in loss of control of and deconsolidation of NN Group in May 2015, after which the retained stake in NN Group is accounted for as an Investment in associate held for sale and measured at the lower of the carrying amount and the fair value less cost to sell.

Reference is made to Note 3 'Investments', Note 14 'Other income', Note 17 'Discontinued operations', and Note 25 'Other events'.

Reference is made to the 2014 ING Group Consolidated Annual Accounts for information on the fair value measurement and fair value hierarchy of financial assets and liabilities presented as held for sale as at 31 December 2014.

Notes to the Condensed consolidated interim accounts

8 Other assets

Other assets by type		
	30 September 2015	31 December 2014
Net defined benefit assets	636	589
Deferred tax assets	924	1,145
Property development and obtained from foreclosures	300	405
Income tax receivable	237	289
Accrued interest and rents	6,043	6,848
Other accrued assets	682	555
Other	5,334	4,135
	14,156	13,966

Other assets – Other includes EUR 995 million related to the sale of ordinary shares in NN Group on 30 September 2015. The transaction was settled on 5 October 2015. The remainder of the balance relates mainly to transactions still to be settled at balance sheet date.

9 Equity

Total equity		
	30 September 2015	31 December 2014
Share capital	928	925
Share premium	16,054	16,046
Revaluation reserve	4,202	11,021
Currency translation reserve	-832	-741
Net defined benefit asset/liability remeasurement reserve	-316	-504
Other reserves	25,986	23,677
Shareholders' equity (parent)	46,022	50,424
Minority interests	619	8,072
Total equity	46,641	58,496

Share capital

In the first nine months of 2015, the increase in Share capital resulted from ING Groep N.V. issuing 11.0 million (depository receipts for) ordinary shares for share-based employee incentive programmes.

Share premium

In the first nine months of 2015, Share premium increased with EUR 8 million as a result of issuance of ordinary shares for share-based employee incentive programmes.

Revaluation reserve

In the first nine months of 2015, the decrease in the Revaluation reserve relates mainly to the divestment and deconsolidation of NN Group. Reference is made to Note 25 'Other events'.

Net defined benefit asset/liability remeasurement reserve

In the first nine months of 2015, the change in the Net defined benefit asset/liability remeasurement reserve relates mainly to the deconsolidation of NN Group. Reference is made to Note 20 'Pension and other post-employment benefits'.

Notes to the Condensed consolidated interim accounts

Other reserves

The change in Other reserves includes EUR 4,192 million comprising the net result for the first nine months of 2015 which was partly offset by a dividend payment of EUR 1,393 million. Reference is made to Note 7 'Assets and liabilities held for sale', Note 17 'Discontinued operations' and Note 25 'Other events'.

Minority interest

Minority interest decreased with EUR 7,453 million, mainly due to the deconsolidation of NN Group. Reference is made to Note 25 'Other events'.

The proportional interest held and key information on NN Group for the first nine months of 2015 are included in the tables below.

NN Group N.V. - Profit and loss account						
for the 9 month period ended 30 September 2015	Interest held (%)	Total income from continuing operations	Total expenses from continuing operations	Net result from dis- continued operations	Net result ⁽³⁾	Minority interests
NN Group - total ⁽¹⁾	100.00	6,764	6,041	0	723	
ING Group's share ⁽²⁾	54.77				390	333

(1) NN Group profit and loss account, until deconsolidation on 29 May 2015.

(2) ING Group's share of NN Group profit and loss account, until deconsolidation on 29 May 2015.

(3) Net result, excluding NN Group's minority interest.

NN Group N.V. - Comprehensive income				
for the 9 month period ended 30 September 2015	Interest held (%)		Com- prehensive income	Minority interests
NN Group - total ⁽¹⁾	100.00		1,718	
ING Group's share ⁽²⁾	54.77		941	777

(1) NN Group comprehensive income, until deconsolidation on 29 May 2015.

(2) ING Group's share of NN Group comprehensive income, until deconsolidation on 29 May 2015.

NN Group N.V. - Balance sheet					
as at 31 December 2014	Interest held (%)	Total assets	Total liabilities	Total equity	Minority interests
NN Group - total	100.00	165,481	144,064	21,417	
ING Group's share	68.14			13,870	7,547

NN Group N.V. - Profit and loss account						
for the year ended 31 December 2014	Interest held (%)	Total income from continuing operations	Total expenses from continuing operations	Net result from dis- continued operations	Net result	Minority interests
NN Group - total	100.00	13,545	12,918	-16	611	
ING Group's share	68.14				416	195

Notes to the Condensed consolidated interim accounts

NN Group N.V. - Comprehensive income

for the year ended 31 December 2014	Interest held (%)	Com- prehensive income	Minority interests
NN Group - total	100.00	5,698	
ING Group's share	68.14	3,883	1,815

For the first nine months of 2015, Total income and Total expenses of NN Group, to which the minority interest in NN Group related, are all presented in the Condensed consolidated profit and loss account in the line 'Net result from discontinued operations'.

As per 31 December 2014, Total assets and Total liabilities of NN Group as presented above, to which the minority interest in NN Group related, are all presented in the Condensed consolidated balance sheet in Assets held for sale and Liabilities held for sale. Total income and Total expenses of NN Group, to which the minority interest in NN Group related, are all presented in the Condensed consolidated profit and loss account in the line 'Net result from discontinued operations'.

10 Subordinated loans, Debt securities in issue and Other borrowed funds

Subordinated loans

The increase in the first nine months of 2015 of EUR 0.6 billion, includes an issue of EUR 2.04 billion (USD 2.25 billion) securities that qualify as Additional Tier 1 under CRD IV/CRR. The issuance was in the form of USD denominated Perpetual Additional Tier 1 Contingent Convertible Capital Securities and comprised two separate tranches: a USD 1 billion Perpetual Non-Callable 5 Year with coupon 6.0%; and a USD 1.25 billion Perpetual Non-Callable 10 Year with coupon 6.5%. The securities are subject to full conversion into ordinary shares of ING Group in the event that ING Group's phased-in CET1 ratio would fall below 7.0%.

This increase was offset by the exchange of the second tranche of EUR 337.5 million mandatorily exchangeable subordinated notes from the Anchor investors into 13.6 million NN Group ordinary shares. Reference is made to Note 12 'Other liabilities' and Note 25 'Other events'.

In addition to this, the USD 1.5 billion 7.375% Perpetual Hybrid Capital Securities, with a value of EUR 1.36 billion, were redeemed on 15 July 2015.

Debt securities in issue

The decrease in Debt securities in issue of EUR 0.9 billion in the first nine months of 2015 is mainly attributable to a decrease in covered bonds of EUR 1.7 billion, a decrease in senior unsecured bonds of EUR 1.1 billion and a decrease of EUR 0.9 billion in certificates of deposits due to reduced funding requirements. These were offset by an increase in commercial paper of EUR 2.7 billion largely driven by the depreciation of the Euro against the US Dollar.

Other borrowed funds

Other borrowed funds decreased by EUR 2 billion in the first nine months of 2015 due to matured loans.

11 Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss

	30 September 2015	31 December 2014
Trading liabilities	95,903	97,091
Non-trading derivatives	4,623	6,040
Designated as at fair value through profit and loss	12,168	13,551
	112,694	116,682

Notes to the Condensed consolidated interim accounts

The change in the fair value of financial liabilities designated as at fair value through profit and loss attributable to changes in credit risk in the first nine months of 2015 includes EUR 184 million (first nine months of 2014: EUR –91 million; entire year 2014: EUR –98 million) and EUR –99 million (31 December 2014: EUR –282 million) on a cumulative basis. This change has been determined as the amount of change in fair value of the financial liability that is not attributable to changes in market conditions that gave rise to market risk (i.e. market interest rate risk based on yield curves). Reference is made to Note 2 'Financial assets at fair value through profit and loss'.

12 Other liabilities

Other liabilities by type		
	30 September 2015	31 December 2014
Deferred tax liabilities	579	860
Income tax payable	736	450
Net defined benefit liability ⁽¹⁾	525	676
Other post-employment benefits	107	101
Other staff-related liabilities	354	408
Other taxation and social security contributions	540	584
Accrued interest	4,727	5,742
Costs payable	1,919	1,645
Reorganisation provisions	592	728
Other provisions	239	289
Share-based payment plan liabilities	27	26
Amounts to be settled	2,313	2,475
Other	3,392	3,182
	16,050	17,166

(1) Reference is made to Note 20 'Pension and other post-employment benefits'.

The change in Other liabilities – Other includes EUR –1,001 million as a result of the utilisation of the provision related to the mandatorily exchangeable subordinated notes from the Anchor investors. The remainder of the balance relates to period-end accruals in the normal course of business.

Reference is made to Note 10 'Subordinated loans, Debt securities in issue and Other borrowed funds' and Note 25 'Other events'.

Notes to the Condensed consolidated interim accounts

Notes to the Condensed consolidated profit and loss account

13 Investment income

Investment income for Banking and Legacy Insurance												
	Banking operations		Legacy Insurance		3 month period 1 July to 30 September		Banking operations		Legacy Insurance		9 month period 1 January to 30 September	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income from real estate investments	1	1			1	1	3	5			3	5
Dividend income	56	27			56	27	62	35			62	35
Realised gains/losses on disposal of debt securities	14	47			14	47	122	135			122	135
Impairments of available-for-sale debt securities	-8				-8		-8				-8	
Reversal of impairments of available-for-sale debt securities								1				1
Realised gains/losses on disposal of equity securities	2	4		2	2	6	57	14		34	57	48
Impairments of available-for-sale equity securities	-72	-2			-72	-2	-110	-3			-110	-3
	-7	77	-	2	-7	79	126	187	-	34	126	221

Impairments and reversals of some impairments on investments are presented within Investment income, which is part of Total income.

In the third quarter of 2015, investment income includes impairments of EUR 79 million related to Commercial Banking and EUR 1 million related to Retail Belgium (third quarter of 2014: EUR -2 million in Commercial Banking).

In the first nine months of 2015, investment income includes impairments of EUR 115 million and EUR 3 million related to segments Commercial Banking and Retail Belgium respectively (first nine months of 2014: impairments of EUR -3 million and reversals of EUR 1 million each in Commercial Banking).

In the first nine months of 2015, there were no reversals of impairments.

14 Other income

Other income for Banking and Legacy Insurance												
	Banking operations		Legacy Insurance		3 month period 1 July to 30 September		Banking operations		Legacy Insurance		9 month period 1 January to 30 September	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Result on disposal of group companies							1	195			1	195
Valuation results on non-trading derivatives	-87	-149	-88	43	-175	-106	175	-192	-70	34	105	-158
Net trading income	355	245	-2	3	353	248	934	508	18	2	952	510
Result from associates and joint ventures	43	35			43	35	457	78	-3	56	454	134
Other	35	26		-6	35	20	52	52		-6	52	46
	346	157	-90	40	256	197	1,619	641	-55	86	1,564	727

Notes to the Condensed consolidated interim accounts

Result on disposal of group companies

In the first nine months of 2014, for the Banking operations, Result on disposal of group companies included EUR 202 million profit on the deconsolidation of ING Vysya. Reference is made to Note 25 'Other events'.

Valuation results on non-trading derivatives

In the third quarter of 2015, for the Banking operations, Valuation results on non-trading derivatives includes DVA adjustments on own issued notes designated at fair value, amounting to EUR 81 million (third quarter of 2014: EUR -17 million).

In the third quarter of 2015, for Legacy Insurance, Valuation results on non-trading derivatives includes EUR -85 million (third quarter of 2014: EUR 43 million) related to warrants on the shares of Voya and EUR -3 million related to the warrants on the shares of NN Group.

In the first nine months of 2015, for the Banking operations, Valuation results on non-trading derivatives includes DVA adjustments on own issued notes designated at fair value, amounting to EUR 184 million (first nine months of 2014: EUR -91 million).

In the first nine months of 2015, for Legacy Insurance, Valuation results on non-trading derivatives includes EUR -62 million (first nine months of 2014: EUR 34 million) related to warrants on the shares of Voya and EUR -8 million related to the warrants on the shares of NN Group. Reference is made to Note 2 'Financial assets at fair value through profit and loss', Note 7 'Assets and liabilities held for sale', Note 17 'Discontinued operations' and Note 25 'Other events'.

Included in the Valuation results on non-trading derivatives are the fair value movements on derivatives used to economically hedge exposures, but for which no hedge accounting is applied. Valuation results on non-trading derivatives are reflected in the Condensed consolidated statement of cash flows in the line 'Result before tax - Adjusted for: other'.

Net trading income

In the third quarter of 2015, for the Banking operations, Net trading income includes EUR -35 million CVA/DVA adjustments on trading derivatives, compared with EUR -59 million CVA/DVA adjustment in the third quarter of 2014.

In the first nine months of 2015, for the Banking operations, Net trading income includes EUR 84 million CVA/DVA adjustments on trading derivatives, compared with EUR -89 million CVA/DVA adjustment in the first nine months of 2014.

Trading income mainly relates to trading assets and trading liabilities which include mainly assets and liabilities that are classified under IFRS-EU as 'Trading' but are closely related to servicing the needs of the clients of ING Group. ING Bank offers institutional and corporate clients and governments products that are traded on the financial markets. A significant part of the derivatives in the trading portfolio are related to servicing corporate clients in their risk management to hedge for example currency or interest rate exposures. In addition, ING Bank provides its customers access to equity and debt markets for issuing their own equity or debt securities ('securities underwriting'). Although these are presented as 'Trading' under IFRS-EU, these are related to services to ING's customers. Loans and receivables in the trading portfolio mainly relate to (reverse) repurchase agreements, which are comparable to collateralised borrowing (lending). These products are used by ING Bank as part of its own regular treasury activities, but also relate to the role that ING Bank plays as intermediary between different professional customers. Trading assets and liabilities held for ING's own risk are very limited. From a risk perspective, the gross amount of trading assets must be considered together with the gross amount of trading liabilities, which are presented separately on the balance sheet. However, IFRS-EU does not allow offsetting of these positions in the balance sheet. Reference is made to Note 2 'Financial assets at fair value through profit and loss' and Note 11 'Financial liabilities at fair value through profit and loss' for information on trading assets and liabilities.

Notes to the Condensed consolidated interim accounts

Result from associates and joint ventures

In the first nine months of 2015, for Banking operations, Results from associates and joint ventures includes a gain of EUR 367 million from the merger of ING Vysya Bank with Kotak Mahindra Bank ('Kotak') and a gain on sale of Ontwikkelingscombinatie Overhoeks C.V in the first quarter of 2015 of EUR 5 million. Reference is made to Note 3 'Investments', Note 5 'Investments in associates and joint ventures and Note 25 'Other events'.

In the first nine months of 2014, for Legacy Insurance, Result from associates and joint ventures included a gain of EUR 56 million on the sale of ING's investment in SulAmérica S.A. Reference is made to Note 3 'Investments'.

15 Staff expenses

Staff expenses	3 month period 1 July to 30 September		9 month period 1 January to 30 September	
	2015	2014	2015	2014
Salaries	773	769	2,397	2,356
Pension costs	88	89	266	1,132
Other staff-related benefit costs	-2	6	-6	21
Social security costs	125	126	388	387
Share-based compensation arrangements	10	19	63	42
External employees	159	153	474	473
Education	14	12	46	40
Other staff costs	47	38	135	119
	1,214	1,212	3,763	4,570

In the first nine months of 2014, a charge of EUR 871 million was recognised in Pensions costs related to the Dutch defined benefit plan settlement. Reference is made to Note 20 'Pension and other post-employment benefits' for information on pensions.

16 Other operating expenses

Other operating expenses for Banking and Legacy Insurance												
	Banking operations		Legacy Insurance		3 month period 1 July to 30 September		Banking operations		Legacy Insurance		9 month period 1 January to 30 September	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Depreciation of property and equipment	80	79			80	79	238	241			238	241
Amortisation of software	67	58			67	58	199	171			199	171
Computer costs	193	176			193	176	561	514			561	514
Office expenses	164	150			164	150	473	461			473	461
Travel and accommodation expenses	41	34			41	34	122	106			122	106
Advertising and public relations	102	99			102	99	305	302			305	302
External advisory services	70	52			70	52	186	153			186	153
Postal charges	12	15			12	15	41	47			41	47
Addition/(releases) of provision for reorganisations and relocations	28	48			28	48	43	66			43	66
Intangible amortisation and (reversals of) impairments	-3	19			-3	19	17	59			17	59
Other	298	315			298	315	818	952	-25		818	927
	1,052	1,045	-	-	1,052	1,045	3,003	3,072	-	-25	3,003	3,047

Notes to the Condensed consolidated interim accounts

In the third quarter of 2015, Intangible amortisation and (reversals) of impairments include no (third quarter of 2014: EUR 6 million) impairment losses recognised on Property development relating to real estate development projects and properties obtained from foreclosures.

In the third quarter of 2015, Intangible amortisation and (reversals) of impairments include EUR –3 million (third quarter of 2014: EUR –1 million) reversal of impairment on property in own use.

In the first nine months of 2015, EUR 8 million (first nine months of 2014: EUR 21 million) impairment losses were recognised on Property development relating to real estate development projects and properties obtained from foreclosures and EUR 5 million (first nine months of 2014: EUR 28 million) impairment losses on Property and equipment.

The nationalisation of SNS Reaal in 2013 had as a consequence, a one-time levy of EUR 1 billion to be paid by ING Bank and other Dutch banks. For ING, this resulted in a total charge of EUR 304 million in 2014. In accordance with the relevant legislation, the levy was charged in three equal instalments. In the first nine months of 2014, the total charge of EUR 304 million was recognised in the line Other operating expenses – Other.

17 Discontinued operations

In the first nine months of 2015 and 2014, Total net result from discontinued operations comprises the results from NN Group and Voya.

Total net result from discontinued operations (before minority interests)				
	3 month period 1 July to 30 September		9 month period 1 January to 30 September	
	2015	2014	2015	2014
NN Group	59	371	793	389
Voya		1		138
Net result from discontinued operations	59	372	793	527
NN Group		-591	3	-591
Voya				
Net result from classification as discontinued operations	-	-591	3	-591
NN Group	17		-240	
Voya		40	323	-1,984
Net result from disposal of discontinued operations ⁽¹⁾	17	40	83	-1,984
NN Group	76	-220	556	-202
Voya		41	323	-1,846
Total net result from discontinued operations (before minority interests)	76	-179	879	-2,048

(1) The tax effect on the result on disposal of discontinued operations for the first nine months of 2015 is nil (first nine months of 2014: EUR 114 million).

Net result from discontinued operations

Net result from discontinued operations comprises the total net result (after tax) of the businesses classified as discontinued operations and is presented separately in the profit and loss account.

In the third quarter of 2015, Net result from discontinued operations comprises a dividend of EUR 59 million received from NN Group.

In May 2015, ING Group sold a further 45 million ordinary shares of NN Group. The transaction reduced the ownership of ING Group in NN Group to 42.43%, resulting in ING Group losing control over NN Group. The profit and loss of ING Group includes, in the line 'Net result from discontinued operations', the net result of NN Group until deconsolidation on 29 May 2015.

Notes to the Condensed consolidated interim accounts

In March 2014, a further sale of Voya shares reduced ING Group's interest in Voya to 43.2%. This share sale resulted in loss of control and deconsolidation of Voya by ING Group. The profit and loss account of the first quarter of 2014 included the result of Voya until the deconsolidation at the end of March 2014.

Reference is made to Note 25 'Other events'.

Net result from discontinued operations	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
	2015 ⁽¹⁾	2014 ⁽²⁾	2015 ⁽¹⁾	2014 ⁽²⁾
Total income	59	3,076	6,815	15,004
Total expenses		2,618	5,879	14,292
Result before tax from discontinued operations	59	458	936	712
Taxation		86	143	185
Net result from discontinued operations	59	372	793	527

(1) NN Group

(2) NN Group and Voya

Net result from classification as discontinued operations

In 2015, Net result from classification as discontinued operations comprises the impact on the profit and loss account of the change in non-current non-financial assets of NN Group presented as assets and liabilities held for sale, prior to deconsolidation on 29 May 2015.

In September 2014, NN Group was classified as held for sale and discontinued operations. Upon classification, the carrying amount of the disposal group (or group of assets) was compared to NN Group's fair value less cost to sell. The fair value less cost to sell was lower than the carrying value of the disposal group and as a result goodwill and certain other non-current non-financial assets of EUR 103 million and EUR 488 million respectively were written-off in the first nine months of 2014, as the sale of NN Group was expected to be below the carrying value. Reference is made to Note 25 'Other events'.

Net result from disposal of discontinued operations

In the third quarter of 2015, Net result from disposal of discontinued operations mainly comprises a loss of EUR 15 million on the further divestments of ING Group's interest in NN Group in September 2015, offset by the reversal of the impairment of EUR 33 million recognised in the second quarter on the remaining stake in NN Group.

In the first nine months of 2015, Net result from disposal of discontinued operations includes mainly a profit of EUR 323 million on the final divestment of Voya in March 2015 to reduce ING Group's stake in Voya from 18.9% (at 31 December 2014) to zero, a loss of EUR 223 million as a result of the sale and deconsolidation of NN Group on 29 May 2015 and a loss of EUR 15 million on the further divestments of ING Group's interest in NN Group in September 2015.

In the first nine months of 2014, Net result from disposal of discontinued operations includes the divestment loss of EUR -1,965 million on the further sale of Voya.

Reference is made to Note 25 'Other events'.

Notes to the Condensed consolidated interim accounts

Cash flows from discontinued operations

The net cash flow from discontinued operations was as follows:

Net cash flows from discontinued operations	9 month period 1 January to 30 September	
	2015 ⁽¹⁾	2014 ⁽²⁾
Operating cash flow	-1,409	-3,384
Investing cash flow	2,619	-1,576
Financing cash flow	526	1,087
Net cash flow	1,736	-3,873

(1) NN Group

(2) NN Group and Voya

Sales proceeds in the first nine months of 2015 are not included in the table above, but are included in the Condensed consolidated statement of cash flows as follows:

- › Sales proceeds of EUR 1 billion from the sale of NN Group shares in February 2015 is included in 'Net cash flow from financing activities – Proceeds from divestment of NN Group';
- › Sales proceeds of EUR 1.8 billion from the divestment of Voya in March 2015 is included in 'Net cash flow from investing activities – Disposals and redemptions: available-for-sale investments'; and
- › Sales proceeds of EUR 1 billion from sale of shares of NN Group resulting in loss of control on 29 May 2015 is included in 'Net cash flow from investing activities – Disposals and redemptions: group companies'.

The exchange of the second tranche of EUR 337.5 million mandatorily exchangeable subordinated notes from the Anchor investors into NN Group ordinary shares, in June 2015, comprised a non-cash transaction.

Sales proceeds in the first nine months of 2014 are not included in the table above, but are included in the Condensed consolidated statement of cash flows as follows:

- › Sales proceeds of EUR 1 billion from the sale of Voya shares which resulted in loss of control in the first quarter of 2014 is included in 'Net cash flow from investing activities – Disposals and redemptions: group companies';
- › Proceeds of EUR 1.7 billion from the IPO of NN Group in July 2014, included in 'Net cash flow from financing activities – Proceeds of IPO NN Group' and
- › Sales proceeds of EUR 0.9 billion from the sale of Voya shares in September 2014, reducing the stake of ING Group in the investment in associate to 32.5%, included in 'Net cash flow from investing activities – Disposals and redemptions: associates and joint ventures';

Notes to the Condensed consolidated interim accounts

18 Earnings per ordinary share

Earnings per ordinary share						
	Amount (in EUR million)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in EUR)	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
3 month period	2015	2014	2015	2014	2015	2014
Net result	1,064	928	3,868.0	3,854.5		
Basic earnings	1,064	928	3,868.0	3,854.5	0.28	0.24
Effect of dilutive instruments:						
Stock option and share plans			5.7	7.6		
			5.7	7.6		
Diluted earnings	1,064	928	3,873.7	3,862.1	0.28	0.24

Dilutive instruments

Diluted earnings per share is calculated as if the stock options and share plans outstanding at the end of the period had been exercised at the beginning of the period and assuming that the cash received from exercised stock options and share plans is used to buy own shares against the average market price during the period. The net increase in the number of shares resulting from exercising stock options and share plans is added to the average number of shares used for the calculation of diluted earnings per share.

The potential conversion of the non-voting equity securities had an anti-dilutive effect on the earnings per share calculation in 2014 (the diluted earnings per share becoming higher or less negative than the basic earnings per share). Therefore, the potential conversion was not taken into account in the calculation of diluted earnings per share for these periods.

Earnings per ordinary share from continuing operations						
	Amount (in EUR million)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in EUR)	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
3 month period	2015	2014	2015	2014	2015	2014
Basic earnings	1,064	928	3,868.0	3,854.5		
Less: Total net result from discontinued operations	76	-118				
Basic earnings from continuing operations	988	1,046	3,868.0	3,854.5	0.26	0.27
Effect of dilutive instruments:						
Stock option and share plans			5.7	7.6		
			5.7	7.6		
Diluted earnings from continuing operations	988	1,046	3,873.7	3,862.1	0.26	0.27

Notes to the Condensed consolidated interim accounts

Earnings per ordinary share from discontinued operations						
	Amount (in EUR million)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in EUR)	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
3 month period	2015	2014	2015	2014	2015	2014
Net result from discontinued operations	59	245				
Net result from classification as discontinued operations		-403				
Net result from disposal of discontinued operations	17	40				
Total net result from discontinued operations	76	-118	3,868.0	3,854.5		
Basic earnings from discontinued operations	76	-118	3,868.0	3,854.5	0.02	-0.03
Effect of dilutive instruments:						
Stock option and share plans			5.7	7.6		
			5.7	7.6		
Diluted earnings from discontinued operations	76	-118	3,873.7	3,862.1	0.02	-0.03

Earnings per ordinary share						
	Amount (in EUR million)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in EUR)	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
9 month period	2015	2014	2015	2014	2015	2014
Net result	4,192	75	3,863.4	3,847.4		
Attribution to non-voting equity securities		-408				
Basic earnings	4,192	-333	3,863.4	3,847.4	1.09	-0.08
Effect of dilutive instruments:						
Stock option and share plans			5.7	7.6		
			5.7	7.6		
Diluted earnings	4,192	-333	3,869.1	3,855.0	1.08	-0.08

Attribution to non-voting equity securities

The attribution in the first nine months of 2014 includes the premium of EUR 408 million paid in relation to the repayment of the EUR 817 million non-voting equity securities.

Until the repayment of the final tranche in November 2014, the attribution to non-voting equity securities also represented the amount that would have been payable on the non-voting equity securities if and when the entire net result for the period would have been distributed as dividend. This amount was only included for the purpose of determining earnings per share under IFRS-EU and did not represent a payment (neither actual nor proposed) to the holders of the non-voting equity securities.

Notes to the Condensed consolidated interim accounts

Earnings per ordinary share from continuing operations

	Amount (in EUR million)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in EUR)	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
9 month period	2015	2014	2015	2014	2015	2014
Basic earnings	4,192	-333	3,863.4	3,847.4		
Less: Total net result from discontinued operations	545	-2,050				
Basic earnings from continuing operations	3,647	1,717	3,863.4	3,847.4	0.95	0.45
Effect of dilutive instruments:						
Stock option and share plans			5.7	7.6		
			5.7	7.6		
Diluted earnings from continuing operations	3,647	1,717	3,869.1	3,855.0	0.94	0.45

Earnings per ordinary share from discontinued operations

	Amount (in EUR million)		Weighted average number of ordinary shares outstanding during the period (in millions)		Per ordinary share (in EUR)	
	1 January to 30 September		1 January to 30 September		1 January to 30 September	
9 month period	2015	2014	2015	2014	2015	2014
Net result from discontinued operations	460	337				
Net result from classification as discontinued operations	2	-403				
Net result from disposal of discontinued operations	83	-1,984				
Total net result from discontinued operations	545	-2,050	3,863.4	3,847.4		
Basic earnings from discontinued operations	545	-2,050	3,863.4	3,847.4	0.14	-0.53
Effect of dilutive instruments:						
Stock option and share plans			5.7	7.6		
			5.7	7.6		
Diluted earnings from discontinued operations	545	-2,050	3,869.1	3,855.0	0.14	-0.53

19 Dividend per ordinary share

Dividends to shareholders of the parent

	Per ordinary share (in EUR)	Total (in EUR million)
Dividends on ordinary shares:		
In respect of 2014		
- Final dividend, paid in cash in May 2015	0.12	464
In respect of 2015		
- Interim dividend, paid in cash in August 2015	0.24	929

No dividend was paid in the first nine months of 2014.

Notes to the Condensed consolidated interim accounts

20 Pension and other post-employment benefits

In 2014, ING reached final agreement with the trade unions, the ING Pension Fund, the Central Works Council and the Association of Retired ING Employees (VSI) to transfer all future funding and indexation obligations under ING's closed defined benefit plan in the Netherlands to the Dutch ING Pension Fund. The agreement made the ING Pension Fund financially independent from ING.

The key elements of the agreement are:

- › Responsibility for future indexation and funding thereof is transferred to the Dutch ING Pension Fund;
- › ING's obligation to restore the coverage ratio of the Dutch ING Pension Fund ceased;
- › The cross guarantees between ING Bank and NN Group to jointly and severally fund the obligations of the Dutch ING Pension Fund are terminated;
- › ING paid EUR 549 million (before tax) to the Dutch ING Pension Fund for the removal of these obligations; and
- › ING will reduce the employees' own contribution to the pension premium under the new defined contribution plan by approximately EUR 80 million over a 6 year period.

As part of the agreement, ING Bank and NN Group are released from all financial obligations arising out of the Dutch defined benefit plan. Accordingly, this plan is no longer accounted for as a defined benefit plan and consequently, it has been removed from ING's balance sheet in 2014. In 2014, the removal of the net pension asset related to the Dutch defined benefit pension fund from ING's balance sheet of EUR 770 million (EUR 578 million after tax), the payment to the Dutch ING Pension Fund of EUR 549 million (EUR 412 million after tax), the compensation for lower employee contribution of EUR 80 million (EUR 60 million after tax) and other impacts resulted in a charge in the first quarter of 2014 of EUR 1,413 million (EUR 1,059 million after tax). EUR 871 million (EUR 653 million after tax) of this charge was allocated to ING Bank and EUR 542 million (EUR 406 million after tax) was allocated to NN Group.

Balance sheet - Net defined benefit asset/liability

Summary of net defined benefit asset/liability		
	30 September 2015	31 December 2014
Fair value of plan assets	3,168	2,703
Defined benefit obligation	3,057	2,790
Funded status (Net defined benefit asset/(liability))	111	-87
Presented as:		
- Other assets	636	589
- Other liabilities	-525	-676
	111	-87

Notes to the Condensed consolidated interim accounts

Changes in the fair value of plan assets for the period were as follows:

Changes in fair value of plan assets		
	9 month period ended 30 September 2015	year ended 31 December 2014
Opening balance	2,703	21,621
Interest income	64	203
Remeasurements: Return on plan assets excluding amounts included in interest income	327	1,201
Employer's contribution	30	861
Participants contributions	12	6
Benefits paid	-87	-197
Effect of curtailment or settlement		-21,050
Exchange rate differences	119	120
Changes in the composition of the group and other changes		-62
Closing balance	3,168	2,703

Effect of curtailment or settlement

In 2014, EUR -20,403 million was recognised in Effect of curtailment or settlement related to the Dutch defined benefit plan settlement as a result of the agreement that made the ING Pension Fund financially independent from ING.

Changes in composition of the group and other changes

In 2014, Changes in the composition of the group and other changes included EUR -47 million as a result of the deconsolidation of ING Vysya and EUR -22 million as a result of the classification of NN Group as held for sale. Reference is made to Note 25 'Other events'.

Changes in the present value of the defined benefit obligation for the period were as follows:

Changes in defined benefit obligation		
	9 month period ended 30 September 2015	year ended 31 December 2014
Opening balance	2,790	20,951
Current service cost	26	39
Interest cost	59	206
Remeasurements: Actuarial gains and losses arising from changes in demographic assumptions	-10	4
Remeasurements: Actuarial gains and losses arising from changes in financial assumptions	185	1,595
Participants' contributions	1	1
Benefits paid	-91	-204
Past service cost		-12
Effect of curtailment or settlement	1	-19,725
Exchange rate differences	95	103
Changes in the composition of the group and other changes	1	-168
Closing balance	3,057	2,790

Effect of curtailment or settlement

In 2014, EUR -19,079 million was recognised in Effect of curtailment or settlement related to the Dutch defined benefit plan settlement as a result of the agreement that made the ING Pension Fund financially independent from ING.

Notes to the Condensed consolidated interim accounts

Changes in composition of the group and other changes

In 2014, Changes in the composition of the group and other changes of the Defined benefit obligation included EUR –53 million related to the deconsolidation of ING Vysya and EUR –119 million related to the classification of NN Group as held for sale. Reference is made to Note 25 ‘Other events’.

Amounts recognised directly in Other comprehensive income (equity) were as follows:

Changes in the net defined benefit assets/liability remeasurement reserve		
	9 month period ended 30 September 2015	year ended 31 December 2014
Opening balance	–515	–3,802
Remeasurement of plan assets	–124	1,207
Actuarial gains and losses arising from changes in demographic assumptions	14	–4
Actuarial gains and losses arising from changes in financial assumptions	118	–1,682
Transfer to Other reserves	16	27
Taxation	–10	163
Total Other comprehensive income movement for the period/year	14	–289
Transfer to Other reserves (pension settlement)		3,434
Changes in the composition of the group and other changes	185	142
Closing balance	–316	–515

The change in the remeasurement of the net defined benefit asset/liability in the first nine months of 2015 is mainly a result of deconsolidation of NN Group and an increase in discount rates. The weighted average discount rate as at 30 September 2015 was 3.0% (31 December 2014: 2.5%). The change in this rate impacts both the Remeasurement of plan assets and Actuarial gains and losses arising from changes in financial assumptions.

The accumulated amount of remeasurements recognised directly in Other comprehensive income (equity) is EUR –518 million (EUR –316 million after tax) as at 30 September 2015 (31 December 2014: EUR –753 million; EUR –515 million after tax).

The amount of the remeasurement of the net defined benefit asset/liability in 2014 was mainly a result of the change in the high quality corporate bond rate.

In 2014, EUR 3,279 million was recognised in Transfer to Other reserves (pension settlement) related to the Dutch defined benefit plan settlement.

In 2014, Changes in composition of the group and other changes included EUR 143 million as a result of deconsolidation of Voya and nil as a result of classification of NN Group as held for sale. Reference is made to Note 25 ‘Other events’.

Notes to the Condensed consolidated interim accounts

Profit and loss account – Pension costs

Staff expenses - Pension costs	3 month period		9 month period	
	1 July to 30 September		1 January to 30 September	
	2015	2014	2015	2014
Current service cost	9	9	26	26
Past service cost		1		
Net interest cost	-4	3	-5	3
Effect of curtailment or settlement			1	871
Other		-1		
Defined benefit plans	5	12	22	900
Defined contribution plans	83	77	244	232
	88	89	266	1,132

Defined benefit plans

In the first nine months of 2014, a charge of EUR 871 million is recognised in Effect of curtailment or settlement related to the Dutch defined benefit plan settlement.

Defined contribution plans

Most group companies sponsor defined contribution pension plans. The assets of all ING Group's defined contribution plans are held in independently administered funds. Contributions are generally determined as a percentage of remuneration. These plans do not give rise to balance sheet provisions, other than relating to short-term timing differences included in other assets/liabilities.

Notes to the Condensed consolidated interim accounts

Segment reporting

21 Segments

a. General

ING Group's segments are based on the internal reporting structure by lines of business.

The following table specifies the segment and the main sources of income of each of the segments:

Specification of the main sources of income of each of the segments	
Segments of the Banking results	Main source of income
Retail Netherlands (Market Leaders)	Income from retail and private banking activities in the Netherlands, including the SME and mid-corporate segments. The main products offered are current and savings accounts, business lending, mortgages and other consumer lending in the Netherlands.
Retail Belgium (Market Leaders)	Income from retail and private banking activities in Belgium, including the SME and mid-corporate segments. The main products offered are similar to those in the Netherlands.
Retail Germany (Challengers and Growth Markets)	Income from retail and private banking activities in Germany. The main products offered are current and savings accounts, mortgages and other customer lending.
Retail Other (Challengers and Growth Markets)	Income from retail banking activities in the rest of the world, including the SME and mid-corporate segments in specific countries. The main products offered are similar to those in the Netherlands.
Commercial Banking	Income from wholesale banking activities (a full range of products is offered from cash management to corporate finance), real estate and lease.

In line with the segment reporting in the 2014 ING Group Consolidated Annual Accounts, the geographical segments for the Banking results have been included on page 49.

The Executive Board of ING Group and the Management Board of ING Bank set the performance targets, approve and monitor the budgets prepared by the business lines. Business lines formulate strategic, commercial and financial policy in conformity with the strategy and performance targets set by the Executive Board of ING Group and the Management Board of ING Bank.

The accounting policies of the segments are the same as those described in Note 1 'Accounting policies' of the 2014 ING Group Consolidated Annual Accounts. Transfer prices for inter-segment transactions are set at arm's length. Corporate expenses are allocated to business lines based on time spent by head office personnel, the relative number of staff, or on the basis of income, expenses and/or assets of the segment.

As of 1 January 2015, the segment Retail Rest of the World is renamed to Retail Other. In addition to this, the attribution of 'Underlying result' to segments is changed as follows:

- › 'Interest benefit on economic capital' is replaced by 'Interest benefit on total capital' resulting in a reallocation between Retail Banking, Commercial Banking and Corporate Line Banking in the line 'Interest result Banking operations';
- › ING Turkey, previously fully reported within Retail Banking, is now segmented to both Retail Banking and Commercial Banking; and
- › Bank Treasury (excluding isolated legacy costs recorded within Corporate Line) is now allocated to both Retail Banking and Commercial Banking. Previously, Bank Treasury was allocated to Retail and/or Commercial Banking on a country-by-country basis.

The presentation of previously reported underlying profit and loss figures has been restated to reflect the above changes.

ING Group evaluates the results of its banking segments using a financial performance measure called underlying result. Underlying result is derived by excluding from IFRS-EU the following: special items, the impact of divestments and Legacy Insurance.

Notes to the Condensed consolidated interim accounts

Special items include items of income or expense that are significant and arise from events or transactions that are clearly distinct from the ordinary operating activities. Disclosures on comparative periods also reflect the impact of current period's divestments. Legacy Insurance consists of the intercompany eliminations between ING Bank and NN Group until deconsolidation on 29 May 2015, the results from Insurance Other and the results from discontinued operations. Insurance Other reflects (former) insurance related activities that are not part of the discontinued operations of NN Group or Voya.

In 2014, ING Group's underlying result was adjusted in order to better reflect the performance of the Total banking business. Therefore, the remaining insurance activities (included in 'Insurance Other') as well as the intercompany eliminations between ING Bank and NN Group is no longer included as part of ING Group's underlying result.

Following the classification of NN Group as discontinued operations in 2014, the Insurance segments (Netherlands Life, Netherlands Non-Life, Insurance Europe, Japan Life, Investment Management, Other and Japan Closed Block VA) ceased to exist.

In addition to these segments, ING Group reconciles the total segment results to the total result of Banking using Corporate Line Banking. The Corporate Line Banking is a reflection of capital management activities and certain expenses that are not allocated to the banking businesses. ING Group applies a system of capital charging for its banking operations in order to create a comparable basis for the results of business units globally, irrespective of the business units' book equity and the currency they operate in.

Underlying result as presented below is a non-GAAP financial measure and is not a measure of financial performance under IFRS-EU. Because underlying result is not determined in accordance with IFRS-EU, underlying result as presented by ING may not be comparable to other similarly titled measures of performance of other companies. The underlying result of ING's segments is reconciled to the Net result as reported in the IFRS-EU Condensed consolidated profit and loss account below. The information presented in this note is in line with the information presented to the Executive and Management Boards.

This note does not provide information on the revenue specified to each product or service as this is not reported internally and is therefore not readily available.

Notes to the Condensed consolidated interim accounts

b. ING Group

ING Group Total					
3 month period	ING	Other	Total	Legacy	
1 July to 30 September 2015	Bank N.V.	Banking ⁽¹⁾	Banking	Insurance	Total
Underlying income					
- Net interest result - banking operations	3,174	-33	3,140		3,140
- Commission income	524		524		524
- Total investment and other income	344	-6	338		338
Total underlying income	4,041	-39	4,002		4,002
Underlying expenditure					
- Operating expenses	2,250	-3	2,247		2,247
- Addition to loan loss provision	261		261		261
Total underlying expenses	2,511	-3	2,508		2,508
Underlying result before taxation	1,531	-36	1,495		1,495
Taxation	390	-10	379		379
Minority interests	23		23		23
Underlying net result	1,118	-26	1,092		1,092
Divestments					
Special items	-15		-15		-15
Insurance Other ⁽²⁾				-90	-90
Net result IFRS-EU (continuing operations)	1,103	-26	1,078	-90	988
Total net result from discontinued operations NN Group				76	76
Net result IFRS-EU attributable to equity holder of the parent	1,103	-26	1,078	-14	1,064

(1) Comprises for the most part the funding charges of ING Groep N.V. (Holding).

(2) Insurance Other comprises mainly the net result relating to warrants on the shares of Voya Financial and NN Group.

Notes to the Condensed consolidated interim accounts

ING Group Total					
3 month period 1 July to 30 September 2014	ING Bank N.V.	Other Banking ⁽¹⁾	Total Banking	Legacy Insurance	Total
Underlying income					
- Net interest result - banking operations	3,207	-52	3,156		3,156
- Commission income	579		579		579
- Total investment and other income	186	22	208		208
Total underlying income	3,972	-30	3,942		3,942
Underlying expenditure					
- Operating expenses	2,124	10	2,134		2,134
- Addition to loan loss provision	322		322		322
Total underlying expenses	2,446	10	2,456		2,456
Underlying result before taxation	1,526	-39	1,486		1,486
Taxation	361	-12	349		349
Minority interests	14		14		14
Underlying net result	1,151	-28	1,123		1,123
Divestments					
Special items	-117		-117		-117
Intercompany eliminations between ING Bank and NN Group				-3	-3
Insurance Other ⁽²⁾				43	43
Net result IFRS-EU (continuing operations)	1,033	-28	1,006	40	1,046
Total net result from discontinued operations NN Group				-159	-159
Total net result from discontinued operations Voya				41	41
Net result IFRS-EU attributable to equity holder of the parent	1,033	-28	1,006	-79	928

(1) Comprised for the most part the funding charges of ING Groep N.V. (Holding).

(2) Insurance Other comprised mainly the net result relating to warrants on the shares of Voya Financial.

Reconciliation between Underlying and IFRS-EU income, expenses and net result						
	Income		Expenses		Net result ⁽¹⁾	
	1 July to 30 September		1 July to 30 September		1 July to 30 September	
3 month period	2015	2014	2015	2014	2015	2014
Underlying	4,002	3,942	2,508	2,456	1,092	1,123
Special items			19	123	-15	-117
Intercompany eliminations between ING Bank and NN Group		-4				-3
Insurance Other	-90	42			-90	43
IFRS-EU (continuing operations)	3,913	3,980	2,527	2,579	988	1,046
Total net result from discontinued operations					76	-118
Net result IFRS-EU attributable to equity holder of the parent					1,064	928

(1) Net result, after tax and minority interests.

Special items in the third quarter of 2015 include additional charges related to previously announced restructuring programmes in Retail Netherlands. Special items in the third quarter of 2014 include the third payment of the levy related to the SNS Reaal nationalisation and additional charges related to previously announced restructuring programmes in Retail Netherlands.

Reference is made to Note 17 'Discontinued operations' for information on Discontinued operations.

Notes to the Condensed consolidated interim accounts

ING Group Total					
9 month period 1 January to 30 September 2015	ING Bank N.V.	Other Banking ⁽¹⁾	Total Banking	Legacy Insurance	Total
Underlying income					
- Net interest result - banking operations	9,551	-133	9,418		9,418
- Commission income	1,713		1,713		1,713
- Total investment and other income	1,373	5	1,378		1,378
Total underlying income	12,637	-128	12,509		12,509
Underlying expenditure					
- Operating expenses	6,692	15	6,707		6,707
- Addition to loan loss provision	1,045		1,045		1,045
Total underlying expenses	7,737	15	7,752		7,752
Underlying result before taxation	4,900	-143	4,757		4,757
Taxation	1,330	-29	1,300		1,300
Minority interests	60		60		60
Underlying net result	3,511	-114	3,397		3,397
Divestments	367		367		367
Special items	-42		-42		-42
Intercompany eliminations between ING Bank and NN Group ⁽²⁾				-20	-20
Insurance Other ⁽³⁾				-55	-55
Net result IFRS-EU (continuing operations)	3,835	-114	3,721	-75	3,647
Total net result from discontinued operations NN Group				222	222
Total net result from discontinued operations Voya				323	323
Net result IFRS-EU attributable to equity holder of the parent	3,835	-114	3,721	470	4,192

(1) Comprises for the most part the funding charges of ING Groep N.V. (Holding).

(2) Intercompany eliminations between ING Bank and NN Group until deconsolidation on 29 May 2015.

(3) Insurance Other comprises mainly the net result relating to warrants on the shares of Voya Financial and NN Group.

Notes to the Condensed consolidated interim accounts

ING Group Total					
9 month period 1 January to 30 September 2014	ING Bank N.V.	Other Banking ⁽¹⁾	Total Banking	Legacy Insurance	Total
Underlying income					
- Net interest result - banking operations	9,352	-184	9,168		9,168
- Commission income	1,734		1,734		1,734
- Total investment and other income	607	32	639		639
Total underlying income	11,693	-152	11,541		11,541
Underlying expenditure					
- Operating expenses	6,392	15	6,407		6,407
- Addition to loan loss provision	1,194		1,194		1,194
Total underlying expenses	7,586	15	7,601		7,601
Underlying result before taxation	4,107	-167	3,940		3,940
Taxation	1,049	-44	1,005		1,005
Minority interests	59		59		59
Underlying net result	2,999	-123	2,876		2,876
Divestments	202		202		202
Special items	-1,002		-1,002		-1,002
Intercompany eliminations between ING Bank and NN Group				-43	-43
Insurance Other ⁽²⁾				93	93
Net result IFRS-EU (continuing operations)	2,199	-123	2,076	50	2,125
Total net result from discontinued operations NN Group				-161	-161
Total net result from discontinued operations Voya				-1,889	-1,889
Net result IFRS-EU attributable to equity holder of the parent	2,199	-123	2,076	-2,000	75

(1) Comprised for the most part the funding charges of ING Groep N.V. (Holding).

(2) Insurance Other comprised mainly the net result relating to warrants on the shares of Voya Financial and the net result on the sale of SulAmérica.

Reconciliation between Underlying and IFRS-EU income, expenses and net result						
9 month period	Income		Expenses		Net result ⁽¹⁾	
	1 January to 30 September 2015	1 January to 30 September 2014	1 January to 30 September 2015	1 January to 30 September 2014	1 January to 30 September 2015	1 January to 30 September 2014
Underlying	12,509	11,541	7,752	7,601	3,397	2,876
Divestments	367	202			367	202
Special items			56	1,235	-42	-1,002
Intercompany eliminations between ING Bank and NN Group	-28	-57	-1		-20	-43
Insurance Other	-58	108	4	7	-55	93
IFRS-EU (continuing operations)	12,790	11,794	7,811	8,843	3,647	2,125
Total net result from discontinued operations					545	-2,050
Net result IFRS-EU attributable to equity holder of the parent					4,192	75

(1) Net result, after tax and minority interests.

Divestments in the first nine months of 2015 mainly reflect the result from the merger between ING Vysya Bank and Kotak Mahindra Bank. Divestments in the first nine months of 2014 mainly reflect the result on the deconsolidation of ING Vysya and the result on the sale of a stake in SulAmérica S.A. to Swiss Re.

Notes to the Condensed consolidated interim accounts

Special items in the first nine months of 2015 comprise additional charges related to previously announced restructuring programmes in Retail Netherlands. Special items in the first nine months of 2014 include the impact (after tax) of the charges for making the Dutch Defined Benefit pension fund financially independent, the three levy payments related to the SNS Reaal nationalisation and additional charges related to previously announced restructuring programmes in Retail Netherlands.

Reference is made to Note 17 'Discontinued operations' for information on Discontinued operations.

c. Banking activities

Segments Banking							
3 month period 1 July to 30 September 2015	Retail Netherlands	Retail Belgium	Retail Germany	Retail Other	Commercial Banking	Corporate Line Banking	Total Banking
Underlying income							
- Net interest result	927	486	421	491	858	-42	3,140
- Commission income	133	86	31	61	217	-3	524
- Total investment and other income	30	68	12	79	154	-5	338
Total underlying income	1,090	639	464	630	1,229	-50	4,002
Underlying expenditure							
- Operating expenses	592	381	226	368	605	74	2,247
- Addition to loan loss provision	82	16	17	49	97		261
Total underlying expenses	673	397	244	417	702	74	2,508
Underlying result before taxation	416	242	220	214	527	-124	1,495
Taxation	102	39	70	50	122	-3	379
Minority interests		2	1	15	6		23
Underlying net result	315	201	150	148	400	-122	1,092
Special items	-15						-15
Net result IFRS-EU	300	201	150	148	400	-122	1,078

Segments Banking							
3 month period 1 July to 30 September 2014	Retail Netherlands	Retail Belgium	Retail Germany	Retail Other	Commercial Banking	Corporate Line Banking	Total Banking
Underlying income							
- Net interest result	954	503	404	445	921	-70	3,156
- Commission income	120	89	36	85	248		579
- Total investment and other income	18	56	-8	81	109	-49	208
Total underlying income	1,092	648	432	611	1,278	-119	3,942
Underlying expenditure							
- Operating expenses	577	363	202	365	558	70	2,134
- Addition to loan loss provision	180	44	19	44	35		322
Total underlying expenses	757	407	221	409	592	70	2,456
Underlying result before taxation	335	241	212	202	686	-188	1,486
Taxation	84	74	62	40	135	-47	349
Minority interests		-2		9	7		14
Underlying net result	251	169	149	153	544	-142	1,123
Special items	-16					-101	-117
Net result IFRS-EU	235	169	149	153	544	-243	1,006

Notes to the Condensed consolidated interim accounts

Segments Banking							
9 month period 1 January to 30 September 2015	Retail Netherlands	Retail Belgium	Retail Germany	Retail Other	Commercial Banking	Corporate Line Banking	Total Banking
Underlying income							
- Net interest result	2,773	1,482	1,207	1,437	2,652	-132	9,418
- Commission income	380	303	111	211	712	-4	1,713
- Total investment and other income	168	153	86	125	941	-95	1,378
Total underlying income	3,321	1,938	1,403	1,773	4,305	-230	12,509
Underlying expenditure							
- Operating expenses	1,752	1,196	636	1,157	1,814	150	6,707
- Addition to loan loss provision	374	104	44	143	380		1,045
Total underlying expenses	2,127	1,300	680	1,301	2,194	150	7,752
Underlying result before taxation	1,194	637	723	472	2,110	-380	4,757
Taxation	299	178	240	118	533	-69	1,300
Minority interests		5	1	41	12		60
Underlying net result	895	453	482	313	1,565	-311	3,397
Divestments				367			367
Special items	-42						-42
Net result IFRS-EU	853	453	482	679	1,565	-311	3,721

Segments Banking							
9 month period 1 January to 30 September 2014	Retail Netherlands	Retail Belgium	Retail Germany	Retail Other	Commercial Banking	Corporate Line Banking	Total Banking
Underlying income							
- Net interest result	2,812	1,495	1,114	1,331	2,611	-195	9,168
- Commission income	346	282	98	273	736	-1	1,734
- Total investment and other income	86	215	-8	154	394	-201	639
Total underlying income	3,244	1,992	1,205	1,757	3,741	-398	11,541
Underlying expenditure							
- Operating expenses	1,737	1,157	576	1,103	1,701	133	6,407
- Addition to loan loss provision	550	125	56	116	348		1,194
Total underlying expenses	2,286	1,281	632	1,219	2,049	133	7,601
Underlying result before taxation	958	711	573	538	1,691	-531	3,940
Taxation	240	209	173	91	380	-88	1,005
Minority interests		-4	1	42	21		59
Underlying net result	718	505	399	406	1,291	-443	2,876
Divestments				202			202
Special items	-45					-957	-1,002
Net result IFRS-EU	673	505	399	608	1,291	-1,400	2,076

IFRS-EU balance sheets by segment are not reported internally to, and not managed by, the chief operating decision maker. IFRS-EU balance sheet information is prepared for the Banking operations as a whole.

Notes to the Condensed consolidated interim accounts

Geographical segments Banking								
3 month period 1 July to 30 September 2015	Netherlands	Belgium	Germany	Other Challengers	Growth Markets	Commercial Banking Rest of World	Other	Total Banking
Underlying income								
- Net interest result	1,162	563	463	312	292	391	-41	3,140
- Commission income	186	100	43	31	63	105	-3	524
- Total investment and other income	-9	102	16	10	97	112	10	338
Total underlying income	1,339	765	521	352	452	608	-35	4,002
Underlying expenditure								
- Operating expenses	756	490	245	199	234	245	77	2,247
- Addition to loan loss provision	81	20	42	20	28	70		261
Total underlying expenses	837	510	287	219	262	314	77	2,508
Underlying result before taxation								
	502	255	234	133	190	293	-112	1,495
Taxation	142	22	81	50	26	61	-2	379
Minority interests		2	1		21			23
Underlying net result	360	231	152	83	143	232	-109	1,092
Special items	-15							-15
Net result IFRS-EU	345	231	152	83	143	232	-109	1,078

Geographical segments Banking								
3 month period 1 July to 30 September 2014	Netherlands	Belgium	Germany	Other Challengers	Growth Markets	Commercial Banking Rest of World	Other	Total Banking
Underlying income								
- Net interest result	1,202	607	434	285	265	431	-69	3,156
- Commission income	194	109	44	42	81	109		579
- Total investment and other income	36	80	-5	6	96	34	-39	208
Total underlying income	1,432	796	473	332	442	575	-107	3,942
Underlying expenditure								
- Operating expenses	728	465	215	182	245	218	81	2,134
- Addition to loan loss provision	167	46	21	28	33	28		322
Total underlying expenses	894	511	236	210	278	246	81	2,456
Underlying result before taxation								
	537	286	237	122	163	329	-188	1,486
Taxation	131	73	71	35	25	62	-48	349
Minority interests		-2			16			14
Underlying net result	406	215	165	87	123	266	-140	1,123
Special items	-16						-101	-117
Net result IFRS-EU	390	215	165	87	123	266	-241	1,006

Notes to the Condensed consolidated interim accounts

Geographical segments Banking								
9 month period 1 January to 30 September 2015	Netherlands	Belgium	Germany	Other Challengers	Growth Markets	Commercial Banking Rest of World	Other	Total Banking
Underlying income								
- Net interest result	3,526	1,724	1,323	914	858	1,204	-131	9,418
- Commission income	556	373	141	111	198	337	-3	1,713
- Total investment and other income	175	384	99	-21	252	508	-19	1,378
Total underlying income	4,257	2,481	1,563	1,004	1,308	2,049	-153	12,509
Underlying expenditure								
- Operating expenses	2,253	1,505	687	591	769	739	163	6,707
- Addition to loan loss provision	547	102	69	69	120	139		1,045
Total underlying expenses	2,800	1,607	756	659	889	878	163	7,752
Underlying result before taxation								
	1,457	874	807	345	419	1,171	-316	4,757
Taxation	382	226	273	134	64	268	-47	1,300
Minority interests		5	1		53			60
Underlying net result	1,075	642	532	211	302	903	-269	3,397
Divestments					367			367
Special items	-42							-42
Net result IFRS-EU	1,033	642	532	211	669	903	-269	3,721

Geographical segments Banking								
9 month period 1 January to 30 September 2014	Netherlands	Belgium	Germany	Other Challengers	Growth Markets	Commercial Banking Rest of World	Other	Total Banking
Underlying income								
- Net interest result	3,531	1,800	1,199	847	800	1,187	-196	9,168
- Commission income	543	357	118	123	259	334		1,734
- Total investment and other income	107	290	1	17	217	183	-177	639
Total underlying income	4,181	2,447	1,317	986	1,277	1,704	-373	11,541
Underlying expenditure								
- Operating expenses	2,225	1,459	618	534	758	651	162	6,407
- Addition to loan loss provision	723	131	59	135	79	67		1,194
Total underlying expenses	2,948	1,590	677	669	838	717	162	7,601
Underlying result before taxation								
	1,233	858	640	318	439	987	-534	3,940
Taxation	301	218	198	67	78	239	-95	1,005
Minority interests		-4	1		62			59
Underlying net result	932	644	442	251	299	748	-440	2,876
Divestments				-2	204			202
Special items	-45						-957	-1,002
Net result IFRS-EU	887	644	442	249	503	748	-1,397	2,076

Notes to the Condensed consolidated interim accounts

Additional notes to the Condensed consolidated interim accounts

22 Fair values of financial assets and liabilities

The estimated fair values of financial assets and liabilities represent the price at which an orderly transaction to sell the financial asset or to transfer the financial liability would take place between market participants at the balance sheet date ('exit price'). The fair value of financial assets and liabilities is based on quoted market prices, where available. Such quoted market prices are primarily obtained from exchange prices for listed instruments. Where an exchange price is not available, market prices are obtained from independent market vendors, brokers or market makers. Because substantial trading markets do not exist for all financial instruments various techniques have been developed to estimate the approximate fair values of financial assets and liabilities that are not actively traded. These techniques are subjective in nature and involve various assumptions about the relevant pricing factors, especially for inputs that are not readily available in the market (such as credit spreads for own-originated loans and advances to customers). Changes in these assumptions could significantly affect the estimated fair values. Consequently, the fair values presented may not be indicative of the net realisable value. In addition, the calculation of the estimated fair value is based on market conditions at a specific point in time and may not be indicative of future fair values. Further information on the methods and assumptions that were used by ING Group to estimate the fair value of the financial instruments is disclosed in the 2014 ING Group Consolidated Annual Accounts in Note 43 'Fair value of assets and liabilities'.

The following table presents the estimated fair values of ING Group's financial assets and liabilities. Certain balance sheet items are not included in the table, as they do not meet the definition of a financial asset or liability. The aggregation of the fair values presented below does not represent, and should not be construed as representing, the underlying value of ING Group.

Notes to the Condensed consolidated interim accounts

Fair value of financial assets and liabilities				
	Estimated fair value		Balance sheet value	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Financial assets				
Cash and balances with central banks	31,730	12,233	31,730	12,233
Amounts due from banks	38,121	37,220	37,971	37,119
Financial assets at fair value through profit and loss				
– trading assets	137,090	136,959	137,090	136,959
– non-trading derivatives	3,507	4,384	3,507	4,384
– designated as at fair value through profit and loss	2,719	2,756	2,719	2,756
Investments				
– available-for-sale	86,724	95,402	86,724	95,402
– held-to-maturity	7,943	2,277	7,929	2,239
Loans and advances to customers	543,497	529,191	533,475	517,478
Other assets ⁽¹⁾	12,059	11,537	12,059	11,537
	863,390	831,959	853,204	820,107
Financial liabilities				
Subordinated loans	7,797	7,373	7,421	6,861
Debt securities in issue	126,078	127,321	125,472	126,352
Other borrowed funds	9,781	11,297	9,274	11,297
Amounts due to banks	42,507	30,684	42,047	29,999
Customer deposits and other funds on deposit	503,242	484,918	502,440	483,871
Financial liabilities at fair value through profit and loss				
– trading liabilities	95,903	97,091	95,903	97,091
– non-trading derivatives	4,623	6,040	4,623	6,040
– designated as at fair value through profit and loss	12,168	13,551	12,168	13,551
Other liabilities ⁽²⁾	12,378	13,067	12,378	13,067
	814,477	791,342	811,726	788,129

(1) Other assets do not include (deferred) tax assets, net defined benefit asset and property development and obtained from foreclosures.

(2) Other liabilities do not include (deferred) tax liabilities, net defined benefit liability, prepayments received under property under development, other provisions and other taxation and social security contributions.

Fair value hierarchy

ING Group has categorised its financial instruments that are measured in the balance sheet at fair value or of which the fair value is disclosed, into a three level hierarchy based on the priority of the inputs to the valuation. The fair value hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to valuation techniques supported by unobservable inputs. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide reliable pricing information on an on-going basis. The fair value hierarchy consists of three levels, depending upon whether fair values were determined based on (unadjusted) quoted prices in an active market (Level 1), valuation techniques with observable inputs (Level 2) or valuation techniques that incorporate inputs which are unobservable and which have a more than insignificant impact on the fair value of the instrument (Level 3). Financial assets in Level 3 include for example illiquid debt securities, complex OTC and credit derivatives, certain complex loans (for which current market information about similar assets to use as observable, corroborated data for all significant inputs into a valuation model is not available) and asset backed securities for which there is no active market and a wide dispersion in quoted prices.

Notes to the Condensed consolidated interim accounts

Observable inputs reflect market data obtained from independent sources. Unobservable inputs are inputs which are based on the Group's own assumptions about the factors that market participants would use in pricing an asset or liability, developed based on the best information available in the circumstances. Unobservable inputs may include volatility, correlation, spreads to discount rates, default rates and recovery rates, prepayment rates and certain credit spreads. Transfers into and transfers out of fair value hierarchy levels are recognised as of the date of the event or change in circumstances that caused the transfer. Further information on the fair value hierarchy is disclosed in the 2014 ING Group Consolidated Annual Accounts in Note 43 'Fair value of assets and liabilities'.

The fair values of the financial instruments were determined as follows:

Methods applied in determining fair values of financial assets and liabilities (carried at fair value)				
	30 September 2015			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trading assets	25,468	110,537	1,085	137,090
Non-trading derivatives		3,325	182	3,507
Financial assets designated as at fair value through profit and loss	159	2,527	33	2,719
Available-for-sale investments	80,888	5,286	550	86,724
	106,515	121,675	1,850	230,040
Financial liabilities				
Trading liabilities	9,610	85,179	1,114	95,903
Non-trading derivatives		4,601	22	4,623
Financial liabilities designated as at fair value through profit and loss	1,544	10,460	164	12,168
	11,154	100,240	1,300	112,694

Methods applied in determining fair values of financial assets and liabilities (carried at fair value)				
	31 December 2014			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trading assets	35,965	100,184	810	136,959
Non-trading derivatives		4,074	310	4,384
Financial assets designated as at fair value through profit and loss	346	2,320	90	2,756
Available-for-sale investments	89,101	5,728	573	95,402
	125,412	112,306	1,783	239,501
Financial liabilities				
Trading liabilities	11,204	84,890	997	97,091
Non-trading derivatives		6,024	16	6,040
Financial liabilities designated as at fair value through profit and loss	1,719	11,509	323	13,551
	12,923	102,423	1,336	116,682

Main changes in fair value hierarchy in the first nine months of 2015

In the first nine months of 2015, the change in trading assets and trading liabilities (Level 2) is mainly as a result of further decreased interest rates and developments in foreign currency rates. The decrease in Available-for-sale investments (Level 1) is mainly as a result of the reclassification of Government bonds (EUR 3.5 billion) to Investments - Held-to-maturity. Reference is made to Note 3 'Investments'.

There were no significant transfers between Level 1 and Level 2.

In the first nine months of 2015, there were changes in valuation techniques driven by current market conditions, with LIBOR being negative.

Notes to the Condensed consolidated interim accounts

Recognition of unrealised gains and losses in Level 3

Amounts recognised in the profit and loss account relating to unrealised gains and losses during the period that relates to Level 3 assets and liabilities are included in the profit and loss account as follows:

- › Results on trading assets and trading liabilities are included in Other income - Net trading income;
- › Non-trading derivatives are included in Other income - Valuation results on non-trading derivatives;
- › Financial assets and liabilities designated as at fair value through profit and loss are included in Other income - Valuation results on non-trading derivatives - Valuation results on assets and liabilities designated as at fair value through profit and loss (excluding trading);
- › Changes in the fair value of Real estate investments are included in Investment income; and
- › Impairments on Property in own use are included in Intangible amortisation and other impairments.

Unrealised gains and losses recognised in Other comprehensive income that relate to Available-for-sale assets are included in the Revaluation reserve – Available-for-sale reserve and other. Unrealised gains and losses on Property in own use are included in the Revaluation reserve – Property in own use reserve.

Changes in Level 3 Financial assets					
9 month period ended 30 September 2015					
	Trading assets	Non-trading derivatives	Financial assets designated as at fair value through profit and loss	Available-for-sale investments	Total
Opening balance	810	310	90	573	1,783
Amounts recognised in the profit and loss account during the period	138	-149	-44	34	-21
Revaluation recognised in equity during the period				4	4
Purchase of assets	235	4	153	104	496
Sale of assets	-50		-148	-165	-363
Maturity/settlement	-20	-1	-18	-20	-59
Transfers into Level 3	16			3	19
Transfers out of Level 3	-48				-48
Exchange rate differences	4	18		17	39
Closing balance	1,085	182	33	550	1,850

In the first nine months of 2015, there were no significant transfers into or out of Level 3.

Notes to the Condensed consolidated interim accounts

Changes in Level 3 Financial assets						
year ended 31 December 2014						
	Trading assets	Investments for risk of policyholders	Non-trading derivatives	Financial assets designated as at fair value through profit and loss	Available-for-sale investments	Total
Opening balance	2,019	248	179	198	3,151	5,795
Amounts recognised in the profit and loss account during the year	-264		131	-67	-39	-239
Revaluation recognised in equity during the year					81	81
Purchase of assets	287			49	218	554
Sale of assets	-334			-45	-278	-657
Maturity/settlement	-76			-45	-500	-621
Transfers into Level 3	71			48	5	124
Transfers out of Level 3	-293			-48	-3	-344
Exchange rate differences	9	-2			28	35
Changes in the composition of the group and other changes	-609	-246			-2,090	-2,945
Closing balance	810	0	310	90	573	1,783

In 2014, Changes in composition of the group and other changes included EUR -2,600 million as a result of the classification of NN Group as held for sale. Reference is made to Note 25 'Other events'.

Changes in Level 3 Financial liabilities				
9 month period ended 30 September 2015				
	Trading liabilities	Non-trading derivatives	Financial liabilities designated as at fair value through profit and loss	Total
Opening balance	997	16	323	1,336
Amounts recognised in the profit and loss account during the period	15	7	-68	-46
Issue of liabilities	170		68	238
Early repayment of liabilities	-49		-31	-80
Maturity/settlement	-13	-1	-13	-27
Transfers into Level 3	30		3	33
Transfers out of Level 3	-41		-118	-159
Exchange rate differences	5			5
Closing balance	1,114	22	164	1,300

In the first nine months of 2015, financial liabilities of EUR 159 million were transferred out of Level 3 mainly due to the valuation not being significantly impacted by unobservable inputs.

Notes to the Condensed consolidated interim accounts

Changes in Level 3 Financial liabilities

year ended 31 December 2014

	Trading liabilities	Non-trading derivatives	Financial liabilities designated as at fair value through profit and loss	Total
Opening balance	1,105		343	1,448
Amounts recognised in the profit and loss account during the year	-54	14	-81	-121
Issue of liabilities	418	2	172	592
Early repayment of liabilities	-371		-78	-449
Maturity/settlement	-68	-1	-66	-135
Transfers into Level 3	42		88	130
Transfers out of Level 3	-82		-55	-137
Changes in the composition of the group and other changes	7	1		8
Closing balance	997	16	323	1,336

Amounts recognised in profit and loss account during the period (Level 3)

9 month period ended 30 September 2015

	Held at balance sheet date	Derecognised during the period	Total
Financial assets			
Trading assets	138		138
Non-trading derivatives	-149		-149
Financial assets designated as at fair value through profit and loss	-44		-44
Available-for-sale investments	-20	54	34
	-75	54	-21
Financial liabilities			
Trading liabilities	15		15
Non-trading derivatives	7		7
Financial liabilities designated as at fair value through profit and loss	-68		-68
	-46	-	-46

Amounts recognised in profit and loss account during the period (Level 3)

year ended 31 December 2014

	Held at balance sheet date	Derecognised during the year	Total
Financial assets			
Trading assets	-286	22	-264
Non-trading derivatives	131		131
Financial assets designated as at fair value through profit and loss	-67		-67
Available-for-sale investments	-70	31	-39
	-292	53	-239
Financial liabilities			
Trading liabilities	-54		-54
Non-trading derivatives	14		14
Financial liabilities designated as at fair value through profit and loss	-81		-81
	-121	-	-121

Notes to the Condensed consolidated interim accounts

Level 3 Financial assets and liabilities

Financial assets measured at fair value in the balance sheet as at 30 September 2015 of EUR 230 billion include an amount of EUR 1.9 billion (0.8%) which is classified as Level 3 (31 December 2014: EUR 1.8 billion, being 0.8%). Changes in Level 3 from 31 December 2014 to 30 September 2015 are disclosed above in the table 'Changes in Level 3 Financial assets'.

Financial liabilities measured at fair value in the balance sheet as at 30 September 2015 of EUR 113 billion include an amount of EUR 1.3 billion (1.2%) which is classified as Level 3 (31 December 2014: EUR 1.3 billion, being 1.1%). Changes in Level 3 from 31 December 2014 to 30 September 2015 are disclosed above in the table 'Changes in Level 3 Financial liabilities'.

Financial assets and liabilities in Level 3 include both assets and liabilities for which the fair value was determined using valuation techniques that incorporate unobservable inputs and assets and liabilities for which the fair value was determined using quoted prices, but for which the market was not actively trading at or around the balance sheet date. Unobservable inputs are inputs which are based on ING's own assumptions about the factors that market participants would use in pricing an asset or liability, developed based on the best information available in the circumstances. Unobservable inputs may include volatility, correlation, spreads to discount rates, default rates and recovery rates, prepayment rates and certain credit spreads. Fair values that are determined using valuation techniques using unobservable inputs are sensitive to the inputs used. Fair values that are determined using quoted prices are not sensitive to unobservable inputs, as the valuation is based on unadjusted external price quotes. These are classified in Level 3 as a result of the illiquidity in the relevant market, but are not significantly sensitive to ING's own unobservable inputs.

Of the total amount of financial assets classified as Level 3 as at 30 September 2015 of EUR 1.9 billion (31 December 2014: EUR 1.8 billion), an amount of EUR 0.8 billion (42%) (31 December 2014: EUR 0.8 billion, being 50%) is based on unadjusted quoted prices in inactive markets. As ING does not generally adjust quoted prices using its own inputs, there is no significant sensitivity to ING's own unobservable inputs.

Furthermore, Level 3 financial assets includes approximately EUR 0.1 billion (31 December 2014: EUR 0.1 billion) which relates to financial assets that are part of structures that are designed to be fully neutral in terms of market risk. Such structures include various financial assets and liabilities for which the overall sensitivity to market risk is insignificant. Whereas the fair value of individual components of these structures may be determined using different techniques and the fair value of each of the components of these structures may be sensitive to unobservable inputs, the overall sensitivity is by design not significant.

The remaining EUR 1.0 billion (31 December 2014: EUR 0.9 billion) of the fair value classified in Level 3 financial assets is established using valuation techniques that incorporate certain inputs that are unobservable. This relates mainly to assets that are classified as Available-for-sale investments, for which changes in fair value are recognised in shareholders' equity and do not directly impact profit and loss.

Of the total amount of financial liabilities classified as Level 3 as at 30 September 2015 of EUR 1.3 billion (31 December 2014: EUR 1.3 billion), an amount of EUR 0.6 billion (46%) (31 December 2014: EUR 0.7 billion, being 54%) is based on unadjusted quoted prices in inactive markets. As ING does not generally adjust quoted prices using its own inputs, there is no significant sensitivity to ING's own unobservable inputs.

Furthermore, Level 3 financial liabilities includes approximately EUR 0.2 billion (31 December 2014: EUR 0.2 billion) which relates to financial liabilities that are part of structures that are designed to be fully neutral in terms of market risk. As explained above, the fair value of each of the components of these structures may be sensitive to unobservable inputs, but the overall sensitivity is by design not significant.

The remaining EUR 0.5 billion (31 December 2014: EUR 0.4 billion) of the fair value classified in Level 3 financial liabilities is established using valuation techniques that incorporate certain inputs that are unobservable.

Notes to the Condensed consolidated interim accounts

The table below provides a summary of the valuation techniques, key unobservable inputs and the lower and upper range of such unobservable inputs, by type of Level 3 asset/liability. The lower and upper range mentioned in the overview represent the lowest and highest variance of the respective valuation input as actually used in the valuation of the different financial instruments. Amounts and percentages stated are unweighted. The range could change from period to period subject to market movements and change in Level 3 position. Lower and upper bounds reflect the variability of Level 3 positions and their underlying valuation inputs in the portfolio, but do not adequately reflect their level of valuation uncertainty. For valuation uncertainty assessment, please refer to section below 'Sensitivity analysis of unobservable inputs (Level 3)'.

Valuation techniques and range of unobservable inputs (Level 3) – ING Group						
30 September 2015	Assets	Liabilities	Valuation techniques	Significant unobservable inputs	Lower range	Upper range
At fair value through profit and loss						
Debt securities	84	4	Price based	Price (%)	1%	113%
			Net asset value	Price (%)	60%	72%
Loans and advances	44	9	Price based	Price (%)	0%	100%
Structured notes		164	Price based	Price (%)	0%	111%
			Net asset value	Price (%)	72%	72%
			Option pricing model	Equity volatility (%)	16%	109%
				Equity/Equity correlation	0.0	0.9
				Equity/FX correlation	-0.5	0.3
				Dividend yield (%)	0%	6%
				Interest rate volatility (%)	n.a.	n.a.
			Present value techniques	Implied correlation	0.7	0.9
Derivatives						
- Rates	467	573	Option pricing model	Interest rate volatility (%)	21%	69%
				Interest rate correlation	0.9	0.9
				IR/INF correlation	0.5	0.5
			Present value techniques	Reset spread	3%	3%
				Prepayment rate	5%	5%
				Inflation rate (%)	0%	4%
- FX	334	283	Present value techniques	Inflation rate (%)	0%	3%
- Credit	41	35	Present value techniques	Credit spread (bps)	4	6,150
				Implied correlation	0.6	1.0
				Jump rate (%)	12%	12%
- Equity	323	229	Option pricing model	Equity volatility (%)	0%	125%
				Equity/Equity correlation	0.0	1.0
				Equity/FX correlation	-1.0	1.0
				Dividend yield (%)	0%	19%
- Other	7	3	Option pricing model	Commodity volatility (%)	18%	44%
				Com/Com correlation	0.3	1.0
				Com/FX correlation	-0.8	0.6
Available for sale						
- Debt	71		Price based	Price (%)	0%	100%
			Present value techniques	Credit spread (bps)	97	97
				Weighted average life (yr)	1.6	3.3
- Equity	479		Discounted cash flow	Financial Statements	n.a.	n.a.
			Multiplier method	Observable market factors	n.a.	n.a.
			Comparable transactions		n.a.	n.a.
Total	1,850	1,300				

Included in the table above, are EUR 136 million Voya warrants and EUR 13 million NN Group warrants which are classified as Level 3 instruments.

Notes to the Condensed consolidated interim accounts

Valuation techniques and range of unobservable inputs (Level 3) – ING Bank						
31 December 2014	Assets	Liabilities	Valuation techniques	Significant unobservable inputs	Lower range	Upper range
At fair value through profit and loss						
Debt securities	161	5	Price based	Price (%)	0%	114%
			Net asset value	Price (%)	59%	101%
Loans and advances	55	12	Price based	Price (%)	0%	100%
Structured notes		323	Price based	Price (%)	0%	115%
			Net asset value	Price (%)	100%	100%
			Option pricing model	Equity volatility (%)	17%	94%
				Equity/Equity correlation	0.0	0.8
				Equity/FX correlation	-0.8	0.2
				Dividend yield (%)	0%	9%
				Interest rate volatility (%)	18%	58%
			Present value techniques	Implied correlation	0.7	0.9
Derivatives						
- Rates	375	471	Option pricing model	Interest rate volatility (%)	18%	58%
				Interest rate correlation	0.9	0.9
				IR/INF correlation	0.5	0.5
			Present value techniques	Reset spread	3%	3%
				Inflation rate (%)	1%	3%
- FX	306	258	Present value techniques	Inflation rate (%)	0%	2%
- Credit	43	45	Present value techniques	Credit spread (bps)	1	1,362
				Implied correlation	0.6	1.0
- Equity	84	221	Option pricing model	Equity volatility (%)	0%	107%
				Equity/Equity correlation	-0.1	1.0
				Equity/FX correlation	-1.0	1.0
				Dividend yield (%)	0%	23%
- Other	6	1	Option pricing model	Commodity volatility	9%	75%
				Com/Com correlation	0.0	0.9
				Com/FX correlation	-0.8	0.7
Available for sale						
- Debt	78		Price based	Price (%)	3%	100%
			Present value techniques	Credit spread (bps)	97	300
- Equity	495		Discounted cash flow	Financial Statements	n.a	n.a
			Multiplier method	Observable market factors	n.a	n.a
			Comparable transactions		n.a	n.a
Total	1,603	1,336				

Included at Group level at 31 December 2014, are EUR 180 million Voya warrants which are classified as Level 3 instruments. These warrants are valued using an option pricing model where equity volatility is a significant unobservable input. The lower and upper ranges of the unobservable input were 19.22% and 26.78% at 31 December 2014. Reference is made to Note 2 'Financial assets at fair value through profit and loss'.

Further information on equity securities, credit spreads, volatility, correlation and interest rates is disclosed in the 2014 ING Group Consolidated Annual Accounts in Note 43 'Fair value of assets and liabilities'.

Sensitivity analysis of unobservable inputs (Level 3)

Where the fair value of a financial instrument is determined using inputs which are unobservable and which have a more than insignificant impact on the fair value of the instrument the actual value of those inputs at the balance date may be drawn from a range of reasonably possible alternatives. In line with market practice the upper and lower bounds of the range of alternative input values reflect a 90% level of valuation certainty. The actual levels chosen for the unobservable inputs in preparing the financial statements are consistent with the valuation methodology used for fair valued financial instruments.

Notes to the Condensed consolidated interim accounts

If ING had used input values from the upper and lower bound of this range of reasonable possible alternative input values when valuing these instruments as of 30 September 2015 then the impact would have been higher or lower as indicated below. The purpose of this disclosure is to present the possible impact of a change of unobservable inputs in the fair value of financial instruments where unobservable inputs are significant to the valuation.

As ING has chosen to apply a 90% confidence level for its IFRS valuation of fair valued financial instruments as of end of 2014, the downward valuation uncertainty has become immaterial, whereas the potential upward valuation uncertainty, reflecting a potential profit, has increased. Specifically for the Available-for-sale Equity positions the upward valuation uncertainty decreased.

For more detail on the valuation of fair valued instruments, refer to the 2014 ING Group Consolidated Annual Accounts, section Risk Management, paragraph Fair values of financial assets and liabilities.

Valuation uncertainty in practice is measured and managed per exposure to individual valuation inputs (i.e. risk factors) at portfolio level across different product categories. Where the disclosure looks at individual level 3 inputs the actual valuation adjustments may also reflect the benefits of portfolio offsets.

Because of the approach taken, the valuation uncertainty in the table below is broken down by related risk class rather than by product.

In reality some valuation inputs are interrelated and it would be unlikely that all unobservable inputs would ever be simultaneously at the limits of their respective ranges of reasonably possible alternatives. Therefore it can be assumed that the estimates in the table below show a greater fair value uncertainty than the realistic position at period end.

Also, this disclosure does not attempt to indicate or predict future fair value moves. The numbers in isolation give limited information as in most cases these Level 3 assets and liabilities should be seen in combination with other instruments (for example as a hedge) that are classified as Level 2.

Sensitivity analysis of Level 3 instruments – ING Group		
	Positive fair value movements from using reasonable possible alternatives	Negative fair value movements from using reasonable possible alternatives
30 September 2015		
Fair value through profit and loss		
Equity (equity derivatives, structured notes)	238	
Interest rates (Rates derivatives, FX derivatives)	87	
Credit (Debt securities, Loans, structured notes, credit derivatives)	37	
Available-for-sale		
Equity	10	24
Debt	15	
	387	24

Notes to the Condensed consolidated interim accounts

Sensitivity analysis of level 3 instruments – ING Bank

	Positive fair value movements from using reasonable possible alternatives	Negative fair value movements from using reasonable possible alternatives
31 December 2014		
Fair value through profit and loss		
Equity (equity derivatives, structured notes)	106	
Interest rates (Rates derivatives, FX derivatives)	115	
Credit (Debt securities, Loans, structured notes, credit derivatives)	21	
Available-for-sale		
Equity	19	28
Debt	11	
	272	28

23 Companies and businesses acquired and divested

Acquisitions

There were no material acquisitions in the first nine months of 2015 and 2014.

Divestments

Divestments in the first nine months of 2015

NN Group

In the first nine months of 2015, a number of divestment transactions resulted in a further decrease in the ownership of ING Group in NN Group to 25.76% from 68.14% at 31 December 2014. NN Group was deconsolidated and accounted for as an Investment in associate held for sale. Reference is made to Note 7 'Assets and liabilities held for sale', Note 17 'Discontinued operations' and Note 25 'Other events'.

Other

For details on the transactions with regard to ING's interest in ING Vysya Bank, reference is made to Note 7 'Assets and liabilities held for sale', Note 14 'Other income', Note 24 'Related parties' and Note 25 'Other events'.

Divestments in the first nine months of 2014

Asia - ING's Taiwanese investment management business

In January 2014, ING agreed to sell ING Investment Management (IM) Taiwan, its Taiwanese asset management business, to Japan-based Nomura Asset Management in partnership with a group of investors. The transaction did not have a significant impact on ING Group results. The transaction closed on 18 April 2014.

Voya

In March 2014, ING Group sold 13.3% of its interest in Voya reducing its interest to 43.2% from 56.5% as at 31 December 2013. Following this transaction, Voya was deconsolidated and was accounted for as an Investment in associate held for sale. Reference is made to Note 7 'Assets and liabilities held for sale', Note 17 'Discontinued operations' and Note 25 'Other events' for further information on subsequent sales during 2014.

NN Group

Following the IPO of NN Group in July 2014, ING Group's stake in NN Group reduced to 68.14%. As of 30 September 2014, NN Group was presented as Assets and liabilities held for sale and discontinued operations. Reference is made to Note 25 'Other events'.

Other

For details of transactions with regard to ING's divestments in SulAmérica S.A., reference is made to Note 3 'Investments', Note 13 'Investment income' and Note 14 'Other income'. During 2014, there were several other divestments. These divestments were neither announced nor closed in the first nine months of the year and are therefore not included above. Reference is made to the 2014 ING Group Consolidated Annual Accounts.

Notes to the Condensed consolidated interim accounts

24 Related parties

In the normal course of business, ING Group enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Related parties of ING Group include, amongst others, its subsidiaries, joint ventures, associates, key management personnel and various defined benefit and contribution plans. Transactions between related parties have taken place on an arm's length basis and include rendering or receiving of services, leases, transfers under finance arrangements and provisions of guarantees or collateral. Transactions with related parties are disclosed in Note 55 'Related parties' in the 2014 ING Group Consolidated Annual Accounts.

In April 2015, the merger between ING Vysya Bank and Kotak Mahindra Bank was completed and the legal entity ING Vysya Bank ceased to exist. As a result of this transaction, ING Vysya is no longer a related party of ING Group. Reference is made to Note 7 'Assets and liabilities held for sale', Note 14 'Other income' and Note 25 'Other events'.

In the first nine months of 2015, the further divestment of ING Group's stake in NN Group resulted in a decrease from 68.14% (at 31 December 2014) to 25.76% as at 30 September 2015. NN Group was deconsolidated on 29 May 2015 and is accounted for as an associate held for sale. For further information on transactions with NN Group during the first nine months of 2015, reference is made to Note 25 'Other events'.

No other significant changes in related party transactions occurred in the first nine months of 2015.

25 Other events

NN Group

Summary of NN Group divestment transactions

Date	Interest % held before transaction	Portion of interest (change)	Interest % held after transaction	Price per share in EUR	Gross transaction value ⁽⁶⁾ EUR millions	Impact on Shareholders' equity ⁽⁷⁾	Impact in minority interest	Impact on Total equity	Impact on profit and loss ⁽⁸⁾
July 2014	100.00%	-31.86%	68.14%	20.00	2,197	-4,263	5,397	1,134	-
February 2015	68.14%	-13.56%	54.58%	24.00	1,240	-1,769	3,042	1,273	-
May 2015 ⁽¹⁾	54.58%	0.19%	54.77%	26.16	-57	-	-	-	-
May 2015 ⁽²⁾	54.77%	-12.34%	42.43%	25.46	1,148	-5,345	-10,801	-16,146	-223
June 2015 ⁽³⁾	42.43%	-4.20%	38.23%	24.78	352	-	-	-	1
June 2015 ⁽⁴⁾	38.23%	-0.62%	37.61%	24.95	53	-	-	-	-
September 2015 ⁽⁴⁾	37.61%	-0.49%	37.12%	26.78	45	-	-	-	2
September 2015 ⁽⁵⁾	37.12%	-11.36%	25.76%	25.00	1,000	-	-	-	-17

(1) Capital injection into NN Group.

(2) Deconsolidation of NN Group; remaining investment in NN Group accounted for as an Investment in associate held for sale.

(3) Second tranche exchange of subordinated notes: Anchor investors.

(4) NN Group share repurchase.

(5) Further divestment of NN Group in September 2015.

(6) Gross sales proceeds or Capital injection value.

(7) Divestment transactions prior to deconsolidation did not impact the profit and loss account of ING Group, but had a negative impact on shareholder's equity (parent) of ING Group which reflected the difference between the net proceeds received and the IFRS-EU book value of ING Group's interest sold at the respective transaction dates. The amounts were recognised in 'Other reserves'.

(8) The amounts reflect the difference between the market value and the IFRS book value of ING Group's interest sold at the respective transaction dates. Included in the amounts is the release of corresponding revaluation reserves, where applicable. The amounts are recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'.

July 2014 – Initial public offering ('IPO')

On 2 July 2014, ING sold 77 million existing ordinary shares in the initial public offering of NN Group at EUR 20.00 per share. On 10 July 2014, the joint global coordinators, on behalf of the underwriters, exercised an over-allotment option to purchase 11.55 million of additional existing shares in NN Group at the same price. At the time of the IPO, a first tranche of EUR 450 million of the mandatorily exchangeable subordinated notes (the pre-IPO investments from the three Asian-based investment firms RRJ Capital, Temasek and SeaTown Holdings International) was exchanged into NN Group shares. The remaining two tranches (each for an aggregate amount of EUR 337.5 million) are mandatorily exchangeable into NN Group shares from 2015 onwards.

Notes to the Condensed consolidated interim accounts

Total gross proceeds from the NN Group IPO, including the exchange of the first tranche of subordinated notes into NN Group shares and the over-allotment option, amounted to EUR 2.2 billion.

As a result of the above, ING's ownership in NN Group declined from 100% to 68.14% in 2014. This transaction did not impact the profit and loss account of ING Group, as NN Group continued to be fully consolidated by ING Group. In 2014, the transactions had a negative impact on shareholders' equity of ING Group of EUR 4,263 million. This amount included:

- › EUR 2,590 million, being the difference between the net proceeds of the IPO to ING and the IFRS carrying value of the stake in NN Group divested in the IPO (including the exercise of the over-allotment option);
- › EUR 661 million, being the difference between the market value of the NN Group shares exchanged for the first tranche of the mandatorily exchangeable subordinated notes and the related IFRS carrying value; and
- › EUR 1,012 million, being the estimated difference between the market value of the NN Group shares to be exchanged for the second and third tranches of the mandatorily exchangeable notes and the related estimated IFRS carrying value.

In September 2014, NN Group was classified as held for sale and discontinued operations. Upon classification, the carrying amount of the disposal group (or group of assets) was compared to NN Group's fair value less cost to sell. The fair value less cost to sell was lower than the carrying value of the disposal group and as a result goodwill and certain other non-current non-financial assets totalling EUR 470 million were written-off in 2014 and recognised in the profit and loss account in the line 'Net result from classification as discontinued operations'. As at 31 December 2014, the subsidiary NN Group was presented as Assets and liabilities held for sale and discontinued operations.

February 2015 – Further divestment of NN Group

In February 2015, ING Group sold 52 million ordinary shares of NN Group. As part of the transaction, NN Group repurchased 8.3 million ordinary shares. The gross proceeds to ING Group from the offering, including the repurchase by NN Group, amounted to EUR 1.2 billion. The transaction reduced the ownership of ING in NN Group from 68.14% (at 31 December 2014) to 54.58%. The transaction did not impact the profit and loss account of ING Group as NN Group continued to be fully consolidated. The transaction had a negative impact of EUR 1,769 million on the shareholder's equity of ING Group, being the difference between the net proceeds of the transaction and the IFRS carrying value per the transaction date of the equity stake sold.

May 2015 – Capital injection into NN Group

In May 2015, in order to fulfil its commitment to the European Commission ('EC'), ING Group made a capital injection into NN Group by subscribing for newly issued shares for an aggregate amount of EUR 57 million. The transaction increased the ownership of ING in NN Group from 54.58% to 54.77%. As part of this transaction, ING provided a EUR 63 million facility to NN Bank which allows NN Bank an unconditional right to draw down additional Tier 1 capital at prevailing market terms, until 31 December 2018. With this provision of capital, ING Group fulfils its commitment to the EC pertaining to the capitalisation of NN Bank, per the EC decision of 16 November 2012. These transactions have no material impact on the capital position of ING Group and no impact on the capital position of ING Bank.

May 2015 – Deconsolidation of NN Group

On 26 May 2015, ING Group announced a further sale of 45 million ordinary shares of NN Group. As part of the transaction, NN Group repurchased 5.9 million ordinary shares. The gross proceeds to ING Group from the offering, including the repurchase by NN Group, amounted to EUR 1.1 billion. This transaction reduced the ownership of ING in NN Group to 42.43%, resulting in ING Group losing control over NN Group. The share sale and deconsolidation of NN Group resulted in an after tax loss of EUR 223 million in 2015 and is recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'. The transaction had a negative impact of EUR 5,568 million on the shareholder's equity of ING Group. The profit and loss account of ING Group for the first nine months of 2015 includes, in the line 'Net result from discontinued operations', the result of NN Group until deconsolidation on 29 May 2015.

Notes to the Condensed consolidated interim accounts

With deconsolidation of NN Group, ING Group fulfils its commitment to the EC pertaining to the divestment of NN Group, per the EC decision of 16 November 2012. The restrictions from this decision regarding acquisition and price leadership will no longer apply to ING Group.

June 2015 - Second tranche exchange of subordinated notes: Anchor investors

On 10 June 2015, ING announced the exchange of the second tranche of EUR 337.5 million mandatorily exchangeable subordinated notes into 13.6 million NN Group ordinary shares. The exchange price was set at a 3% discount to the NN Group closing price on 4 June 2015, resulting in an exchange price of EUR 24.78 per share. Accrued interest on these notes of approximately EUR 14.6 million were settled in an additional 0.6 million NN Group ordinary shares as per the terms of the investment. The transaction was settled on 15 June 2015 and resulted in a further decrease of the ownership of ING in NN Group from 42.43% to 38.23%. The transaction did not have a material impact on the profit and loss account of ING Group. Reference is made to Note 10 'Subordinated loans, Debt securities in issue and Other borrowed funds' and Note 12 'Other liabilities'.

June 2015 – NN Group share repurchase

On 30 June 2015, NN Group repurchased 2.1 million ordinary shares from ING Group. This transaction reduced ING Group's remaining interest in NN Group to 37.61%.

September 2015 – NN Group share repurchase

In September 2015, NN Group repurchased 1.7 million ordinary shares from ING Group. This transaction reduced ING's remaining interest in NN Group to 37.12%.

September 2015 – Further divestment of NN Group

On 30 September 2015, ING Group sold 40 million ordinary shares of NN Group. As part of the transaction, NN Group repurchased 6 million ordinary shares. The gross proceeds to ING Group, including the repurchase by NN Group, amounted to EUR 1 billion. The transaction reduced ING's interest in NN Group to 25.76%. The transaction resulted in a loss of EUR 17 million in the third quarter of 2015 and is recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'. The transaction was settled on 5 October 2015.

As at 30 September 2015, the remaining interest in NN Group is recognised as an Investment in associate held for sale at EUR 2,153 million.

ING Group holds warrants for 35 million shares in NN Group.

Reference is made to Note 7 'Assets and liabilities held for sale', Note 9 'Equity' and Note 17 'Discontinued operations'.

Notes to the Condensed consolidated interim accounts

Voya

The table below provides a summary of the various Voya divestment transactions which occurred in 2013, 2014 and the first nine months of 2015:

Summary of Voya divestment transactions									
Date	Interest % held before transaction	Portion of interest sold	Interest % held after transaction	Price per share in USD	Gross Sales proceeds EUR millions	Impact on Shareholders' equity ⁽³⁾	Impact in minority interest	Impact on Total equity	Impact on profit and loss ⁽⁴⁾
May 2013	100.0%	-28.8%	71.2%	19.50	1,061	-1,894	2,954	1,060	-
October 2013	71.2%	-14.6%	56.5%	29.50	786	-632	1,394	762	-
March 2014 ⁽¹⁾	56.5%	-13.3%	43.2%	35.23	950	87	-5,100	-5,013	-2,005
September 2014	43.2%	-10.8%	32.5%	38.85	888	-	-	-	40
November 2014 ⁽²⁾	32.5%	-13.5%	18.9%	39.15	1,068	-	-	-	418
March 2015	18.9%	-18.9%	0%	44.20	1,824	-77	-	-77	323

(1) Deconsolidation of Voya; remaining investment in Voya accounted for as an Investment in associate held for sale at fair value of EUR 2,914 million.

(2) Loss of significant influence over Voya; remaining investment accounted for as an available-for-sale equity investment held for sale.

(3) Divestment transactions prior to deconsolidation did not impact the profit and loss account of ING Group, but had a negative impact on shareholder's equity (parent) of ING Group which reflected the difference between the net proceeds received and the IFRS-EU book value of ING Group's interest sold at the respective transaction dates. The amounts were recognised in 'Other reserves'.

(4) The amounts reflect the difference between the market value and the IFRS book value of ING Group's interest sold at the respective transaction dates. Included in the amounts is the release of corresponding revaluation reserves, where applicable. The amounts are recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'.

In March 2015, ING Group sold 45.6 million ordinary shares of Voya. ING Group sold 32 million Voya shares in the public offering and in addition to this, ING Group sold 13.6 million shares to Voya. The gross proceeds to ING Group from the public offering and the concurrent repurchase by Voya amounted to EUR 1.8 billion (USD 2.0 billion).

The sale of the total 45.6 million shares from the combined transactions reduced ING Group's stake in Voya from 18.9% (at 31 December 2014) to zero. The transactions settled on 9 March 2015 and resulted in a profit of EUR 323 million which reflects the difference between the market value of our 18.9% stake in Voya at the date on which ING Group lost significant influence and the proceeds from these transactions. The profit is recognised in the profit and loss account in the line 'Net result from disposal of discontinued operations'. Reference is made to Note 2 'Financial assets at fair value through profit and loss', Note 7 Assets and liabilities held for sale' and Note 17 'Discontinued operations'.

ING Group holds warrants for 26 million shares in Voya. Reference is made to the 2014 ING Group Consolidated Annual Accounts for further information on Voya divestment transactions during 2014 and 2013.

ING Vysya Bank

2015

In 2014, ING Vysya Bank ('ING Vysya') and Kotak Mahindra Bank ('Kotak') announced their intention to merge their respective businesses. As at 31 December 2014, ING Vysya was presented as Assets held for sale. The shareholders of Kotak and ING Vysya approved this transaction in January 2015. On 31 March 2015, the Reserve Bank of India approved the transaction with an effective date of 1 April 2015.

On 7 April 2015, the merger between ING Vysya and Kotak was completed and the legal entity ING Vysya Bank ceased to exist. ING was the largest shareholder in ING Vysya, with 42.7% interest. ING Vysya was merged into Kotak. Shareholders of ING Vysya received 0.725 shares in Kotak for each ING Vysya share. As a result, ING now holds a stake of 6.5% in the combined company, which will operate under the Kotak brand. ING's holding in the combined company will be subject to a 1 year lock-up period from the closing of the transaction. The transaction resulted in a gain of EUR 367 million in 2015 and is recognised in Other income - 'Result from associates and joint ventures'. The transaction did not materially impact the shareholder's equity of ING Group. As at 30 September 2015, ING Group accounts for the investment in Kotak as an Available-for-sale equity investment. Reference is made to Note 3 'Investments', Note 7 'Assets and liabilities held for sale' and Note 14 'Other income'.

Notes to the Condensed consolidated interim accounts

2014

In the first quarter of 2014, changes to the governance structure of ING Vysya were implemented in order to better align with prevailing regulations. The regulatory requirements necessitated some governance changes. As part of that, ING reduced the number of directors appointed by ING in ING Vysya Bank's Board of Directors to be proportionate to its shareholding. Although ING Bank's economic interest of approximately 43% remained unchanged, as a result of these governance changes, ING Bank no longer had a majority representation in the Board of Directors and influence on ING Vysya's operations were aligned with its shareholding interest. As a result, ING Bank no longer had effective control over ING Vysya and therefore, as of 31 March 2014 ING Vysya was deconsolidated and accounted for as an associate under equity accounting. Before the changes in the governance structure ING Bank had substantial additional powers, including the majority in the Board of Directors and power over operational decision making, as a result, ING Vysya was consolidated by ING. After the deconsolidation, the investment in ING Vysya was recognised as an Investment in associates and joint ventures at its fair value at 31 March 2014 of EUR 617 million. The profit and loss account of 2014 included the consolidated result of ING Vysya until the deconsolidation and the result upon deconsolidation of EUR 202 million. The result upon deconsolidation was recognised in Other income – 'Result on disposal of group companies'.

Bank Levies

In 2015, ING will be exposed to new bank levies. Two examples are, the new ex-ante DGS in the Netherlands and Resolution fund contributions under Directive 2015/59/EU. The application date of the ex-ante DGS in the Netherlands is 1 July 2015 and of the EU Directive, 1 January 2015. However, these bank levies are not enacted yet into Dutch law. The EU Directive has been enacted in Germany, Belgium and Poland. The bank levies in the Netherlands will have a significant financial impact on ING Group in 4Q 2015.

26 Subsequent events

There are no subsequent events to report.

Other information

To: the Shareholders, the Supervisory Board and the Executive Board of ING Groep N.V.

Independent auditor's report

Review report

Introduction

We have reviewed the accompanying Condensed consolidated interim accounts for the nine month period ended 30 September 2015, of ING Groep N.V., Amsterdam, which comprises the Condensed consolidated balance sheet as at 30 September 2015 and the related Condensed consolidated profit and loss account, the Condensed consolidated statement of comprehensive income, the Condensed consolidated statement of cash flows, the Condensed consolidated statement of changes in equity and the related notes for the nine month period then ended. Management is responsible for the preparation and presentation of these Condensed consolidated interim accounts in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these interim accounts based on our review.

Scope of Review

We conducted our review in accordance with Dutch law including Standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed consolidated interim accounts as at 30 September 2015 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amsterdam, 3 November 2015

Ernst & Young Accountants LLP
Signed by M.A. van Loo

Important legal information

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 for the changes described in Note 1 'Accounting policies', the same accounting principles are applied as in the 2014 ING Group Annual Accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) ING's implementation of the restructuring plan as agreed with the European Commission, (5) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty

creditworthiness, (6) changes affecting interest rate levels, (7) changes affecting currency exchange rates, (8) changes in investor and customer behaviour, (9) changes in general competitive factors, (10) changes in laws and regulations, (11) changes in the policies of governments and/or regulatory authorities, (12) conclusions with regard to purchase accounting assumptions and methodologies, (13) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (14) changes in credit-ratings, (15) ING's ability to achieve projected operational synergies and (16) the other risks and uncertainties detailed in the risk factors section contained in the most recent annual report of ING Groep N.V.

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.

This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States or any other jurisdiction. The securities of NN Group have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the 'Securities Act'), and may not be offered or sold within the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.
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