ING

Press release

Corporate Communications

Amsterdam, 9 May 2018

ING posts 1Q18 net result of €1,225 million

ING continues pace of commercial growth, attracting more customers and increasing core lending
- ING grew primary customer base in 1Q18 by 170,000 to 11.2 million; total retail customers reached 37.8 million
- Net core lending in 1Q18 increased by €12.3 billion; net customer deposit inflow amounted to €2.4 billion

ING 1Q18 underlying pre-tax result of €1,686 million, up 2.1% year-on-year
- Good result reflects continued loan growth and lower risk costs, whereas expenses remained under control
- ING's 1Q18 four-quarter rolling underlying ROE was 10.3%; fully loaded CET1 ratio at 14.3%

CEO statement

"We delivered solid profitability in the first quarter, at the same time providing a differentiating experience for customers and innovating to stay relevant for them in the future," said Ralph Hamers, CEO of ING Group. "We attracted new customers and deepened the relationship with existing ones. Overall customer numbers were up more than 400,000 during the quarter to 37.8 million. Primary relationships grew by 170,000 to 11.2 million, boosted by inflows in our Challengers & Growth Markets, particularly in Australia. We are on track to achieve our goal of 14 million primary relationships by 2020."

"We rolled out new products and services in the first quarter to create an easier experience and empower customers in new ways. These included ING Global Index Portfolios, developed jointly in the Netherlands, Austria, Germany, Belgium and Luxembourg, with each unit contributing vital parts to the whole. This low-cost and easy-to-use investment product expands our offering in those markets and provides customers with an alternative to savings accounts."

"We took an important step to become the preferred platform for business customers by acquiring a 75 percent stake in Payvision, an innovative service that connects merchants and payments providers by facilitating more than 80 payment methods in 150 currencies. This technological leap will strengthen and expand ING's digital payments business, especially in e-commerce."

"And we achieved a milestone in the first quarter when our Yolt open-banking platform in the UK passed the 250,000 user mark. Yolt empowers by giving people better insights into their finances with the help of tools to manage their money across financial institutions. Yolt taps into the disruption ushered in by the European PSD2 open payments directive with a multi-bank value proposition that we at ING feel will be a key element of the go-to banking platforms of the future."

"We've set ambitious targets for responsible finance. We focus on financing companies and sectors whose activities counter global warming and have a positive social impact, as well as working together with environmental, social and governance (ESG) industry leaders. This includes helping others to secure sustainable finance, which we also did in the first quarter when we acted as Sustainability Coordinator for the revolving credit facility for global agri-business Olam International Ltd, Asia's first sustainability-linked club loan deal. We also made good progress in 1Q18 building a reputation for placing green bonds; during the quarter ING led eight green bond issues for clients."

"Overall, our commercial momentum remained strong. We recorded €12.3 billion of core lending growth in the quarter. Risk costs remained low, and we demonstrated good cost control in the first quarter. Expenses were down from the fourth quarter of 2017 when costs were higher due to investments in growth and non-recurring items. I'm pleased with the progress on the merger of Record Bank into ING Belgium, which we expect to be completed in the first half of 2018. We remain on track to achieve the €900 million cost-savings goal we set as part of our Think Forward strategy by 2021."

"As we transform ING, we have to ensure the highest standards in our daily operations. That includes further strengthening non-financial risk areas, such as customer due diligence, cyber security and anti-money laundering."

"We have successfully adopted the new IFRS 9 accounting standard, which came into effect at the beginning of this year. Now that we can better assess the potential impact of Basel IV and IFRS 9 on capital and earnings, we have been able to complete ING Group's financial ambitions with a CET1 ratio of around 13.5 percent and an underlying ROE ambition between 10 and 12 percent. We continue to expand our digital leadership and to attract customers that see us as the go-to bank, as well as delivering attractive returns to shareholders."

Investor enquiries
T: +31 (0)20 576 6396
E: investor.relations@ing.com

Press enquiries
T: +31 (0)20 576 5000
E: media.relations@ing.com

Investor conference call
9 May 2018 at 9:00 am CET
+31 (0)20 531 5821 (NL)
+44 203 365 3209 (UK)
+1 866 349 6092 (US)
Live audio webcast at www.ing.com

Media conference call
9 May 2018 at 11:00 am CET
+31 (0)20 531 5871 (NL)
+44 203 365 3210 (UK)
Live audio webcast at www.ing.com

Share Information

Table of contents

Financial calendar

Payment date final dividend 2017 (NYSE):	Friday, 11 May 2018
Publication results 2Q2018:	Thursday, 2 August 2018
Ex-date for interim dividend 2018 (Euronext Amsterdam)*:	Monday, 6 August 2018
Record date for interim dividend 2018 entitlement (Euronext Amsterdam)*:	Tuesday, 7 August 2018
Record date for interim dividend 2018 entitlement (NYSE)*:	Monday, 13 August 2018
Payment date interim dividend 2018 (Euronext Amsterdam)*:	Tuesday, 14 August 2018
Payment date interim dividend 2018 (NYSE)*:	Tuesday, 21 August 2018
Publication results 3Q2018:	Thursday, 1 November 2018

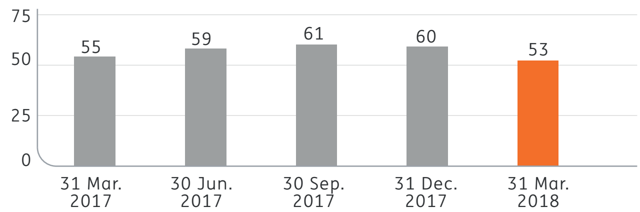
** only if any dividend is paid* — *All dates are provisional*

Share information

	1Q2017	2Q2017	3Q2017	4Q2017	1Q2018
Shares (in millions, end of period)					
Total number of shares	3,883.3	3,885.3	3,885.6	3,885.8	3,888.0
- Treasury shares	0.9	0.6	0.6	0.9	0.9
- Shares outstanding	3,882.4	3,884.7	3,885.0	3,884.9	3,887.1
Average number of shares	3,878.6	3,884.0	3,884.5	3,884.6	3,885.0
Share price (in euros)					
End of period	14.17	15.10	15.60	15.33	13.70
High	14.62	15.75	15.90	15.98	16.66
Low	12.93	13.65	14.59	15.00	13.41
Net result per share (in euros)	0.29	0.35	0.35	0.26	0.32
Shareholders' equity per share (end of period in euros)	13.07	12.79	12.81	12.97	12.91
Dividend per share (in euros)	n.a.	0.24	n.a.	0.43	n.a.
Price/earnings ratio [1]	12.1	12.7	13.0	12.1	10.7
Price/book ratio	1.08	1.18	1.22	1.18	1.06

[1] Four-quarter rolling average

Market capitalisation (in € billion)



Listing information

The ordinary shares of ING Group are listed on the exchanges of Amsterdam, Brussels and New York (NYSE).

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

American Depositary Receipts (ADRs)

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

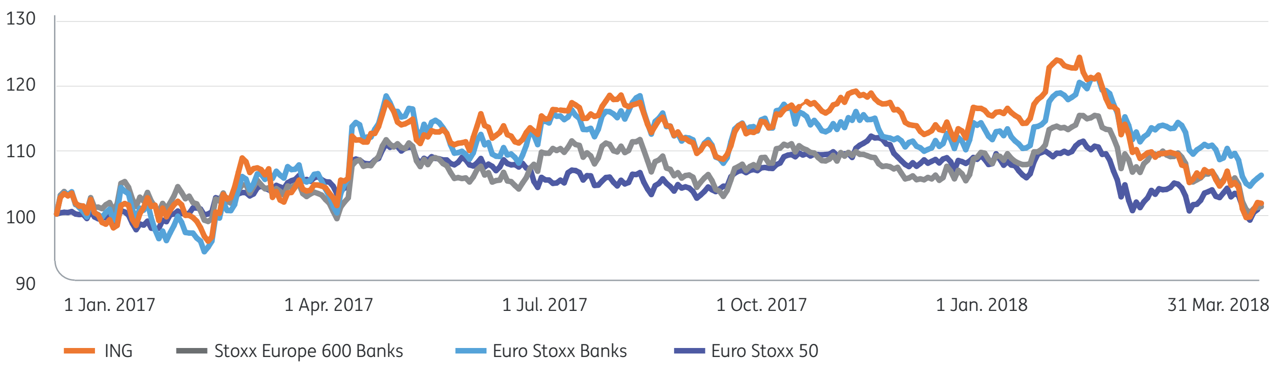
Broker/Institutional Investors please contact:
J.P. Morgan Chase Bank, N.A.
Depositary Receipts
4 New York Plaza, Floor 12
New York, NY 10004
In the US: (866) JPM-ADRS
Outside the US: +1 866 576-2377

ADR Shareholders can contact J.P. Morgan Transfer Agent Service Center:
J.P. Morgan Chase Bank, N.A.
P.O. Box 64504
St. Paul, MN 55164-0504
In the US: +1 800 990 1135
Outside the US: +1 651 453 2128
Email: jpmorgan.adr@wellsfargo.com

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

Relative share price performance

1 January 2017 to 31 March 2018



Highlights

ING delivered solid profitability in the first quarter of 2018 as our differentiating customer experience helped attract new customers and deepen our relationship with existing ones.

We had a total of 37.8 million retail customers[1)] at the end of the first quarter, 400,000 more than in the previous quarter. The number of primary relationships increased by 170,000 to 11.2 million, boosted by growth in our Challengers & Growth Markets, particularly in Australia. We are on track to achieve our goal of 14 million primary relationships by 2020.

Innovation

We're attracting customers to ING with our easy, empowering experience. An example of this is ING Global Index Portfolios, developed jointly in the Netherlands, Austria, Germany, Belgium and Luxembourg, with each unit contributing vital parts to the whole. This low-cost and easy-to-use investment product expands our offering in those markets and provides customers with an alternative to savings accounts.

Besides innovating within ING, we also continue to innovate through strategic partnerships and acquisitions.

ING acquired a 75 percent stake in Payvision, a service that connects merchants and payments providers by facilitating more than 80 payment methods in 150 currencies. This strengthens our footprint in omnichannel payments services and expands merchant services for business customers, especially in the fast-growing e-commerce segment.

We also acquired a 90 percent stake in Makelaarsland, a Dutch digital real estate platform. Its innovative and customer-friendly brokerage service fits well with our ambition to support people at key moments in their lives with services that go beyond banking. Consumers can use this independent brokerage service to buy and sell homes while saving on the usual broker fees

We now also offer instant payments in Australia thanks to the New Payments Platform (NPP). NPP is a world-class payment infrastructure for the 24/7 digital economy, developed as a collaboration between NPP Australia, ING and 12 other financial institutions. It will significantly impact how our customers send and receive money by removing the usual two to three-day wait for transfers to go through and providing real-time clearing and settlement in accounts of participating financial institutions.

Sustainability

We took further steps in the first quarter to contribute to a low-carbon and self-reliant society. ING now has ambitious targets for responsible finance, which we formerly called 'sustainable transitions financed'. We aim to double our funding to climate finance, industry ESG leaders and social-impact finance portfolios by 2022 compared to 2017.

In Poland, we're also encouraging entrepreneurs to 'go green' with ECO credit and leasing products. We incentivise customers to make sustainable investments in their businesses by charging no commission and lower margins on these products.

We played a key role in Asia's first sustainability-linked club loan deal by acting as Sustainability Coordinator for global agri-business Olam International Ltd's $500 million sustainability-linked revolving credit facility.

ING is also building a reputation for placing green bonds. In the first quarter of 2018 we led eight green bond issues for clients, including:

- a €1 billion green covered bond issued by SpareBank 1, a first for the Nordic region. Proceeds are being used to acquire energy-efficient residential mortgages. ING acted as sole structuring advisor.
- a €4.5 billion green bond for the Kingdom of Belgium. ING acted as joint bookrunner.
- a euro-denominated green bond for Prologis, the global leader in industrial real estate. Prologis became the first REIT (real estate investment trust) in the sector to issue green bonds. The proceeds are being used for investments in green buildings, renewable energy and energy-efficient systems. ING acted as joint bookrunner.

Together with the European Investment Bank (EIB), we launched a €300 million green shipping facility. Both parties are committing €150 million to support green investments in the European shipping market. This agreement will ensure that sponsors of green and sustainable projects in the maritime transport sector can benefit from advantageous financial terms.

Transformation

We continue to transform our organisation as we execute our Think Forward strategy. One of the first-quarter milestones in the transformation to unite Belgium and the Netherlands was launching a new retail organisation to support Belgian customers. An immediate benefit for them is extended opening hours at branches.

The Netherlands and Belgium are the final two countries in which we introduced our new bank cards. We've gone from 95 card designs to 8 card designs as the global standard. With its symbolic orange heart, the cards are instantly recognisable in people's wallets.

Our Cards HUB in Poland has been set up as a shared service centre to process cards transactions and offer other card-related services to the rest of ING. France is the first country that's being migrated to Cards HUB and is already benefitting from process synergies and efficiencies.

[1)] We brought more uniformity to how we measure the number of customers across the bank. As a result, we have restated customer numbers over previous quarters.

Consolidated Results

Consolidated results	1Q2018	1Q2017	Change	4Q2017	Change
Profit or loss (in € million)					
Net interest income	3,404	3,352	1.6%	3,512	-3.1%
Net commission income	661	682	-3.1%	674	-1.9%
Investment income	65	48	35.4%	20	225.0%
Other income	327	314	4.1%	162	101.9%
Total underlying income	**4,457**	**4,396**	**1.4%**	**4,368**	**2.0%**
Staff expenses	1,340	1,271	5.4%	1,336	0.3%
Regulatory costs[1]	493	474	4.0%	264	86.7%
Other expenses	853	865	-1.4%	1,018	-16.2%
Underlying operating expenses	**2,686**	**2,611**	**2.9%**	**2,618**	**2.6%**
Gross result	**1,771**	**1,785**	**-0.8%**	**1,751**	**1.1%**
Addition to loan loss provisions[2]	85	133	-36.1%	190	-55.3%
Underlying result before tax	**1,686**	**1,652**	**2.1%**	**1,560**	**8.1%**
Taxation	464	456	1.8%	543	-14.5%
Non-controlling interests	29	21	38.1%	17	70.6%
Underlying net result	**1,192**	**1,175**	**1.4%**	**1,001**	**19.1%**
Net result Insurance Other	33	-32		15	
Net result ING Group	**1,225**	**1,143**	**7.2%**	**1,015**	**20.7%**
Net result per share (in €)	0.32	0.29		0.26	
Capital ratios (end of period)[3]					
ING Group shareholders' equity (in € billion)	50.2			49.4	1.6%
ING Group common equity Tier 1 ratio fully loaded[4]	14.3%			14.5%	
ING Group common equity Tier 1 ratio phased in	14.3%			14.5%	
Customer lending/deposits (end of period, in € billion)[3]					
Residential mortgages	278.3			278.6	-0.1%
Other customer lending	299.9			292.1	2.7%
Customer deposits	546.8			539.9	1.3%
Profitability and efficiency					
Underlying interest margin	1.52%	1.52%		1.58%	
Underlying cost/income ratio	60.3%	59.4%		59.9%	
Underlying return on equity on IFRS-EU equity[5]	10.0%	9.6%		8.3%	
Employees (internal FTEs, end of period)	51,752	51,464	0.6%	51,815	-0.1%
Four-quarter rolling average key figures					
Underlying interest margin	1.54%	1.52%		1.54%	
Underlying cost/income ratio	55.7%	53.1%		55.5%	
Underlying return on equity on IFRS-EU equity[5]	10.3%	10.8%		10.2%	
Risk					
Stage 3 ratio (end of period)[3]	1.7%			1.8%	
Stage 3 provision coverage ratio (end of period)[3]	33.8%			34.6%	
Underlying risk costs in bps of average RWA	11	17		25	
Risk-weighted assets (end of period, in € billion)[3]	312.4	309.8	0.9%	311.2	0.4%

[1] Regulatory costs represent bank taxes and contributions to the deposit guarantee schemes ('DGS') and the (European) single resolution fund ('SRF').
[2] The amount presented in 'Addition to loan loss provisions' (which is equivalent to risk costs) includes write-offs and recoveries on loans and receivables not included in the stock of provision for loan losses.
[3] Capital ratios, customer lending/deposits, stage 3 ratio, stage 3 provision coverage ratio and risk-weighted assets of 4Q2017 show key figures as at 1 January 2018 and include the impact of applying IFRS 9.
[4] Interim profit not included in CET1 capital in 1Q18 of €2,538 million (1 Jan. 18: €1,670 million).
[5] Annualised underlying net result divided by average IFRS-EU shareholders' equity excluding interim profit not included in CET1 capital.
Note: Underlying figures are non-GAAP measures. These are derived from figures according to IFRS-EU by excluding the impact from divestments, special items and Insurance Other. See the Appendix for a reconciliation between GAAP and non-GAAP figures.

Consolidated Results

ING's first-quarter 2018 net result was €1,225 million, up from €1,143 million in the first quarter of 2017 and €1,015 million in the previous quarter. Commercial momentum continued in the first quarter of 2018 as ING increased the number of our primary clients by 170,000 and recorded a net growth in our core lending book of €12.3 billion. ING Group's fully loaded CET1 ratio declined to 14.3% at the end of March 2018 from 14.5% at per 1 January 2018, which included an -0.2 percentage point impact due to the implementation of IFRS 9 as at 1 January 2018.

The underlying net result, defined as net result excluding Insurance Other, rose to €1,192 million from €1,175 million in the first quarter of 2017 and €1,001 million in the fourth quarter of 2017. ING's underlying return on IFRS-EU equity was 10.0% in the first quarter of 2018. On a four-quarter rolling basis, which eliminates the seasonality in results, the underlying return on ING's IFRS-EU equity was 10.3%.

Underlying income increased both year-on-year and sequentially, driven by continued business growth and despite negative currency impacts. Expenses excluding regulatory costs remained under control and declined from the elevated cost level in the fourth quarter of 2017. Risk costs declined to €85 million, or an annualised 11 basis points of average risk-weighted assets, supported by a more positive macroeconomic outlook and the benign credit environment.

Adoption of IFRS 9

IFRS 9 'Financial Instruments' became effective as per 1 January 2018. ING has applied the classification, measurement, and impairment requirements retrospectively by adjusting the opening balance sheet and opening equity as at 1 January 2018, and decided not to restate comparative periods. ING furthermore decided to continue applying IAS 39 for hedge accounting including the application of the EU carve-out as explicitly permitted by IFRS 9.

For a reconciliation between the reported balance sheet at year-end 2017 and the opening balance sheet as at 1 January 2018, see the appendix on page 26.

Underlying results

The first-quarter 2018 underlying result before tax of €1,686 million was supported by continued loan growth and lower risk costs, but also included seasonally higher regulatory costs. Financial Markets recovered from a weak fourth quarter of 2017, but could not match its strong first quarter of 2017, and recorded a modest pre-tax profit of €18 million. Expenses excluding regulatory costs declined significantly from the high level in the fourth quarter of 2017, but were 2.6% higher than in the first quarter of 2017, reflecting our focus on growth and the transformation in both our Retail and Wholesale Banking businesses. Compared with the strong first-quarter 2017 performance, the underlying result before tax rose 2.1%. Sequentially, the underlying result before tax increased 8.1%; this was mainly caused by higher revenues and lower risk costs, while the large increase in regulatory costs due to seasonality was to a large extent absorbed by the decrease in operational expenses.

Total underlying income

Total underlying income rose 1.4% to €4,457 million from €4,396 million in the first quarter of 2017. The increase was caused by higher income in Retail Banking, with an important contribution from Other Challengers & Growth Markets, and the Corporate Line. Wholesale Banking income declined compared with a year ago, mainly due to lower Financial Markets revenues and negative currency impacts (most notably the weakening of the US dollar against the euro). Net interest income rose 1.6% from a year ago, supported by strong continued loan growth and an overall stable net interest margin compared with the first quarter of 2017. Higher investment and other income was largely offset by a small decline in net commission income.

Compared with the fourth quarter of 2017, total underlying income increased by €89 million, or 2.0%, due to higher investment and other income, partly offset by lower interest results and net commission income. The increase in income was primarily attributable to Retail Banking outside the Netherlands and the Corporate Line. Income from Retail Netherlands and Wholesale Banking was broadly stable compared with the previous quarter.

Total customer lending rose by €7.5 billion in the first quarter of 2018 to €578.2 billion. Adjusted for currency impacts and excluding Bank Treasury, the run-off portfolios of WUB and Lease, and the sale of a mortgage portfolio in Belgium, net growth in the core lending book of Retail and Wholesale Banking was a very strong €12.3 billion.

First-quarter 2018 net core lending growth was again well diversified across Retail and Wholesale Banking. Residential mortgages increased by €1.8 billion, driven by continued mortgage growth in Belgium and in Challengers & Growth Markets, partly offset by a €0.3 billion decline in the Netherlands. Other net core lending grew by €10.5 billion, of which €3.4 billion was in Retail Banking, including €0.6 billion of growth in business lending in the Netherlands. In Wholesale Banking, other net core lending grew by €7.1 billion, predominantly in Industry Lending and General Lending & Transaction Services.

Customer deposits increased by €6.9 billion to €546.8 billion in the first quarter of 2018. The net growth of customer

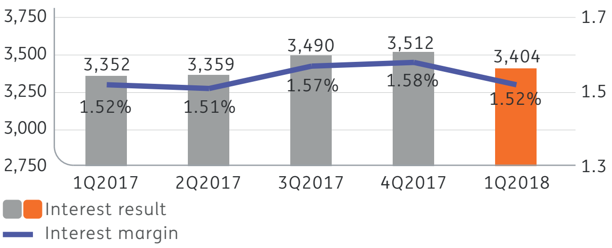
Consolidated Results

deposits in Retail and Wholesale Banking (excluding an increase in Bank Treasury and adjusted for currency impacts) was €2.4 billion. Retail Banking generated a net inflow of €1.8 billion, as growth in Belgium and Other Challengers & Growth Markets outpaced declines in the Netherlands and Germany. In Wholesale Banking, the net customer deposit growth was €0.6 billion in the quarter.

Underlying net interest income increased 1.6% to €3,404 million from €3,352 million in the first quarter of 2017. The increase was caused by a 8.2% higher interest result in Retail Challengers & Growth Markets (which more than compensated for a 3.6% decrease in net interest income in Retail Benelux), higher (volatile) interest results in Financial Markets, improved Bank Treasury-related interest results, and higher net interest income in Corporate Line. The latter was supported by the maturity of high-cost legacy bonds, which resulted in reduced funding costs. Net interest income on customer lending was stable, as the impact of volume growth in mortgages and other customer lending was offset by a lower overall lending margin compared with a year ago. The interest result on customer deposits declined slightly compared with a year ago as the continuing margin pressure on current accounts (due to lower reinvestment yields) and a modest decline in savings volumes was only partly compensated by higher volumes in current accounts. The interest margin on savings remained stable compared with a year ago, supported by a further lowering of the client savings rates in most countries during the last twelve months. The interest result in the current quarter was also negatively affected by a €35 million non-recurrent amortisation of a hedge reserve due to the decision to end some hedge relationships.

Compared with the fourth quarter of 2017, which included €8 million of net interest income caused by the decision to end some hedge relationships versus €-35 million in the first quarter of 2018 (with equally sized opposite moves in other income), total net interest income declined by €108 million, or 3.1%. The remaining decline in net interest income was mainly due to lower interest results in Financial Markets (even though total Financial Markets income was up on the previous quarter).

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



The first-quarter 2018 underlying net interest margin was 1.52% compared with 1.58% in the fourth quarter of 2017. The lower interest result in Financial Markets led to a decline of three basis points, whereas amortisation of the hedge reserve related to the decision to end some hedge relationships reduced the overall margin by two basis points. The remaining decrease can largely be explained by lower interest margins on other (non-mortgage) lending and savings. The interest margins on current accounts and mortgages remained stable.

Net commission income declined to €661 million from €682 million in the first quarter of 2017. The decrease was mainly caused by lower fee income from investment products in Retail Belgium and in Wholesale Banking's Industry Lending, while fee income in Retail Netherlands and Retail Other Challengers & Growth Markets increased. Compared with the fourth quarter of 2017, net commission income fell by €13 million, or 1.9%, primarily due to lower fee income in Industry Lending and on mortgages in Retail Germany. Fee income in Retail Benelux and the Retail Other Challengers & Growth Markets increased.

Investment income rose to €65 million from €48 million in the first quarter of 2017. The increase was driven by €25 million of higher realised gains on debt securities, partly offset by lower results on equities. Compared with the fourth quarter of 2017, investment income increased by €45 million, also driven by higher realised gains on debt securities, whereas the results on equities (including dividends received) declined.

Other income rose to €327 million from €314 million in the first quarter of 2017, fuelled by higher other income in Retail Banking and Corporate Line. Wholesale Banking recorded a decline in other income, notably due to a weaker performance in Financial Markets compared with the strong year-ago quarter. Sequentially, other income increased by €165 million. This was partly caused by €23 million of positive CVA/DVA impacts in Financial Markets in the first quarter of 2018 versus €-45 million of CVA/DVA impacts in Financial Markets and in the Corporate Line in the fourth quarter of 2017. The remainder was mostly caused by higher other income in Financial Markets (with a partial offset in the form of lower net interest income) and in Bank Treasury due to the aforementioned equally sized opposite moves in other income from ending some hedge relationships (€35 million versus €-8 million in the fourth quarter of 2017).

Operating expenses

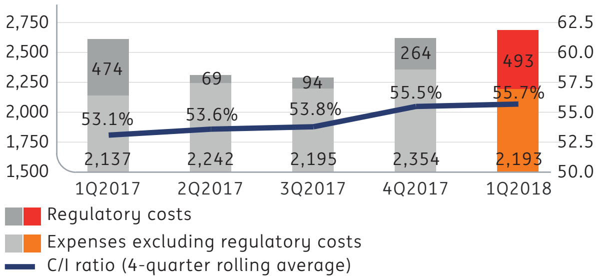
Underlying operating expenses increased by €75 million, or 2.9%, compared with the year-ago quarter and were €68 million, or 2.6%, higher than in the fourth quarter of 2017. The increase compared with the previous quarter was fully attributable to the seasonally higher regulatory costs as ING is required to recognise certain annual charges (such as the contributions to the European single resolution fund and the annual Belgian bank taxes) in full in the first quarter. Total regulatory costs rose to €493 million in the first quarter of 2018 from €474 million one year ago and €264 million in the previous quarter (which included the annual Dutch bank tax).

Consolidated Results

Expenses excluding regulatory costs rose by €56 million, or 2.6%, compared with a year ago, to €2,193 million. Higher expenses were recorded in Retail Banking and were mainly caused by temporarily higher external staff expenses in Belgium, and by increased staff expenses (to support the continued growth in primary clients) and strategic investments in Retail Challengers & Growth Markets. Expenses in Retail Netherlands declined. Within Wholesale Banking, expenses excluding regulatory costs were slightly lower, supported by a release from a litigation provision in Luxembourg and the impact of foreign currencies.

Compared with the fourth quarter of 2017 (which included a step-up in digital investment spending and some non-recurring and some seasonally higher costs), expenses excluding regulatory costs fell by €161 million, or 6.8%. The decline was entirely visible in Retail Netherlands, Retail Challengers & Growth Markets and Wholesale Banking; the latter was partly supported by the release from a litigation provision.

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



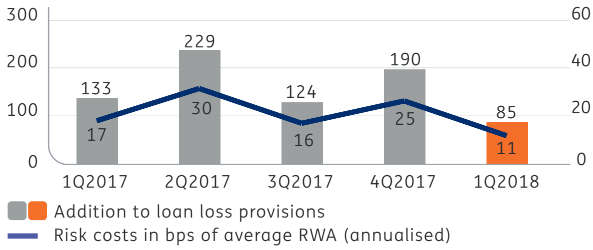
ING's first-quarter 2018 underlying cost/income ratio was 60.3% compared with 59.4% in the year-ago quarter and 59.9% in the fourth quarter of 2017. On a four-quarter rolling basis, which reduces the seasonal impact of regulatory costs, the underlying cost/income ratio increased to 55.7% from 53.1% one year ago, and was slightly higher than the 55.5% in the previous four-quarter rolling period.

The total number of internal staff decreased by 63 FTEs in the first quarter to 51,752 FTEs at the end of March 2018.

Addition to loan loss provisions

ING recorded €85 million of net additions to loan loss provisions in the first quarter of 2018, down from €133 million a year ago and €190 million in the previous quarter. This is the first quarter for which risk costs were reported in accordance with IFRS 9. Risk costs are therefore not fully comparable to those in previous periods when IAS 39 accounting standards were used. The more positive macroeconomic outlook combined with a benign credit environment in most regions where ING is active resulted in a decline in risk costs in the current quarter.

Addition to loan loss provisions (in € million)



Retail Netherlands recorded a net release of €4 million compared with net additions of €17 million in the first quarter of 2017 and €5 million in the previous quarter. The main reasons for the release are the positive macroeconomic outlook, lower write-offs on residential mortgages and some individual provision releases, while net new additions were low. In Retail Belgium, risk costs were €47 million, up from €36 million in the same quarter of last year and €27 million in the fourth quarter of 2017. Risk costs in the first quarter of 2018 were mainly related to business lending. Risk costs in the Retail Challengers & Growth Markets were €62 million, up from €45 million in the first quarter of 2017, but down from €90 million in the fourth quarter of 2017. The first-quarter 2018 risk costs were mainly recorded in Poland, Turkey, Spain and Germany.

Wholesale Banking recorded a €20 million net release from loan loss provisions in the first quarter of 2018 versus net additions of €35 million in the year-ago quarter and €68 million in the fourth quarter of 2017. The negative risk costs were mainly due to several larger releases on individual files.

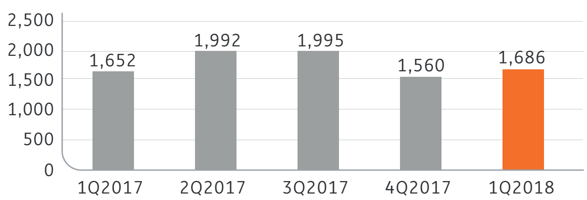
ING's stage 3 ratio (stage 3 credit-impaired assets expressed as a percentage of total credit outstandings) improved to 1.7% at the end of March 2018 from 1.8% as per 1 January 2018.

Total first-quarter risk costs were 11 basis points of average risk-weighted assets (RWA) versus 17 basis points in the first quarter of 2017 and 25 basis points in the fourth quarter of 2017, remaining well below ING's through-the-cycle average of 40-45 basis points.

Underlying result before tax

ING's first-quarter 2018 underlying result before tax was €1,686 million, up 2.1% from one year ago, mainly due to higher revenues and lower risk costs. Expenses were higher due to regulatory costs and our focus on growth and the transformation in our Wholesale Banking and Retail Banking businesses. Quarter-on-quarter, the underlying result before tax rose 8.1%, as higher income, lower expenses excluding regulatory costs and lower risk costs were only partly offset by the seasonally higher regulatory costs in the first quarter.

Underlying result before tax (in € million)



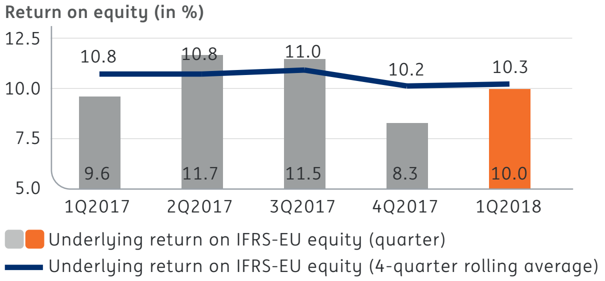
Consolidated Results

Underlying net result

ING's underlying net result was €1,192 million. This is 1.4% higher than the €1,175 million recorded in the first quarter of 2017 and up 19.1% from €1,001 million in the fourth quarter of 2017. The effective underlying tax rate was 27.5%, almost equal to what it was one year ago, but significantly lower than the 34.8% in the previous quarter. The relatively high tax charge in the fourth quarter of 2017 was mainly due to the impact of the corporate tax reforms in the US and Belgium, which resulted in a one-off tax charge related to a reduction in deferred tax assets.

In the first quarter of 2018, ING's underlying return on average IFRS-EU equity was 10.0% compared with 9.6% reported over the first quarter of 2017 and 8.3% over the fourth quarter of 2017. On a four-quarter rolling basis, which eliminates the seasonality in results, the underlying return on ING Group's average IFRS-EU equity was 10.3%, which is 0.5 precentage point lower than one year ago, but 0.1 percentage point higher than in the previous four-quarter rolling period. ING's underlying return on equity is calculated using IFRS-EU shareholders' equity after excluding 'interim profit not included in CET1 capital' (the latter only as per the end of the first quarter of 2017). As of 31 March 2018, interim profit not included in CET1 capital amounted to €2,538 million, which is equal to the final dividend over 2017 (€1,670 million) and a €868 million reservation for future dividend payments (being one-third of the proposed total dividend over 2017).

Return on equity (in %)



Net result

ING's first-quarter net result increased to €1,225 million from €1,143 million in the first quarter of 2017 and €1,015 million in the fourth quarter of 2017. The net result of ING also includes the net result from Insurance Other and – when applicable – the impact from divestments and special items after tax.

In the first quarter of 2018, ING recorded a €33 million net result from Insurance Other. This profit reflects the result from the sale of all remaining 6.5 million warrants on Voya shares in March 2018 and the change in valuation of the warrants on NN Group shares compared with year-end 2017. In the year-ago quarter, the valuation of warrants on NN Group and Voya shares resulted in a loss of €32 million, whereas in the fourth quarter of 2017 a net profit of €15 million was recorded on the warrants. ING holds warrants for approximately 35 million shares in NN Group at an exercise price of €40.00 per share. The fair value of these warrants was €17 million at the end of March 2018.

There were no divestments or special items in the first quarter of 2018, nor in both comparable quarters of 2017.

ING's net result per share was €0.32 in the first quarter of 2018 based on an average number of shares outstanding of 3,885 million during the quarter.

Segment Reporting: Retail Banking

Retail Benelux: Consolidated profit or loss account	Retail Benelux		Netherlands		Belgium	
In € million	1Q2018	1Q2017	1Q2018	1Q2017	1Q2018	1Q2017
Profit or loss						
Net interest income	1,315	1,364	869	889	446	475
Net commission income	250	265	155	151	95	114
Investment income	45	15	23	11	22	4
Other income	138	77	91	25	47	52
Total underlying income	**1,748**	**1,721**	**1,138**	**1,076**	**610**	**645**
Expenses excl. regulatory costs	848	836	487	496	362	340
Regulatory costs	273	282	92	86	181	196
Operating expenses	**1,121**	**1,118**	**578**	**582**	**543**	**536**
Gross result	**627**	**603**	**559**	**494**	**67**	**109**
Addition to loan loss provisions	43	53	-4	17	47	36
Underlying result before tax	**583**	**550**	**563**	**477**	**21**	**73**
Profitability and efficiency[1]						
Cost/income ratio	64.1%	65.0%	50.8%	54.1%	89.0%	83.1%
Return on equity based on 12.0% common equity Tier 1[2]	17.2%	16.3%	29.1%	24.7%	0.8%	4.6%
Employees (internal FTEs, end of period)	17,192	17,420	9,119	8,945	8,073	8,475
Risk[1]						
Risk costs in bps of average RWA	20	26	-3	14	52	42
Risk-weighted assets (end of period, in € billion)	85.4	81.9	49.2	46.9	36.2	35.0
Customer lending/deposits (end of period, in € billion)	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18
Residential mortgages	147.6	148.0	111.1	111.8	36.5	36.2
Other customer lending	82.5	80.6	35.7	35.3	46.9	45.2
Customer deposits	226.3	221.8	142.7	139.3	83.7	82.5

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

Retail Benelux

"In the Netherlands, we recorded another strong commercial quarter and lower expenses flowing from the ongoing cost-saving initiatives, as well as lower risk costs.

In order to take the next step in our ambition to support people at key moments in their lives with services that go beyond banking we acquired a majority stake in Makelaarsland, an innovative Dutch digital real estate platform. Consumers can use this independent working brokerage service to buy and sell homes while saving on the usual broker fee.

In Belgium, results decreased year-on-year, due to continued margin pressure on savings and current accounts as a result of the low interest rate environment. Expenses, mainly related to our transformation programmes, were slightly up. The quarter saw some higher risk costs.

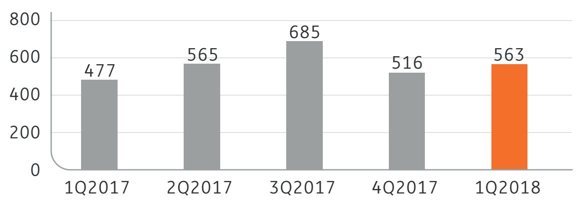
We have started the merger process with Record Bank and we are on track on our transformation to an integrated banking platform in the Netherlands and Belgium in order to deliver a differentiated customer experience."

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

Retail Netherlands

Retail Netherlands posted an underlying first-quarter result before tax of €563 million, up 18.0% from a year ago, mainly due to a higher result from Bank Treasury combined with a net release from loan loss provisions reflecting the continued positive economic conditions in the Netherlands. Underlying expenses fell 0.7%, reflecting the impact of the ongoing cost-saving programmes, which was only partly offset by higher staff-related expenses. Sequentially, the underlying result before tax rose by €47 million, or 9.1%. Income remained resilient, as higher Bank Treasury-related revenues compensated for the lower interest margin on savings and current accounts as a result of the low interest rate environment. There was positive net core lending growth in the quarter, driven by business lending, compared to declines in both comparable quarters. Underlying expenses were €37 million lower than in the fourth quarter of 2017. Risk costs decreased to €-4 million, mainly due to releases in the mortgage portfolio. The return on equity, based on a 12% common equity Tier 1 ratio, was a strong 29.1% in the first quarter of 2018.

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



Segment Reporting: Retail Banking

Total underlying income rose 5.8% year-on-year, mainly reflecting higher income from Bank Treasury (predominantly recorded in investment and other income). The interest result declined 2.2% to €869 million, mainly as a result of a lower margin on current accounts. Net commission income was 2.6% higher at €155 million. Sequentially, total underlying income was resilient, due to the aforementioned higher income from Bank Treasury combined with a slightly higher interest margin on mortgages, whereas the margin on savings and current accounts declined.

Customer lending decreased by €0.4 billion in the first quarter to €146.8 billion. Excluding the WUB run-off portfolio and Bank Treasury (both declined respectively by €0.3 billion), net core lending grew by €0.3 billion, of which €0.6 billion was in business lending, partly offset by €-0.3 billion in mortgages. Net customer deposits (excluding Bank Treasury) decreased by €0.8 billion due to lower balances on current accounts.

Underlying operating expenses decreased by €4 million, or 0.7%, from a year ago to €578 million. This is mainly due to the ongoing cost savings related to the transformation programmes, which were only partly offset by higher staff expenses that include the CLA impact. On a sequential basis, expenses fell by €37 million, or 6.0%, as the previous quarter included a restructuring provision related to the rationalisation of the joint ATM network in the Netherlands and higher additions to legal provisions, whereas the current quarter included lower marketing costs. These impacts were partly offset by higher regulatory costs.

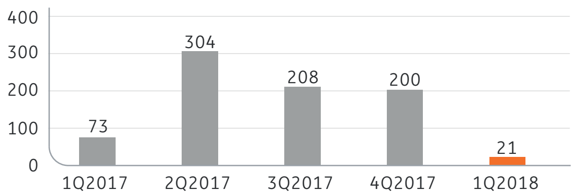
First-quarter 2018 risk costs were €-4 million compared with €17 million in the year-ago quarter and €5 million in the previous quarter. The negative risk costs in this quarter were caused by releases in the mortgage portfolio, while risk costs for business lending remained at a low level, reflecting the continued positive economic conditions in the Netherlands.

Risk-weighted assets rose by €1.0 billion in the first quarter of 2018 to €49.2 billion, mainly reflecting growth in the business lending portfolio and higher RWA for Bank Treasury.

Retail Belgium

Retail Belgium, including Luxembourg, posted a first-quarter 2018 underlying result before tax of €21 million, down €52 million from the year-ago quarter and €179 million lower than in the fourth quarter of 2017. The decline versus the previous quarter was mainly due to higher regulatory costs, which are predominantly booked in the first quarter of each year. Excluding regulatory costs, the pre-tax result was €202 million, which is €9 million lower than in the fourth quarter of 2017. Total income declined by €35 million to €610 million compared with the same quarter of last year. Volume growth in customer lending and deposits continued, but net interest income declined due to the impact from the low interest rate environment. Higher income from Bank Treasury (notably investment income) compensated for lower fee income. Expenses excluding regulatory costs were slightly up, mainly due to higher costs related to the transformation programmes. Risk costs increased to €47 million, mainly related to the mid-corporates segment. The return on equity, based on a 12% common equity Tier 1 ratio, fell to 0.8%. On a four-quarter rolling basis, the return on equity was 10.7%.

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



Total underlying income declined by €35 million, or 5.4%, year-on-year, mainly due to continued margin pressure on savings and current accounts as a result of the continued low interest rate environment. Commission income fell by €19 million, mostly as a result of lower entrance fees in investment products. This was partly compensated by a higher result from Bank Treasury. Sequentially, income rose by €23 million, or 3.9%, mainly due to higher revenues from Bank Treasury and a €9 million increase in net commission income. Net interest income declined by €5 million as the impact of volume growth was more than offset by margin pressure on most products.

Customer lending increased by €2.0 billion in the first quarter of 2018 to €83.4 billion. Net core lending (excluding Bank Treasury and the sale of a mortgage portfolio) grew by €2.2 billion, of which €1.2 billion was in business lending, €0.5 billion in consumer lending and €0.5 billion in mortgages. Customer deposits recorded an inflow of €1.2 billion to €83.7 billion, primarily in current accounts.

Underlying operating expenses were €543 million, up 1.3% from the same quarter of last year. This increase was mainly due to higher external staff expenses related to the transformation programmes, partly offset by lower regulatory costs. On a sequential basis, expenses increased by €183 million, as the full-year contributions for the European single resolution fund, Belgian deposit guarantee scheme and Belgian bank taxes were recorded in the first quarter. Expenses excluding regulatory costs increased by €12 million, or 3.4%, mainly due to the aforementioned higher external staff expenses related to the transformation programmes.

First-quarter 2018 risk costs were €47 million, or 52 basis points of average risk-weighted assets, compared with €36 million in the first quarter of 2017 and €27 million in the previous quarter. The increase this quarter was mainly related to several specific files in the mid-corporates segment.

Risk-weighted assets rose by €1.1 billion in the first quarter to €36.2 billion. The increase mainly reflects lending growth and higher operational risk-weighted assets, partly offset by a model update and positive risk migration.

Segment Reporting: Retail Banking

Retail Challengers & Growth Markets: Consolidated profit or loss account	Retail Challengers & Growth Markets		Germany		Other	
In € million	1Q2018	1Q2017	1Q2018	1Q2017	1Q2018	1Q2017
Profit or loss						
Net interest income	1,090	1,007	422	416	668	591
Net commission income	149	138	46	48	103	91
Investment income	-5	12	0	10	-5	2
Other income	45	34	12	-11	33	45
Total underlying income	**1,279**	**1,192**	**479**	**463**	**799**	**729**
Expenses excl. regulatory costs	673	623	224	225	448	398
Regulatory costs	105	102	51	52	54	50
Operating expenses	**777**	**725**	**275**	**277**	**502**	**448**
Gross result	**501**	**467**	**204**	**186**	**297**	**281**
Addition to loan loss provisions	62	45	9	2	52	43
Underlying result before tax	**440**	**422**	**195**	**185**	**245**	**238**
Profitability and efficiency[1]						
Cost/income ratio	60.8%	60.8%	57.4%	59.8%	62.8%	61.4%
Return on equity based on 12.0% common equity Tier 1[2]	14.3%	13.8%	17.6%	16.4%	12.6%	12.5%
Employees (internal FTEs, end of period)	22,565	22,541	4,735	4,611	17,830	17,929
Risk[1]						
Risk costs in bps of average RWA	33	25	15	3	42	36
Risk-weighted assets (end of period, in € billion)	74.6	72.8	25.3	24.2	49.3	48.6
Customer lending/deposits (end of period, in € billion)	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18
Residential mortgages	129.8	129.7	70.3	70.0	59.5	59.7
Other customer lending	39.3	38.2	13.0	12.1	26.3	26.1
Customer deposits	252.9	253.1	132.5	132.7	120.5	120.4

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

Retail Challengers & Growth Markets

"Retail Challengers & Growth Markets recorded a strong performance in the first quarter of 2018.

The continued focus on growing both customers and volumes while controlling the expense base clearly paid off in terms of financial results. Pre-tax profit showed 4% growth year-on-year, which is a testament to our ongoing dedication to delivering meaningful and valuable customer experiences, further supported by a continued strong inflow of primary customers. All of this demonstrates that C&G was able to maintain its strong momentum.

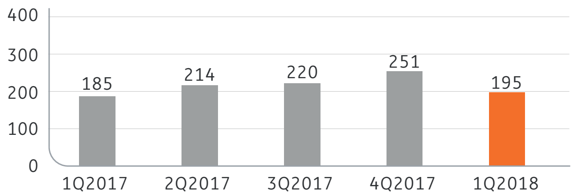
Looking ahead, we will remain focused on containing costs and delivering on our Think Forward priorities."

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

Retail Germany

Retail Germany, including Austria, recorded a first-quarter 2018 underlying result before tax of €195 million, up from €185 million in the first quarter of 2017. This increase was mainly driven by higher net interest income and improved hedge ineffectiveness results. Compared with the fourth quarter of 2017, the result before tax dropped by €56 million. The decrease was mainly due to lower income as a result of margin pressure on savings, seasonally higher regulatory expenses and higher risk costs (compared with a net release in the fourth quarter of 2017). Retail Germany continued its strong business momentum by growing the number of customers and net core lending in the quarter. The return on equity, based on a 12% common equity Tier 1 ratio was a healthy 17.6% in the first quarter of 2018.

Underlying result before tax - Germany (in € million)



Total underlying income was €479 million, up 3.5% from the first quarter of 2017. The increase was mainly attributable to higher net interest income, supported by higher lending volumes and client savings rate adjustments, as well as improved hedge ineffectiveness results. Compared with the fourth quarter of 2017, total income declined 4.8%. Net

Segment Reporting: Retail Banking

interest income was lower, mainly as a result of margin pressure on savings and mortgages, which was only partly offset by the impact from higher lending volumes. Commission income was lower due to higher commissions paid for the origination of mortgages. This was partly offset by improved hedge ineffectiveness results.

Total customer lending rose by €1.2 billion in the first quarter of 2018 to €83.3 billion. Net core lending, which excludes Bank Treasury, increased by €0.7 billion, of which €0.4 billion was attributable to residential mortgages and €0.3 billion to consumer lending. Customer deposits, excluding Bank Treasury, decreased slightly by €0.2 billion to €132.5 billion, as an increase in current accounts was more than offset by a decrease in savings.

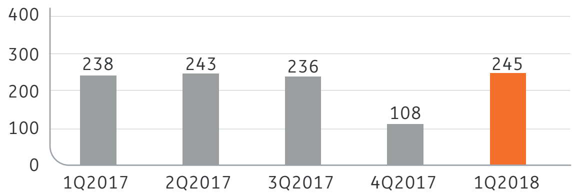
Operating expenses decreased by €2 million to €275 million from €277 million in the first quarter of 2017. Excluding regulatory costs, operating expenses decreased 0.4% from the year-ago quarter to €224 million. The decrease was mainly attributable to lower marketing expenses, partly offset by higher staff costs. Compared with the previous quarter, expenses excluding regulatory costs declined 7.4%, mainly reflecting lower expenses from investments in Project Welcome and lower marketing expenses.

Risk costs were €9 million compared with €2 million in the first quarter of 2017 and €-18 million in the fourth quarter of 2017. Fourth-quarter 2017 risk costs included a release of €22 million, reflecting model updates for consumer lending and overdrafts.

Risk-weighted assets increased by €0.5 billion in the first quarter of 2018 to €25.3 billion, mainly due to business growth and higher operational risk-weighted assets.

Retail Other Challengers & Growth Markets
Retail Other Challengers & Growth Markets posted an underlying result before tax of €245 million, up from €238 million in the first quarter of 2017. The increase was driven by strong revenue growth in most businesses (despite the impact from the low rate environment in most of the Other Challengers markets), which was largely offset by higher staff and other expenses, and increased risk costs. Compared with the fourth quarter of 2017, the underlying result before tax improved strongly by €137 million. The increase was due to revenue growth in most countries combined with lower marketing expenses and lower costs for strategic projects, as well as lower risk costs. The return on equity, based on a 12% common equity Tier 1 ratio, was 12.6% in the first quarter of 2018.

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



Total underlying income rose by €70 million to €799 million compared with the same quarter last year. This increase was due to strongly improved commercial results across most countries driven by continued customer and volume growth. The result was also supported by higher revenues from Bank Treasury, which were mainly reflected in net interest income. The lowering of the core savings rate in Australia in the first quarter of 2018 further supported results. Compared with the fourth quarter of 2017, underlying income rose by €47 million, or 6.3%, driven by growth in net interest income and commission income.

Customer lending, which stood at €85.8 billion, showed a flat trend quarter-on-quarter due to currency impacts. Excluding currency impacts and Bank Treasury, net core lending grew by €2.0 billion (of which €1.2 billion in mortgages and €0.8 billion in other lending), with a large part of the growth generated in Poland, Spain and Australia. Net customer deposits, excluding currency impacts and Bank Treasury, increased by €1.6 billion, primarily reflecting net inflows from customers in Poland and Australia.

Operating expenses rose by €54 million from the first quarter of 2017 to €502 million. This was mainly due to higher staff expenses in most countries to support business growth and higher costs for strategic projects as well as higher regulatory costs. Compared with the fourth quarter of 2017, operating expenses decreased by €34 million mainly due to lower marketing costs and lower costs related to strategic projects, while regulatory expenses were somewhat higher. Excluding regulatory costs, operating expenses decreased 8.2% on a sequential basis.

Risk costs were €52 million versus €43 million in the first quarter of 2017 and €108 million in the previous quarter. The fourth quarter of 2017 included a €20 million add-on in Turkey to reflect model updates for cards and personal finance products, as well as a €10 million portfolio add-on for mortgages in Spain. Risk costs, expressed in basis points over average risk-weighted assets, fell to 42 basis points in the first quarter of 2018 from 87 basis points in the previous quarter.

Risk-weighted assets decreased slightly by €0.1 billion in the first quarter of 2018 to €49.3 billion.

Segment Reporting: Wholesale Banking

Wholesale Banking: Consolidated profit or loss account

	Total Wholesale Banking		Industry Lending		General Lending & Transaction Services		Financial Markets		Bank Treasury & Other	
In € million	1Q2018	1Q2017	1Q2018	1Q2017	1Q2018	1Q2017	1Q2018	1Q2017	1Q2018	1Q2017
Profit or loss										
Net interest income	935	955	523	555	284	268	105	89	23	43
Net commission income	263	280	132	155	102	98	34	27	-5	0
Investment income	24	23	-3	-4	0	0	0	1	27	26
Other income excl. CVA/DVA	156	251	-30	0	18	13	119	203	50	35
Underlying income excl. CVA/DVA	1,378	1,510	623	705	403	379	257	321	95	104
CVA/DVA[1]	23	36					23	36		
Total underlying income	**1,402**	**1,545**	**623**	**705**	**403**	**379**	**281**	**356**	**95**	**104**
Expenses excl. regulatory costs	603	608	171	161	208	187	223	227	1	33
Regulatory costs	116	91	26	17	24	19	39	31	27	24
Operating expenses	**719**	**698**	**197**	**178**	**232**	**206**	**262**	**258**	**28**	**57**
Gross result	**683**	**847**	**426**	**528**	**172**	**174**	**18**	**98**	**67**	**48**
Addition to loan loss provisions	-20	35	-17	17	-17	-13	0	0	15	31
Underlying result before tax	**702**	**813**	**443**	**511**	**189**	**187**	**18**	**98**	**52**	**17**
Profitability and efficiency[2]										
Cost/income ratio	51.3%	45.2%	31.6%	25.2%	57.4%	54.2%	93.5%	72.5%	29.6%	54.3%
Return on equity based on 12.0% common equity Tier 1[3]	11.9%	12.7%	16.5%	18.7%	9.5%	10.0%	2.2%	8.7%	15.9%	-5.7%
Employees (internal FTEs, end of period)	11,992	11,500								
Risk[2]										
Risk costs in bps of average RWA	-5	9	-10	10	-14	-11	0	0	67	122
Risk-weighted assets (end of period, in € billion)	149.0	151.9	67.2	69.4	48.6	46.3	24.6	26.3	8.6	9.9
Customer lending/deposits (end of period, in € billion)	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18
Residential mortgages	0.8	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.9
Other customer lending	177.8	173.0	115.2	112.4	54.3	53.2	1.8	0.9	6.4	6.5
Customer deposits	67.7	65.1	1.6	1.6	51.4	50.5	4.7	5.0	10.1	8.0

[1] As from 2018 only CVA/DVA on derivatives as DVA on notes directly impacts equity under IFRS 9.
[2] Key figures based on underlying figures.
[3] Underlying after-tax return divided by average equity based on 12.0% CET1 ratio (annualised).

Wholesale Banking

"Wholesale Banking result is up q-o-q driven by Financial Markets and release of risk costs, but declined y-o-y due to weaker Financial Markets performance, negative currency impacts and some margin pressure due to changing portfolio composition.

We continue to use blockchain technology in new initiatives. One of those is Marco Polo: in collaboration with R3 and TradeIX, it allows trade participants to connect in real time and automate financing before and after shipment, making trade finance safer, simpler, and more flexible.

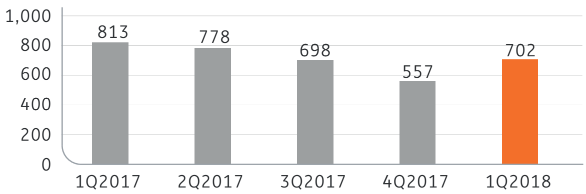
As the Sustainability Coordinator of global agri-business Olam International Limited's newly announced \$500 million sustainability-linked revolving credit facility, we played a key role in Asia's very first sustainability-linked club loan deal.

We're also expanding our omnichannel payment services for merchants and other business customers, and we completed the 75% acquisition of Payvision, a fast-growing, leading international payments service provider focused on e-commerce."

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

Wholesale Banking posted an underlying result before tax of €702 million in the first quarter of 2018 down from €813 million one year ago. An important reason for the decline was that the first quarter of 2017 included a strong result for Financial Markets, while a more modest profit was recorded in the current quarter. Furthermore, the current quarter was affected by lower Industry Lending results due to adverse exchange rates movements and a negative revaluation result. Higher regulatory costs were more than offset by lower risk costs, as the current quarter saw a net release of loan loss provisions. Operating expenses excluding regulatory expenses were slightly lower due to the release of a legal provision. Sequentially, the result went up from €557 million reported in the fourth quarter of 2017, primarily due to higher Financial Markets results (including positive CVA/DVA impacts) and the net release in risk costs. Business momentum was strong as net core lending (excluding Bank Treasury and currency impacts) grew by €7.1 billion in the quarter. The return on equity, based on a 12% common equity Tier 1 ratio, was 11.9% in the first quarter of 2018.

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



Segment Reporting: Wholesale Banking

Total underlying income was 9.3% lower than in the first quarter of 2017 and broadly in line with the previous quarter. CVA/DVA impacts amounted to €23 million this quarter compared with €36 million in the first quarter of 2017 and €-34 million in the previous quarter. Total underlying income, excluding CVA/DVA impacts, was 8.7% lower than in the first quarter of 2017 and 4.4% lower than in the previous quarter.

Net interest income decreased 2.1% year-on-year, as negative currency impacts on interest results in Industry Lending and Bank Treasury were only partly offset by stronger interest results in General Lending & Transaction Services. On a sequential basis, net interest income was down 9.3% due to lower interest results in Financial Markets, which are volatile by nature. Excluding Financial Markets, net interest income decreased 3.4%. This was - next to negative currency impacts - caused by some margin pressure.

Commission income decreased 6.1% year-on-year and 5.7% compared with the previous quarter. The decline versus both comparable quarters was mainly due to lower commission income in Industry Lending. Investment income was stable compared with a year ago, but rose by €19 million from the previous quarter to €24 million.

Total other income amounted to €179 million, down from €287 million in the first quarter of 2017, but up strongly from €91 million in the previous quarter. Year-on-year, the decrease was mainly caused by lower other income in Financial Markets and Industry lending. The latter was mainly due to a negative fair-value adjustment of a bond transaction in Belgium. Sequentially, other income in Financial Markets improved strongly due to a pick-up in client activity and higher volatility compared to the weak previous quarter. The increase in Financial Markets more than compensated for the negative revaluation result in Industry Lending and for a decline in other income in General Lending & Transaction Services.

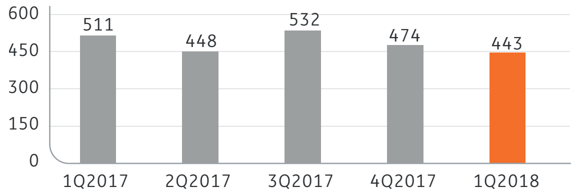
Operating expenses increased 3.0% year-on-year, mainly due to higher regulatory costs, an increase in headcount to support business growth and higher costs for change; these impacts were partly offset by the release of a legal provision in Luxembourg. The regulatory costs in the first quarter of 2018 included the annual contribution to the European single resolution fund as well as the Belgian bank taxes, while the fourth quarter of 2017 included the annual Dutch bank tax. Excluding regulatory costs, operating expenses were down 10.0% compared with the previous quarter, mainly due to the release of the legal provision in Luxembourg; by contrast, the fourth quarter of 2017 included a one-off legal provision.

Risk costs in the first quarter of 2018 amounted to €-20 million and included larger net releases in Belgium and the UK. This compares with €35 million of risk costs recorded in the first quarter of 2017, and €68 million in the previous quarter.

In the first quarter of 2018, risk-weighted assets decreased to €149.0 billion from €149.4 billion at year-end 2017. The strong growth in lending assets and higher market and operational risk-weighted assets was more than offset by currency impacts, lower risk-weighted assets for CVA due to market hedges, and positive risk migration.

Industry Lending

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



Industry Lending posted an underlying result before tax of €443 million, 13.3% down on the first quarter of 2017, mainly due to adverse currency impacts, the negative revaluation result and lower commission income in Structured Finance. Sequentially, the underlying result before tax was down 6.5% due to the same impacts. Lower risk costs compensated for only part of the decrease in revenues. Notwithstanding the lower revenues, business momentum was positive with €4.4 billion of net core lending growth in the first quarter of 2018.

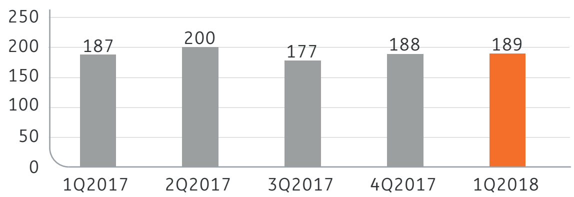
Income decreased 11.6% compared with the same quarter of last year and 13.4% sequentially, largely due to the aforementioned impacts as well as some margin pressure. Net core lending growth (excluding currency impacts) in the quarter was strong with €3.2 billion of growth recorded in Structured Finance and €1.2 billion in Real Estate Finance.

Expenses were 10.7% higher than in the first quarter of 2017, mainly due to higher staff-related expenses to support business growth combined with higher regulatory costs. On a sequential basis, expenses decreased 5.3% including the effect of lower regulatory costs.

Risk costs amounted to €-17 million and included releases on a number of Structured Finance loans and limited net additions to loan loss provisions. Year-on-year, risk costs decreased by €34 million. Sequentially risk costs were €53 million lower due to the aforementioned reasons.

General Lending & Transaction Services

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



General Lending & Transaction Services posted an underlying result before tax of €189 million, up slightly from €187 million in the first quarter of 2017 and €188 million in the previous quarter.

Segment Reporting: Wholesale Banking

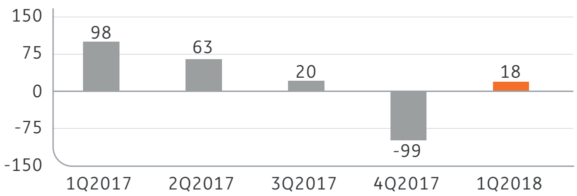
Income rose 6.3% year-on-year, mainly due to General Lending and Payments & Cash Management (PCM). Higher income in General Lending was mainly driven by a one-off gain due to the sale of a leasing portfolio. PCM reported higher income; this was mainly due to improved US-dollar margins. Compared with the previous quarter, income declined 4.7%, primarily at PCM (which in the fourth quarter of 2017 included a transfer of international payment income from Retail to Wholesale Banking in Belgium) and Bank Mendes Gans on the back of negative revaluation results on derivatives. These declines were partially offset by higher General Lending income. Net core lending growth in the first quarter of 2018 was €1.6 billion.

Expenses increased 12.6% year-on-year, mainly due to higher staff-related costs to support the business growth and higher regulatory costs. Sequentially, expenses were in line with previous quarter.

Risk costs continued to be favourable and resulted in a net release of €17 million for the quarter compared with a net release of €13 million in the first quarter of 2017 and €4 million of net additions to loan loss provisions in the previous quarter.

Financial Markets

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



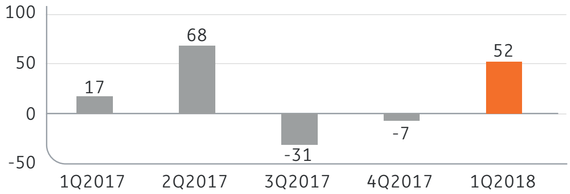
Financial Markets posted an underlying result before tax of €18 million, down from €98 million in the first quarter of 2017, but up from €-99 million in the fourth quarter of 2017. The result in the current quarter includes €23 million of CVA/DVA impacts compared with €36 million of CVA/DVA impacts in the first quarter of 2017 and €-34 million in the previous quarter.

Income excluding CVA/DVA impacts fell by €64 million compared with the strong first quarter of 2017. Client activity in the current quarter was lower and put pressure on Rates and Credit revenues. In addition, the year-ago quarter included some reserve releases related to the discontinuation of a part of the equity derivatives business. Sequentially, income excluding CVA/DVA increased by €30 million on the seasonally weaker fourth quarter of 2017, which was negatively impacted by low volatility and low interest rates.

Operational expenses increased by €4 million year-on-year due to higher regulatory expenses. Excluding regulatory costs, expenses decreased by €4 million, largely due to lower staff costs as a result of ongoing cost-saving initiatives. Compared with the fourth quarter of 2017, expenses excluding regulatory costs fell by €19 million as the previous quarter included temporarily elevated cost levels related to the consolidation of the trading activities in one location.

Bank Treasury & Other

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



Bank Treasury & Other recorded an underlying result before tax of €52 million compared with €17 million in the first quarter of 2017 and €-7 million in the previous quarter. Income decreased 8.7% compared with the year-ago quarter, which included the sale of an equity stake within Corporate Investments and higher one-off income in the real estate run-off portfolio. The decrease year-on-year was partially offset by higher income in Bank Treasury, mainly related to the revaluation of derivatives, hedge ineffectiveness and higher capital gains on the sale of government bonds. Sequentially, income rose 30.1%, mainly attributable to higher revenues in Bank Treasury on the back of the aforementioned capital gains.

Operating expenses decreased by €29 million year-on-year and €23 million sequentially due to the release of a legal provision in Luxembourg in the first quarter of 2018.

Risk costs, predominantly related to the Italian Lease run-off portfolio, were €15 million versus €31 million in the first quarter of 2017 and €29 million in the fourth quarter of 2017.

Segment Reporting: Corporate Line Banking

Corporate Line: Consolidated profit or loss account		
In € million	1Q2018	1Q2017
Profit or loss		
Net interest income	64	25
Net commission income	-1	-1
Investment income	1	-3
Other income	-35	-85
Total underlying income	**29**	**-63**
Expenses excl. regulatory costs	68	70
Regulatory costs	0	0
Operating expenses	**68**	**70**
Gross result	**-40**	**-133**
Addition to loan loss provisions	0	0
Underlying result before tax	**-40**	**-133**
of which:		
Income on capital surplus	5	13
Foreign currency exchange ratio hedging	88	26
Other Capital Management	6	-29
Capital Management	99	10
Bank Treasury	-68	-111
Other Corporate Line	-71	-32

Corporate Line Banking posted an underlying result before tax of €-40 million in the first quarter of 2018 compared with €-133 million in the same quarter of 2017. Underlying income improved to €29 million from €-63 million in the first quarter of 2017, primarily due to lower costs on net investment hedging and lower interest paid following the maturity of some high-cost legacy bonds, while the first quarter of 2017 also included €-5 million of DVA impacts. Operating expenses decreased by €2 million compared with the same quarter of last year. The underlying result before tax in the fourth quarter of 2017 was €-71 million.

The Capital Management-related result was €99 million in the first quarter of 2018 compared with €10 million in the same quarter of last year. The FX ratio hedging result was €88 million in the first quarter of 2018 versus €26 million in the same quarter of last year. The €62 million higher result was mainly caused by lower costs on net investment hedging and a negative revaluation result on the US-dollar call options in the first quarter of 2017. The result of Other Capital Management amounted to €6 million versus €-29 million in the same quarter of last year. The increase was caused among others by the maturity of some high-cost legacy bonds and the negative revaluation result on a prepayment swap in the first quarter of 2017 for externally sold securitised mortgages.

Bank Treasury-related results primarily include the isolated legacy costs (mainly negative interest results) caused by the replacement of short-term funding by long-term funding during 2012 and 2013. The first-quarter 2018 result improved to €-68 million from €-111 million one year ago. The improvement was mainly caused by lower negative legacy costs, while the first quarter of 2017 included a negative result from hedge ineffectiveness.

The Other Corporate Line result, which comprises among others shareholder expenses and unallocated income and other expenses, decreased to €-71 million from €-32 million one year ago. The decline was partly due to higher shareholder expenses, whereas the first quarter of 2017 included some one-off items.

Consolidated Balance Sheet

Consolidated balance sheet[1]					
in € million	31 Mar. 18	1 Jan. 18		31 Mar. 18	1 Jan. 18
Assets			**Liabilities**		
Cash and balances with central banks	32,879	21,992	Deposits from banks	40,661	36,929
Loans and advances to banks	29,441	28,690	Customer deposits	546,755	539,852
Financial assets at fair value through profit or loss	153,182	127,671	- savings accounts	319,840	319,664
- trading assets	62,358	65,484	- credit balances on customer accounts	187,166	186,324
- non-trading derivatives	2,584	2,808	- corporate deposits	38,406	32,626
- designated as at fair value through profit or loss	2,529	2,162	- other	1,343	1,238
- mandatorily at fair value through profit or loss	85,710	57,218	Financial liabilities at fair value through profit or loss	105,883	89,370
Financial assets at fair value through OCI	32,027	37,706	- trading liabilities	40,446	38,234
- equity securities fair value through OCI	3,836	3,905	- non-trading derivatives	2,274	2,657
- debt securities fair value through OCI	25,074	30,457	- designated as at fair value through profit or loss	63,162	48,479
- loans and advances fair value through OCI	3,117	3,344	Other liabilities	17,326	15,831
Securities at amortised cost	49,293	48,952	Debt securities in issue	107,824	96,826
Loans and advances to customers	573,116	565,402	Subordinated loans	17,672	16,209
- customer lending	578,167	570,670	**Total liabilities**	**836,121**	**795,018**
- provision for loan losses	-5,051	-5,269			
Investments in associates and joint ventures	1,088	1,060	**Equity**		
Property and equipment	1,786	1,801	Shareholders' equity	50,164	49,363
Intangible assets	1,742	1,469	Non-controlling interests	735	700
Other assets	12,467	10,338	**Total equity**	**50,900**	**50,063**
Total assets	**887,020**	**845,081**	**Total liabilities and equity**	**887,020**	**845,081**

[1] The consolidated balance sheet as at 31 March 2018 and 1 January 2018 have been prepared in accordance with IFRS 9. Refer to the appendix for the reconciliation of the balance sheet from IAS 39 to IFRS 9.

ING Group's total assets increased by €41.9 billion in the first quarter of 2018 to €887.0 billion, including €5.5 billion of negative currency impacts. The increase was mainly due to growth in loans and advances to customers, higher financial assets at fair value through profit or loss, and increased cash and balances with central banks. On the liability side, the main increases were in financial liabilities at fair value through profit or loss, debt securities in issue, and customer deposits. Adjusted for currency impacts, the net growth in core customer lending amounted to €12.3 billion, whereas the net growth in customer deposits was €2.4 billion. ING Group's loan-to-deposit ratio remained stable at 1.05 compared with 1 January 2018.

Cash and balances with central banks
Cash and balances with central banks increased by €10.9 billion to €32.9 billion, related to liquidity management.

Loans and advances to and deposits from banks
Loans and advances to banks increased by €0.8 billion to €29.4 billion. Deposits from banks increased by €3.7 billion to €40.7 billion.

Financial assets/liabilities at fair value through profit or loss
Financial assets at fair value through profit or loss increased by €25.5 billion to €153.2 billion due to higher reverse repo activity. Mirroring the development on the asset side of the balance sheet, financial liabilities at fair value through profit or loss increased by €16.5 billion due to higher repo activities. Financial assets and liabilities at fair value through profit or loss consist predominantly of derivatives, securities and (reverse) repos, and are mainly used to facilitate client needs.

Financial assets at fair value through OCI
Financial assets at fair value through other comprehensive income (OCI) decreased by €5.7 billion to €32.0 billion. This largely concerns debt securities at fair value through OCI, which declined by €5.4 billion, due to sold and matured government bonds. The equity securities at fair value through OCI include, amongst others, our stakes in Bank of Beijing and in Kotak Mahindra Bank.

Loans and advances to customers
Loans and advances to customers increased by €7.7 billion to €573.1 billion, predominantly due to a €7.5 billion increase in customer lending. Adjusted for €4.1 billion of negative currency impacts, customer lending increased by €11.6 billion. This was mainly due to €12.3 billion of net core lending growth, partly offset by a €0.5 billion decline in the run-off portfolios of WUB and Lease and €0.2 billion from the sale of a mortgage portfolio in Belgium. Wholesale Banking grew its net core lending by €7.1 billion, mainly in Industry Lending and General Lending & Transaction Services. In Retail Banking, net core lending assets grew by €5.2 billion due to increases in both residential mortgages and other customer lending.

Other assets/liabilities
Other assets increased by €2.1 billion, mainly due to a higher amount of financial transactions pending settlement. Other liabilities increased by €1.5 billion, largely mirroring the development in unsettled balances of financial transactions on the asset side.

Consolidated Balance Sheet

Customer deposits

Customer deposits increased by €6.9 billion to €546.8 billion. Adjusted for €1.9 billion of negative currency impacts and a €6.4 billion increase in Bank Treasury deposits, the net production of customer deposits was €2.4 billion. Retail Banking recorded a net production of €1.8 billion, of which €1.1 billion was in savings/deposits and €0.7 billion in current accounts. In Wholesale Banking, net customer deposits grew by €0.6 billion.

Debt securities in issue

Debt securities in issue increased by €11.0 billion to €107.8 billion. The increase was caused by €17.3 billion of higher CD/CPs, which was related to liquidity management. Other debt securities (mainly long-term debt) declined by €6.3 billion, mainly due to maturities, which were partly offset by new issuances (among others for TLAC purposes).

Shareholders' equity

Shareholders' equity increased by €0.8 billion to €50.2 billion, mainly reflecting the net result for the quarter of €1.2 billion, partly offset by a decrease of the currency translation reserve by €0.3 billion.

Shareholders' equity per share increased to €12.91 as per 31 March 2018 from €12.71 as included in the opening balance sheet under IFRS 9 as per 1 January 2018, but it decreased from €12.97 as reported at year-end 2017 when IAS 39 accounting rules were used.

Change in shareholders' equity

in € million	1Q2018
Shareholders' equity beginning of period[1]	**49,363**
Net result for the period	1,225
Unrealised revaluations of equity securities	-54
Unrealised revaluations of debt instruments	-20
Realised gains/losses debt instruments transferred to profit or loss	-45
Change in cashflow hedge reserve	-41
Realised and unrealised other revaluations	-3
Change in liability credit reserve	47
Defined benefit remeasurement	6
Exchange rate differences	-265
Change in treasury shares	2
Change in employee stock options and share plans	20
Changes in the composition of the group	-87
Other changes	15
Total changes	**801**
Shareholders' equity end of period	**50,164**

[1] As per 1 January 2018.

Shareholders' equity

in € million	31 Mar. 18	1 Jan. 18
Share premium/capital	17,087	17,045
Revaluation reserve equity securities	2,375	2,442
Revaluation reserve debt instruments	513	578
Revaluation reserve cashflow hedge	222	263
Other revaluation reserves	201	203
Defined benefit remeasurement reserve	-394	-400
Currency translation reserve	-1,928	-1,663
Treasury shares	-13	-15
Liability credit reserve	-144	-173
Retained earnings and other reserves	31,019	31,083
Net result year to date	1,225	0
Total	**50,164**	**49,363**

Risk Management

ING Group: Total credit outstandings

	Credit outstandings		Stage 3 credit-impaired		Stage 3 ratio	
in € million	31 Mar. 2018	1 Jan. 2018	31 Mar. 2018	1 Jan. 2018	31 Mar. 2018	1 Jan. 2018
Residential mortgages Netherlands	116,757	117,778	1,100	1,176	0.9%	1.0%
Other lending Netherlands	32,880	32,919	1,674	1,705	5.1%	5.2%
of which business lending Netherlands	24,216	23,810	1,445	1,479	6.0%	6.2%
Residential mortgages Belgium	37,832	37,508	929	972	2.5%	2.6%
Other lending Belgium	51,520	51,115	1,231	1,263	2.4%	2.5%
of which business lending Belgium	40,622	39,294	968	995	2.4%	2.5%
Retail Benelux	**238,988**	**239,320**	**4,934**	**5,116**	**2.1%**	**2.1%**
Residential mortgages Germany	69,690	69,264	440	429	0.6%	0.6%
Other lending Germany	15,592	14,364	215	210	1.4%	1.5%
Residential mortgages Other C&G Markets	60,547	60,834	490	498	0.8%	0.8%
Other lending Other C&G Markets	27,043	27,425	968	966	3.6%	3.5%
Retail Challengers & Growth Markets	**172,872**	**171,887**	**2,113**	**2,103**	**1.2%**	**1.2%**
Industry Lending	133,242	132,425	2,662	2,961	2.0%	2.2%
of which: Structured Finance	101,136	101,265	2,123	2,352	2.1%	2.3%
of which: Real Estate Finance	32,106	31,161	539	609	1.7%	2.0%
General Lending & Transaction Services	90,773	88,364	838	738	0.9%	0.8%
FM, Bank Treasury, Real Estate & Other	10,185	11,732	757	773	7.4%	6.6%
of which General Lease run-off	2,423	2,521	741	756	30.6%	30.0%
Wholesale Banking	**234,201**	**232,521**	**4,257**	**4,472**	**1.8%**	**1.9%**
Total credit outstandings	**646,062**	**643,728**	**11,304**	**11,691**	**1.7%**	**1.8%**

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

ING Group's stage 3 ratio improved to 1.7% in the first quarter of 2018, reflecting an overall improvement of the quality of the portfolio.

Credit risk management

This is the first quarter for which non-performing loans (NPL) and the stock of provisions are reported under IFRS 9. Therefore, the comparative figures for the credit outstandings and the opening balance for the provisions have been adjusted as at 1 January 2018. Going forward, the stage 3 credit-impaired assets will replace the NPL.

ING Group's stage 3 ratio (stage 3 credit-impaired assets expressed as a percentage of total credit outstandings) improved to 1.7% compared to the beginning of the year, driven by a decline in stage 3 credit-impaired assets, especially in Structured Finance, combined with an increase in total credit outstandings. This reduction reflects the overall improved quality of the portfolio.

Within Retail Netherlands, the stage 3 ratio for residential mortgages decreased to 0.9%, mainly due to a more positive macroeconomic outlook and repayments. For business lending in the Netherlands, the stage 3 ratio decreased to 6.0% from 6.2% at the beginning of the year; this was mainly caused by lower credit-impaired assets following an improvement in the asset quality.

For Retail Belgium, the stage 3 ratio for the residential mortgages portfolio declined to 2.5% from 2.6% at the beginning of the year, mainly attributable to asset growth. The same applies to the business lending portfolio, where the stage 3 ratio declined to 2.4% from 2.5% at the beginning of the year. For Retail Challengers & Growth Markets, the stage 3 ratio remained flat at 1.2% despite asset growth in Germany. In Wholesale Banking, the stage 3 ratio decreased to 1.8% from 1.9% at the beginning of the year, mainly due to restructuring and repayments on some larger files in Structured Finance and Real Estate Finance where the stage 3 ratios dropped respectively to 2.1% and 1.7% .

ING Group's stock of provisions decreased by €0.2 billion to €5.2 billion, mainly due to higher amounts written off in stage 3 and a positive trend of the asset quality in the stages 1 and 2. ING Group's stage 3 provision-coverage ratio decreased to 33.8% from 34.6% at the beginning of the year, driven by large amounts of write-offs which had a relatively high coverage ratio. ING Group's loan portfolio consists predominantly of asset-based and/or well-secured loans, including residential mortgages, Structured Finance and Real Estate Finance.

Stock of provisions[1)]

in € million	31 Mar. 2018	1 Jan. 2018	Change
Stage 1 - 12 month ECL	435	429	6
Stage 2 - Lifetime ECL	932	953	-21
Stage 3 - Lifetime ECL	3,819	4,040	-221
Total	**5,186**	**5,423**	**-237**

[1)] At the end of March 2018, the stock of provisions included provisions for loans and advances to banks (€9 million), financial assets at FVOCI (€20 million), securities at amortised cost (€16 million) and provisions for contingent liabilities recorded under Provisions (€91 million).

Risk Management

Market risk

In the first quarter, the average Value-at-Risk (VaR) remained stable at €6 million. Compared with the previous quarter, the minimum and the maximum of the total overnight VaR for ING Group's trading portfolio remained unchanged at €5 million and €7 million respectively.

Consolidated VaR trading books				
in € million	Minimum	Maximum	Average	Quarter-end
Foreign exchange	1	2	2	1
Equities	1	3	2	3
Interest rate	4	7	5	5
Credit spread	3	5	4	5
Diversification			-7	-6
Total VaR[1]	**5**	**7**	**6**	**7**

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

Other matters

As disclosed in the annual report 2017, ING Bank is the subject of criminal investigations by Dutch authorities regarding various requirements related to client on-boarding, money laundering and corrupt practices. ING Group has also received related information requests from US authorities. ING Group and ING Bank are cooperating with such ongoing investigations and requests. Management has concluded under IFRS that it is more likely than not that a present obligation exists and that an outflow of resources is probable, but was not able to estimate reliably the possible timing, scope or amounts of any fines, penalties and/or other outcome, which could be significant.

ING still expects to receive more information from the Dutch authorities concerning the potential consequences of their investigation in the first half of 2018.

Capital, Liquidity and Funding

ING Group: Capital position

	2019 rules (fully loaded)		2018 / 2017 rules (phased in)	
in € million	31 Mar. 2018	1 Jan. 2018	31 Mar. 2018	1 Jan. 2018
Shareholders' equity (parent)	50,164	49,364	50,164	49,364
- Interim profit not included in CET1 capital[1]	-2,538	-1,670	-2,538	-1,670
- Other regulatory adjustments	-3,067	-2,528	-3,013	-2,506
Regulatory adjustments	-5,605	-4,198	-5,551	-4,176
Available common equity Tier 1 capital	**44,560**	**45,166**	**44,613**	**45,187**
Additional Tier 1 securities[2]	5,025	5,137	5,025	5,137
Regulatory adjustments additional Tier 1	43	42	41	-328
Available Tier 1 capital	**49,627**	**50,345**	**49,679**	**49,997**
Supplementary capital - Tier 2 bonds[3]	10,846	11,086	10,846	11,086
Regulatory adjustments Tier 2	-2,340	-2,488	-2,632	-3,908
Available BIS capital	**58,132**	**58,944**	**57,892**	**57,174**
Risk-weighted assets	312,434	311,224	312,434	311,224
Common equity Tier 1 ratio	**14.3%**	**14.5%**	**14.3%**	**14.5%**
Tier 1 ratio	15.9%	16.2%	15.9%	16.1%
Total capital ratio	18.6%	18.9%	18.5%	18.4%
Leverage Ratio	**4.4%**	**4.7%**	**4.4%**	**4.6%**

[1] The interim profit not included in CET1 capital as per 31 March 2018 (€2,538 million) includes €868 million for 2018 and final 2017 dividend €1,670 million.
[2] Including €2,618 million which is CRR/CRD IV-compliant (4Q2017: €2,691 million) and €2,406 million to be replaced as capital recognition is subject to CRR/CRD IV grandfathering rules (4Q2017: €2,446 million).
[3] Including €10,663 million which is CRR/CRD IV-compliant (4Q2017: €8,995 million), and €182 million be replaced (by Group instruments) as capital recognition is subject to CRR/CRD IV grandfathering rules (4Q2017: €2,091 million).

ING remained well capitalised with a fully loaded common equity Tier 1 (CET1) ratio of 14.3%, well ahead of our requirements and newly introduced CET1 target. The liquidity position remained robust with a Liquidity Coverage Ratio (LCR) of 115% based on a 12-month moving average.

Capital ratios

ING Group's fully loaded CET1 ratio remained strong at 14.3% in the first quarter of 2018, supported by ING Group's net profit for the quarter. The ratio decreased compared with 1 January 2018 as CET1 capital decreased by €0.6 billion to €44.6 billion, mainly due to a €0.3 billion impact related to the Payvision acquisition. In addition, market impacts resulted in a further €0.4 billion decrease, of which €0.3 billion was due to currency impacts and €0.1 billion related to a reduction of the equity revaluation reserve.

These effects were partly offset by the inclusion of €0.4 billion of interim profits in CET1 capital. The remainder of interim profits was set aside for future dividend payments. This follows the decision to reserve one third of the aggregate prior-year dividend in each of the first three quarters of the financial year, and facilitates a smoother quarterly capital development. The decrease in the CET1 ratio was furthermore driven by €1.2 billion higher risk-weighted assets (RWA), largely explained by volume growth.

ING Group's fully loaded Tier 1 ratio (including grandfathered securities) decreased to 15.9% compared to 1 January 2018. The fully loaded total capital ratio (including grandfathered securities) decreased to 18.6% at the end of March 2018. Both of these movements reflect the decrease in the CET1 ratio. Furthermore, in March 2018 ING Group successfully issued €0.75 billion and $1.25 billion of CRD IV-eligible Tier 2 instruments. In addition, ING sent out a notification to redeem two ING Bank Tier 2 instruments, which are therefore no longer included in Tier 2 capital.

ING Group's phased-in CET1 ratio decreased from 14.5% on 1 January 2018 to 14.3% at the end of March 2018. The phased-in Tier 1 ratio decreased to 15.9%. These developments largely mirror trends in the fully loaded capital ratios. ING Group's phased-in total capital ratio increased to 18.5% as a result of the above-mentioned issuance of ING Group Tier 2 capital instruments and subsequent notification to redeem two ING Bank Tier 2 instruments.

The leverage ratio of ING Group according to the Delegated Act (including grandfathered securities) takes into account the impact of grossing up the notional cash-pooling activities. The leverage ratio on 31 March 2018 was 4.4% versus 4.7% on 1 January 2018. The decline was mainly attributable to an increase in the total balance sheet.

Risk-weighted assets (RWA)

At the end of March 2018, ING Group's total RWA were €312.4 billion, up €1.2 billion from 1 January 2018. The increase mainly reflects volume growth of €3.5 billion, partly offset by €-2.0 billion from currency impacts, positive risk migration and model updates. At comparable FX rates, credit RWA rose by €0.6 billion. Market RWA increased by €0.8 billion to €5.5 billion. Operational RWA increased by €1.8 billion to €41.9 billion, impacted by a regular update of an external database.

Capital, Liquidity and Funding

ING Group: Composition of RWA		
in € billion	31 Mar. 2018	1 Jan. 2018
Credit RWA	265.0	266.4
Operational RWA	41.9	40.1
Market RWA	5.5	4.7
Total RWA	**312.4**	**311.2**

Capital and ROE targets

Now that we are better able to assess the impact of Basel IV and IFRS 9 on capital and earnings, we have been able to complete ING Group's financial ambitions with a CET1 ratio of around 13.5% taking the Basel IV impact on the current CET1 ratio into account and an annual underlying ROE ambition between 10 and 12%. The ROE ambition applies on the current average IFRS-EU shareholders' equity (excluding interim profit not included CET1 capital). As at 31 March 2018, our common equity Tier 1 ratio of 14.3% was well above our new CET1 target and the fully loaded SREP requirement of 11.8%.

Liquidity and funding

ING holds a buffer of High Quality Liquid Assets (HQLA) to ensure sufficient liquidity in times of stress. The adequacy of this buffer is measured by the Liquidity Coverage Ratio (LCR). ING's 12-month moving average LCR increased from 114% to 115% in the first quarter of 2018. This was driven by an increase in average HQLA of €4.8 billion, primarily in Level 1 assets, partially offset by an increase in average stressed outflow of €3.5 billion.

LCR 12-month moving average		
in € billion	31 Mar. 18	1 Jan. 18
Level 1	112.8	108.3
Level 2A	4.3	4.1
Level 2B	9.0	9.0
Total HQLA	**126.2**	**121.4**
Outflow	**195.7**	**192.2**
Inflow	**86.0**	**86.2**
LCR	**115%**	**114%**

ING's funding is well-diversified, consisting mainly of retail deposits, corporate deposits and public debt. In addition to customer deposits, the main sources of stable long-term funding are ING's capital base (both equity and subordinated instruments) and long-term debt issuance. In the first quarter of 2018, funding from repurchase agreements and CD/CP issuance increased. This resulted in a lower share of customer deposits, despite a growth in customer deposit balances on an absolute basis.

Funding mix		
in %	31 Mar. 18	1 Jan. 18
Customer deposits (retail)	49%	51%
Customer deposits (corporate)	21%	22%
Lending / repurchase agreements	8%	6%
Interbank	5%	5%
CD/CP	6%	4%
Long-term public debt	9%	10%
Subordinated debt	2%	2%

In the first quarter of 2018, outstanding long-term debt securities decreased by €4 billion. This reflects €6 billion of maturities and redemptions and €-1 billion of currency impacts, offset by €3 billion of issuance.

ING has €80 billion of outstanding long-term debt, of which €51 billion is in euros and €21 billion in US dollars. In the remainder of 2018, €10 billion of long-term debt will mature.

Long-term debt maturity ladder per currency, 31 March 2018											
in € billion	Total	'18	'19	'20	'21	'22	'23	'24	'25	'26	>'26
EUR	51	5	9	6	6	7	4	1	2	3	9
USD	21	2	4	2	2	3	4	0	0	0	4
Other	7	2	1	1	1	0	1	0	0	0	0
Total	**80**	**10**	**13**	**9**	**9**	**10**	**9**	**1**	**2**	**3**	**14**

As lending growth was in line with deposit growth, the loan-to-deposit ratio (customer lending including provision for loan losses divided by customer deposits) remained stable at 105%. Taking into account ING's capital and outstanding public debt, ING has sufficient stable funding to fund its longer-term assets.

Ratings

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

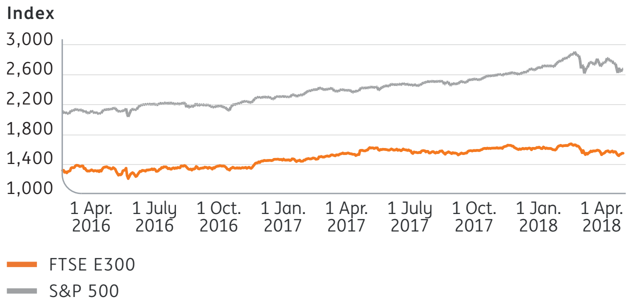
Main credit ratings of ING on 8 May 2018						
	Standard & Poor's		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
ING Groep N.V.	A-	Stable	Baa1	Stable	A+	Stable
ING Bank N.V.	A+	Stable	Aa3	Stable	A+	Stable

Customer lending development		
in € billion	31 Mar. 18	1 Jan. 18
Retail banking	399.3	396.5
Residential mortgages	277.5	277.7
Other customer lending	121.8	118.8
Wholesale banking	178.6	173.9
Corporate Line	0.3	0.3
Total	**578.2**	**570.7**

Economic Environment

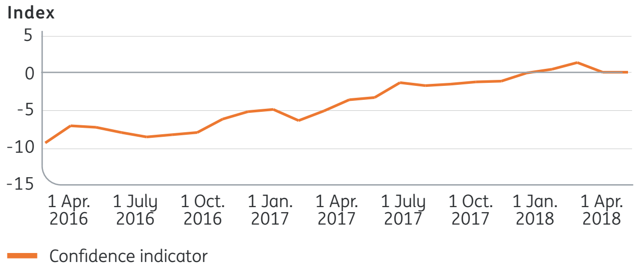
Stock markets

The stock-market rally has halted as monetary conditions have gradually become less loose, geo-political tensions have risen and a trade dispute with the US has emerged.



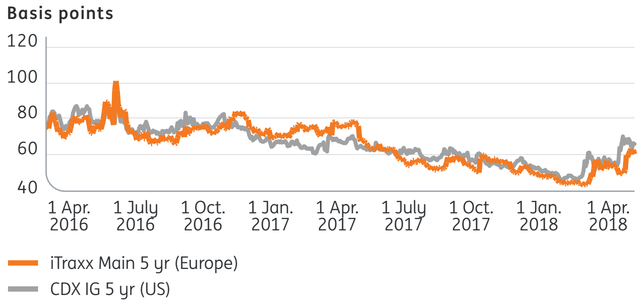
Consumer confidence

While eurozone consumers remain confident about the near future, they have taken on a somewhat weaker view on the economy and their household finances.



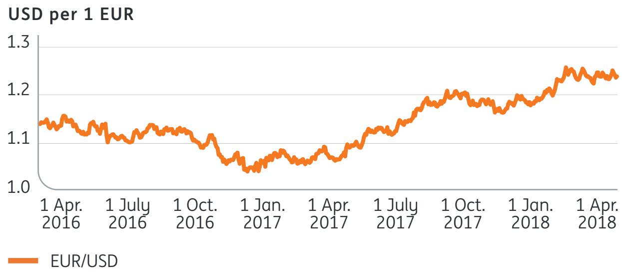
Credit markets

The decrease in credit spreads has come to a halt and reversed in the wake of some disappointing economic data, new worries about the global economic outlook related to protectionist policies, and tighter monetary policy.



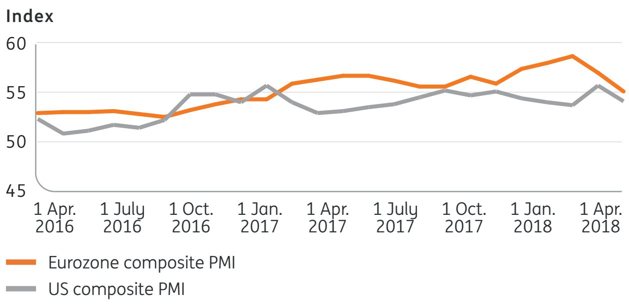
Currency markets

Despite a loose fiscal and tight monetary policy mix in the US - which should be positive for the dollar - the US dollar has not managed to appreciate further vis-à-vis the euro. Washington's trade policy has put downward pressure on the US currency.



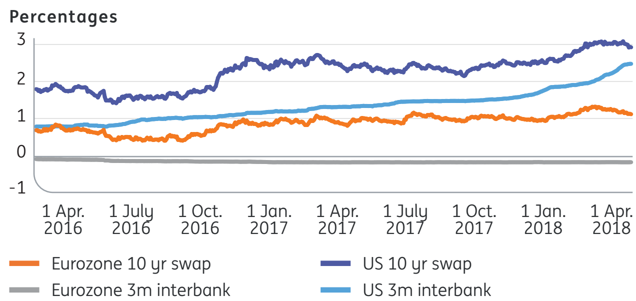
Economic activity

Eurozone purchasing managers have started the year somewhat less optimistically. While their assessment of the current economic situation is still very positive, their longer-term outlook has been scaled down. The appreciation of the euro, which is hurting eurozone exporters' competitiveness, may be a factor behind this.
US purchasing managers' confidence is roughly moving sideways, indicating ongoing economic strength.



Interest rates

US longer-term yields roughly stabilised, but 3-month Libor rates increased further on the back of US monetary policy tightening, an increased supply of Treasury bills and changes in US tax legislation which incentivize corporations to repatriate money back to the US.
Three-month Euribor rates have remained negative because the ECB is unlikely to start raising rates any time soon given continued low inflation. Expectations of continued low inflation in the eurozone and worries about the global economic outlook have kept longer-term yields under downward pressure.



Source: ING Economics Department

Appendix

Consolidated profit or loss account: ING Group

ING Group: Consolidated profit or loss account

	Total ING Group		of which: Divestments/Special Items		of which: Insurance Other		of which: Underlying Banking	
In € million	1Q2018	1Q2017	1Q2018	1Q2017	1Q2018	1Q2017	1Q2018	1Q2017
Net interest income	3,404	3,352					3,404	3,352
Net commission income	659	682			-2		661	682
Investment income	65	48					65	48
Other income	361	282			34	-32	327	314
Total income	**4,489**	**4,364**	**-**	**-**	**33**	**-32**	**4,457**	**4,396**
Expenses excl. regulatory costs	2,193	2,137					2,193	2,137
Regulatory costs	493	474					493	474
Operating expenses	**2,686**	**2,611**	**-**	**-**	**-**	**-**	**2,686**	**2,611**
Gross result	**1,804**	**1,753**	**-**	**-**	**33**	**-32**	**1,771**	**1,785**
Addition to loan loss provisions	85	133					85	133
Result before tax	**1,718**	**1,620**	**-**	**-**	**33**	**-32**	**1,686**	**1,652**
Taxation	463	456			-0		464	456
Non-controlling interests	29	21					29	21
Net result ING Group	**1,225**	**1,143**	**-**	**-**	**33**	**-32**	**1,192**	**1,175**

ING Group: Underlying profit or loss account

	Total ING Group		of which: Retail Banking		of which: Wholesale Banking		of which: Corporate Line Banking	
In € million	1Q2018	1Q2017	1Q2018	1Q2017	1Q2018	1Q2017	1Q2018	1Q2017
Net interest income	3,404	3,352	2,405	2,371	935	955	64	25
Net commission income	661	682	399	403	263	280	-1	-1
Investment income	65	48	40	27	24	23	1	-3
Other income	327	314	183	111	179	287	-35	-85
Total underlying income	**4,457**	**4,396**	**3,027**	**2,913**	**1,402**	**1,545**	**29**	**-63**
Expenses excl. regulatory costs	2,193	2,137	1,521	1,459	603	608	68	70
Regulatory costs	493	474	378	384	116	91	-0	0
Operating expenses	**2,686**	**2,611**	**1,898**	**1,843**	**719**	**698**	**68**	**70**
Gross result	**1,771**	**1,785**	**1,128**	**1,071**	**683**	**847**	**-40**	**-133**
Addition to loan loss provisions	85	133	105	98	-20	35	0	0
Underlying result before tax	**1,686**	**1,652**	**1,023**	**972**	**702**	**813**	**-40**	**-133**
Taxation	464	456	270	267	169	230	25	-41
Non-controlling interests	29	21	25	17	4	4	-0	-
Underlying net result	**1,192**	**1,175**	**728**	**688**	**529**	**579**	**-65**	**-92**
Special items after tax	-	-	-	-	-	-	-	-
Net result Banking	**1,192**	**1,175**	**728**	**688**	**529**	**579**	**-65**	**-92**
Net result Insurance Other	33	-32						
Net result ING Group	**1,225**	**1,143**						

ING Group: Profitability and efficiency

	ING Group		Retail Banking		Wholesale Banking		Corporate Line Banking	
In € million	1Q2018	1Q2017	1Q2018	1Q2017	1Q2018	1Q2017	1Q2018	1Q2017
Cost/income ratio	59.8%	59.8%						
Underlying cost/income ratio	60.3%	59.4%	62.7%	63.3%	51.3%	45.2%	n.a.	n.a.
ING Group's total return on IFRS-EU equity[1)]	10.3%	9.3%						
ING Group's underlying return on IFRS-EU equity[1)]	10.0%	9.6%						

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

Appendix

Consolidated profit or loss account: Geographical split

Geographical split: Consolidated profit or loss account

In € million	Total ING Group 1Q2018	Total ING Group 1Q2017	Netherlands 1Q2018	Netherlands 1Q2017	Belgium 1Q2018	Belgium 1Q2017	Germany 1Q2018	Germany 1Q2017	Other Challengers 1Q2018	Other Challengers 1Q2017	Growth Markets 1Q2018	Growth Markets 1Q2017	Wholesale Banking Rest of World 1Q2018	Wholesale Banking Rest of World 1Q2017	Other 1Q2018	Other 1Q2017
Net interest income	3,404	3,352	1,129	1,127	511	551	550	528	437	375	394	359	320	387	62	26
Net commission income	661	682	232	224	120	139	57	60	63	56	79	73	111	131	-1	-1
Investment income	65	48	35	31	33	7	0	11	-13	3	10	1	-1	-2	1	-3
Other income	327	314	77	70	82	142	16	-6	28	17	48	64	109	101	-34	-73
Total underlying income	**4,457**	**4,396**	**1,474**	**1,451**	**745**	**839**	**623**	**594**	**516**	**450**	**531**	**496**	**539**	**617**	**29**	**-52**
Expenses excl. regulatory costs	2,193	2,137	659	664	405	428	257	252	266	237	261	233	276	251	70	72
Regulatory costs	493	474	126	105	206	226	54	53	23	23	47	43	37	24	-0	0
Operating expenses	**2,686**	**2,611**	**784**	**769**	**611**	**654**	**311**	**306**	**289**	**260**	**307**	**276**	**313**	**275**	**70**	**72**
Gross result	**1,771**	**1,785**	**690**	**682**	**134**	**185**	**312**	**288**	**226**	**191**	**224**	**220**	**226**	**342**	**-42**	**-124**
Addition to loan loss provisions	85	133	-27	-11	35	58	10	-1	37	40	31	53	-1	-7	0	0
Underlying result before tax Banking	**1,686**	**1,652**	**717**	**693**	**99**	**127**	**302**	**289**	**189**	**151**	**193**	**168**	**227**	**349**	**-42**	**-124**
Retail Banking	1,023	972	563	477	21	73	195	185	89	107	156	131	0	0	0	0
Wholesale Banking	702	813	154	216	78	54	108	104	100	44	38	37	227	349	-2	9
Corporate Line	-40	-133	0	0	0	0	0	0	0	0	0	0	0	0	-40	-133
Underlying result before tax	**1,686**	**1,652**	**717**	**693**	**99**	**127**	**302**	**289**	**189**	**151**	**193**	**168**	**227**	**349**	**-42**	**-124**
Taxation	464	456	173	174	28	44	105	97	59	43	36	35	38	101	25	-37
Non-controlling interests	29	21	-0	-	6	2	0	1	-	-	23	19	-	-	-0	-
Underlying net result Banking	**1,192**	**1,175**	**543**	**519**	**65**	**81**	**197**	**191**	**130**	**108**	**134**	**114**	**189**	**249**	**-66**	**-87**
Special items after tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result Banking	**1,192**	**1,175**	**543**	**519**	**65**	**81**	**197**	**191**	**130**	**108**	**134**	**114**	**189**	**249**	**-66**	**-87**
Net result Insurance Other	33	-32														
Net result ING Group	**1,225**	**1,143**														
Profitability and efficiency[2]																
Cost/income ratio	60.3%	59.4%	53.2%	53.0%	82.1%	77.9%	49.9%	51.5%	56.1%	57.6%	57.8%	55.6%	58.0%	44.5%	245.8%	n.a.
Return on equity based on 12.0% common equity Tier 1[3]	13.1%	12.8%	23.4%	21.1%	4.7%	5.4%	16.4%	17.2%	13.9%	12.5%	12.1%	10.2%	9.6%	12.7%	-66.9%	-70.4%
Risk[2]																
Risk costs in bps of average RWA	11	17	-14	-5	27	45	10	-1	48	56	28	49	-0	-4	1	0
Risk-weighted assets (end of period, in € billion)	312.4	309.8	76.3	79.7	50.5	51.2	41.0	36.6	31.4	29.0	43.4	43.9	66.2	65.8	3.6	3.5
Customer lending/deposits (end of period, in € billion)	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18	1Q2018	1 Jan. 18
Residential mortgages	278.3	278.6	111.8	112.6	36.6	36.2	70.4	70.0	50.4	50.8	9.2	8.9	0.0	0.0	0.0	0.0
Other lending	299.9	292.1	75.2	74.2	62.1	61.3	42.3	38.5	29.9	29.5	26.8	27.5	63.3	60.7	0.3	0.3
Customer deposits	546.8	539.9	173.8	167.4	100.4	98.8	133.6	133.7	89.5	90.5	36.5	36.6	13.3	13.0	-0.2	-0.2

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

Appendix

Consolidated balance-sheet adjustments as per 1 January 2018

ING Group: Reconcilation of consolidated balance sheet from IAS 39 to IFRS 9

in € million	1 Jan. 18	Accounting change	31 Dec. 17		1 Jan. 18	Accounting change	31 Dec. 17
Assets	**IFRS 9**		**IAS 39**	**Liabilities**	**IFRS 9**		**IAS 39**
Cash and balances with central banks	21,992	3	21,989	Deposits from banks	36,929	108	36,821
Loans and advances to banks	28,690	-120	28,811	Customer deposits	539,852	53	539,799
Financial assets at fair value through PL	127,671	4,449	123,221	- savings accounts	319,664	4	319,659
- trading assets	65,484	-51,265	116,748	- credit balances on customer accounts	186,324	9	186,315
- non-trading derivatives	2,808	577	2,231	- corporate deposits	32,626	24	32,602
- designated as at fair value through PL	2,162	-2,081	4,242	- other	1,238	16	1,222
- mandatorily at fair value through PL	57,218	57,218					
Investments		-79,073	79,073	Financial liabilities at fair value through PL	89,370	2,229	87,142
Financial assets at fair value through OCI	37,706	37,706		- trading liabilities	38,234	-35,362	73,596
- equity securities fair value through OCI	3,905	3,905		- non-trading derivatives	2,657	326	2,331
- debt securities fair value through OCI	30,457	30,457		- designated as at fair value through PL	48,479	37,264	11,215
- loans and advances FV through OCI	3,344	3,344		Other liabilities	15,831	-3,448	19,279
Securities at amortised cost	48,952	48,952		Debt securities in issue	96,826	740	96,086
Loans and advances to customers	565,402	-9,134	574,535	Subordinated loans	16,209	241	15,968
- customer lending	570,670	-8,380	579,051	**Total liabilities**	**795,018**	**-77**	**795,095**
- provision for loan losses	-5,269	-753	-4,515				
Investm. in associates and joint ventures	1,060	-28	1,088	**Equity**			
Property and equipment	1,801		1,801	Shareholders' equity	49,363	-1,043	50,406
Intangible assets	1,469		1,469	Non-controlling interests	700	-14	715
Other assets	10,338	-3,891	14,229	**Total equity**	**50,063**	**-1,057**	**51,121**
Total assets	**845,081**	**-1,135**	**846,216**	**Total liabilities and equity**	**845,081**	**-1,135**	**846,216**

IFRS 9 accounting change includes a change in classification and measurement of financial assets and liabilities, the impairment of financial assets due to expected credit loss model, and a changed presentation of accrued interest.

The most significant changes in classification and measurement are in the following portfolios:

- The available-for-sale (AFS) investment portfolio has been split into a portfolio classified at amortised costs (AC) and a portfolio at FVOCI. Approximately €35 billion of debt securities previously classified at AFS under IAS 39 is measured at AC based on the IFRS 9 Hold to Collect business model. The reclassification from AFS to AC resulted in a reduction of the unrealised revaluation gains in equity at transition date of approximately €0.6 billion.
- For a mortgage portfolio of €3.3 billion, the measurement changed from AC to FVOCI as it meets the Hold to Collect & Sell business model requirements. As the fair value of the portfolio is higher than the AC, this has a positive impact on equity of €0.2 billion.
- Approximately €1.3 billion of debt securities and loans previously booked at AC or AFS are measured at FVPL under IFRS 9, as the cash flows do not meet the SPPI test. This measurement change has a limited negative impact on equity at transition date.
- ING has a portfolio of equity securities valued at €4.0 billion. For strategic equity instruments amounting to €3.9 billion, ING has decided to apply the option to irrevocably designate these at FVOCI, instead of using the IFRS 9 default measurement of FVPL.
- Certain reverse repurchase portfolios amounting to €54.8 billion are classified as financial assets 'Mandatorily at FVPL' instead of largely held for trading. ING will use the fair value option for the related repurchase financial liabilities amounting to €37.2 billion.

As a result of the new IFRS 9 impairment requirements, the loan loss provisions have increased by €0.8 billion.

As a result of the changed presentation of accrued interest, accrued interest amounts were reclassified from other assets/ liabilites to the relevant financial assets and liabilities lines.

For further information regarding the adoption of IFRS 9, reference is made to note 1 'Notes to the accounting policies' of the ING Group Annual Report 2017 (page 113).

ING continues to test and refine its new accounting processes, internal controls and governance framework necessitated by the adoption of IFRS 9. Therefore, the estimate of the IFRS 9 impact has changed slightly compared to what was presented in the ING Group Annual Report 2017 and might still further change until finalisation of the financial statements for the year ending 31 December 2018.

The net impact on shareholders' equity of adopting IFRS 9 on 1 January 2018 can be summarised as follows:

Impact (net of tax) of adopting IFRS 9 on 1 January 2018

	Impact on shareholders' equity (in € bln)	Impact on FL CET1 ratio (in %-point)
Loan loss provisions	-0.6	
Investment portfolio	-0.6	
Mortgages held in HTC&S portfolio	0.2	
Other	-0.1	
Total impact	**-1.0**	**-0.2**

ING profile

ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank. The purpose of ING Bank is empowering people to stay a step ahead in life and in business. ING Bank's more than 51,000 employees offer retail and wholesale banking services to customers in over 40 countries.

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

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

Further information

All publications related to ING's 1Q18 results can be found at www.ing.com/1q18, including a video with CEO Ralph Hamers. The video is also available on YouTube.

Additional financial information is available at www.ing.com/qr:

- ING Group historical trend data
- ING Group analyst presentation (also available via SlideShare)

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

Important legal information

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

Projects related to the integration of Record Bank in Belgium are still subject to regulatory approval.

ING Group's annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2017 ING Group consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to a number of factors, including, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) potential consequences of European Union countries leaving the European Union or a break-up of the euro, (4) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness, (5) changes affecting interest rate levels, (6) changes affecting currency exchange rates, (7) changes in investor and customer behaviour, (8) changes in general competitive factors, (9) changes in laws and regulations and the interpretation and application thereof, (10) geopolitical risks and policies and actions of governmental and regulatory authorities, (11) changes in standards and interpretations under International Financial Reporting Standards (IFRS) and the application thereof, (12) conclusions with regard to purchase accounting assumptions and methodologies, and other changes in accounting assumptions and methodologies including changes in valuation of issued securities and credit market exposure, (13) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (14) changes in credit ratings, (15) the outcome of current and future legal and regulatory proceedings, (16) operational risks, such as system disruptions or failures, breaches of security, cyberattacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (17) the inability to protect our intellectual property and infringement claims by third parties, (18) the inability to retain key personnel, (19) business, operational, regulatory, reputation and other risks in connection with climate change, (20) ING's ability to achieve its strategy, including projected operational synergies and cost-saving programmes and (21) the other risks and uncertainties detailed in the 2017 annual report of ING Groep N.V. (including the Risk Factors contained therein) and ING's more recent disclosures, including press releases, which are available on www.ING.com. Many of those factors are beyond ING's control.

Any forward looking statements made by or on behalf of ING speak only as of the date they are made, and ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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.