

Full year 2019 results

ING posts 2019 net result of €4,781 mln; 4Q2019 net result of €880 mln

Ralph Hamers, CEO ING

Amsterdam • 6 February 2020

thinkforward

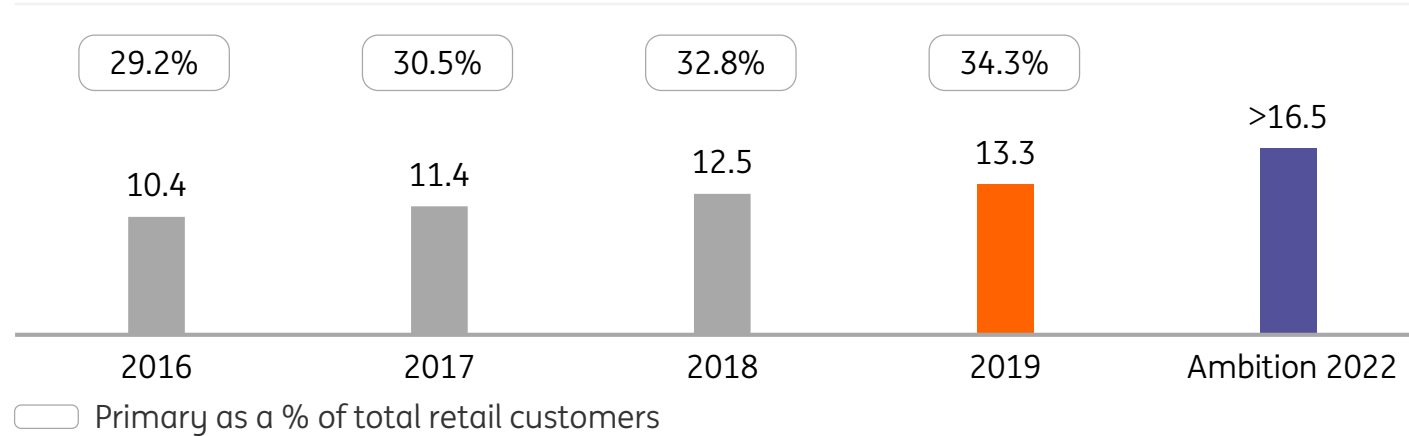


Key points

- ING posted 2019 net profit of €4,781 mln, up 1.7% on 2018
- Our primary customer base, a driver of future value, increased by more than 830,000, to 13.3 mln in 2019
- We recorded net core lending growth of €17.2 bln in 2019, or 2.9%, primarily in Retail Banking which grew by €16.1 bln while growth in Wholesale Banking slowed down to €1.1 bln
- Results were supported by disciplined pricing, especially in mortgages, and higher fee income, which partly countered margin pressure on customer deposits, higher KYC costs and increasing regulatory expenses
- Risk costs were higher in 2019, but remained below the through-the-cycle average
- Return on equity for 2019 was 9.4%
- CET1 ratio in 4Q2019 was robust at 14.6%, with €13.2 bln (or 61 bps) of expected supervisory impact on RWA already taken in 4Q2019
- We expect to see further effects on capital from banking regulation and model reviews in the coming quarters
- Our drive to be innovative leads to impressive results, such as Yolt and Katana
- Countering financial and economic crime remains a priority and we made further progress in improving our KYC analytical skills and the effectiveness of our non-financial risk management
- We propose to pay a full-year 2019 cash dividend of €2,689 bln, or €0.69 per share, of which €0.24 was already paid in August 2019

Commercial momentum remained strong in Retail

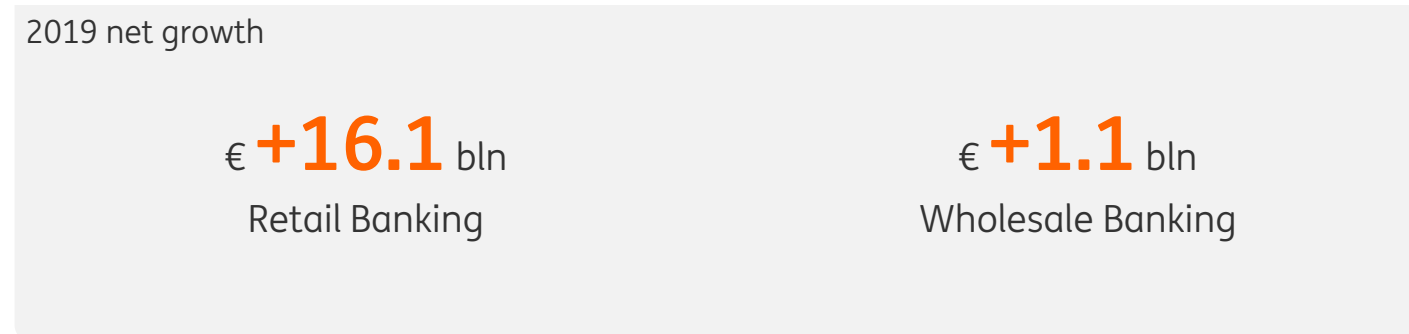
Target to reach >16.5 mln primary customers* by 2022



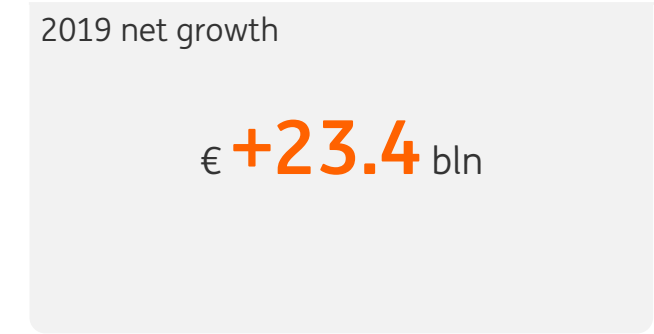
Net promoter scores (NPS)



Core lending



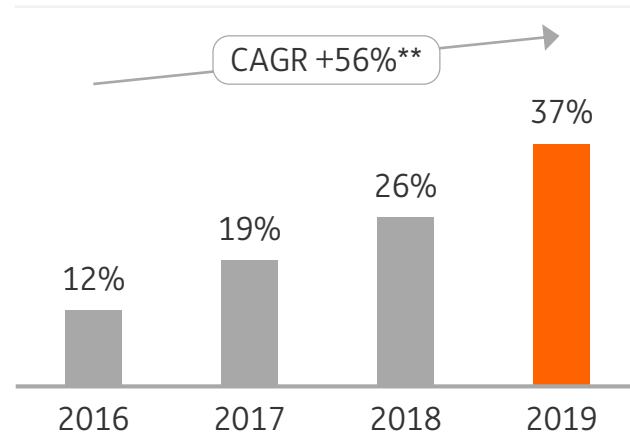
Customer deposits



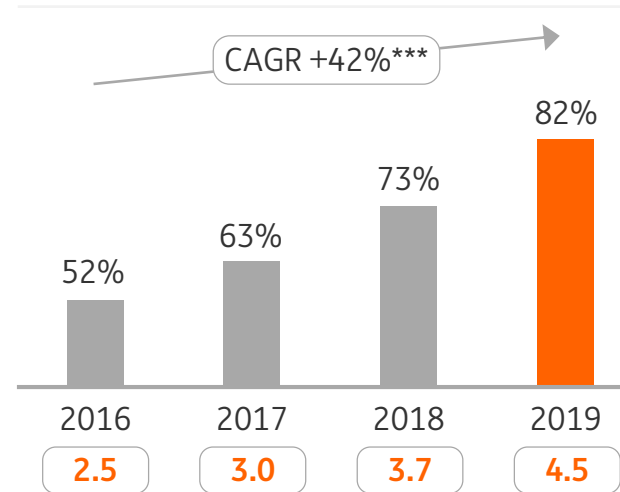
* Definition: active payment customers with recurring income and at least one extra active product category

In Retail our mobile approach is taking off

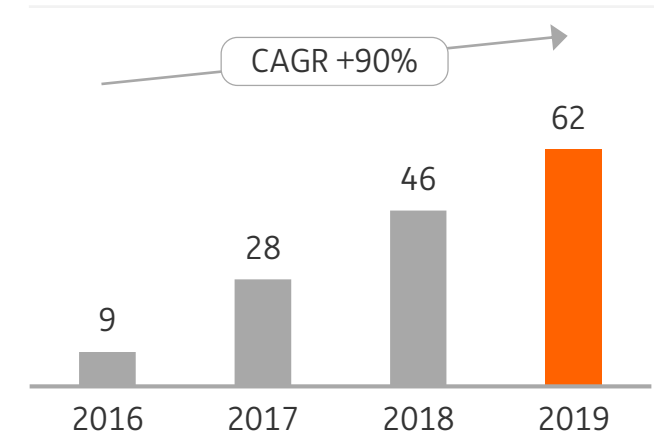
% of mobile-only in channel use among active customers who contact us*



% mobile in total interactions with ING



Annual mobile non-deposit sales per 1,000 active customers



○ Number of interactions with ING (in bln)

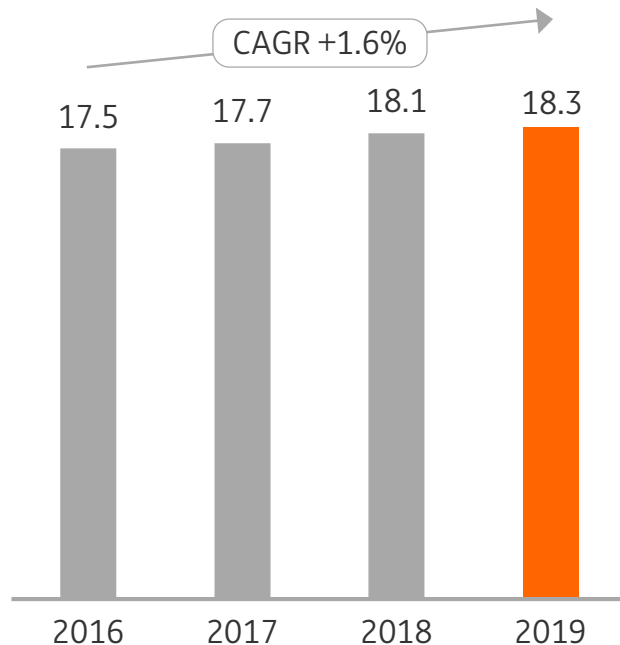
- A growing share of Retail customers only interacts with ING on their mobile device, up from 12% in 2016 to 37% in 2019
- The number of interactions grew by 80% since 2016, reaching 4.5 bln interactions in 2019, with an increasing share of mobile of 82% in 2019, versus 52% in 2016
- In mobile we are increasingly successful at converting our interactions into sales, with 7 times higher mobile sales than in 2016

* Definition: Retail customers who used the channel at least once in the last quarter
 ** CAGR for number of mobile-only customers among active customers who contact us
 *** CAGR for number of mobile interaction with ING

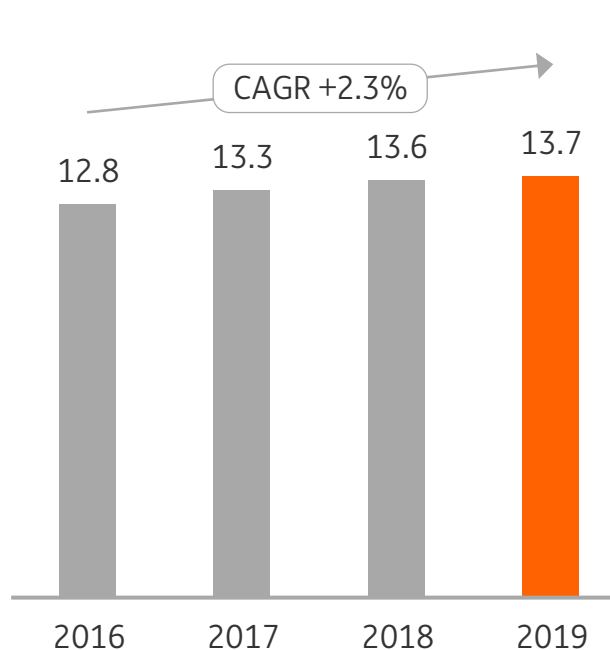
FY2019 results

Income growth supported by higher NII and fees

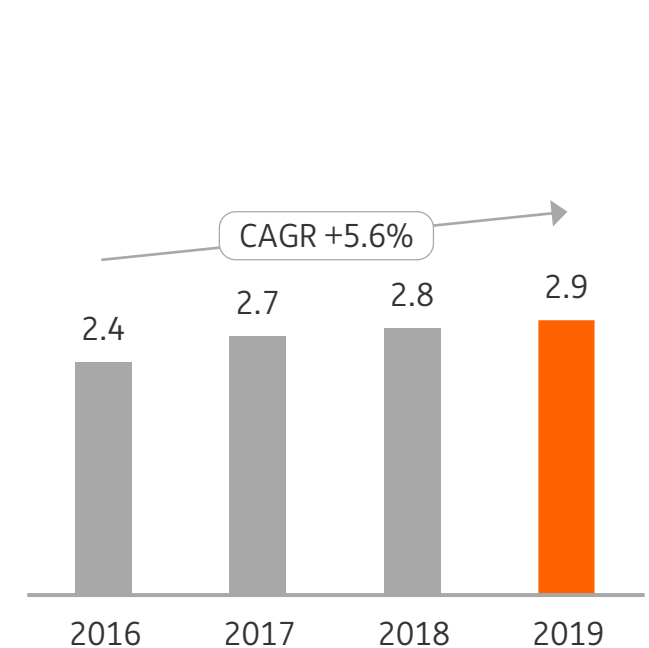
Total underlying income
(in € bln)



Net interest income excl. FM
(in € bln)



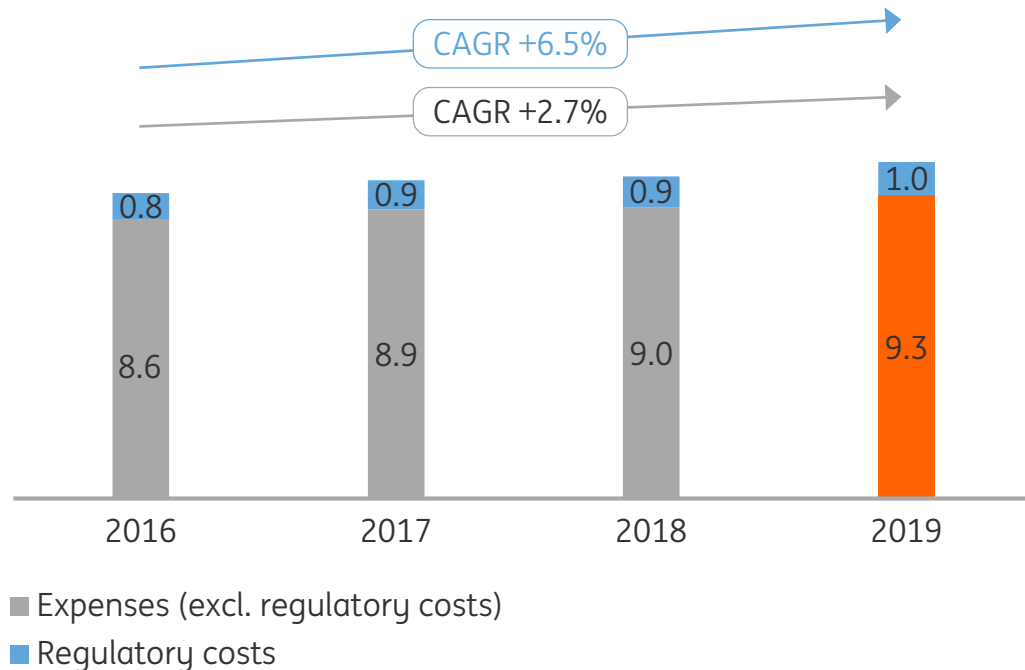
Net fee and commission income
(in € bln)



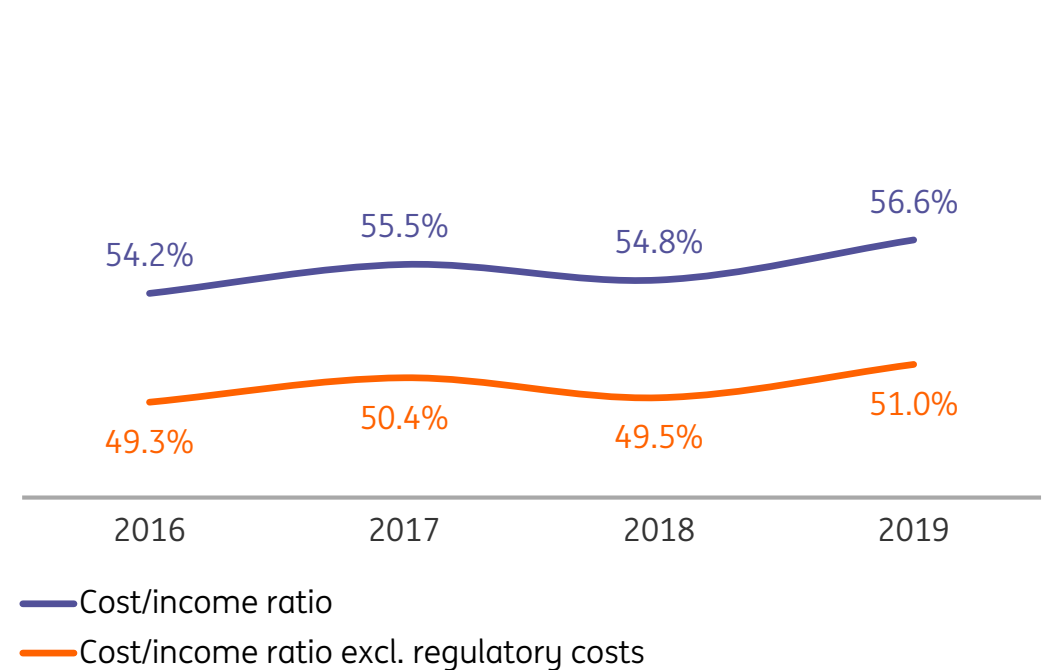
- Underlying income grew 1.2% in 2019, largely driven by stronger NII in the Retail Other Challengers & Growth Markets, Wholesale Banking and the Corporate Line, as well as higher net fee and commission income in Retail Banking, especially in Retail C&GM. This growth was partly offset by weaker NII in Retail Benelux and Germany, reflecting interest margin pressure on customer deposits
- Net fee and commission income increased by 2.3% in 2019, mainly driven by higher fees in Retail C&GM which was partly offset by lower deal activity in WB
- Investment and other income remained stable at €1.4 bln

Underlying expenses increased driven by higher KYC, staff and regulatory costs

Underlying operating expenses (in € bln)



Underlying cost/income ratio

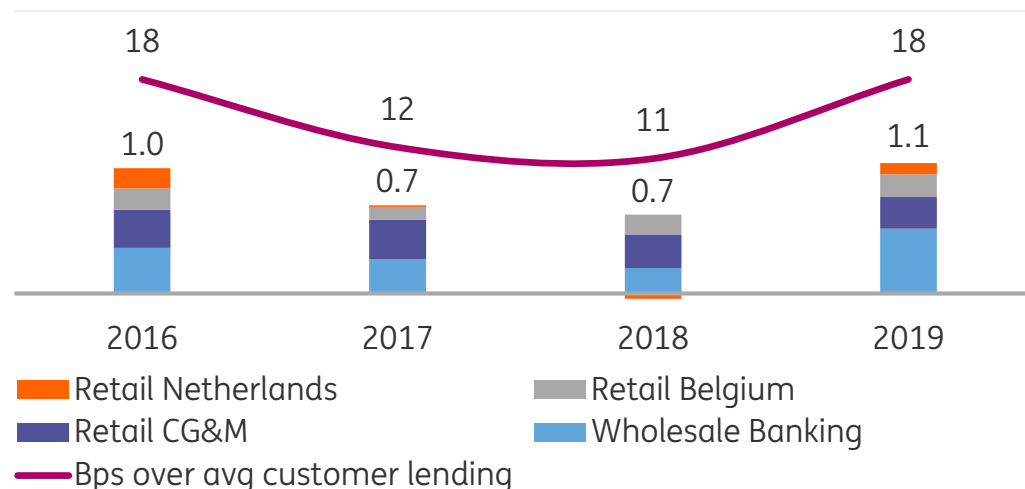


- Underlying operating expenses have increased despite ongoing cost discipline due to a combination of factors: higher KYC-related expenses, increased staff costs, further increasing regulatory expenses* and continued investments in business growth
- Underlying cost/income ratio was higher at 56.6% in 2019 (51.0% excluding regulatory costs) compared to 54.8% in 2018

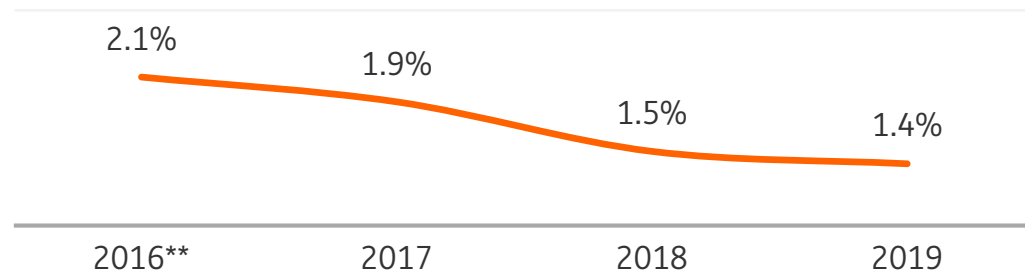
* Total 2019 regulatory costs amounted to €1,021 mln of which €420 mln bank taxes, €362 mln Deposit Guarantee Schemes (DGS) and €239 mln Single Resolution Fund (SRF)

Risk costs increased, remaining below through-the-cycle average

Risk costs (in € bln and bps of average customer lending)



Stage 3 ratio

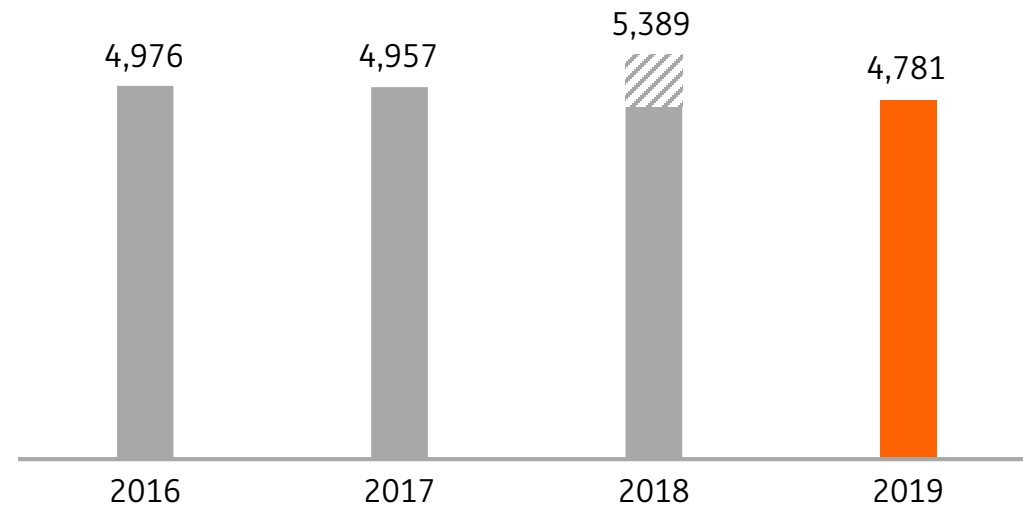


* Outstandings categorised as Non-Performing Loan (NPL), Substandard or Watch List (WL)
 ** NPL-ratio

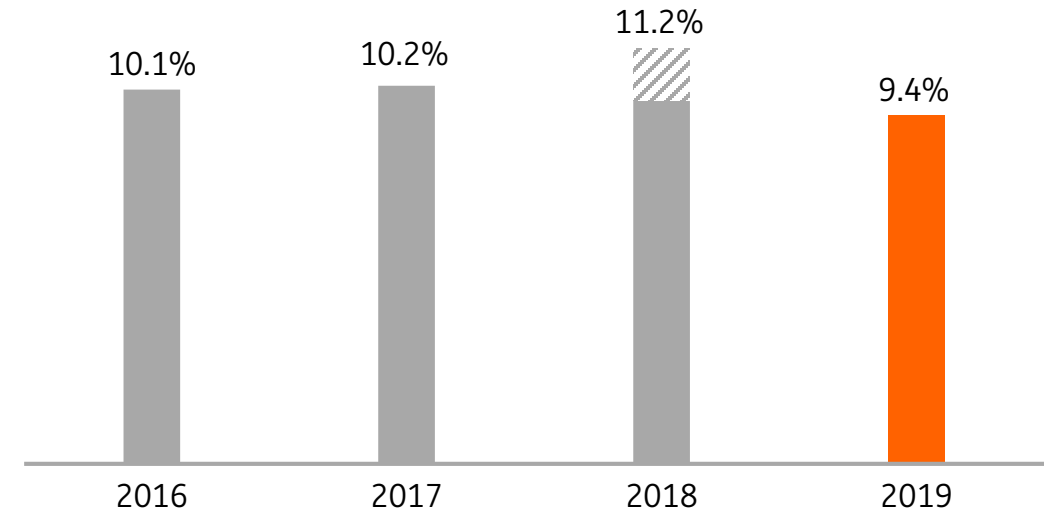
- Risk costs increased to €1,120 mln in 2019, or 18 bps of average customer lending, remaining below the through-the-cycle average of ~25 bps
- The increase was mainly driven by a number of large individual files in Wholesale Banking as well as higher, but still relatively low, risk costs in Retail Netherlands after net releases in 2018 and a change in the house price index that is used for Dutch mortgages in 3Q19
- Based on the Stage 3 ratio and the total outstandings earmarked as 'at risk*', the quality of the overall loan book improved in 2019
- A further analysis of Wholesale Banking risk costs for 2019 does not indicate a correlation in geography or sector originating the risk costs
- Furthermore, the underlying causes of provisioning for individual Wholesale Banking files vary, including overhang from trade war tensions, project-related losses and shifts in commodity prices
- See Appendix section of presentation for further details on asset quality

Underlying result down 11.3% in 2019; ROE at 9.4% for FY2019

Underlying net result* (in € mln)



Underlying return on equity*



⚡ €685 mln incl. €-775 mln settlement impact and €90 mln net result from Insurance other

- ING recorded underlying 2019 net profit of €4,781 mln, 11.3% lower than in 2018, as higher income was more than offset by higher risk costs, increased expenses, including higher KYC and regulatory expenses, and a higher effective tax rate
- The 2019 underlying return on equity* was 9.4% compared to 11.2% in 2018

* Including the settlement impact of €-775 mln recorded in 3Q18 and the €90 mln net result from Insurance other, ING's 2018 net result was €4,703 mln and ING's 2018 total return on average IFRS-EU equity excluding 'interim profit not included in CET1 capital' was 9.8%

ING Group financial ambitions

		Actual 2018	Actual 2019	Financial ambitions
Capital	• CET1 ratio (%)	14.5%	14.6%	~13.5%* (Basel IV)
	• Leverage ratio (%)	4.4%	4.6%	>4%
Profitability	• Underlying ROE (%)** (IFRS-EU Equity)	11.2%	9.4%	10-12%
	• <i>Underlying C/I ratio (%)**</i>	54.8%	56.6%	50-52%
Dividend	• Dividend (per share)	€0.68	€0.69	Progressive dividend

* Implies management buffer (incl. Pillar 2 Guidance) of ~170 bps over prevailing fully loaded CET1 requirements (currently 11.83%, but is expected to rise to 11.99% in 2020 due to phasing-in of countercyclical buffers)

** Based on 4-quarter rolling average, the ING Group ROE is calculated using IFRS-EU shareholders' equity after excluding 'interim profit not included in CET1 capital'. As at 31 December 2019, interim profit not included in CET1 capital amounts to €1,754 mln, set aside for future dividend payments

4Q2019 results

We continue our efforts to counter financial and economic crime

Continued focus on know your customer (KYC)

- The number of FTE working globally on know your customer (KYC) related activities has increased to ~4,000
- We made further progress in the global rollout of KYC tools that enable us to onboard customers and monitor their transactions across our global network in a more effective and consistent way
- We completed the implementation of our systematic integrity risk analysis in all business lines and regions, ensuring uniform and consistent KYC risk assessments across the bank
- In Italy, we continue to take steps to improve processes and management of KYC as required by Banca d'Italia

We keep investing in regulatory compliance

- We announced an investment in US-based regulatory technology company Ascent. The company uses machine learning and natural language processing to help **build, manage and automate regulatory compliance**
- Following the announcement to investigate the possibilities **to cooperate on transaction monitoring** with four Dutch banks, a project structure and work streams have been set up as part of a proof of concept to enable data sharing
- In Belgium, ING has joined forces with other banks and fintech Isabel Group **to more effectively identify suspicious transactions**

Our focus on building an innovative and sustainable bank

Important milestones on innovation achieved in 4Q2019

- In Poland, ING is the first bank on the Polish market to introduce account aggregation within Moje ING (internet and mobile)
- Yolt has grown to over 1 million registered users and won the Best Personal Finance App award at the International Payments Awards 2019. It has now expanded to offer open banking for businesses
- In line with our strategy to create innovative fintech solutions and then support them in becoming independent companies, ING is spinning out Katana, the advanced analytics platform that supports trading portfolio managers in making faster and sharper investment decisions

We are recognised as a leader in sustainability

- ING was recognised as an A-list company for leadership on climate action for the fifth year in a row by CDP, the leading global environmental disclosure platform
- In 2019 we reinforced our commitment to help our customers reach their sustainability goals by closing more than twice the amount of sustainable finance deals compared to the previous year
- In 4Q2019, ING has supported 13 sustainability improvement loans, plus 3 green loans and 12 sustainable bonds



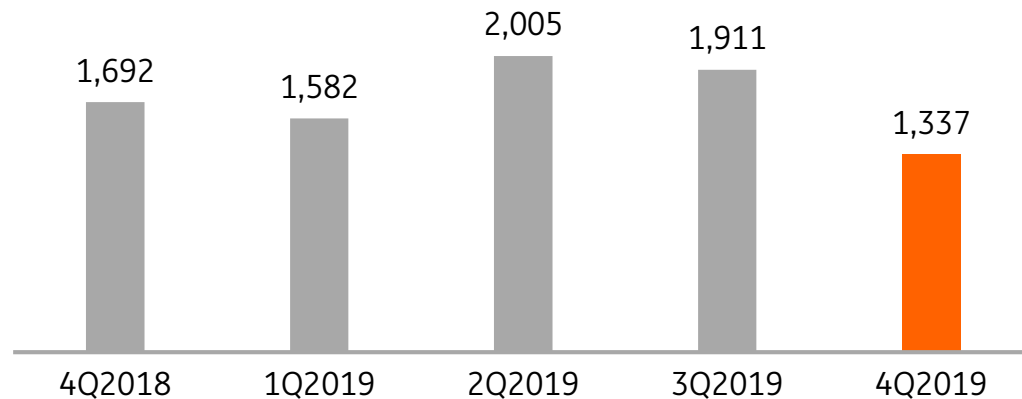
€1.1 bln syndicated Green loan – Largest Green loan issued within the global transportation sector

SR-Boligkreditt

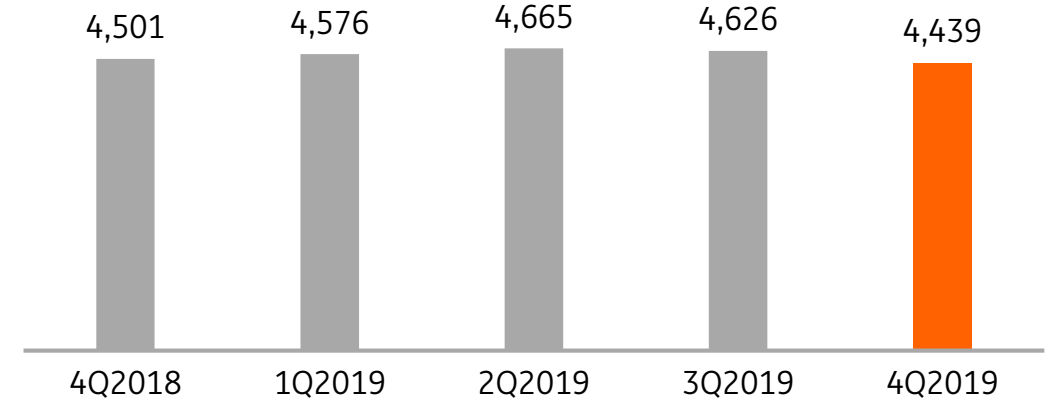
€500 mln Green covered bond – 1st Green covered bond for the company

Income reflects discipline in lending margins and fee growth

Underlying pre-tax result (in € mln)



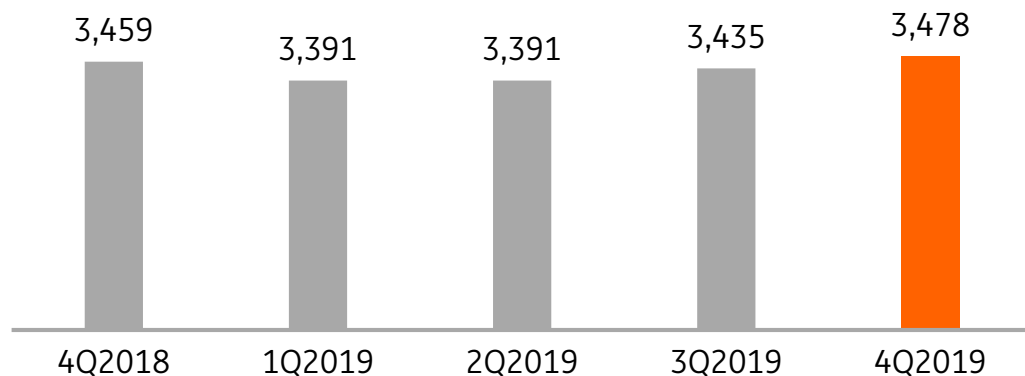
Total underlying income (in € mln)



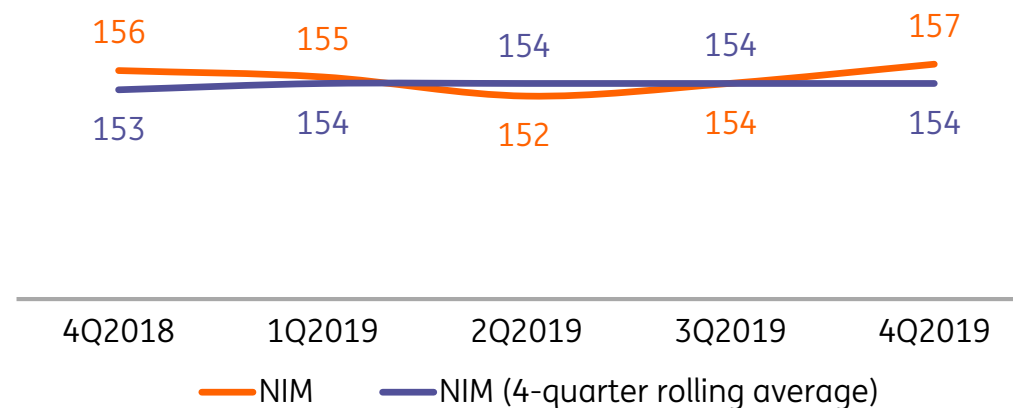
- 4Q2019 underlying result before tax was €1,337 mln, down 21.0% from a year ago, due to slightly lower income, higher expenses and higher risk costs
- Underlying income was €62 mln lower compared to 4Q2018 as discipline in lending margins and higher fee income were offset by primarily negative value adjustments in Financial Markets, while the year-ago quarter included an exceptional €50 mln higher profit from our stake in TMB
- Sequentially, the decrease in pre-tax result was driven by a combination of lower income, partly caused by €93 mln dividend from the Bank of Beijing received in the previous quarter, as well as higher expenses, including seasonally higher regulatory expenses, and increased risk costs

NII improved on year-ago and previous quarter; 4-quarter rolling NIM at 154 bps

Net interest income excl. Financial Markets (FM) (in € mln)



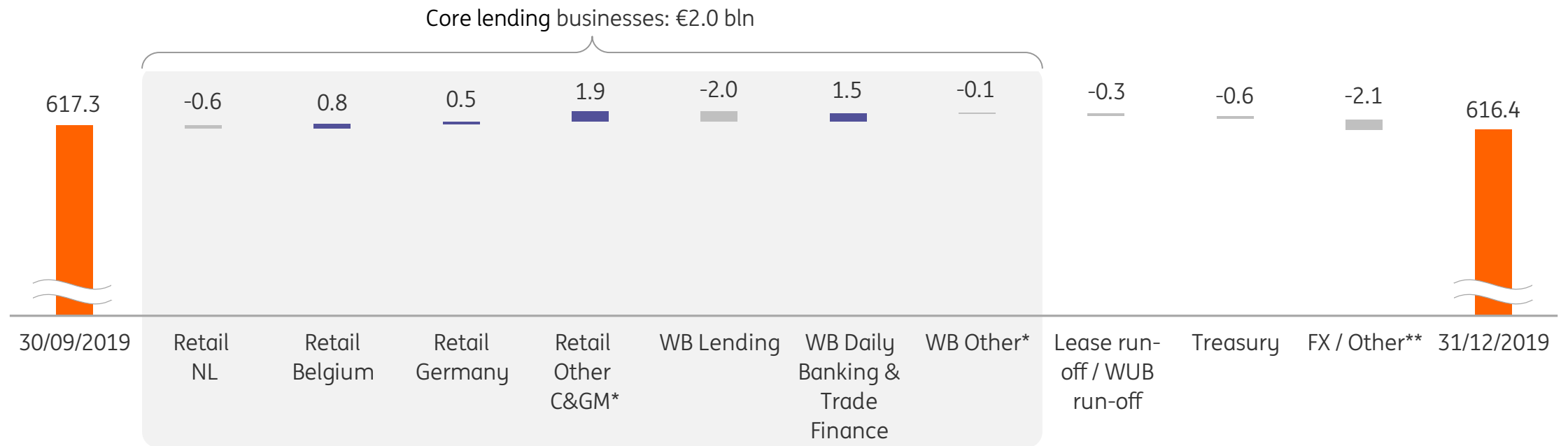
Higher NIM partially explained by FM (in bps)



- Net interest income, excluding Financial Markets, increased 0.5% compared to 4Q2018. Improved NII in the Corporate Line and some one-offs in Wholesale Banking, combined with higher volumes in customer lending and improved margins on mortgages, more than offset the negative impact of lower interest margins on customer deposits
- Quarter-on-quarter, NII excluding FM improved 1.3%, mainly due to higher interest results in Treasury
- NIM was 157 bps, up three basis points on 3Q2019. This was mainly attributable to higher (volatile) interest results in Financial Markets, combined with higher net interest income in Treasury and improved lending margins. These factors compensated for lower interest margins on customer deposits

4Q2019 net core lending

Customer lending ING Group 4Q2019 (in € bln)



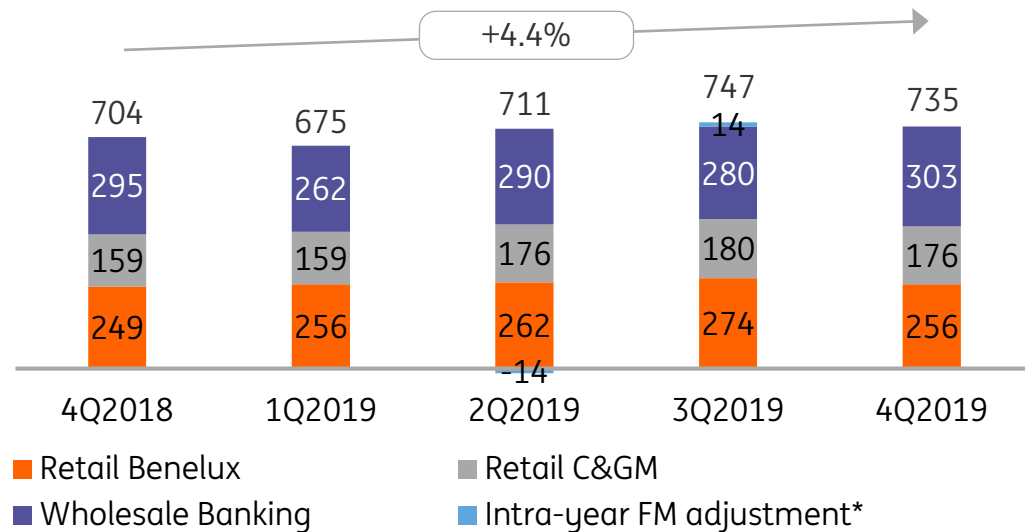
- Our net core lending grew by €2.0 bln in 4Q2019:
 - Retail Banking increased by €2.6 bln of which €1.9 bln was mortgage growth in most countries and €0.7 bln was other lending growth
 - Wholesale Banking reported a decrease of €0.6 bln, mainly in Lending, reflecting prepayments on some large term loans. This was partly offset by growth in Trade Finance, supported by higher oil prices

* C&GM is Challengers & Growth Markets; WB Other includes Financial Markets

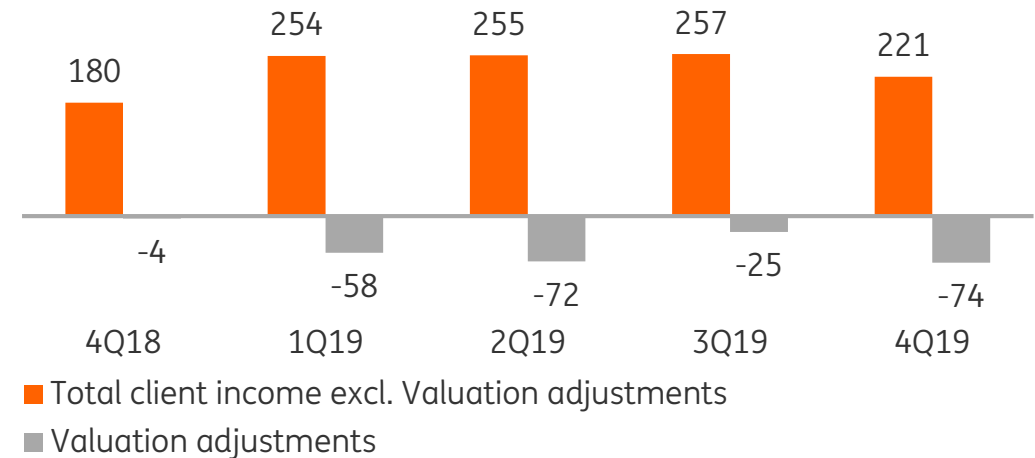
** FX impact was €-1.5 bln and Other €-0.6 bln

Further growth of fee income; FM client business improved YoY

Net fee and commission income* (in € mln)



Underlying income Financial Markets (in € mln)



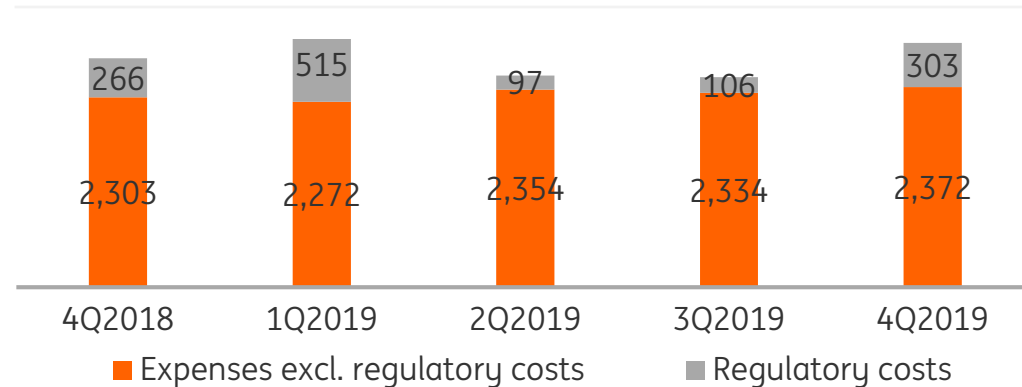
- Fees increased by €31 mln YoY, or 4.4%, driven by higher fees in Retail Banking and in Treasury & Other in Wholesale Banking.
- Sequentially, excluding the FM adjustment in 3Q2019, fee income was €2 mln higher. In Wholesale Banking fees increased, mainly due to more deal activity. This was partly offset by lower fee income in Retail Banking, primarily reflecting adjustments relating to previous quarters in the Netherlands and Belgium**
- Excluding valuation adjustments, Financial Market's income rose by €41 mln versus 4Q2018 driven by higher income from Rates, Credit Trading and Global Capital Markets. Including valuation adjustments, total income decreased by €29 mln. Sequentially, income was €85 mln lower, caused by higher negative valuation adjustments and seasonally lower income in Client Trading

* In 3Q2019, an increase in fees of €14 mln in Wholesale Banking was caused by the reclassification of commissions paid in 2Q2019 to Other Income

** In 4Q2019, caused by some accounting adjustments, the reported Net fee and commission income was understated by €7 mln in 4Q2019 and overstated by €5 mln in 3Q2019

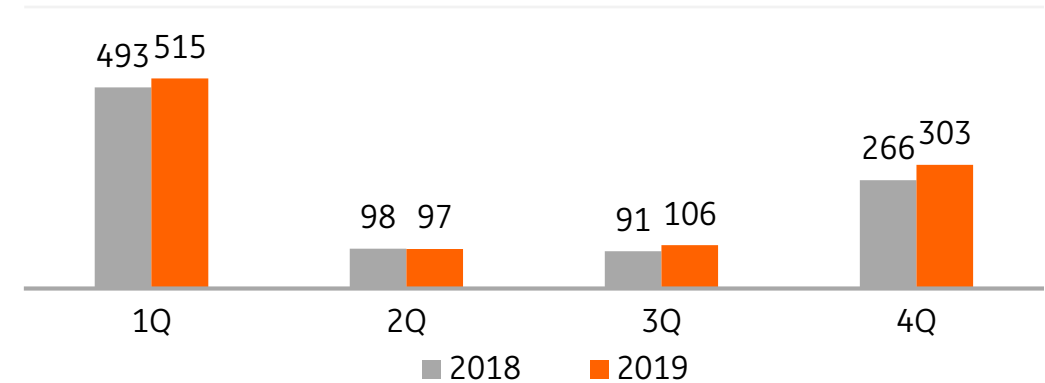
Higher expenses driven by elevated KYC costs

Underlying operating expenses (in € mln)

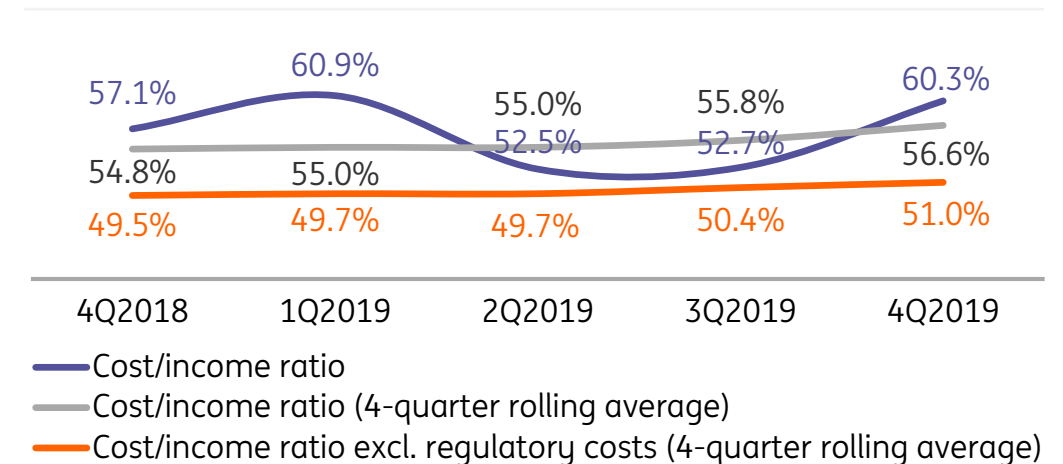


- Expenses excl. regulatory costs rose by €69 mln YoY, mainly due to approximately €75 mln of higher expenses related to KYC. Higher expenses for business growth, salary increases and IT investments were largely offset by cost savings and some one-offs, including a VAT refund in the Corporate Line
- Sequentially, expenses excl. regulatory costs increased by €38 mln, mainly driven by €25 mln of higher KYC-related costs and higher expenses for business growth and salary increases, whereas 3Q2019 included €40 mln of legal provisions in Retail C&GM

Regulatory costs* (in € mln)



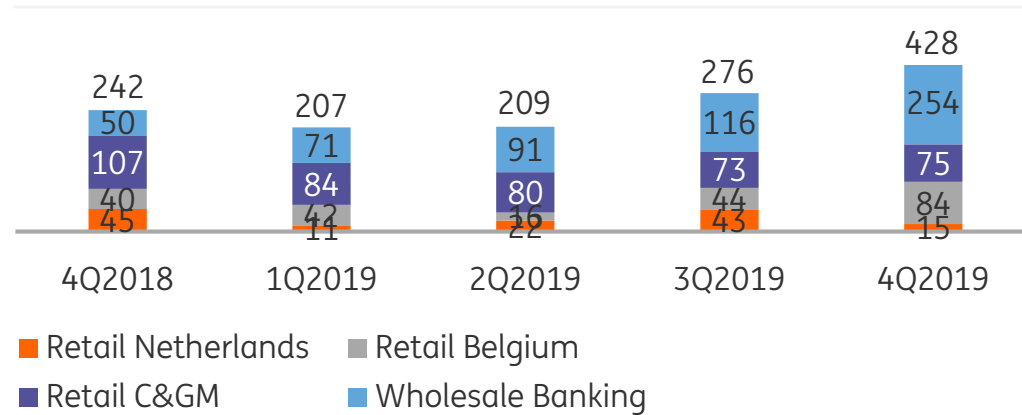
Underlying cost/income ratio



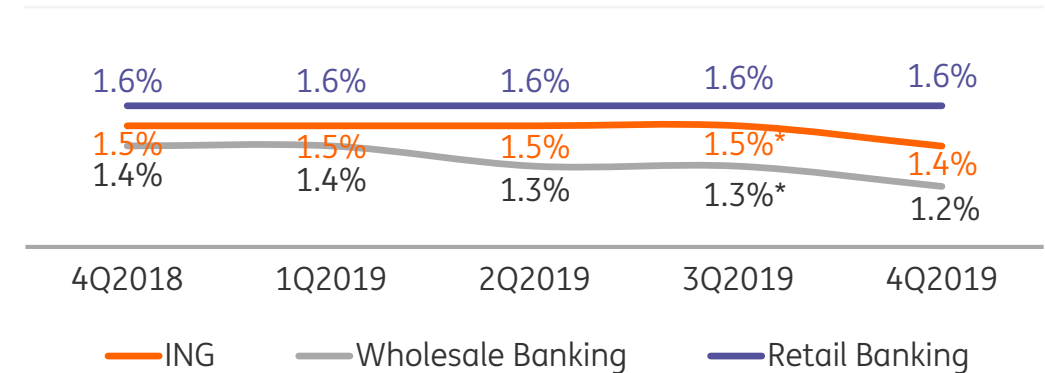
* Formal build-up phase of Deposit Guarantee Schemes (DGS) and Single Resolution Fund (SRF) should be completed by 2024

Risk costs increased sequentially, asset quality remains strong

Risk costs (in € mln)



Stage 3 ratio

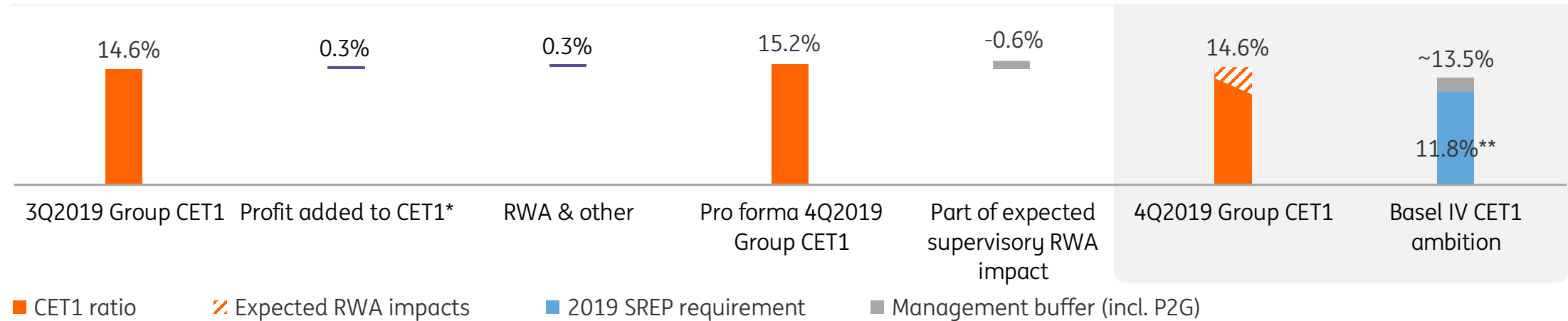


- 4Q2019 risk costs were €428 mln, or 28 bps of average customer lending, slightly above the through-the-cycle average of approx. 25 bps. The Bank's Stage 3 ratio improved to 1.4%, partly due to write-offs of some larger files in Wholesale Banking
- Retail Netherlands risk costs fell to €15 mln, mainly reflecting lower risk costs on mortgages, which were impacted by a change in the house price index that is used in 3Q19. Retail Belgium risk costs increased to €84 mln, partly due to higher risk costs on individual mid-corporate clients. Retail C&GM had slightly higher risk costs at €75 mln, as a higher net release in Germany was offset by higher risk costs in Turkey and Poland
- WB risk costs increased to €254 mln, mainly due to individual Stage 3 provisions both on existing and some new files, mainly in the Americas, Belgium and Asia. Underlying causes varied, including a sizable provision for a suspected external fraud case
- The Stage 3% in WB remains low at 1.2% and based on the exposure earmarked as 'at risk' the quality of the loan book improved compared to the previous quarter
- See Appendix section of the presentation for further details on asset quality

* Stage 3 credit-impaired as per 30 September 2019 adjusted downwards by €548 mln

ING Group CET1 ratio stable at 14.6%

ING Group CET1 ratio development



- The pro forma 4Q2019 CET1 ratio came in at 15.2%. However, as a €13.2 bln RWA increase reflecting part of the expected supervisory impact on RWA (largely TRIM) was taken in 4Q2019, the CET1 ratio was stable at 14.6%. The €13.2 bln RWA increase more than offset the addition of quarterly net profit and otherwise lower Credit RWA due to positive risk migration and currency impacts. Operational RWA decreased by €3.0 bln, while Market RWA were stable
- In the coming quarters, we will see additional RWA impact coming from banking regulation and model reviews (e.g. TRIM, DoD, other macro prudential add-ons), although the magnitude of RWA impact remains uncertain
- We remain well positioned to achieve our CET1 ratio ambition of around 13.5%

* €838 mln which consists of 4Q2019 Group net profit of €880 mln minus €42 mln set aside for future dividend payments

** Current SREP requirement is 11.83%, but is expected to rise to 11.99% in 2020 due to phasing-in of countercyclical buffers

Wrap up

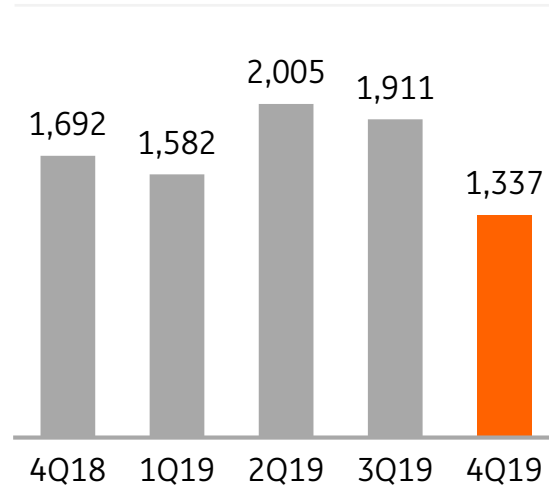
Wrap up

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- Our primary customer base, a driver of future value, increased by more than 830,000, to 13.3 mln in 2019
- We recorded net core lending growth of €17.2 bln in 2019, or 2.9%, primarily in Retail Banking which grew by €16.1 bln while growth in Wholesale Banking slowed down to €1.1 bln
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- We expect to see further effects on capital from banking regulation and model reviews in the coming quarters
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Appendix

Significant impact of volatile items on 4Q2019 pre-tax result

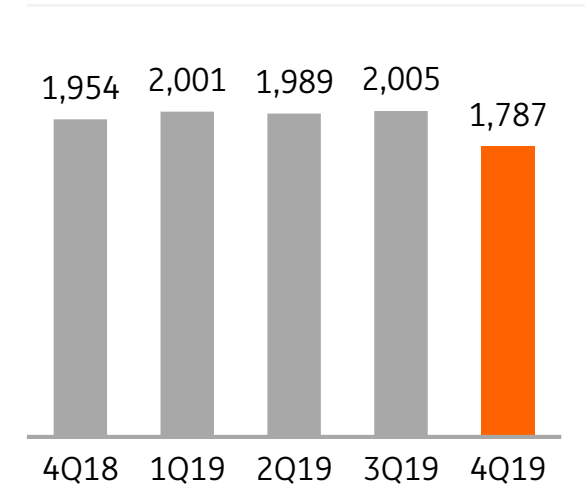
Underlying pre-tax result
(in € mln)



Volatile items and regulatory costs
(in € mln)

	4Q18	1Q19	2Q19	3Q19	4Q19
WB/FM – valuation adjustments	-4	-58	-72	-25	-74
Capital gains/losses	-10	28	21	5	-8
Hedge ineffectiveness	-10	7	85	32	-65
Other items*	28	119	79		
Total volatile items	4	96	113	12	-147
Regulatory costs	-266	-515	-97	-106	-303

Pre-tax result excl. volatile items
and regulatory costs (in € mln)



- Excluding volatile items and regulatory costs, 4Q2019 pre-tax result was down 8.5% from 4Q2018, as higher income could not compensate for higher expenses and an increase in risk costs
- Quarter-on-quarter, the underlying result before tax excluding volatile items and regulatory costs was 10.9% lower, due to a decline in income (3Q2019 included the €93 mln Bank of Beijing dividend) combined with higher expenses and an increase in risk costs

* Other items in 4Q2018 included a €101 mln gain on an equity-linked bond transaction in Belgium, a €50 mln higher contribution from TMB (driven by one-offs) and a €-123 mln loss on the intended sale of an Italian lease run-off portfolio; 1Q2019 concerns a €119 mln one-off gain on the release of a currency translation reserve related to sale of ING's stake in Kotak Mahindra Bank; 2Q2019 concerns the recognition of a €79 mln receivable related to the insolvency of a financial institution

Group CET1 ratio at 14.6% and underlying ROE at 9.4%

Group CET1 ratio development during 4Q2019 (amounts in € bln and %)

	Capital	RWA	Ratio	Change
Actuals 30 September 2019	46.7	319.7	14.6%	
Net profit included in CET1*	0.8			0.26%
Equity stakes	0.1	1.3		-0.03%
FX*	-0.3	-1.2		-0.03%
RWA & Other**	0.2	6.6		-0.24%
Actuals 31 December 2019	47.6	326.4	14.6%	-0.03%

Group underlying ROE calculation in 4Q2019 (in € mln)

As of 31 December 2019	
IFRS-EU shareholders' equity	53,769
deduct: Interim profit not included in CET1 capital***	1,754
Adjusted shareholders' equity	52,015
Adjusted shareholders' equity (4Q-rolling average)	
	50,861
Underlying net result (last four quarters)	4,781
Underlying ROE (4Q-rolling average)	9.4 %

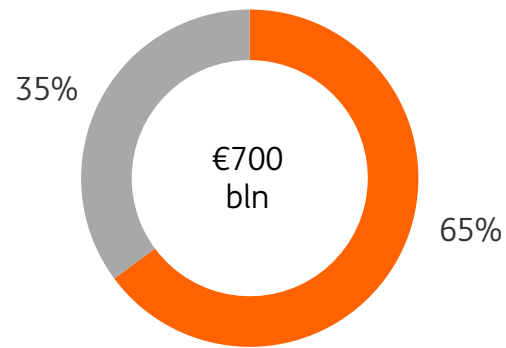
* 4Q2019 Group net profit (€880 mln) is partly reserved for dividends (€42 mln) and remainder is included in Group CET1 capital (€838 mln)

** RWA and Other includes the negative impact from already taken part of expected RWA inflation (-61 bps), offset by the positive impact from risk migration (+19 bps), Operational RWA (+14 bps), volume growth (+1 bps) and other items (+5 bps)

*** As at 31 December 2019, this comprised interim profits not included in CET1 capital of €1,754 mln

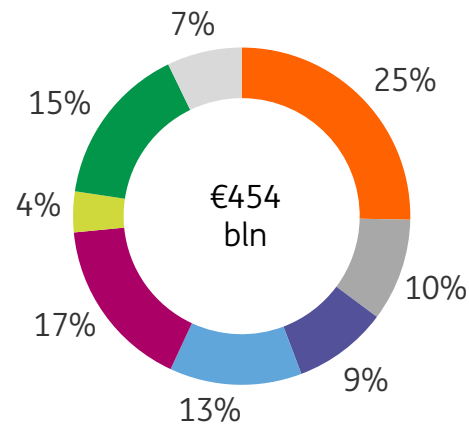
Well-diversified lending credit outstandings by activity

ING Group*



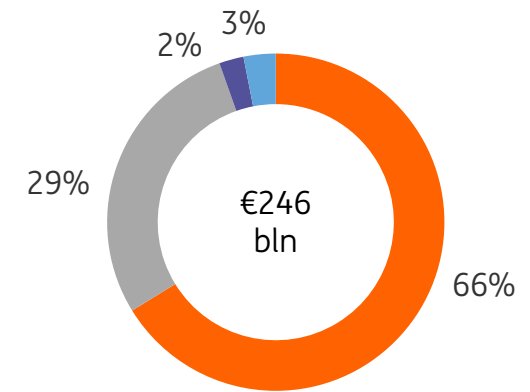
- Retail Banking
- Wholesale Banking

Retail Banking*



- Mortgages Netherlands
- Other lending Netherlands
- Mortgages Belgium
- Other lending Belgium
- Mortgages Germany
- Other lending Germany
- Mortgages Other C&GM
- Other lending Other C&GM

Wholesale Banking*



- Lending
- Daily Banking & Trade Finance
- Financial Markets
- Treasury & Other

- ING has a well-diversified and well-collateralised loan book with a strong focus on own-originated mortgages; 65% of the portfolio is retail-based

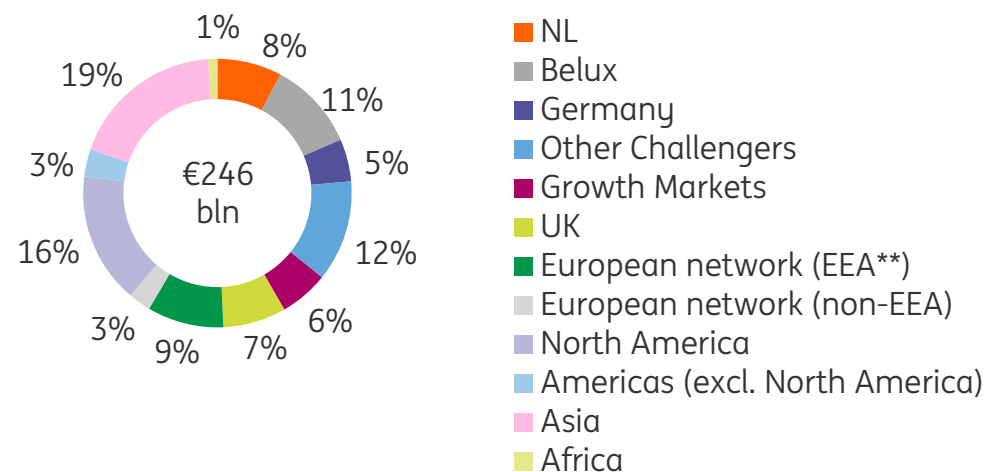
Note: percentages for Retail (Netherlands) and Wholesale Banking have changed versus 4Q2018 as Real Estate Finance portfolio related to Dutch domestic midcorporates was transferred to Retail Netherlands from Wholesale Banking as per 2Q2019

* 31 December 2019 lending and money market credit outstandings, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)

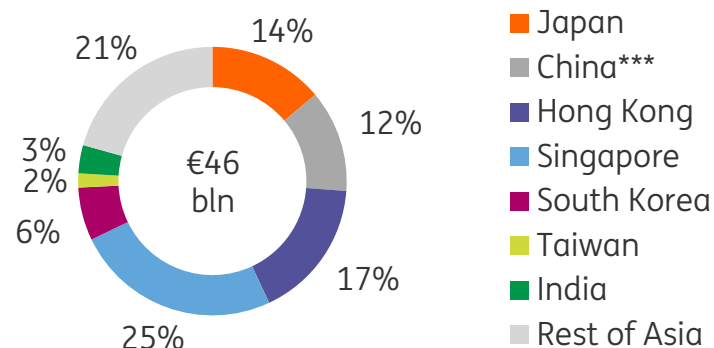
Granular Wholesale Banking lending credit outstandings by geography and sector

Loan portfolio is well diversified across geographies...

Lending Credit O/S Wholesale Banking (4Q2019)*

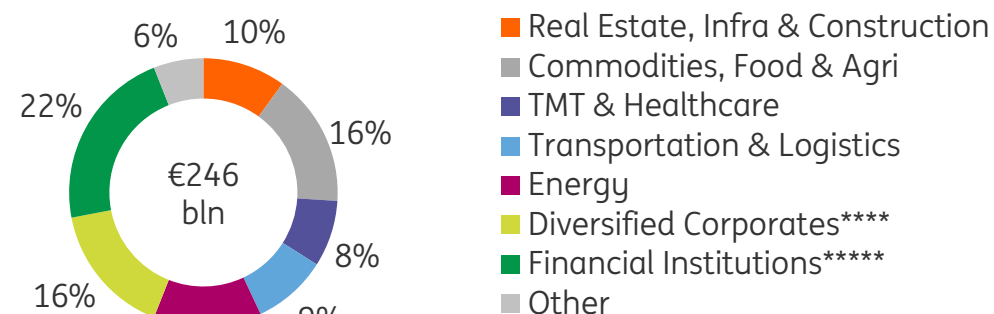


Lending Credit O/S Wholesale Banking Asia (4Q2019)*



...and sectors

Lending Credit O/S Wholesale Banking (4Q2019)*



Note: percentages for WB Netherlands are lower versus 4Q2018 as Real Estate Finance portfolio related to Dutch domestic midcorporates was transferred to Retail Netherlands from Wholesale Banking as from 2019

* Data is based on country/region of residence; Lending and money market credit O/S, including guarantees and letters of credit but excluding undrawn committed exposures (off-balance sheet positions)

** Member countries of the European Economic Area (EEA)

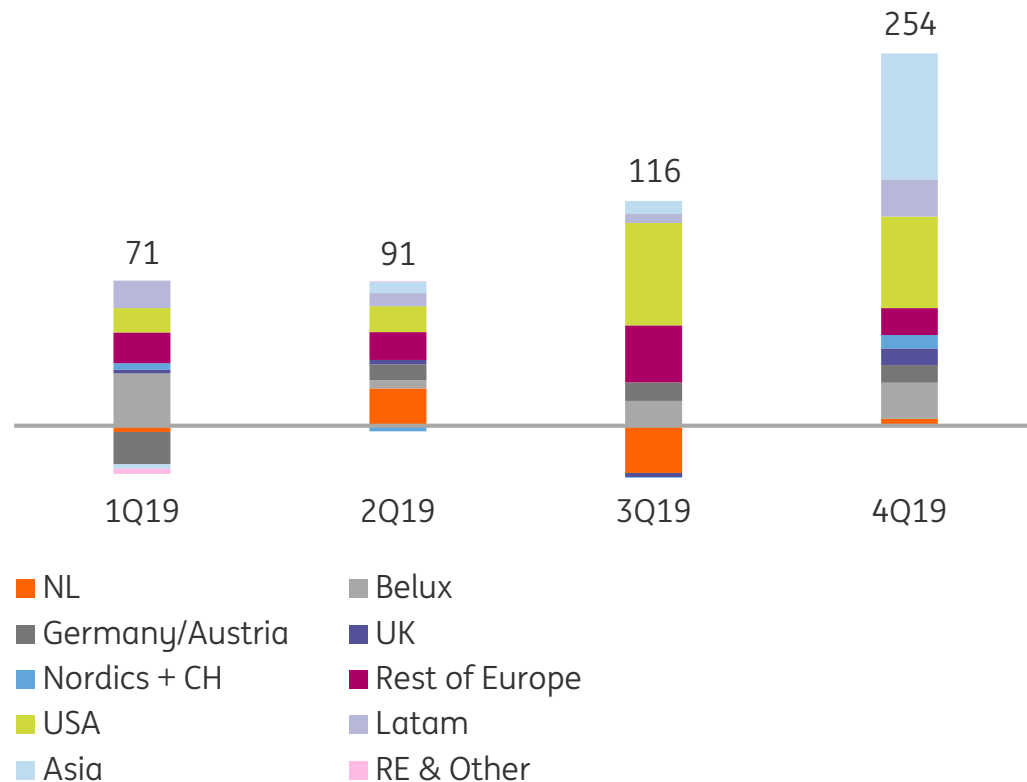
*** Excluding our stake in Bank of Beijing (€2.0 bln at 31 December 2019)

**** Large corporate clients active across multiple sectors

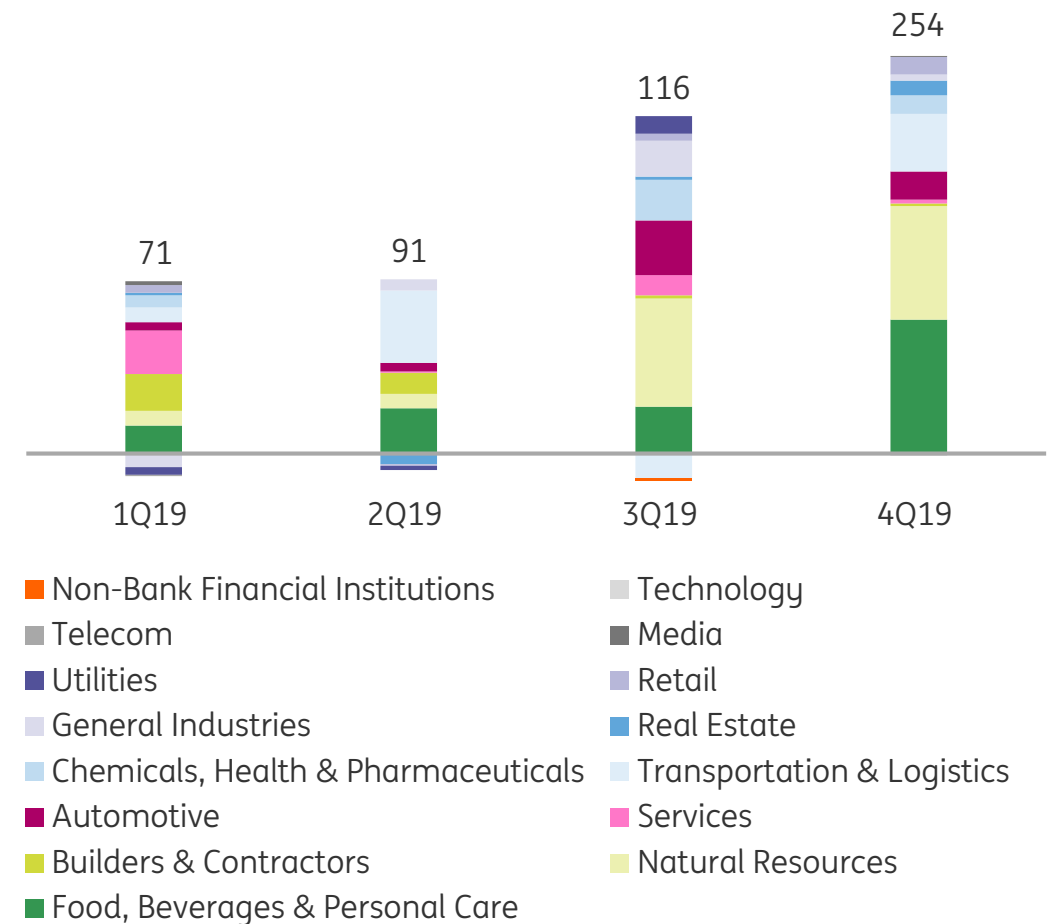
***** Including Financial sponsors

Breakdown of quarterly risk costs Wholesale Banking 2019 per geography and sector

Breakdown of geography which generated risk costs WB (in € mln)



Breakdown of sector which generated risk costs WB (in € mln)



Detailed Stage 3 disclosure on selected portfolios

Selected portfolios (in € mln)

	Lending credit O/S 4Q2019	Stage 3 ratio 4Q2019	Lending credit O/S 3Q2019	Stage 3 ratio 3Q2019	Lending credit O/S 4Q2018	Stage 3 ratio 4Q2018
Wholesale Banking	246,223	1.2%	257,082	1.5%	236,248	1.4%
Lending	163,051	1.4%	171,509	1.7%	153,260	1.5%
Daily Banking & Trade Finance	69,821	0.6%	67,594	1.1%	68,708	0.3%
Selected industries						
Real Estate Finance*	34,733	0.5%	34,028	0.9%	33,800	1.1%
Oil & Gas related**	39,022	2.3%	37,845	2.3%	38,000	1.6%
Metals & Mining	15,675	1.7%	16,323	2.7%	16,249	2.2%
Shipping & Ports***	14,869	2.2%	15,272	4.2%	14,605	3.7%
Selected countries						
Turkey****	10,616	4.3%	11,291	4.1%	13,011	2.8%
Russia	5,061	0.0%	5,533	0.1%	5,700	0.2%
Ukraine	778	12.6%	871	18.3%	876	21.6%

* Includes both WB Real Estate Finance portfolio and Dutch domestic midcorporates portfolio which was transferred from Wholesale Banking to Retail Netherlands in 2Q2019

** Of which €4.4 bln (or 11% of Oil & Gas related exposures) is related to reserve-based lending (9%), offshore drilling (1%) and offshore Services (1%)

*** Shipping & Ports includes Coastal and Inland Water Freight which is booked within Retail Netherlands. Excluding this portfolio, Stage 3 ratio is 2%

**** Turkey includes Retail Banking activities (€4.5 bln)

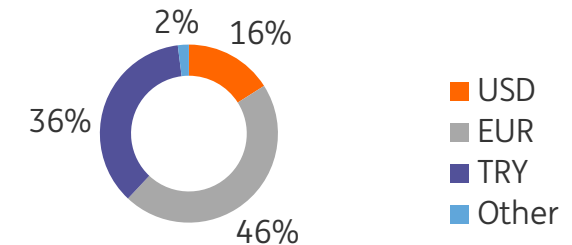
Overview Turkey exposure

Total exposure ING to Turkey* (in € mln)

	4Q2019	3Q2019	Change
Lending Credit O/S Retail Banking	4,537	4,817	-5.8%
Residential mortgages	529	537	-1.5%
Consumer lending	1,203	1,225	-1.8%
SME/Midcorp	2,804	3,054	-8.2%
Lending Credit O/S Wholesale Banking	6,079	6,474	-6.1%
Total Lending Credit O/S*	10,616	11,291	-6.0%

- Intra-group funding reduced from €2.2 bln at end-3Q2019 to €2.1 bln at end-4Q2019
- Reduction of outstandings in 4Q2019 is partly due to Turkish lira depreciation
- ING only provides FX lending to corporate customers with proven FX revenues; only limited rolling-over of FX lending facilities
- ECA-insured lending (Export Credit Agencies) is approx. €1.7 bln; approx. €0.6 bln of SME/Midcorp lending benefits from KGF cover (Turkish Credit Guarantee Fund)
- Quality of the portfolio remains relatively strong with a Stage 3 ratio of 4.3%

Lending Credit O/S by currency



Lending Credit O/S by remaining maturity

TRY**	~1 year
FX	~2 years

Stage 3 ratio and coverage ratio

	4Q2019	3Q2019
Stage 3 ratio	4.3%	4.1%
Coverage ratio	51%	49%

* Data based on country of residence. Lending credit outstandings, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)

** Excludes residential mortgages, which have an average remaining maturity of ~6 years

Important legal information

ING Group's annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2018 ING Group consolidated annual accounts. The Financial statements for 2019 are in progress and may be subject to adjustments from subsequent events. 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 the United Kingdom leaving the European Union or a break-up of the euro, (4) changes in the fiscal position and the future economic performance of the US including potential consequences of a downgrade of the sovereign credit rating of the US government, (5) potential consequences of a European sovereign debt crisis, (6) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, (7) changes in conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness, (8) changes affecting interest rate levels, (9) inflation and deflation in our principal markets, (10) changes affecting currency exchange rates, (11) changes in investor and customer behaviour, (12) changes in general competitive factors, (13) changes in or discontinuation of 'benchmark' indices, (14) changes in laws and regulations and the interpretation and application thereof, (15) changes in compliance obligations including, but not limited to, those posed by the implementation of DAC6, (16) geopolitical risks, political instabilities and policies and actions of governmental and regulatory authorities, (17) changes in standards and interpretations under International Financial Reporting Standards (IFRS) and the application thereof, (18) 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, (19) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (20) changes in credit ratings, (21) the outcome of current and future legal and regulatory proceedings, (22) operational risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (23) risks and challenges related to cybercrime including the effects of cyber-attacks and changes in legislation and regulation related to cybersecurity and data privacy, (24) the inability to protect our intellectual property and infringement claims by third parties, (25) the inability to retain key personnel, (26) business, operational, regulatory, reputation and other risks in connection with climate change, (27) ING's ability to achieve its strategy, including projected operational synergies and cost-saving programmes and (28) the other risks and uncertainties detailed in this 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. (29) This document may contain inactive textual addresses to internet websites operated by us and third parties. Reference to such websites is made for information purposes only, and information found at such websites is not incorporated by reference into this document. ING does not make any representation or warranty with respect to the accuracy or completeness of, or take any responsibility for, any information found at any websites operated by third parties. ING specifically disclaims any liability with respect to any information found at websites operated by third parties. ING cannot guarantee that websites operated by third parties remain available following the publication of this document, or that any information found at such websites will not change following the filing of this document. Many of those factors are beyond ING's control.

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