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ING posts 2018 net result of €4,703 million; 4Q18 net result of €1,273 million

ING continued to achieve strong commercial momentum

- Retail customer base grew to 38.4 million in 4Q18, and primary customer relationships grew by 300,000 to reach 12.5 million
- Net core lending increased by €3.2 billion in 4Q18; net customer deposit inflow amounted to €7.7 billion

ING 4Q18 underlying pre-tax result of €1,692 million; full-year 2018 underlying pre-tax result up 4.5% on 2017

- Results reflect continued business growth at resilient margins, higher net commission and fee income, and lower risk costs
- Full-year underlying ROE rose to 11.2% and fully loaded CET1 ratio is strong at 14.5%; FY2018 dividend of €0.68 per share

CEO statement

"This past year has been filled with both achievements to be proud of and challenges to overcome and learn from," said Ralph Hamers, CEO of ING Group. "Following the settlement we reached with Dutch authorities in September 2018, we are continuing our know your customer (KYC) enhancement programme, emphasising regulatory compliance as the key priority. The organisation continues to work hard on enhancing our customer due diligence files and on a number of structural solutions to bring our anti-money laundering activities to a sustainably better level. We're committed to conducting our business with integrity, and regulatory compliance remains the priority for 2019 and beyond.

"At the same time, we've maintained the focus on our customers by continuing to create innovative products and services while transforming internally so we can provide customers with a differentiating and efficient banking experience. As we work to accelerate the pace of innovation, fintech fund ING Ventures made several investments. We invested in multibank platform Cobase, for example, which makes it easier and more efficient for international corporate clients to work with multiple banks. We also invested, together with UniCredit, in Axyon AI, an Italian company that helps banks offer better and faster advice to their clients by using artificial intelligence to identify investors most likely to participate in a syndicated loan, for example.

"We continued to attract new customers. Our global customer base grew by one million customers over the year to reach 38.4 million, and the number of primary customers increased 9.9% to 12.5 million. Our most recent net promoter scores among customers rank us first in six of our 13 retail markets. Our customer focus is also reflected in our strong commercial results in 2018. Net growth in core lending amounted to €36.6 billion, while net growth in customer deposits was €19.3 billion. ING's full-year underlying pre-tax result rose 4.5% to €7,524 million, reflecting continued business growth at resilient interest margins, despite heightened competition in some of our markets; higher net commission and fee income; and somewhat

lower risk costs. ING's full-year underlying return on equity increased from 2017 to 11.2% and the fully loaded CET1 ratio came in strong at 14.5%. We propose a full-year 2018 cash dividend of €0.68 per share, comprising the interim dividend of €0.24 paid in August 2018 and a final dividend of €0.44 per share.

"Fourth-quarter underlying operating expenses fell 1.9% year-on-year, but they rose 11.3% from the third quarter, mainly due to higher regulatory costs related to the Dutch banking tax. We stepped up our cost-saving measures, resulting in a four-quarter rolling average cost-to-income ratio of 54.8%. We see a need for further cost discipline as we expect lower lending growth in Wholesale Banking, possible increases in regulatory expenses as well as due to the fact that Financial Markets profitability continues to be challenging.

"As we take steps to build a sustainable future for our company and our customers, we've achieved a milestone in our ambition to steer our €600 billion loan book towards the well-below two-degree goal of the Paris Agreement. I'm proud that four major global banks have already joined us in our pledge - together, we have a combined loan book of €2.4 trillion. We believe that banks have a vital role to play in scaling, accelerating and financing the transition towards a low-carbon economy. Together, we are stronger. Supporting this transition, ING successfully issued the largest ever green bond transaction certified under the Climate Bonds Standard, and the largest ever from a European bank. The bonds will fund a green loan portfolio of new and existing loans in renewable energy and green buildings.

"We've started 2019 with total dedication to our regulatory and compliance commitments, while always remembering who we're here for - our customers. Empowering them to stay a step ahead in life and in business remains our guiding purpose."

Further information

All publications related to ING's 4Q/FY2018 results can be found at www.ing.com/4q18, including a video with Ralph Hamers. The video is also available on [YouTube](#). Additional financial information is available at www.ing.com/qtr:

- Full ING Group FY/4Q2018 press release ([PDF](#))
- ING Group analyst presentation ([PDF](#), also available via [SlideShare](#))
- ING Group historical trend data ([PDF](#), [XLS](#))

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](#).

Investor conference call, Media conference call and webcasts

Ralph Hamers, Koos Timmermans and Steven van Rijswijk will discuss the results in an Investor conference call on 6 February 2019 at 9:00 a.m. CET. Members of the investment community can join the conference call at +31 20 531 5821 (NL), +44 203 365 3209 (UK) or +1 866 349 6092 (US) and via live audio webcast at www.ing.com.

Ralph Hamers, Koos Timmermans and Steven van Rijswijk will also discuss the results in a media meeting 6 February 2019 at 11:00 a.m. CET. Journalists are welcome at ING Amsterdamse Poort, Bijlmerplein 888, Amsterdam. Alternatively, they can dial-in in listen-only mode via +31 20 531 5871 (NL) or +44 203 365 3210 (UK). The Media meeting can also be followed via live audio webcast at www.ing.com.

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ING Profile

ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank. The purpose of ING Bank is empowering people to stay a step ahead in life and in business. ING Bank's more than 52,000 employees offer retail and wholesale banking services to customers in over 40 countries.

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

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

IMPORTANT LEGAL INFORMATION

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

ING Group's annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2017 ING Group consolidated annual accounts. The Financial statements for 2018 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 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.

Attachments:

- [878686.pdf](#)