

# Consolidated statement of cash flows

for the years ended 31 December

in EUR million		2016	2015	2014
<b>Cash flows from operating activities</b>				
<b>Result before tax<sup>1</sup></b>		6,342	6,193	2,682
Adjusted for:	- depreciation	536	634	692
	- change in provisions for insurance and investment contracts		-1,499	-3,527
	- addition to loan loss provisions	974	1,347	1,594
	- other <sup>7</sup>	1,495	-100	1,912
Taxation paid		-1,603	-1,450	-1,073
Changes in:	- loans and advances to banks, not available on demand	-1,162	6,766	3,360
	- trading assets	16,956	5,458	-23,676
	- non-trading derivatives	1,812	-303	-3,022
	- other financial assets at fair value through profit or loss	-3,401	-256	-553
	- loans and advances to customers <sup>2</sup>	-29,656	-23,030	-13,901
	- other assets	-915	549	246
	- deposits from banks, not payable on demand	-342	5,179	3,353
	- customer deposits <sup>2</sup>	23,493	17,970	19,015
	- trading liabilities	-5,634	-8,276	23,855
	- other financial liabilities at fair value through profit or loss	-432	-1,582	-1,018
	- provisions and other liabilities <sup>7</sup>	90	2,977	2,080
<b>Net cash flow from/(used in) operating activities</b>		<b>8,553</b>	<b>10,577</b>	<b>12,019</b>
<b>Cash flows from investing activities</b>				
Investments and advances:	- associates and joint ventures	-49	-40	-528
	- available-for-sale investments	-27,003	-47,858	-85,799
	- held-to-maturity investments	-1,731	-3,457	-315
	- property and equipment	-351	-353	-375
	- assets subject to operating leases	-64	-37	-34
	- investments for risk of policyholders		-2,417	-20,598
	- other investments	-288	-648	-6,831
Disposals and redemptions:	- group companies (including cash in company disposed) <sup>3</sup>		-6,926	-1,216
	- associates and joint ventures <sup>4</sup>	1,071	1,175	2,505
	- available-for-sale investments <sup>5</sup>	32,540	52,675	69,444
	- held-to-maturity investments	630	1,219	1,172
	- property and equipment	63	74	55
	- assets subject to operating leases	12	17	3
	- investments for risk of policyholders		7,566	28,003
	- loans	1,295	3,201	1,167
	- other investments	9	5	5,928
<b>Net cash flow from/(used in) investing activities 31</b>		<b>6,134</b>	<b>4,196</b>	<b>-7,419</b>

## Consolidated statement of cash flows of ING Group - continued

in EUR million	2016	2015	2014
<b>Net cash flow from/(used in) operating activities</b>	<b>8,553</b>	<b>10,577</b>	<b>12,019</b>
<b>Net cash flow from/(used in) investing activities 31</b>	<b>6,134</b>	<b>4,196</b>	<b>-7,419</b>
<b>Cash flows from financing activities</b>			
Proceeds from debt securities	106,174	139,424	143,628
Repayments of debt securities	-123,748	-147,337	-149,604
Proceeds from issuance of subordinated loans	2,070	3,159	4,211
Repayments of subordinated loans <sup>6</sup>	-1,042	-6,092	-3,367
Repayment and premium paid on non-voting equity securities			-2,250
Purchase/sale of treasury shares	10	34	-14
Proceeds from NN Group divestments and related transactions		1,040	2,733
Dividends paid 30	-2,521	-1,393	
<b>Net cash flow from/(used in) financing activities</b>	<b>-19,057</b>	<b>-11,165</b>	<b>-4,663</b>
<b>Net cash flow</b>	<b>-4,370</b>	<b>3,608</b>	<b>-63</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>20,379</b>	<b>17,113</b>	<b>17,180</b>
Effect of exchange rate changes on cash and cash equivalents	155	-342	-4
<b>Cash and cash equivalents at end of year 32</b>	<b>16,164</b>	<b>20,379</b>	<b>17,113</b>

1 Result before tax includes results from continuing operations of EUR 5,903 million (2015: EUR 6,172 million; 2014: EUR 3,707 million) as well as results from discontinued operations of EUR 439 million (2015: EUR 21 million; 2014: EUR -1,025 million).

2 Changes in cash flows of Loans and advances to customers and Customer deposits are not impacted by the change in accounting policies, as described in Note 1 'Accounting policies' - Changes in accounting policies in 2016, on the basis that the change in policy does not comprise a change in actual cash flows for the respective periods.

3 In 2015, Disposals and redemptions - group companies included EUR -7,975 million and EUR 997 million related to cash and cash equivalents of NN Group and proceeds from the sale of shares of NN Group resulting in loss of control at the end of May 2015 respectively. (2014: EUR 950 million proceeds from the sale of shares of Voya which resulted in loss of control in the first quarter of 2014).

4 Disposals and redemptions - associates and joint ventures includes EUR 1,016 million proceeds on the further sale of NN Group shares in January 2016 resulting in loss of significant influence over NN Group (2015: EUR 995 million proceeds on the further sale of NN Group shares in September 2015; 2014: EUR 1,940 million proceeds from the sale of Voya shares in September and November 2014).

5 Disposals and redemptions - available-for-sale investments includes EUR 1,375 million proceeds on the divestment of the remaining shareholding in NN Group in April 2016.

6 Included in Repayment of subordinated loans is a cash outflow of EUR 128 million related to the third and final tranche of mandatory exchangeable subordinated notes from the Anchor investors into NN Group ordinary shares in February 2016.

7 The defined contribution payment for pension plans was previously presented in 'Adjusted for: other' and is now presented in 'provisions and other liabilities'. Comparatives have been adjusted accordingly.

As at 31 December 2016, Cash and cash equivalents includes cash and balances with central banks of EUR 18,144 million (2015: EUR 21,458 million; 2014: EUR 12,233 million). The decrease in cash and balances with central banks is as a result of the lowering of excess liquidity and negative interest rates. Reference is made to Note 32 'Cash and cash equivalents'.

Comparison of the Consolidated cash flow statements between 2016, 2015 and 2014 is impacted by NN Group. Included in the 2015 and 2014 cash flow statements respectively, are the NN Group cash flows for five months until deconsolidation at the end of May 2015 and NN Group cash flows for the year ended 31 December 2014, respectively.

References relate to the accompanying notes. These form an integral part of the Consolidated annual accounts.

## Consolidated statement of cash flows of ING Group - continued

## Interest and dividend received and paid

	2016	2015	2014
Interest received	44,470	46,884	51,301
Interest paid	-31,702	-34,306	-38,001
	<b>12,768</b>	<b>12,578</b>	<b>13,300</b>
Dividend received	123	116	61
Dividend paid	-2,521	-1,393	-

Interest received, interest paid and dividends received are included in operating activities in the cash flow statement. Dividend paid is included in financing activities in the cash flow statement.