ING

Press release

Corporate Communications

Amsterdam, 10 May 2016

ING 1Q16 underlying net result EUR 842 million

ING's Think Forward strategy continues to improve the customer experience and drive commercial growth
- Strengthened focus on innovation with further investments in proprietary technologies and collaborations with fintechs
- ING Bank attracted EUR 8.8 billion of net customer deposits and recorded EUR 7.1 billion of net core lending growth in 1Q16

ING Bank 1Q16 underlying net result EUR 842 million despite significant increase in regulatory expenses
- Underlying pre-tax result EUR 1,186 million; or EUR 1,682 million before EUR 496 million of regulatory costs in the quarter
- Net interest result increased, driven by volume growth and a higher interest margin; commission income held up well
- Quality of loan book improved: risk costs continue to decline and the NPL ratio decreased to 2.3%

ING Group 1Q16 net result EUR 1,257 million (EUR 0.32 per share) including profit on sales of NN Group shares in January
- Group's restructuring and strategic repositioning completed through the final sales of NN shares in January and April 2016
- Strong Group fully-loaded common equity Tier 1 (CET1) ratio of 12.9%, up from 12.7% at the end of December 2015

CEO statement

"The digital banking landscape has never been more dynamic than it is today," said Ralph Hamers, CEO of ING Group. "Customers are changing the way they bank, which requires us to be flexible and agile. Our Think Forward strategy has enabled us to rise to this challenge and deliver a differentiating experience to our more than 34 million customers around the world."

"ING Bank's most recent Net Promoter Scores rank us as number one relative to our competitors in seven countries. This recognition underscores that ING is delivering on the customer promise that is at the heart of our strategy. It also motivates us to keep getting better as we strive to achieve our purpose of empowering people in life and in business."

"In the first quarter of 2016, we made further investments in customer-friendly technologies and outside collaborations. We became the first bank in France to introduce a digital financial advisor, 'Coach Epargne', which helps customers to make more informed savings and investment choices. In the Netherlands, we started working with small enterprises in our 'Ondernemerslab' facility to co-develop new services that meet their business needs in areas such as finance and marketing. In Wholesale Banking, we added new services to our InsideBusiness digital banking platform and expanded the platform's availability to the UK and Ireland, empowering clients in these countries to manage their finances anytime and anywhere."

"We actively monitor advances in the fintech space and are able to respond quickly to opportunities that have the potential to improve the customer experience. We are currently partnered with around 45 fintechs dedicated to creating innovative solutions for banking needs, such as money management, payments, lending and mobile on-boarding. For example, seven start-ups are working on their 'proof-of-concept' through the ING Fintech Village initiative in Belgium, and four through the Innovation Studio in the Netherlands. These open, collaborative programmes involve multiple partners and provide access to their respective networks, allowing the start-ups to accelerate their development."

"Our strong customer focus reinforces the commercial momentum of our business. During the first quarter of 2016, customers entrusted ING with an additional EUR 8.8 billion of net deposits and we extended EUR 7.1 billion of net core lending. Margins remained healthy, supporting the higher quarterly interest result. The quality of the loan book also improved, as evidenced by lower risk costs and a further decline in the NPL ratio. The Bank's solid underlying pre-tax result of EUR 1,186 million reflects these factors and EUR 496 million of regulatory costs. In 2016, regulatory costs are expected to increase by over EUR 300 million to approximately EUR 960 million, impacting our cost/income ratio as we look for ways to offset these higher costs."

"In January and April 2016, we sold our remaining stake in NN Group, marking the completion of our divestment programme and the last step in our strategic repositioning. Including the net profit from the sales of NN Group shares in January, ING Group's first-quarter net result was EUR 1,257 million. ING Group ended the quarter with a strong fully-loaded CET1 ratio of 12.9%, excluding the first-quarter net profit and the impact of the NN share sale in April. With our robust capital and liquidity position, we are well-placed to adapt to the ever-changing regulatory environment."

"Looking ahead, our focus is to accelerate the execution of our Think Forward strategy. I am grateful to our employees for their dedication to serving our customers to the best of our ability. Our priorities are clear, and I am confident that ING's strong portfolio of businesses will enable us to continue empowering our customers and deliver sustainable shareholder returns."

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Investor conference call
10 May 2016 at 9:00 CET
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+1 480 629 9031 (US)
Live audio webcast at www.ing.com

Media conference call
10 May 2016 at 11:00 CET
+31 20 531 5871 (NL)
+44 203 365 3210 (UK)
Live audio webcast at www.ing.com

Share Information

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Financial calendar

Payment date final dividend 2015 (Euronext Amsterdam):	Wednesday, 4 May 2016
Payment date final dividend 2015 (NYSE):	Wednesday, 11 May 2016
Publication results 2Q2016:	Wednesday, 3 August 2016
Record date for interim dividend 2016 entitlement (Euronext Amsterdam)*:	Monday, 8 August 2016
Payment date interim dividend 2016 (Euronext Amsterdam)*:	Monday, 15 August 2016
Record date for interim dividend 2016 entitlement (NYSE)*:	Monday, 15 August 2016
Payment date interim dividend 2016 (NYSE)*:	Monday, 22 August 2016
Publication results 3Q2016:	Thursday, 3 November 2016
Publication results 4Q2016:	Thursday, 2 February 2017

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

Listing information

ING ordinary shares are registered shares with a par value of EUR 0.24 per share. The (depositary receipts for) ordinary shares of ING Group are listed on the exchanges of Amsterdam, Brussels and New York (NYSE).

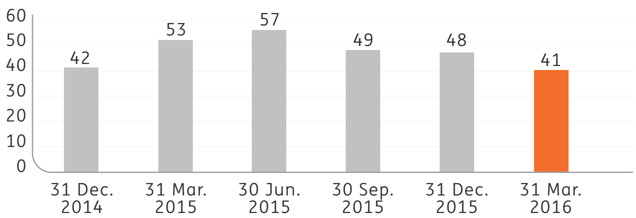
Stock exchanges	Tickers (Bloomberg, Reuters)	Security codes (ISIN, SEDOL1)
Euronext Amsterdam and Brussels	INGA NA, ING.AS	NL0000303600, 7154182
New York Stock Exchange	ING US, ING.N	US4568371037, 2452643

Share information

	1Q2015	2Q2015	3Q2015	4Q2015	1Q2016
Shares (in millions, end of period)					
Total number of shares	3,862.9	3,869.8	3,870.1	3,870.2	3,871.5
- Treasury shares	2.8	2.0	1.5	1.5	1.0
- Shares outstanding	3,860.1	3,867.8	3,868.6	3,868.7	3,870.5
Average number of shares	3,856.9	3,863.3	3,868.0	3,868.9	3,869.4
Share price (in euros)					
End of period	13.65	14.81	12.65	12.45	10.63
High	13.96	15.49	15.90	13.74	12.45
Low	10.35	13.45	12.38	11.92	9.30
Net result per share (in euros)	0.46	0.09	0.28	0.21	0.32
Shareholders' equity per share (end of period in euros)	14.16	12.09	11.90	12.36	12.61
Dividend per share (in euros)	n.a.	0.24	n.a.	0.41	n.a.
Price/earnings ratio[1]	10.7	13.6	11.2	12.0	11.8
Price/book ratio	0.96	1.22	1.06	1.01	0.84

[1] Four-quarter rolling average.

Market capitalisation (in EUR billion)



American Depositary Receipts (ADRs)

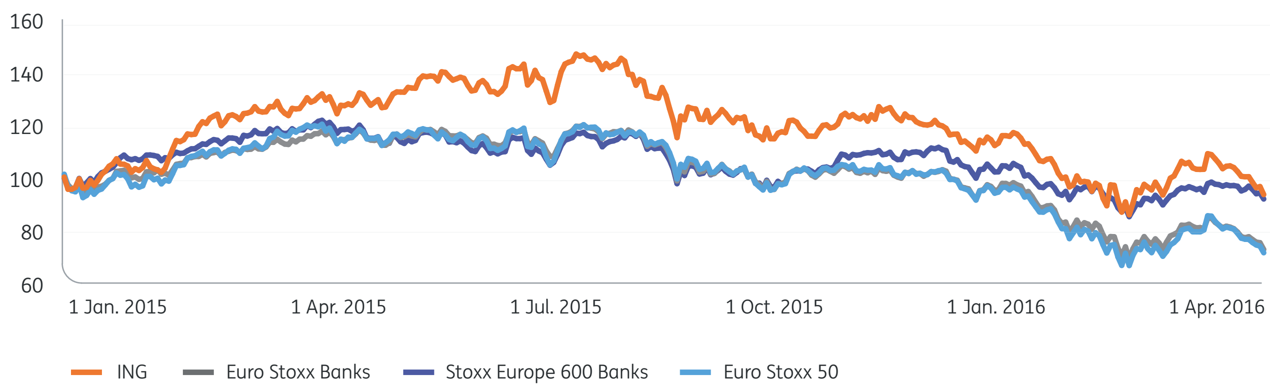
For questions related to the ING ADR program, please visit J.P. Morgan Depositary Receipts Services at www.adr.com, or contact:

J.P. Morgan Shareholder Services:
JPMorgan Chase Bank, N.A.
4 New York Plaza, Floor 12
New York, NY 1004
Attention: Depositary Receipts Group
Fax: +1 212 552-1950
In the U.S.: (866) JPM-ADRS
Outside the US: +1 866 576-2377

J.P. Morgan Transfer Agent Service Center
ADR shareholders can contact:
JPMorgan Chase Bank N.A.
P.O. Box 64504
St. Paul, MN 55164-0854
In the US: +1 800 990 1135
Outside the US: +1 651 453 2128
Email: jpmorgan.adr@wellsfargo.com

Relative share price performance

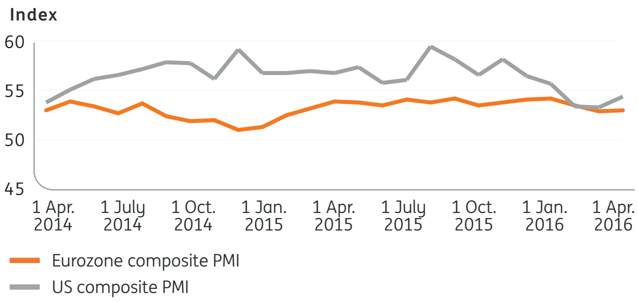
1 January 2015 to 1 April 2016



Economic Environment

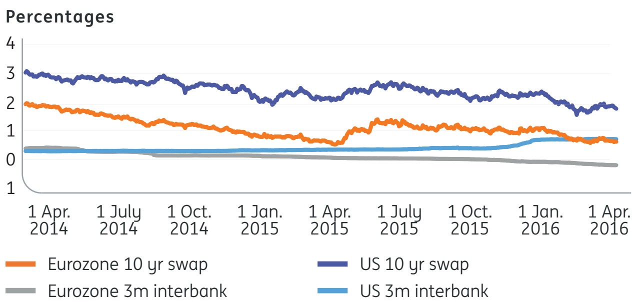
Economic activity

- The composite Purchasing Managers' Index (PMI) for the eurozone fell in the first quarter. This was due to weak external demand from emerging markets, which was compounded by fears of a slowdown or recession in advanced economies.
- In the US, the composite PMI weakened slightly. The manufacturing sector PMI recovered somewhat after two weak quarters, while the services sector PMI slipped.
- The PMIs are regarded as timely indicators of underlying trends in economic activity.



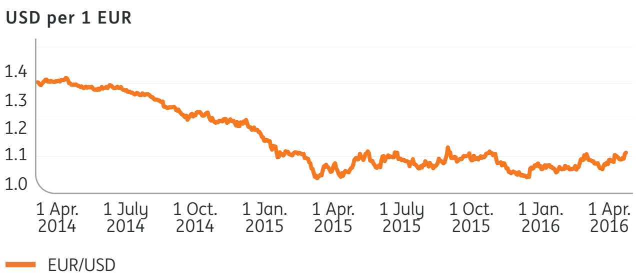
Interest rates

The yield curve flattened further in both the US and the eurozone. In the US, this was caused by a fall on the long end of the curve, as expectations about the pace of rate hikes by the Federal Reserve were adjusted downward. In the eurozone, further expansion of quantitative easing and further lowering of the deposit rate by the ECB caused both the short and long ends of the yield curve to move down.



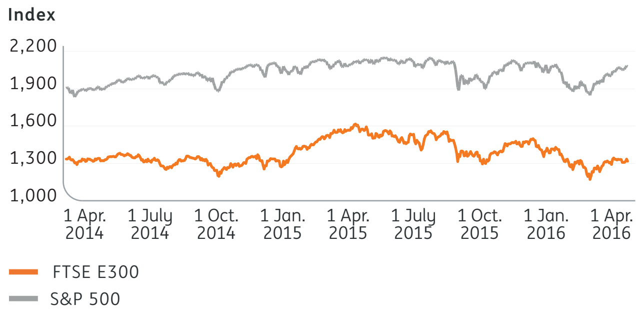
Currency markets

The euro strengthened in the first quarter relative to the US dollar. The effect of looser ECB monetary policy was dominated by the growing expectation that the Federal Reserve would implement fewer rate hikes in 2016 than previously expected.



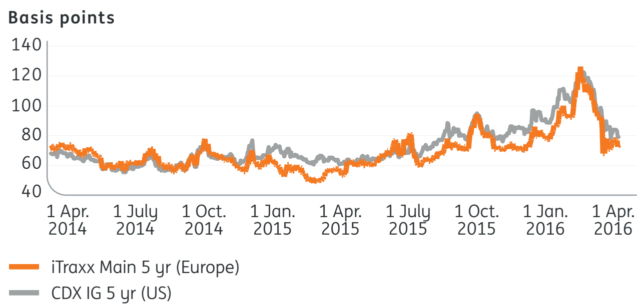
Stock markets

Financial markets were extremely volatile during the first quarter. Investor sentiment was characterised by both fear of a new recession and hope of an ongoing economic recovery. Until mid-February, disappointing data about the Chinese economy and an ongoing decline in oil prices led to worries about the state of the global economy. The main stock market indices fell by 10-15%. Eventually, the worries diminished and financial markets recovered.



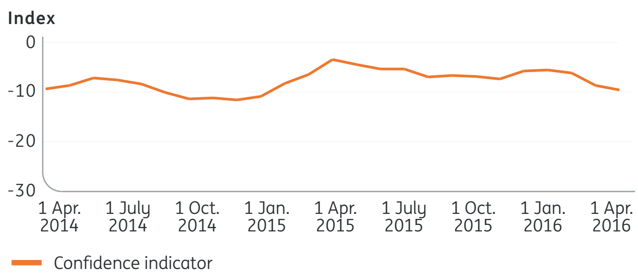
Credit markets

Together with recession fears, corporate credit risk, as measured by credit default swaps, spiked to levels not seen in the last two and a half years. In particular, European banks were seen as risky due to their exposure to the energy sector and declining net interest rate margins. As fears receded, credit spreads fell again.



Consumer confidence

Consumer confidence deteriorated in the first quarter as concerns about the economic outlook, political risks and a looming Brexit increased. At the same time, purchasing power continued to improve as oil prices remained low and employment continued to rise in the eurozone. Consumer confidence remains above its long-term average.



Source: ING Economics Department

Consolidated Results

Consolidated result	1Q2016	1Q2015	Change	4Q2015	Change
Profit and loss data (in EUR million)					
Interest result	3,248	3,175	2.3%	3,172	2.4%
Commission income	607	606	0.2%	607	0.0%
Investment income	71	113	-37.2%	-1	
Other income	161	442	-63.6%	265	-39.2%
Total underlying income	**4,087**	**4,335**	**-5.7%**	**4,043**	**1.1%**
Staff expenses	1,267	1,256	0.9%	1,197	5.8%
Regulatory costs[1]	496	174	185.1%	279	77.8%
Other expenses	873	812	7.5%	1,062	-17.8%
Operating expenses	**2,636**	**2,242**	**17.6%**	**2,539**	**3.8%**
Gross result	**1,451**	**2,093**	**-30.7%**	**1,504**	**-3.5%**
Addition to loan loss provision[2]	265	432	-38.7%	302	-12.3%
Underlying result before tax	**1,186**	**1,661**	**-28.6%**	**1,202**	**-1.3%**
Taxation	329	459	-28.3%	367	-10.4%
Minority interests	16	16	0.0%	12	33.3%
Underlying net result	**842**	**1,187**	**-29.1%**	**822**	**2.4%**
Net gains/losses on divestments	0	0		0	
Special items after tax	-13	-14		-16	
Net result from Banking	**829**	**1,173**	**-29.3%**	**807**	**2.7%**
Net result Insurance Other	-78	7		12	
Net result IC elimination between ING Bank and NN Group		-10			
Net result from discontinued operations NN Group	506	276	83.3%	0	
Net result from discontinued operations Voya Financial		323			
Net result ING Group	**1,257**	**1,769**	**-28.9%**	**819**	**53.5%**
Net result per share (in EUR)	0.32	0.46		0.21	
Capital ratios (end of period)					
ING Group shareholders' equity (in EUR billion)	49	55	-10.7%	48	2.0%
ING Group common equity Tier 1 ratio fully-loaded[3]	12.9%	11.6%		12.7%	
ING Bank shareholders' equity (in EUR billion)	42	39	5.2%	41	1.7%
ING Bank common equity Tier 1 ratio fully-loaded	11.8%	11.4%		11.6%	
ING Bank common equity Tier 1 phased in	11.8%	11.5%		11.6%	
Customer lending/deposits (end of period, in EUR billion)					
Residential mortgages	280.0	280.8	-0.3%	279.0	0.4%
Other customer lending	258.4	256.3	0.8%	253.7	1.9%
Customer deposits	514.5	502.4	2.4%	508.7	1.1%
Profitability and efficiency					
Underlying interest margin Banking	1.51%	1.47%		1.47%	
Underlying cost/income ratio Banking	64.5%	51.7%		62.8%	
Underlying return on equity based on IFRS-EU equity ING Bank[4]	8.2%	12.2%		8.2%	
Employees ING Bank (FTEs, end of period)	52,088	53,032	-1.8%	52,368	-0.5%
Risk					
Non-performing loans/total loans (end of period)	2.3%	3.0%		2.5%	
Stock of provisions/provisioned loans (end of period)	39.8%	35.0%		38.5%	
Underlying risk costs in bps of average RWA	33	58		38	
Risk-weighted assets ING Bank (end of period, in EUR billion)	315.4	303.6	3.9%	318.2	-0.9%

[1] Regulatory costs represents bank taxes, contributions to the deposit guarantee schemes ('DGS') and the (European) single resolution fund ('SRF').
[2] The amount presented in 'Addition to loan loss provision' (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] Interim profit for 1Q2016 has not been included in CET1 capital.
[4] Annualised underlying net result divided by average IFRS-EU shareholders' equity of ING Bank N.V.
Note: Underlying figures are non-GAAP measures. These are derived from figures according to IFRS-EU by excluding impact from divestments, special items, Insurance Other, intercompany eliminations between ING Bank and NN Group, and discontinued operations.

Consolidated Results

ING Bank posted a solid set of first-quarter 2016 results, despite significantly higher regulatory costs. The underlying net profit was EUR 842 million. The interest result increased both sequentially and year-on-year, reflecting the positive momentum in the business. Commercial performance was again robust in the first quarter of 2016: ING Bank grew net core lending (excluding currency impacts) by EUR 7.1 billion, and the quality of the loan book improved. Risk costs declined relative to both comparable periods to EUR 265 million, and the non-performing loan ratio improved further to 2.3% in the first quarter. ING attracted EUR 8.8 billion of net customer deposits (excluding currency impacts and Bank Treasury), generated primarily by Retail Banking. The first-quarter 2016 net result of ING Group was EUR 1,257 million, including EUR 428 million from the legacy insurance businesses and the sales of NN Group shares in January 2016.

Banking

ING Bank's solid first-quarter underlying result before tax of EUR 1,186 million was attributable to continued loan growth, slightly higher interest margins and lower risk costs, and despite the significant increase in regulatory expenses to EUR 496 million from EUR 174 million a year ago. The regulatory expenses recorded in the first quarter of 2016 are already more than half of the estimated EUR 960 million expected for the full year. The underlying result before tax declined 28.6% sequentially. Excluding regulatory expenses and relatively limited credit valuation and debt valuation adjustments (CVA/DVA), the underlying result before tax decreased 10.3%. This was mainly caused by lower income from Financial Markets, reflecting subdued market activity in the first quarter of this year, and from Bank Treasury, whose result in the first quarter of 2015 was supported by high capital gains and positive results from hedge ineffectiveness. Compared with the fourth quarter of 2015, the pre-tax result declined 1.3%, but rose 9.6% excluding CVA/DVA impacts and the sharp rise in regulatory costs.

Total underlying income

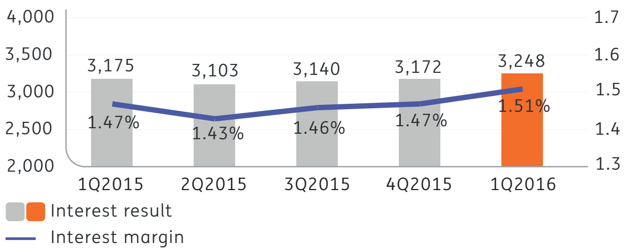
Total underlying income declined 5.7% year-on-year to EUR 4,087 million, despite an increase in the interest result and a small positive contribution from CVA/DVA impacts (EUR 35 million in the first quarter of 2016 versus EUR -1 million one year ago). The decrease was mainly caused by the lower income from Financial Markets and Bank Treasury. Business momentum remained positive and the net interest result, excluding Financial Markets, increased 2.8%, reflecting strong volume growth in customer lending and customer deposits, as well as improved interest results on Bank Treasury activities and in the Corporate Line. Compared with the fourth quarter of 2015, which included EUR 22 million of negative CVA/DVA impacts, total underlying income rose 1.1%, supported by higher interest results. Total customer lending at ING Bank increased by EUR 5.7 billion in the first quarter to EUR 538.4 billion. Net growth in the core lending businesses, excluding currency impacts, was EUR 7.1 billion in the first quarter of 2016, which is above our Ambition 2017 target range of 3-4% growth per annum.

Core lending growth in the first quarter included EUR 1.5 billion of residential mortgages, as a small decline in Retail Netherlands was more than offset by mortgage growth in most other countries. Other customer lending grew by EUR 5.6 billion, of which EUR 1.4 billion was in Retail Banking (predominantly Belgium and Poland). Other customer lending in Wholesale Banking grew by EUR 4.2 billion, particularly in Structured Finance and General Lending.

Customer deposits at ING Bank (excluding Bank Treasury and adjusted for currency impacts) recorded EUR 8.8 billion of net growth in the first quarter of 2016. Retail Banking generated a net inflow of EUR 6.9 billion with most countries contributing to the growth. In Wholesale Banking, net customer deposits increased by EUR 1.1 billion, mainly in current accounts. The remaining increase was related to the placement of deposits by ING Group at ING Bank.

The reported interest result increased 2.3% to EUR 3,248 million from EUR 3,175 million in the first quarter of 2015. The interest result on customer deposits rose, driven by business growth and an improved interest margin on savings accounts supported by the lowering of client rates in several countries. This was partly offset by lower margins on current accounts due to declining reinvestment yields. The interest result on customer lending activities decreased slightly as higher volumes in (non-mortgage) customer lending could not fully compensate for a lower margin on lending overall. Improved results on Bank Treasury activities and in the Corporate Line further supported the growth of the interest result. Compared with the fourth quarter of 2015, the underlying interest result rose by EUR 76 million, or 2.4%.

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



The first-quarter 2016 underlying net interest margin of ING Bank was 1.51%, up from 1.47% in the fourth quarter of 2015. This increase was partly attributable to the improved interest results on Bank Treasury activities and in the

Consolidated Results

Corporate Line. Overall, the interest margins on both lending activities and customer deposits were marginally higher quarter-on-quarter.

Commission income edged up 0.2% from the first quarter of 2015 to EUR 607 million. Higher fee income in Retail Netherlands was offset by lower commission income in the Retail Challengers & Growth Markets and in Wholesale Banking. Compared with the fourth quarter of 2015, which included a positive one-time impact on consumer loan origination in Germany, commission income was stable as the decline in Germany was offset by increases in Retail Benelux, particularly in Belgium due to higher fee income on investment products.

Investment income dropped to EUR 71 million from EUR 113 million in the first quarter of 2015. This decline was mainly caused by EUR 44 million of lower realised gains on equities, as the first quarter of 2015 included a EUR 36 million gain on the sale of an equity investment in the Real Estate run-off portfolio. Total realised gains on debt securities declined by EUR 6 million to EUR 70 million. Investment income in the fourth quarter of 2015 was EUR -1 million.

Other income fell to EUR 161 million from EUR 442 million a year ago. Positive CVA/DVA impacts in Wholesale Banking and the Corporate Line were EUR 35 million versus EUR -1 million in the first quarter of 2015. Excluding CVA/DVA adjustments, other income dropped by EUR 317 million year-on-year. This was primarily due to substantially lower revenues at Financial Markets, reflecting challenging market conditions characterised by subdued levels of market activity, and lower revenues from Bank Treasury as the first quarter of 2015 included high positive results from hedge ineffectiveness compared with smaller negative numbers in the current quarter. Compared with the fourth quarter of 2015, which included EUR -22 million of CVA/DVA impacts, other income declined by EUR 104 million. Excluding CVA/DVA adjustments, other income dropped by EUR 161 million quarter-on-quarter, mainly due to lower revenues from Bank Treasury and Financial Markets activities, and negative fair value changes and currency effects in the Corporate Line.

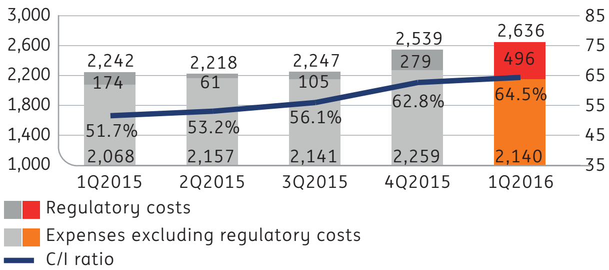
Operating expenses

Underlying operating expenses increased by EUR 394 million, or 17.6%, to EUR 2,636 million compared with the first quarter of 2015. Expenses in the first quarter of 2016 included EUR 496 million of regulatory expenses, or more than half of an estimated EUR 960 million of regulatory costs expected for the full year 2016. The strong increase in expected regulatory costs versus the EUR 620 million paid in 2015 is mainly caused by the contribution to the new Dutch deposit guarantee scheme, a new Polish bank tax and increased charges for the German DGS and for the Dutch contribution to the (European) single resolution fund. In the first quarter of 2015, regulatory costs amounted to EUR 174 million.

Excluding regulatory costs, expenses rose by EUR 72 million, or 3.5%, from the first quarter of 2015. This increase was primarily visible in the Corporate Line, where expenses were EUR 46 million higher year-on-year, principally due to the release of a legal provision in the first quarter of 2015. The remaining increase was mainly incurred in the Retail Challengers & Growth Markets to support business growth.

Compared with the fourth quarter of 2015, which included EUR 279 million of regulatory costs and EUR 120 million of restructuring provisions, operating expenses increased by EUR 97 million, or 3.8%. Excluding both aforementioned items, expenses were relatively stable at EUR 2,140 million. The first-quarter underlying cost/income ratio for ING Bank was 64.5% compared with 51.7% one year ago and 62.8% in the previous quarter. Excluding CVA/DVA impacts and regulatory costs, the cost/income ratio was 52.8% in the first quarter of 2016.

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



The cost-saving programmes that have been underway at ING Bank since 2011 are expected to lead to gross annual savings of EUR 1.2 billion by 2017, and EUR 1.3 billion by 2018. Of these targeted amounts, EUR 884 million of cost savings have already been achieved. Since the start of the cost-saving programmes, 7,236 internal and external FTEs have left ING Bank.

The total number of internal staff declined to 52,088 FTEs from 52,368 FTEs at year-end 2015. The decline of 280 FTEs was mainly in the Benelux and Turkey, partly offset by FTE growth in Germany, Romania and the international network of Wholesale Banking.

Addition to loan loss provisions

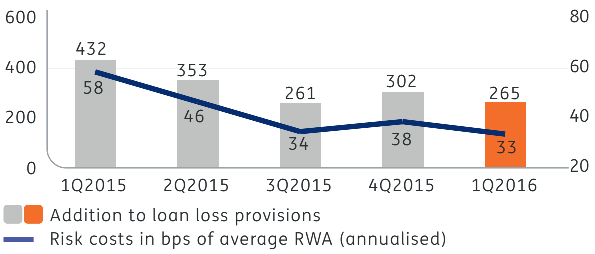
ING Bank recorded EUR 265 million of risk costs in the first quarter of 2016, down from EUR 432 million a year ago and EUR 302 million in the previous quarter. The Netherlands continued its positive trend from the previous quarters. Net additions in Retail Netherlands declined further to EUR 49 million. The net addition for Dutch business lending was EUR 36 million compared with EUR 91 million a year ago and EUR 57 million in the previous quarter. In Retail Belgium, risk costs were EUR 32 million, which is below the 2015 quarterly average of EUR 42 million. In Retail Challengers & Growth Markets, net additions were EUR 67 million, up from EUR 59 million in the first quarter of 2015, but down from EUR 80 million in the previous quarter. Risk costs in Wholesale Banking were EUR 117 million, significantly lower than the

Consolidated Results

EUR 173 million recognised a year ago, but up from EUR 97 million in the previous quarter. The Wholesale Banking risk costs in the current quarter were mainly due to Ukraine and the oil & gas sector, the latter due to the sustained low oil prices. The non-performing loan (NPL) ratio continued its downward trend, decreasing to 2.3% (EUR 14.2 billion) from 2.5% at year-end 2015 (EUR 15.0 billion).

Total risk costs were 33 basis points of average risk-weighted assets, versus 58 basis points in the first quarter of 2015 and 38 basis points in the previous quarter, and are below the through-the-cycle guidance range of 40-45 basis points.

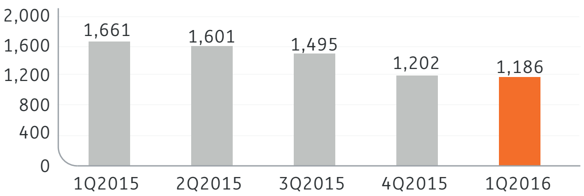
Addition to loan loss provisions (in EUR million)



Underlying result before tax

ING Bank's first-quarter 2016 underlying result before tax was EUR 1,186 million, down 28.6% from a year ago, mainly due to significantly higher regulatory expenses and lower income from Financial Markets and Bank Treasury. Sequentially, the underlying result before tax decreased 1.3%, predominantly due to the higher regulatory costs.

Underlying result before tax (in EUR million)



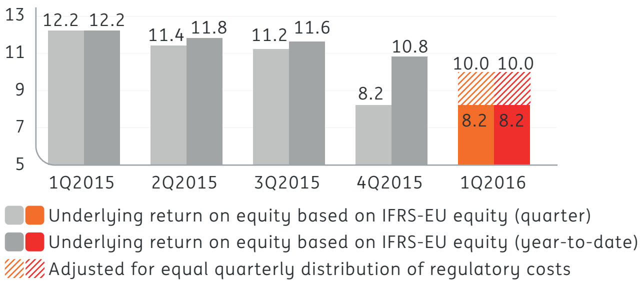
Net result Banking

ING Bank's underlying net result decreased to EUR 842 million from EUR 1,187 million in the first quarter of 2015, but rose from EUR 822 million in the fourth quarter of 2015. The first-quarter effective underlying tax rate was 27.7% compared with 27.6% in the first quarter of 2015 and 30.6% in the fourth quarter of 2015.

ING Bank's first-quarter 2016 net result was EUR 829 million. It includes EUR -13 million of special items after tax, which were fully related to restructuring programmes in Retail Netherlands that were announced before 2013.

The underlying return on ING Bank's IFRS-EU equity declined to 8.2% from 12.2% in the first quarter of 2015. The decline versus a year ago was caused by a lower underlying net result combined with an increase in the average equity base. The decline in the underlying net result was largely due to the recognition of EUR 496 million of regulatory costs in the first quarter of 2016, which represents more than half of the total estimated regulatory costs for 2016. However, if the regulatory costs were equally distributed over the four quarters of 2016, the first-quarter underlying return on IFRS-EU equity would have been 10.0%. The higher average equity base was mainly attributable to retained earnings. The Ambition 2017 target range for the underlying return on ING Bank's IFRS-EU equity is 10-13%.

Return on equity ING Bank (in %)



The underlying return on ING Group's IFRS-EU equity was 7.0% in the first quarter of 2016, or 8.5% if the regulatory costs were equally distributed over the four quarters of 2016.

Net result ING Group

ING Group's first-quarter net result was EUR 1,257 million compared with EUR 1,769 million in the first quarter of 2015 and EUR 819 million in the previous quarter. These figures include the net results of the legacy insurance businesses.

In the first quarter of 2016, ING Group recorded a net result of EUR 428 million on the legacy insurance activities. Of this amount, EUR 506 million was related to the discontinued operations of NN Group, primarily reflecting the sale of ordinary shares in early January 2016 and the exchange of the mandatory exchangeable subordinated notes in late January 2016. The lower valuation of warrants on NN Group and Voya shares compared with year-end 2015 resulted in a loss of EUR 78 million.

In January 2016, ING's stake in NN Group was reduced to 16.2% due to the successful sale of 33 million ordinary shares of NN Group. The financial impact of this transaction amounted to a net profit at closing of EUR 522 million, and is reflected in ING Group's first-quarter 2016 net results. This broadly reflects the difference between the EUR 2.2 billion book value of our 25.8% investment in NN Group, which was fixed using the share price at deconsolidation at the end of May 2015, and the market value of this stake of EUR 2.7 billion at the closing of the January 2016 transaction.

On 28 January 2016, ING announced the exchange of the third and final tranche of EUR 337.5 million mandatory exchangeable subordinated notes, which had been issued

Consolidated Results

in 2014 as part of the anchor investment in NN Group. This transaction had reduced ING's remaining stake in NN Group from 16.2% to 14.1%.

In the first quarter of 2015, ING Group's net result included EUR 596 million for the legacy insurance activities, of which EUR 276 million was related to the discontinued operations of NN Group (representing ING's 54.6% stake in NN Group's net result at that time) and EUR 323 million to the discontinued operations of Voya following the sale of ING Group's remaining stake in Voya in that quarter. In the fourth quarter of 2015, the net result of the legacy insurance business was EUR 12 million; this result was fully related to a change in the valuation of the warrants.

ING Group's net result per share was EUR 0.32 in the first quarter of 2016, based on an average number of shares outstanding of 3,869.4 million.

Other events

ING completes divestment programme

On 14 April 2016, ING announced the successful sale of its remaining 14.1% stake in NN Group. The shares were sold at a price of EUR 30.15 per share. The gross proceeds to ING from the offering amounted to approximately EUR 1.4 billion. The transaction resulted in a loss at settlement to ING Group of EUR 66 million, which will be booked in the second quarter of 2016. This amount reflects the difference between the market value of our 14.1% stake in NN Group on the day of the previous share sale on 5 January 2016 and the transaction price.

The divestment of NN Group is the final step of ING´s programme to divest all of its insurance and investment management businesses as part of the restructuring agreement with the European Commission. To that effect, ING Group previously sold shares of NN Group through an initial public offering in July 2014 and in follow-on offerings in February, May and September 2015 and January 2016. In the course of the divestment programme, ING also sold its Latin American insurance and investment management operations and its various insurance and investment management businesses in Asia/Pacific. Voya Financial was brought to the US stock market in May 2013 and shares were subsequently sold to investors through a series of follow-on offerings.

ING Group continues to hold warrants for approximately 35 million shares in NN Group at an exercise price of EUR 40.00 per share and warrants for approximately 26 million shares in Voya at an exercise price of USD 48.75 per share. There is no regulatory requirement to divest these warrants.

Changes to ING's corporate governance structure

The 2016 annual General Meeting of Shareholders, held on 25 April 2016, adopted the amendment to ING's Articles of Association to reflect proposed changes to ING's corporate governance. This includes the abolishment of the depositary receipt structure via Stichting ING Aandelen (ING Trust Office), as announced on 10 March 2016. In the coming months, ING and the ING Trust Office will take the necessary steps to arrange this exchange. Holders of depositary receipts will automatically (and without any cost) be provided with one ordinary share for each depositary receipt. Practical details about the exchange process will be published on www.ing.com. ING's American Depositary Receipts (ADRs) which are traded on the New York Stock Exchange, will stay in place and automatically be linked to the underlying ordinary shares.

Segment Reporting: Retail Banking

Retail Benelux: Consolidated profit and loss account

	Retail Benelux		Netherlands		Belgium	
In EUR million	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015
Profit and loss data						
Interest result	1,388	1,455	924	944	464	512
Commission income	249	231	137	121	112	110
Investment income	47	4	17	2	30	2
Other income	23	140	1	86	22	53
Total underlying income	**1,707**	**1,831**	**1,079**	**1,153**	**627**	**678**
Expenses excl. regulatory costs	930	925	601	581	329	344
Regulatory costs	255	94	94	0	161	94
Operating expenses	**1,185**	**1,019**	**695**	**581**	**490**	**438**
Gross result	**522**	**812**	**384**	**572**	**138**	**239**
Addition to loan loss provision	81	200	49	153	32	48
Underlying result before tax	**442**	**611**	**336**	**420**	**106**	**192**
Customer lending/deposits (end of period, in EUR billion)[1]						
Residential mortgages	160.2	164.7	125.7	131.2	34.4	33.5
Other customer lending	76.8	80.0	37.7	41.6	39.2	38.5
Customer deposits	213.2	207.0	132.1	129.1	81.1	77.9
Profitability and efficiency[1]						
Cost/income ratio	69.4%	55.7%	64.4%	50.4%	78.0%	64.7%
Return on equity based on 10.0% common equity Tier 1[2]	15.0%	20.2%	18.0%	20.6%	9.7%	19.4%
Employees (FTEs, end of period)	18,349	19,424	9,533	10,504	8,816	8,920
Risk[1]						
Risk costs in bps of average RWA	36	91	34	100	40	70
Risk-weighted assets (end of period, in EUR billion)	87.6	88.3	55.7	61.1	31.8	27.2

[1] Key figures based on underlying figures.
[2] Underlying after-tax return divided by average equity based on 10.0% common equity Tier 1 ratio (annualised).

Retail Benelux

"Retail Benelux delivered a solid financial performance as client savings rate reductions offset margin pressures to protect the interest result, and commissions were strong. Risk costs continued to improve, particularly in the Netherlands. However, the pre-tax result for Retail Benelux was materially reduced by higher regulatory costs which were booked in both countries this quarter.

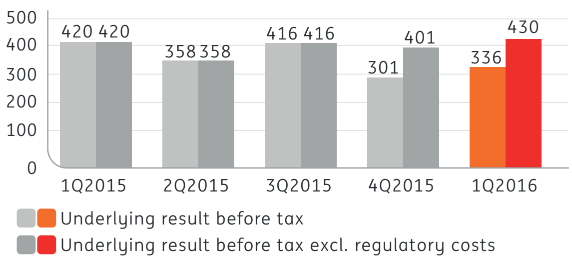
Our focus in the Benelux is on efficiency and improving the customer experience. We completed our transformation programme in Belgium – ahead of schedule – last year, and this is visible in the reduced operating expenses in the first quarter. In the Netherlands, we are on track with our investment in the digital banking programme as we move to an omnichannel solution for our customers. And we have successfully introduced an 'agile' way of working, which enables us to respond faster and more effectively to changing client needs."

Koos Timmermans, Member and Vice-chairman Management Board Banking

Retail Netherlands

Retail Netherlands posted a first-quarter underlying result before tax of EUR 336 million, which included EUR 94 million of regulatory costs, down from EUR 420 million a year ago when no regulatory costs were recorded. Excluding regulatory costs, the pre-tax result was EUR 430 million, the highest result of the last five quarters as income excluding hedge ineffectiveness results remained largely stable despite lower mortgage volumes, expenses were well managed and risk costs continued their improving trend in line with improved economic conditions. Net inflows of customer deposits from private individuals were high in the quarter. Compared with the previous quarter, which included EUR 100 million of regulatory costs, the pre-tax result rose by EUR 35 million.

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



Total underlying income declined 6.4% from a year ago to EUR 1,079 million. This was mainly due to the positive hedge ineffectiveness results related to the Dutch mortgage hedge accounting programme, which were booked in the first quarter of 2015 under Other income. Excluding this impact, income was largely stable with higher commission income compensating for a small decrease in the interest result. The

Segment Reporting: Retail Banking

interest result declined 2.1%, mainly due to lower lending volumes and lower margins on current accounts. This was largely offset by higher customer deposits and an improved margin on savings, supported by the further lowering of client savings rates. Commission income rose 13.2%, mainly in current accounts.

The decline in lending volumes was mainly caused by the continued transfer of WestlandUtrecht Bank (WUB) mortgages to NN Group and the run-off in the WUB mortgage portfolio. The total mortgage portfolio declined in the first quarter by EUR 0.9 billion, of which EUR 0.3 billion was due to the additional transfers and EUR 0.5 billion to the run-off in the WUB portfolio. The net production in other customer lending was EUR -0.2 billion due to low demand in business lending. Customer deposits grew by EUR 0.7 billion, as a EUR 2.0 billion decline at Bank Treasury was more than offset by EUR 2.7 billion of net inflows, predominantly in savings and deposits from private individuals. Compared with the fourth quarter of 2015, income was roughly stable.

Expenses excluding regulatory costs increased 3.4% to EUR 601 million compared with a year ago, mainly due to additional restructuring provisions. Sequentially, expenses declined 3.4%, due to lower IT expenses and a lower addition to the provision for potential compensation related to certain floating interest rate loans and interest rate derivatives that were sold in the Netherlands. At the end of March 2016, the cost-saving programmes of Retail Netherlands had realised EUR 447 million of cost savings since the start in 2011, out of a targeted total amount of EUR 675 million by the end of 2017.

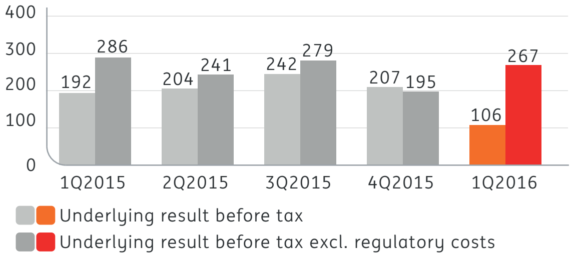
Risk costs declined further to EUR 49 million in the first quarter of 2016 compared with EUR 153 million a year ago. On a sequential basis, risk costs were EUR 11 million lower. Risk costs for Dutch mortgages were EUR 9 million compared with EUR 38 million in the first quarter of 2015 and EUR -6 million in the previous quarter, reflecting the improved sentiment in the Dutch housing market. The net addition for business lending was EUR 36 million, which is EUR 55 million lower than a year ago and EUR 21 million lower than in the previous quarter. Risk costs over risk-weighted assets fell to 34 basis points, and went below the through-the-cycle guided range of 40-45 basis points for the first time in recent years.

Risk-weighted assets decreased by EUR 2.0 billion in the first quarter to EUR 55.7 billion, reflecting EUR 1.5 billion of lower operational risk-weighted assets driven by model recalibrations and EUR 0.5 billion of lower credit risk-weighted assets, mainly due to the improvement in the Dutch mortgage portfolio.

Retail Belgium

The first-quarter underlying result before tax of Retail Belgium was EUR 106 million. The decline versus both comparable quarters was strongly affected by regulatory costs. In the first quarter of 2016, EUR 161 million of regulatory costs were recorded, representing the full-year charges for the Belgian DGS, Belgian SRF and Belgian bank taxes, compared with EUR 94 million in the first quarter of 2015 and EUR -12 million in the previous quarter. Although business growth was healthy, the pre-tax result excluding regulatory costs declined 6.6% year-on-year, mainly reflecting margin pressure on mortgages and customer deposits. The pre-tax result excluding regulatory costs rose 36.9% sequentially, driven by higher commission and investment income, lower expenses and lower risk costs.

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



Underlying income was EUR 627 million, down EUR 51 million, or 7.5%, year-on-year. This was mainly due to lower income on mortgages, reflecting lower interest margins and the accelerated amortisation of deferred acquisition costs at Record Bank, combined with lower prepayment fees. The decline in income was partly compensated by a capital gain on the sale of Belgian government bonds at Record Bank. On a sequential basis, income increased by EUR 19 million, or 3.1%, following higher subscriptions on mutual funds due to seasonality and the aforementioned capital gain in Record Bank. This increase was partly offset by lower income on savings and current accounts due to margin pressure.

The net production of customer lending in the first quarter was EUR 1.2 billion. Net production in mortgages was EUR 0.4 billion, while other customer lending grew by EUR 0.9 billion. The net production of customer deposits was EUR 1.4 billion, recorded entirely in current accounts.

Expenses excluding regulatory costs declined by EUR 15 million from a year ago to EUR 329 million, partly due to lower IT expenses and some accrual releases. Sequentially, expenses excluding regulatory costs decreased by EUR 19 million, mainly reflecting lower IT expenses. As of the fourth quarter of 2015, ING Belgium successfully met the goal of its previously announced cost-saving programme, which targeted EUR 160 million of gross annual cost savings by the end of 2017.

First-quarter risk costs were EUR 32 million, or 40 basis points of average risk-weighted assets, versus EUR 48 million a year ago and EUR 65 million in the fourth quarter of 2015. Risk costs were lower than the average quarterly figure in 2015 (EUR 42 million) and mainly related to the business lending portfolio.

Risk-weighted assets were stable in the first quarter of 2016 at EUR 31.8 billion as volume growth was offset by the partial release of add-ons for Belgian mortgages and SME lending.

Segment Reporting: Retail Banking

Retail Challengers & Growth Markets: Consolidated profit and loss account	Retail Challengers & Growth Markets		Germany		Other[1]	
In EUR million	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015
Profit and loss data						
Interest result	942	856	432	376	510	480
Commission income	108	119	41	45	67	74
Investment income	10	58	4	39	6	20
Other income	49	75	0	14	48	62
Total underlying income	**1,108**	**1,108**	**477**	**473**	**631**	**636**
Expenses excl. regulatory costs	578	553	195	180	383	373
Regulatory costs	139	56	101	30	38	26
Operating expenses	**717**	**609**	**295**	**210**	**422**	**399**
Gross result	**391**	**499**	**182**	**263**	**210**	**236**
Addition to loan loss provision	67	59	8	12	59	47
Underlying result before tax	**324**	**440**	**174**	**250**	**151**	**190**
Customer lending/deposits (end of period, in EUR billion)[2]						
Residential mortgages	118.4	114.4	66.3	64.2	52.0	50.1
Other customer lending	34.2	35.8	12.3	15.6	21.9	20.3
Customer deposits	230.1	221.5	121.0	118.0	109.1	103.5
Profitability and efficiency[2]						
Cost/income ratio	64.7%	55.0%	61.9%	44.4%	66.8%	62.8%
Return on equity based on 10.0% common equity Tier 1[3]	12.3%	18.5%	18.2%	28.1%	9.3%	13.3%
Employees (FTEs, end of period)	22,353	22,720	4,335	4,060	18,018	18,661
Risk[2]						
Risk costs in bps of average RWA	36	35	13	20	48	42
Risk-weighted assets (end of period, in EUR billion)	73.7	69.6	24.9	24.0	48.8	45.6

[1] As of 1 January 2016 Czech Republic is segmented into both Retail Banking and Wholesale Banking. Historical figures have been adjusted.
[2] Key figures based on underlying figures.
[3] Underlying after-tax return divided by average equity based on 10.0% common equity Tier 1 ratio (annualised).

Retail Challengers & Growth Markets

"I am proud to see the continued positive development of the Challengers & Growth countries into 2016. We maintained good momentum in customer growth during the first quarter and our financial performance remained strong, despite higher regulatory costs that weighed heavily on our results in Germany and Poland.

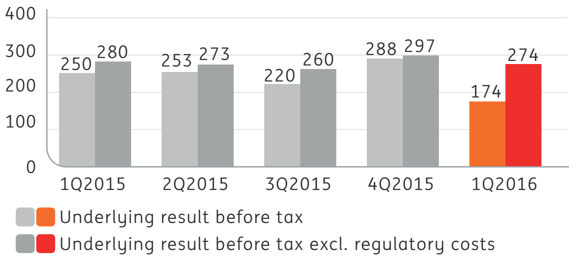
We remain committed to supporting our clients' financial needs through the business cycle, and are focused on growing our non-mortgage lending portfolio and extending the range of our investment product offering. Looking ahead, we continue to seek opportunities to improve the customer experience through operational efficiency gains and investments in innovative client solutions, for example, in the areas of payments and instant lending."

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

Retail Germany

Retail Germany's first-quarter underlying result before tax was EUR 174 million, down from EUR 250 million in the first quarter of 2015. The decrease was due to higher regulatory costs and lower capital gains. Business momentum remained positive and the interest result was significantly higher due to volume growth and higher margins on savings. Compared with the fourth quarter of 2015, the result before tax decreased by EUR 114 million due to higher regulatory costs and a one-time positive impact on consumer loan origination that was recognised in the fourth quarter of 2015.

Underlying result before tax - Germany (in EUR million)



Total underlying income was EUR 477 million, up 0.8% from the first quarter of 2015. The increase reflects 14.9% higher interest results driven by higher volumes in lending and savings, as well as a higher savings margin compared with a year ago. However, these positive factors were largely offset by lower realised gains on the sale of bonds (EUR 39 million recognised in the first quarter of 2015 versus EUR 4 million in the current quarter) and lower hedge ineffectiveness results. Compared with the fourth quarter of 2015, total income decreased 5.9%, due mainly to a EUR 23 million one-

Segment Reporting: Retail Banking

time positive impact on consumer loan origination (mainly reflected in commission income) in the fourth quarter of 2015, as well as lower hedge ineffectiveness results.

Customer deposits, excluding Bank Treasury products, recorded net growth of EUR 1.0 billion in the first quarter of 2016. Total customer lending growth was EUR 2.2 billion in the first quarter. Core lending, which excludes Bank Treasury products, increased by EUR 0.5 billion: residential mortgages grew by EUR 0.3 billion and consumer lending by EUR 0.2 billion. Bank Treasury products, which consist primarily of reverse repurchase agreements and call money, increased by EUR 1.8 billion.

Expenses excluding regulatory costs were EUR 195 million, up 8.3% from the first quarter of 2015. The increase was mainly due to a higher headcount at both ING-DiBa and Interhyp to support business growth. Compared with the previous quarter, expenses excluding regulatory costs decreased slightly by 0.5%.

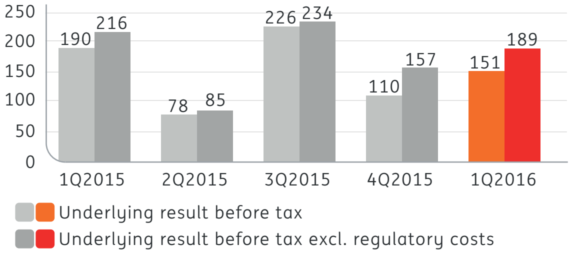
Risk costs were EUR 8 million compared with EUR 12 million in the first quarter of 2015 and EUR 13 million in the previous quarter. Risk costs in the first quarter of 2016 remained low at only 13 basis points of average risk-weighted assets.

Risk-weighted assets were EUR 24.9 billion, which is in line with the previous quarter.

Retail Other Challengers & Growth Markets

The underlying result before tax of Retail Other Challengers & Growth Markets decreased to EUR 151 million from EUR 190 million in the first quarter of 2015. The decrease was mainly due to higher regulatory expenses and increased risk costs, while the first quarter of 2015 also included a EUR 16 million gain on the sale of a mortgage portfolio in Australia. Compared with the fourth quarter of 2015, the result before tax increased by EUR 41 million, mainly due to improved interest results in Spain and Australia, realised capital gains in Poland, lower regulatory costs and decreased risk costs.

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



Total underlying income decreased slightly by EUR 5 million to EUR 631 million compared with a year ago, as improved commercial results across most of the countries were dampened by negative currency impacts, primarily attributable to the weaker Turkish lira, Polish zloty and Australian dollar. Furthermore, the first quarter of 2015 included a gain on the sale of a white-label mortgage portfolio in Australia. Compared with the fourth quarter of 2015, underlying income increased by EUR 26 million, or 4.3%. This growth was mainly driven by improved savings margins in Spain following adjustments in client savings rates, an improved margin on mortgages in Australia and realised capital gains in Poland.

Customer lending increased by EUR 1.4 billion to EUR 73.9 billion in the first quarter of 2016. The growth was entirely in core customer lending, with a large part of the growth from Australia, Poland and Spain. Excluding currency impacts and Bank Treasury products, net customer deposits grew by EUR 1.9 billion in the first quarter, mainly in Poland, Spain and Australia.

Expenses excluding regulatory costs increased by EUR 10 million from a year ago to EUR 383 million, mainly due investments to support business growth in most of the business units and inflation adjustments in the Growth Markets. The rise in expenses was partly offset by positive currency impacts. Compared with the fourth quarter of 2015, expenses excluding regulatory costs rose by EUR 2 million, or 0.5%.

Risk costs were EUR 59 million versus EUR 47 million in the first quarter of 2015 and EUR 67 million in the previous quarter. Risk costs in the first quarter of 2016 were 48 basis points of average risk-weighted assets.

Risk-weighted assets were stable in the first quarter of 2016 at EUR 48.8 billion, as the impact of lending volume growth was offset by lower market values of our Asian bank stakes.

Segment Reporting: Wholesale Banking

Wholesale Banking: Consolidated profit and loss account

	Total Wholesale Banking[1]		Industry Lending		General Lending & Transaction Services		Financial Markets		Bank Treasury & Other	
In EUR million	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015
Profit and loss data										
Interest result	925	898	495	459	250	259	124	135	55	45
Commission income	251	256	131	133	84	86	36	38	0	-1
Investment income	15	50	-5	9	0	0	0	-1	20	42
Other income excl. CVA/DVA	102	291	-2	-1	11	12	85	196	8	84
Underlying income excl. CVA/DVA	1,293	1,494	620	600	345	356	245	368	83	170
CVA/DVA	23	4					23	4		
Total underlying income	**1,316**	**1,498**	**620**	**600**	**345**	**356**	**268**	**372**	**83**	**170**
Expenses excl. regulatory costs	573	576	149	135	179	191	214	211	32	39
Regulatory costs	102	24	21	5	23	5	53	12	4	2
Operating expenses	**676**	**600**	**170**	**140**	**202**	**196**	**267**	**223**	**37**	**42**
Gross result	**641**	**898**	**450**	**460**	**143**	**160**	**2**	**149**	**46**	**128**
Addition to loan loss provision	117	173	98	108	2	51	4	0	14	14
Underlying result before tax	**524**	**725**	**353**	**353**	**141**	**109**	**-2**	**149**	**32**	**114**
Customer lending/deposits (end of period, in EUR billion)[2]										
Residential mortgages	1.4	1.6	0.0	0.0	0.0	0.0	0.0	0.0	1.4	1.6
Other customer lending	147.4	140.2	99.1	89.7	39.5	35.9	1.2	5.3	7.5	9.4
Customer deposits	62.6	68.9	1.1	1.9	47.3	46.4	4.5	7.9	9.7	12.6
Profitability and efficiency[2]										
Cost/income ratio	51.3%	40.1%	27.4%	23.3%	58.5%	55.0%	99.4%	60.0%	44.5%	24.5%
Return on equity based on 10.0% common equity Tier 1[3]	9.8%	15.2%	17.5%	20.3%	9.7%	8.2%	0.7%	13.3%	-3.3%	21.8%
Risk[2]										
Risk costs in bps of average RWA	31	49	63	82	2	52	4	0	48	47
Risk-weighted assets (end of period, in EUR billion)	151.1	142.8	60.8	54.3	44.5	39.8	34.4	36.6	11.4	12.0

[1] As of 1 January 2016 Czech Republic is segmented into both Retail Banking and Wholesale Banking. Furthermore, Corporate Investments was transferred from Industry Lending to Bank Treasury & Other. Historical figures have been adjusted.
[2] Key figures based on underlying figures.
[3] Underlying after-tax return divided by average equity based on 10.0% common equity Tier 1 ratio (annualised).

Wholesale Banking

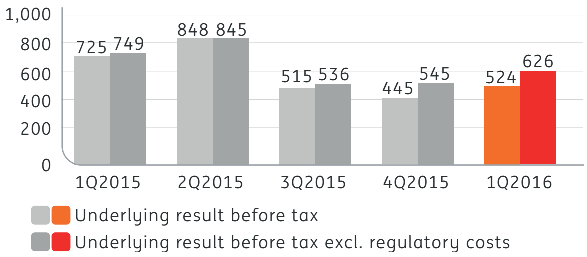
"The strength of our Industry Lending franchise proved itself again this quarter. We achieved further volume growth, notwithstanding extremely low oil prices, and both the interest result and commission income were healthy. And despite it being a challenging quarter for Financial Markets, Wholesale Banking delivered a solid result overall.

Our multi-year investment in Transaction Services is paying off as we continue to win new client mandates, particularly in the areas of payments and working capital solutions. These products anchor the relationships with our large corporate clients, whom we support with our full product offering across our global network. We are also pleased to have extended the roll-out of our InsideBusiness digital banking platform to the UK and Ireland, enabling our clients in these countries to manage their finances anytime and anywhere."

Bill Connelly, Member Management Board Banking, Head of Wholesale Banking

The underlying result before tax was EUR 524 million, supported by ongoing volume growth in Industry Lending and General Lending, and low risk costs. Expenses were higher than a year ago, mainly due to the inclusion of significantly higher regulatory costs. Excluding the impact from regulatory costs (EUR 102 million in the first quarter of 2016 versus EUR 24 million a year ago and EUR 100 million in the fourth quarter of 2015), the pre-tax result declined 16.4% from a year ago due to lower revenues in Financial Markets and Bank Treasury & Other; but it rose 14.9% on the previous quarter.

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



Total underlying income was 1.6% higher than in the fourth quarter of 2015, but down 12.1% on the first quarter of 2015. Credit and debt valuation adjustments (CVA/DVA), which were reported within Financial Markets, amounted to EUR 23 million for the quarter, compared with EUR 4 million in the same quarter of last year and EUR -9 million in the previous quarter. The underlying income excluding CVA/DVA effects declined

Segment Reporting: Wholesale Banking

on both quarters: -0.8% compared with the previous quarter and -13.5% from the first quarter of 2015. The year-on-year decrease was caused by challenging conditions in Financial Markets in the current quarter, lower revenues from Bank Treasury, and non-recurring capital gains which were booked in the first quarter of last year on the sale of real estate assets. The interest result rose 3.0% on the same quarter of last year, driven by ongoing volume growth in Industry Lending and higher interest results in Bank Treasury, partly offset by lower interest results in Financial Markets and General Lending & Transaction Services. Excluding Financial Markets, the interest result was up 5.0% year-on-year due to loan growth in the core lending business, albeit at lower margins. Sequentially, the interest result excluding Financial Markets increased 2.0%, with stable margins.

Commission income was stable on the previous quarter and down 2.0% on the first quarter of 2015. Commission income in Structured Finance rose 11.5% from the fourth quarter of 2015, but this was more than offset by lower commission income in General Lending and Financial Markets.

Investment income was EUR 15 million, up from a loss of EUR 8 million in the fourth quarter of 2015, but down from EUR 50 million a year ago. This quarter included capital gains in Bank Treasury & Other, whereas the previous quarter included a capital loss related to the sale of the UK Lease portfolio. The first quarter of 2015 included the relatively high and non-recurring capital gains related to the successful sale of real estate assets in the run-off business.

Total other income was EUR 125 million, EUR 20 million lower than in the previous quarter and EUR 170 million lower than a year ago. The variance on both comparable quarters was mainly due to Financial Markets and Bank Treasury, partly offset by positive CVA/DVA effects.

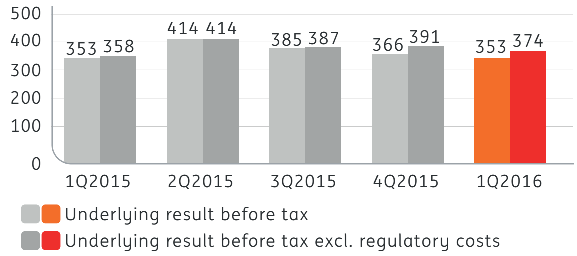
Expenses excluding regulatory costs decreased by EUR 3 million, or 0.5%, on the first quarter of 2015. Higher VAT costs, inflationary impacts and an increase in FTEs to support business growth were offset by cost savings and lower IT change costs. Compared with the previous quarter, expenses excluding regulatory costs fell by EUR 79 million, or 12.1%. In addition to lower IT change costs in the first quarter of 2016, this decrease was mainly due to the additional restructuring costs and the provision for potential compensation related to certain floating interest rate loans and interest rate derivatives that were sold in the Netherlands, both of which were recorded in the previous quarter. The previously announced restructuring programmes are on track to realise EUR 340 million of cost savings by the end of 2017. By the end of March 2016, EUR 278 million of cost savings had already been realised. The cost/income ratio was 51.3% in the first quarter of 2016, up from 40.1% in the first quarter of 2015, mainly due to the timing of the booking of regulatory expenses.

Risk costs were limited for the quarter and amounted to EUR 117 million, or 31 basis points of average risk-weighted assets. The additions to loan loss provisions were down from EUR 173 million in the first quarter of 2015 and up from EUR 97 million in the previous quarter. The NPL ratio improved for the fourth consecutive quarter to 2.6% in the first quarter of 2016.

Risk-weighted assets declined by EUR 1.2 billion in the quarter to EUR 151.1 billion, as volume growth was more than offset by currency impacts from the depreciation of the US dollar and British pound, and lower operational risk-weighted assets.

Industry Lending

Underlying result before tax - Industry Lending (in EUR million



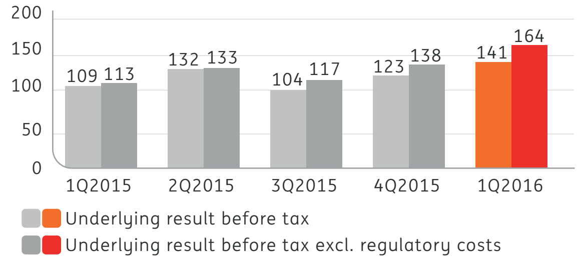
Industry Lending posted an underlying result before tax of EUR 353 million, in line with the first quarter of 2015, as higher income and lower risk costs were offset by higher expenses. Half of the increase in expenses was caused by higher regulatory costs. Income rose 3.3% year-on-year due to continued volume growth in Structured Finance and Real Estate Finance, and despite negative currency effects. The yearly portfolio growth totalled EUR 11.9 billion, excluding FX effects, of which EUR 9.0 billion was related to Structured Finance and EUR 2.9 billion to Real Estate Finance (REF). The net growth in the first quarter of 2016 was EUR 2.9 billion, of which EUR 2.6 billion was in Structured Finance and EUR 0.3 billion in REF. Expenses excluding regulatory costs rose 10.4% on the same quarter of 2015, mainly due to continued investments to support future business growth.

The underlying result before tax was 3.6% lower on the previous quarter as higher revenues were more than offset by higher risk costs. Income rose 3.0%, due to higher interest results on the back of the customer lending growth and increased fee income. Expenses excluding regulatory costs remained stable. The net addition to loan loss provisions amounted to EUR 98 million, or 63 basis points of average risk-weighted assets, down from EUR 108 million in the first quarter of 2015, but up from EUR 63 million in the previous quarter.

Segment Reporting: Wholesale Banking

General Lending & Transaction Services

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

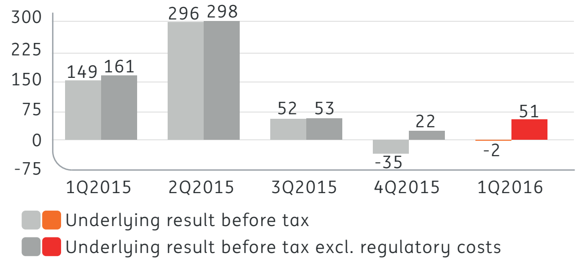


The underlying result before tax from General Lending & Transaction Services was EUR 141 million, up 29.4% from the first quarter of 2015 and 14.6% higher than in the fourth quarter of 2015. Income declined by EUR 11 million, or 3.1%, year-on-year as the portfolio growth in General Lending and Working Capital Solutions was offset by lower interest margins, especially in Trade Financial Services and Payments & Cash Management due to the historically low interest rate environment. Sequentially, income was down 5.0%, due to lower interest results and less fee income.

Expenses excluding regulatory costs declined 6.3% year-on-year and 10.9% sequentially, mainly due to lower IT change expenses. Risk costs were only EUR 2 million for the quarter, or two basis points of average risk-weighted assets, down from EUR 51 million a year ago and EUR 24 million in the fourth quarter of 2015.

Financial Markets

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



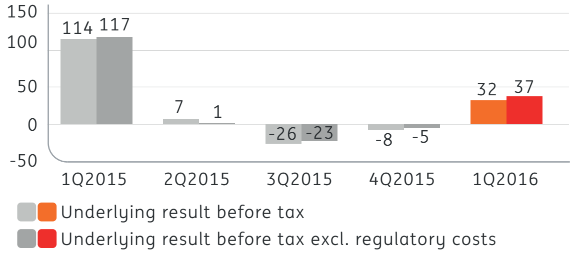
Financial Markets posted an underlying result before tax of EUR -2 million, down from EUR 149 million in the first quarter of 2015. This was mainly due to lower income in Rates and Equities Trading, reflecting good market conditions last year compared to the challenging situation in 2016. Client income held up relatively well. The result in the current quarter included EUR 23 million of CVA/DVA adjustments compared with EUR 4 million a year ago and EUR -9 million in the previous quarter.

Income excluding CVA/DVA effects fell 33.4% year-on-year, mainly due to lower income in Rates and Equities Trading. Sequentially, income excluding CVA/DVA impacts declined 6.5%, mainly due to lower income in the Rates business.

Expenses excluding regulatory costs increased 1.4% year-on-year. Compared with the fourth quarter of 2015, expenses excluding regulatory costs declined 5.3%.

Bank Treasury & Other

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



Bank Treasury & Other booked an underlying result before tax of EUR 32 million, down from EUR 114 million in the first quarter of 2015, but up from EUR -8 million in the previous quarter. Income fell 51.2% from a year ago due to a further reduction in the Lease run-off portfolio and lower income in Bank Treasury; the latter was mainly related to negative revaluations on derivatives used for hedging purposes. Furthermore, the first quarter of 2015 included EUR 36 million from the successful sales of real estate assets within the run-off business. Sequentially, income was up 9.2% mainly within Bank Treasury.

Expenses excluding regulatory costs declined by EUR 7 million, or 17.9%, from the first quarter of 2015, mainly in the run-off portfolios. Compared with the fourth quarter of 2015, expenses excluding regulatory costs decreased by EUR 44 million, or 57.9%, as the previous quarter included a provision for potential compensation related to certain floating interest rate loans and interest rate derivatives that were sold in the Netherlands, as well as some restructuring costs.

Segment Reporting: Corporate Line Banking

Corporate Line: Consolidated profit and loss account		
In EUR million	1Q2016	1Q2015
Profit and loss data		
Interest result	-7	-35
Commission income	-1	0
Investment income	0	0
Other income	-36	-68
Total underlying income	**-44**	**-102**
Expenses excl. regulatory costs	59	13
Regulatory costs	0	0
Operating expenses	**59**	**13**
Gross result	**-103**	**-115**
Addition to loan loss provision	0	0
Underlying result before tax	**-103**	**-115**
of which:		
Income on capital surplus	36	34
Financing charges	-31	-44
Other capital management	44	18
Capital Management excl. DVA	49	8
Bank Treasury excl. DVA	-113	-126
DVA	12	-6
Other excl. DVA	-50	8

Corporate Line Banking posted an underlying result before tax of EUR -103 million compared with EUR -115 million in the first quarter of 2015. Total underlying income improved on lower financing charges, positive fair value changes and the release of a hedge reserve, while expenses increased because the first quarter of 2015 included a release from a legal provision. The pre-tax result in the fourth quarter of 2015 was EUR -150 million, which included EUR 34 million of Dutch bank taxes.

Capital Management-related results were EUR 49 million in the first quarter of 2016 compared with EUR 8 million in the same quarter of last year.

Within the Capital Management-related results, income on capital surplus was EUR 36 million compared with EUR 34 million in the first quarter of 2015. Financing charges improved to EUR -31 million from EUR -44 million in the same quarter of 2015, mainly due to the maturity of senior unsecured debt of ING Group, which resulted in lower interest expenses. The result of Other capital management was EUR 44 million versus EUR 18 million a year ago. This higher result was mainly driven by fair value changes on own-issued Tier 1 debt and a positive swing in the revaluation of share-based payments related to a decrease of ING's share price. This was partly offset by lower income from FX hedge positions.

Bank Treasury-related results include the isolated legacy costs (mainly negative interest results) for replacing short-term funding with long-term funding. The first-quarter result was EUR -113 million compared with EUR -126 million in the same quarter of 2015. The improvement was mainly related to the release of a hedge reserve.

DVA on issued debt was EUR 12 million compared with EUR -6 million in the first quarter of 2015. The improvement reflects the widening of ING's credit spread, resulting in the positive revaluation.

The result of Other was EUR -50 million versus EUR 8 million in the same quarter of 2015, which included a release from a legal provision. The decline was also attributable to higher shareholder expenses and increased charges for regulatory supervision.

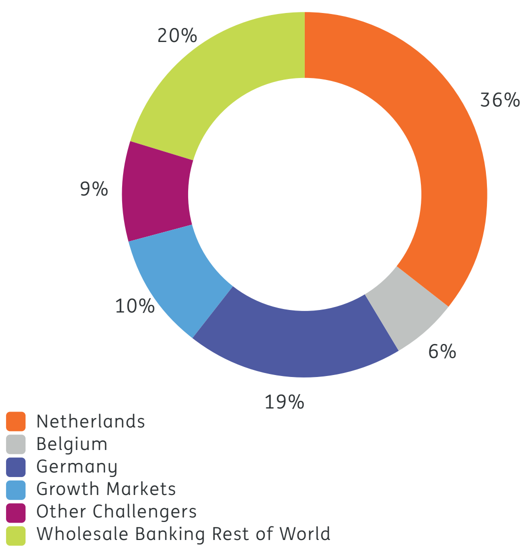
Segment Reporting: Geographical Split Banking

Geographical split: Consolidated profit and loss account

In EUR million	Netherlands 1Q2016	Netherlands 1Q2015	Belgium 1Q2016	Belgium 1Q2015	Germany 1Q2016	Germany 1Q2015	Other Challengers[1] 1Q2016	Other Challengers[1] 1Q2015	Growth Markets 1Q2016	Growth Markets 1Q2015	Wholesale Banking Rest of World[1] 1Q2016	Wholesale Banking Rest of World[1] 1Q2015	Other[2] 1Q2016	Other[2] 1Q2015
Profit and loss data														
Interest result	1,182	1,197	533	605	505	412	347	307	298	279	389	409	-6	-34
Commission income	197	183	140	139	59	55	38	41	67	70	107	117	-1	0
Investment income	33	2	36	5	4	41	0	10	7	13	-5	11	-4	30
Other income excl. CVA/DVA	3	159	28	88	4	18	13	32	68	67	52	126	-43	-46
Underlying income excl. CVA/DVA	**1,415**	**1,541**	**738**	**838**	**572**	**526**	**398**	**390**	**439**	**429**	**544**	**663**	**-53**	**-50**
CVA/DVA [3]	8	-27	-15	-6	0	0	1	-3	0	0	28	40	12	-6
Underlying income	**1,423**	**1,514**	**723**	**832**	**572**	**526**	**399**	**387**	**439**	**429**	**572**	**703**	**-41**	**-56**
Expenses excl. regulatory costs	760	742	417	440	216	194	216	197	240	247	231	228	61	19
Regulatory costs	111	0	196	109	103	31	22	2	26	26	37	7	0	0
Operating expenses	**871**	**742**	**614**	**549**	**319**	**225**	**238**	**199**	**266**	**273**	**267**	**235**	**61**	**19**
Gross result	**552**	**772**	**109**	**283**	**253**	**301**	**161**	**188**	**173**	**156**	**305**	**469**	**-103**	**-75**
Addition to loan loss provision	92	262	33	51	6	12	29	42	59	36	46	28	0	0
Underlying result before tax	**460**	**510**	**76**	**232**	**247**	**288**	**132**	**146**	**115**	**120**	**259**	**440**	**-102**	**-75**
Retail Banking	336	420	106	192	174	250	73	114	78	75	0	0	0	0
Wholesale Banking	124	90	-30	41	73	38	59	31	37	44	259	440	1	40
Corporate Line	0	0	0	0	0	0	0	0	0	0	0	0	-103	-115
Underlying result before tax	**460**	**510**	**76**	**232**	**247**	**288**	**132**	**146**	**115**	**120**	**259**	**440**	**-102**	**-75**
Customer lending/deposits (end of period, in EUR billion)[4]														
Residential mortgages	127.0	132.7	34.5	33.6	66.5	64.3	44.8	43.9	7.3	6.3	0.0	0.0	0.0	0.0
Other lending	72.9	78.7	52.7	51.0	27.7	24.5	24.3	19.4	25.7	24.0	55.0	58.5	0.0	0.3
Customer deposits	157.8	157.9	98.4	93.7	121.8	118.5	82.3	79.4	32.2	29.2	13.4	18.8	8.7	5.0
Profitability and efficiency[4]														
Cost/income ratio	61.2%	49.0%	84.9%	66.0%	55.8%	42.8%	59.6%	51.4%	60.5%	63.7%	46.7%	33.4%	n.a.	n.a.
Return on equity based on 10.0% common equity Tier 1[5]	14.8%	15.6%	4.7%	14.1%	19.4%	27.5%	12.7%	16.2%	8.2%	10.2%	11.7%	22.4%	-93.0%	-62.9%
Employees (FTEs, end of period)	12,957	13,903	10,479	10,693	4,607	4,278	3,972	3,854	16,158	16,714	3,908	3,555	8	35
Risk[4]														
Risk costs in bps of average RWA	39	106	26	46	7	17	43	66	52	37	29	19	0	0
Risk-weighted assets (end of period, in EUR billion)	91.8	98.6	50.3	44.5	33.7	28.5	27.1	26.0	45.5	40.8	63.6	61.3	3.3	3.9

[1] As of 1 January 2016 Czech Republic is reported under Other Challengers; previously Czech Republic was reported under Wholesale Banking Rest of World. Historical figures have been adjusted.
[2] Region Other consists of Corporate Line and Real Estate run-off portfolio.
[3] CVA/DVA reported within Wholesale Banking and Corporate Line.
[4] Key figures based on underlying figures.
[5] Underlying after-tax return divided by average equity based on 10.0% common equity Tier 1 ratio (annualised).

Underlying result before tax - 1Q2016
Geographical split (in percentages) excluding Other



The Netherlands

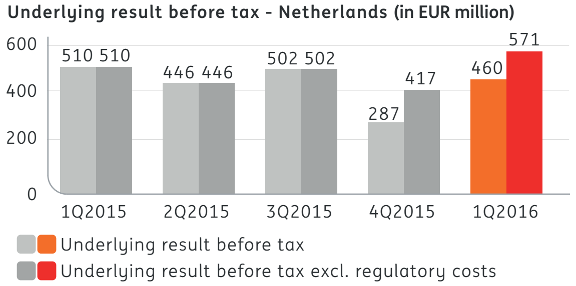
The underlying result before tax of the banking activities in the Netherlands declined to EUR 460 million from EUR 510 million in the first quarter of 2015, but it rose from EUR 287 million in the fourth quarter of 2015. The year-on-year decline was mainly caused by EUR 111 million of regulatory expenses (versus nil in the first quarter of 2015) and a 6.0% decline in income, which was almost fully caused by lower Bank Treasury-related revenues (whereas the previous year included high positive hedge ineffectiveness results). When adjusting for these volatile items, the result improved strongly year-on-year, mainly due to EUR 170 million of lower risk costs that reflect improved economic conditions in the Netherlands. Expenses, excluding regulatory costs, rose 2.4% from the first quarter of 2015. Compared with the fourth quarter of 2015, the result before tax rose by EUR 173 million, mainly due to EUR 96 million of lower expenses and a EUR 46 million positive swing in CVA/DVA impacts. The interest result rose by EUR 31 million, or 2.7%. The decline in expenses

Segment Reporting: Geographical Split Banking

was mainly caused by lower restructuring costs, a EUR 19 million decline in regulatory costs and a lower addition to the provision for potential compensation related to certain floating interest rate loans and interest rate derivatives that were sold in the Netherlands. The first-quarter underlying cost/income ratio in the Netherlands was 61.2% versus 49.0% in the first quarter of 2015. The underlying return on equity, based on a 10% common equity Tier 1 ratio, was 14.8% compared with 15.6% a year ago and 8.3% in the previous quarter.

Total customer lending declined by EUR 0.7 billion in the first quarter of 2016 to EUR 199.9 billion, of which EUR -0.3 billion was caused by additional transfers of WUB mortgages to NN Bank, EUR -0.4 billion due to currency impacts and EUR 1.0 billion to Bank Treasury. Excluding these items, net customer lending decreased by EUR 0.9 billion, of which EUR -0.1 billion was in Wholesale Banking. Net customer lending in Retail Banking declined by EUR 0.8 billion, mainly due to the EUR 0.5 billion run-off in the WUB portfolio and a EUR 0.2 billion decline in Retail business lending. Customer deposits fell by EUR 2.1 billion to EUR 157.8 billion. Net customer deposits (excluding Bank Treasury products) grew by EUR 0.4 billion: customer savings and deposits grew by EUR 0.5 billion, whereas current accounts shrank by EUR 0.1 billion.

Underlying result before tax - Netherlands (in EUR million)

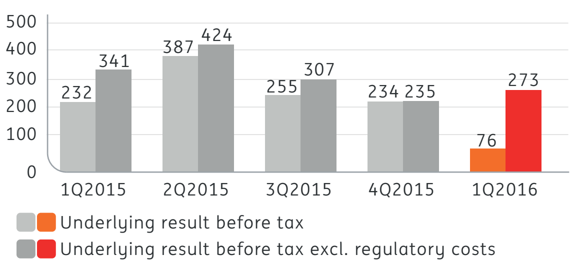


Belgium

The banking activities in Belgium, including ING Luxembourg, generated an underlying result before tax of EUR 76 million, down from EUR 232 million in the first quarter of 2015 and EUR 234 million in the previous quarter. The sharp decline was primarily caused by EUR 196 million of regulatory expenses recorded in the first quarter of 2016 versus EUR 109 million a year ago and only EUR 1 million in the previous quarter. Excluding regulatory costs, the result before tax fell by EUR 68 million, or 19.9%, compared with a year ago, mainly due to lower interest results in Retail Banking and negative revenues from the Financial Markets activities in Wholesale Banking. This decline was partly offset by lower expenses, excluding regulatory costs, as well as a decline in risk costs. Compared with the previous quarter, the result before tax excluding regulatory costs rose 16.2%, driven by lower risk costs and lower expenses, whereas income was slightly lower. The underlying cost/income ratio increased to 84.9% from 66.0% in the first quarter of 2015 and 59.5% in the previous quarter. The underlying return on equity, based on a 10% common equity Tier 1 ratio, was 4.7% in the first quarter of 2016, down from 14.1% a year ago and 11.9% in the previous quarter.

Total customer lending increased by EUR 0.9 billion in the quarter to EUR 87.2 billion; this includes EUR -0.1 billion of currency impacts. The net production of customer lending was EUR 1.0 billion, of which EUR 0.4 billion was in mortgages. The net production in other (non-mortgage) customer lending was EUR 0.6 billion, as a small decline in Wholesale Banking was more than offset by EUR 0.9 billion growth in Retail Banking. Customer deposits grew by EUR 3.9 billion, predominantly in current accounts, to EUR 98.4 billion.

Underlying result before tax - Belgium (in EUR million)



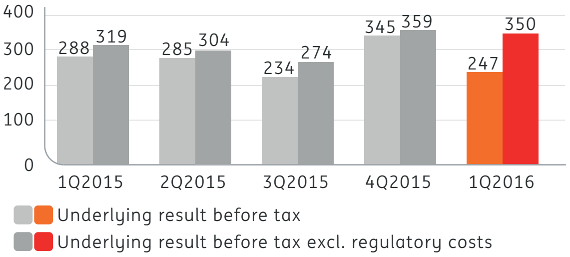
Germany

The underlying result before tax of the banking activities in Germany, including ING Austria, decreased 14.2% to EUR 247 million compared with the first quarter of 2015. Income rose 8.7%, mainly due to higher interest results fuelled by volume growth, asset diversification and higher margins; however, this was partly offset by lower gains realised on the sale of bonds and lower hedge ineffectiveness results. Expenses rose by EUR 94 million, or 41.8%, mainly reflecting EUR 72 million of higher regulatory costs as well as an increase in staff and investments to support business growth. Risk costs were EUR 6 million compared with EUR 12 million a year ago. The underlying cost/income ratio was 55.8% versus 42.8% in the first quarter of 2015. The underlying return on equity, based on a 10% common equity Tier 1 ratio, decreased to 19.4% in the first quarter from 27.5% a year ago.

Total customer lending rose by EUR 3.8 billion in the first quarter to EUR 94.2 billion. Excluding Bank Treasury products, currency impacts and a transfer of EUR 0.4 billion of loans to ING Germany as part of the balance sheet optimisation programme, the net production in customer lending was EUR 1.5 billion. This consisted of EUR 1.0 billion in Wholesale Banking loans, EUR 0.3 billion in residential mortgages and EUR 0.2 billion in consumer lending. Customer deposits increased by EUR 0.9 billion to EUR 121.8 billion. Excluding Bank Treasury products, the increase was EUR 1.0 billion, of which EUR 0.9 billion was in savings and deposits and EUR 0.1 billion in current accounts.

Segment Reporting: Geographical Split Banking

Underlying result before tax - Germany (in EUR million)

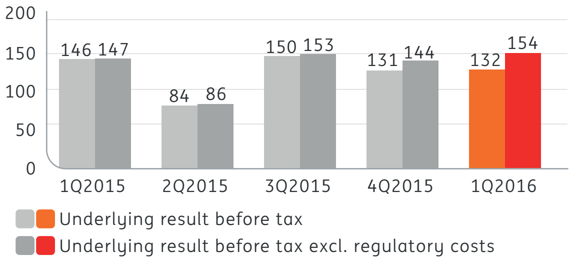


Other Challengers

The segment Other Challengers covers ING's banking activities in Australia, Czech Republic, France, Italy, Spain and Portugal, as well as the result of the UK legacy run-off portfolio. The first-quarter result before tax decreased by EUR 14 million to EUR 132 million compared with the first quarter of 2015. Income rose by EUR 12 million, or 3.1%. The increase was mainly due to improved commercial performance in the business units, offset by the absence of positive one-offs (the year-ago quarter included a EUR 16 million gain on the sale of a white-label mortgage portfolio in Australia) and lower Bank Treasury-related revaluation results in Czech Republic. The EUR 39 million increase in expenses was primarily due to a EUR 20 million increase in regulatory expenses (following the introduction of Dutch DGS and the recording of the full-year single resolution fund (SRF) contribution for 2016 in the first quarter), as well as investments to support business growth in most of the units. Risk costs declined by EUR 13 million. The underlying cost/income ratio was 59.6% versus 51.4% in the first quarter of 2015. The underlying return on equity, based on a 10% common equity Tier 1 ratio, fell to 12.7% from 16.2% a year ago.

Total customer lending increased by EUR 2.1 billion in the first quarter to EUR 69.1 billion. Excluding currency impacts, the net production of customer lending was EUR 2.0 billion, due to strong growth in Spain, Italy and Australia. Customer deposits increased by EUR 1.5 billion in the first quarter to EUR 82.3 billion. Excluding currency impacts and Bank Treasury products, net customer deposits rose by EUR 1.1 billion (predominantly in savings and deposits) due to growth in Australia and Spain.

Underlying result before tax - Other Challengers (in EUR million)

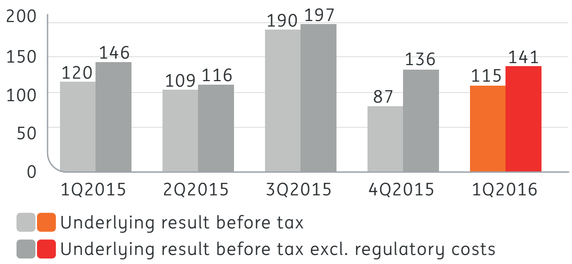


Growth Markets

The segment Growth Markets consists of ING's banking activities in Poland, Romania and Turkey, as well as the Asian bank stakes. The first-quarter underlying result before tax of this segment decreased 4.2% to EUR 115 million compared with the first quarter of 2015, as higher income and lower expenses were offset by increased risk costs. Income rose on higher interest results in Poland, Turkey and Romania (partly offset by negative currency impacts), while the decrease in expenses was a result of lower average currency rates versus the euro. The increase in risk costs was mainly related to Turkey. The underlying cost/income ratio was 60.5% versus 63.7% in the first quarter of 2015. The underlying return on equity, based on a 10% common equity Tier 1 ratio, decreased to 8.2% in the first quarter of 2016 from 10.2% a year ago.

Total customer lending increased by EUR 0.5 billion in the first quarter of 2016 to EUR 33.0 billion. Excluding currency impacts and a decrease in Bank Treasury products, net lending grew by EUR 1.0 billion, mainly due to increases in Poland and Turkey. Customer deposits rose by EUR 0.4 billion to EUR 32.2 billion; the net production (adjusted for currency impacts and Bank Treasury) amounted to EUR 0.8 billion, predominantly fuelled by growth in Poland and Romania.

Underlying result before tax - Growth Markets (in EUR million)



Wholesale Banking Rest of World

Wholesale Banking Rest of World encompasses ING's activities in the UK, Americas, Asia and other countries in Central and Eastern Europe. This segment recorded an underlying result before tax of EUR 259 million, down from EUR 440 million in the first quarter 2015, but up from EUR 252 million in the previous quarter. The result in the current quarter includes EUR 28 million of CVA/DVA adjustments, in line with the previous quarter, but down from EUR 40 million a year ago. Income decreased 18.6% on the same quarter of 2015, mainly due to lower income in Industry lending and Financial Markets activities. Compared with the previous quarter, income was 0.9% lower.

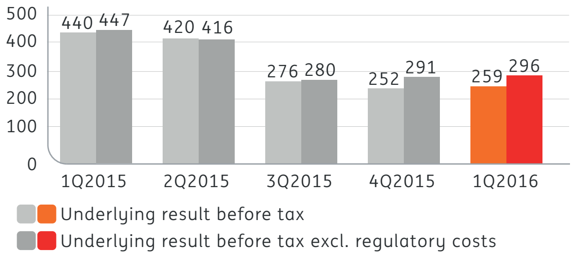
Expenses were up 13.6% year-on-year, mainly due to the payment of a portion of ING's full-year contribution to the SRF. Excluding regulatory costs, expenses increased 1.3%, but were 7.2% lower than in the fourth quarter of 2015. Risk costs increased to EUR 46 million, or 29 basis points of average risk-weighted assets, from EUR 28 million a year ago and

Segment Reporting: Geographical Split Banking

EUR 37 million in the fourth quarter of 2015. The underlying cost/income ratio was 46.7% versus 33.4% in the first quarter of 2015. The underlying return on equity, based on a 10% common equity Tier 1 ratio, was 11.7% in the first quarter versus 22.4% a year ago.

Total customer lending declined by EUR 1.0 billion in the first quarter to EUR 55.0 billion. Excluding currency impacts and a transfer of loans to ING Germany, net customer lending grew by EUR 1.9 billion, mainly attributable to Structured Finance. Customer deposits increased by EUR 0.5 billion to EUR 13.4 billion; the net production (adjusted for currency impacts and Bank Treasury) was EUR 0.8 billion, largely due to inflows of corporate deposits.

Underlying result before tax - WB Rest of World (in EUR million)

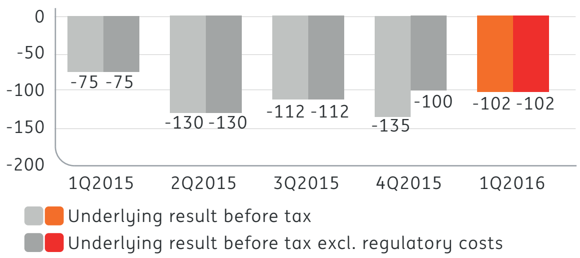


Other

The segment Other consists of the Corporate Line Banking and the run-off portfolio of Real Estate. The first-quarter underlying result before tax was EUR -102 million compared with EUR -75 million in the first quarter of 2015. The loss in the Corporate Line narrowed to EUR 103 million from a loss of EUR 115 million a year ago. The result from the Real Estate run-off portfolio fell to EUR 1 million from EUR 40 million in the first quarter of 2015, which included gains on the sale of real estate assets.

Customer deposits increased in the first quarter by EUR 0.8 billion to EUR 8.7 billion, and were fully related to the placement of deposits from ING Group to ING Bank.

Underlying result before tax - Other (in EUR million)



Consolidated Balance Sheet

ING Group: Consolidated balance sheet							
in EUR million	31 Mar. 16	31 Dec. 15	31 Mar. 15		31 Mar. 16	31 Dec. 15	31 Mar. 15
Assets				Equity			
Cash and balances with central banks	29,972	21,458	15,342	Shareholders' equity	48,810	47,832	54,658
Amounts due from banks	28,085	29,988	44,170	Minority interests	670	638	12,469
Financial assets at fair value through P&L	148,738	138,048	161,185	**Total equity**	**49,480**	**48,470**	**67,127**
- trading assets	141,635	131,467	153,434	Liabilities			
- non-trading derivatives	3,492	3,347	4,609	Subordinated loans	6,579	7,265	7,423
- other	3,611	3,234	3,142	Debt securities in issue	122,740	121,289	132,876
Investments	96,412	94,826	95,391	Other borrowed funds	9,002	9,146	11,290
- debt securities available-for-sale	84,747	82,567	87,058	Amounts due to banks	33,852	33,813	36,833
- debt securities held-to-maturity	7,566	7,826	5,365	Customer deposits	505,557	500,777	494,954
- equity securities available-for-sale	4,099	4,433	2,968	- savings accounts	310,027	305,941	304,063
Loans and advances to customers	542,578	537,343	540,637	- credit balances on customer accounts	156,060	153,253	144,430
- customer lending	539,136	533,490	536,443	- corporate deposits	38,217	40,244	45,965
- securities at amortised cost	9,060	9,625	10,271	- other	1,253	1,339	495
- provision for loan losses	-5,618	-5,772	-6,077	Financial liabilities at fair value through P&L	121,240	105,680	131,147
Investments in associates and joint ventures	935	962	1,063	- trading liabilities	104,963	88,807	111,360
Real estate investments	77	77	79	- non-trading derivatives	4,074	4,257	5,791
Property and equipment	1,999	2,027	2,088	- other	12,203	12,616	13,996
Intangible assets	1,531	1,567	1,651	Other liabilities	20,447	15,329	19,781
Other assets	17,255	13,320	14,763				
Total assets excl. assets held for sale	**867,582**	**839,616**	**876,369**	**Total liabilities excl. liabilities held for sale**	**819,417**	**793,299**	**834,304**
Assets held for sale	1,315	2,153	177,014	Liabilities held for sale			151,952
				Total liabilities	**819,417**	**793,299**	**986,256**
Total assets	**868,897**	**841,769**	**1,053,383**	**Total equity and liabilities**	**868,897**	**841,769**	**1,053,383**

ING Group's total assets increased in the first quarter by EUR 27.1 billion to EUR 868.9 billion, despite EUR 5.5 billion of negative currency impacts. At comparable currency rates, total assets rose by EUR 32.6 billion, mostly due to increases in financial assets at fair value through P&L, higher cash and balances with central banks, and growth in customer lending. On the liability side, the balance sheet rose due to increased trading liabilities after year-end, higher balances in CD/CPs, but also due to continued growth in customer deposits. Core customer lending at ING Bank increased by EUR 7.1 billion and the net production of customer deposits was EUR 8.8 billion, mainly in retail savings and current accounts. ING Bank's loan-to-deposit ratio remained flat at 1.04 compared to year-end 2015.

Cash and balances with central banks

Cash and balances with central banks increased by EUR 8.5 billion to EUR 30.0 billion as part of liquidity management.

Amounts due from and to banks

Amounts due from banks decreased by EUR 1.9 billion to EUR 28.1 billion, mainly due to lower short-term lending to banks by Wholesale Banking/Trade Finance Services. Amounts due to banks remained approximately stable at EUR 33.9 billion at the end of March.

Financial assets/liabilities at fair value

Financial assets at fair value through P&L rose by EUR 10.7 billion to EUR 148.7 billion, mainly due to increased reverse repo activity and higher valuations of trading derivatives following the decrease in long-term interest rates. Financial liabilities at fair value through P&L increased by EUR 15.6 billion, mirroring the development on the asset side of the balance sheet. Financial assets and liabilities at fair value consist predominantly of derivatives, securities and (reverse) repos, which are mainly used to facilitate the servicing of ING's clients.

Investments

Investments grew by EUR 1.6 billion to EUR 96.4 billion, mainly in debt securities available-for-sale in Bank Treasury.

Loans and advances to customers

Loans and advances to customers increased by EUR 5.2 billion to EUR 542.6 billion. At comparable currency rates, the increase was EUR 8.2 billion, as customer lending grew by EUR 8.6 billion and was only partly offset by a reduction in securities at amortised cost due to maturities and repayments. Core customer lending at ING Bank increased by EUR 7.1 billion and Bank Treasury lending rose by EUR 2.9 billion. This was partly offset by decreases in the run-off portfolios. Retail Banking grew its core lending assets outside of the Netherlands, in both residential mortgages and other customer lending. Wholesale Banking grew its core customer lending in the longer-tenor portfolios of Industry Lending and General Lending, and this growth was only slightly offset by a reduction in short-term Financial Markets lending.

Other assets/liabilities

Other assets increased by EUR 3.9 billion, mainly due to a higher amount of financial transactions pending settlement relative to the low amount of unsettled balances at year-end. Other

Consolidated Balance Sheet

ING Group: Change in shareholders' equity	ING Group		ING Bank N.V.		Holding/Eliminations	
in EUR million	1Q2016	4Q2015	1Q2016	4Q2015	1Q2016	4Q2015
Shareholders' equity beginning of period	**47,832**	**46,022**	**40,857**	**39,029**	**6,976**	**6,993**
Net result for the period	1,257	819	846	824	411	-5
Unrealised revaluations of equity securities	-400	708	-274	708	-126	
Unrealised revaluations of debt securities	43	-94	43	-94		
Realised gains/losses equity securities released to P&L	5	-5	5	-5		
Realised gains/losses debt securities transferred to P&L	-49	5	-49	5		
Change in cashflow hedge reserve	463	38	455	32	8	6
Other revaluations	31	-99	31	-99		
Defined benefit remeasurement	-41	11	-41	11		
Exchange rate differences	-254	429	-254	429		
Changes in treasury shares	7	1			7	1
Employee stock options and share plans	14	27	15	16	-1	11
Dividend						
Other	-98	-29	-99	1	1	-29
Total changes	**978**	**1,811**	**678**	**1,828**	**299**	**-17**
Shareholders' equity end of period	**48,810**	**47,832**	**41,535**	**40,857**	**7,275**	**6,976**

ING Group: Shareholders' equity	ING Group		ING Bank N.V.		Holding/Eliminations	
in EUR million	31 Mar. 16	31 Dec. 15	31 Mar. 16	31 Dec. 15	31 Mar. 16	31 Dec. 15
Share premium/capital	16,983	16,982	17,067	17,067	-84	-85
Revaluation reserve equity securities	2,238	2,633	2,364	2,633	-126	
Revaluation reserve debt securities	1,257	1,263	1,257	1,263		
Revaluation reserve cashflow hedge	1,129	666	1,130	675	-1	-9
Other revaluation reserves	325	326	325	326		
Defined benefit remeasurement reserve	-347	-306	-347	-306		
Currency translation reserve	-760	-538	-762	-540	2	2
Treasury shares	-11	-18			-11	-18
Retained earnings and other reserves	27,996	26,824	20,501	19,738	7,495	7,086
Total	**48,810**	**47,832**	**41,535**	**40,857**	**7,275**	**6,976**

liabilities increased by EUR 5.1 billion, approximately mirroring the rise of unsettled balances of financial transactions at the asset side.

Assets/liabilities held for sale

Assets held for sale relate to ING's remaining stake in NN Group. The decrease was mainly due to the sale of part of ING's stake in NN Group in January 2016. The remaining 14.1% stake was sold after quarter-end, as announced on 14 April 2016.

Debt securities in issue

Debt securities in issue increased by EUR 1.5 billion to EUR 122.7 billion. Excluding currency impacts, the net growth was EUR 3.7 billion, due to a EUR 6.7 billion increase in CD/CPs. Long-term debt declined by EUR 2.9 billion, mainly due to maturing debt in the quarter exceeding the issuance of EUR 4.6 billion of long-term senior unsecured debt and EUR 0.5 billion of RMBS by ING Bank.

Customer deposits and other funds on deposits

Customer deposits at ING Group increased by EUR 4.8 billion to EUR 505.6 billion. At ING Bank, the net production in customer deposits (excluding currency impacts and Bank Treasury) was EUR 8.8 billion, whereas Bank Treasury deposits decreased by EUR 2.7 billion. Retail Banking had EUR 6.9 billion in net production of customer deposits, with growth in most countries, of which EUR 4.0 billion was in savings accounts and the remainder primairily in current accounts. In Wholesale Banking, net customer deposits grew by EUR 1.1 billion, mainly in Transaction Services.

Total equity

Shareholders' equity increased in the first quarter by EUR 1.0 billion to EUR 48.8 billion versus EUR 47.8 billion at the end of December. The increase was largely due to the EUR 1.3 billion net result and EUR 0.5 billion positive change of valuation of cash flow hedges, partly offset by a EUR 0.4 billion negative change in equity securities revaluations and EUR 0.2 billion of negative exchange rate differences.

Shareholders' equity per share increased to EUR 12.61 from EUR 12.36 on 31 December 2015.

Risk & Capital Management

ING Bank: Loan book[1)]

in EUR million	Credit outstandings 31 Mar. 2016	Credit outstandings 31 Dec. 2015	Non-performing loans 31 Mar. 2016	Non-performing loans 31 Dec. 2015	NPL% 31 Mar. 2016	NPL% 31 Dec. 2015
Residential mortgages Netherlands	128,288	129,253	2,155	2,461	1.7%	1.9%
Other lending Netherlands	35,110	36,330	2,223	2,381	6.3%	6.6%
of which Business Lending Netherlands	25,742	25,853	1,902	2,015	7.4%	7.8%
Residential mortgages Belgium	33,974	33,586	1,078	1,114	3.2%	3.3%
Other lending Belgium	46,238	42,312	1,460	1,526	3.2%	3.6%
of which Business Lending Belgium	34,677	34,034	1,155	1,170	3.3%	3.4%
Retail Benelux	**243,610**	**241,481**	**6,916**	**7,482**	**2.8%**	**3.1%**
Residential mortgages Germany	64,964	64,684	566	581	0.9%	0.9%
Other lending Germany	12,723	11,402	175	166	1.4%	1.5%
Residential mortgages Other C&G Markets	52,955	51,732	377	386	0.7%	0.7%
Other lending Other C&G Markets	24,089	23,410	858	780	3.6%	3.3%
Retail Challengers & Growth Markets	**154,731**	**151,228**	**1,976**	**1,913**	**1.3%**	**1.3%**
Industry lending	111,549	112,746	2,888	3,257	2.6%	2.9%
of which Structured Finance	84,589	85,799	1,906	1,853	2.3%	2.2%
of which Real Estate Finance	26,960	26,700	982	1,279	3.6%	4.8%
General Lending & Transaction Services	71,382	71,097	1,326	1,338	1.9%	1.9%
FM, Bank Treasury, Real Estate & other	21,309	16,874	1,046	1,039	4.9%	6.2%
of which General Lease run-off	3,486	3,751	1,012	1,038	29.0%	27.7%
Wholesale Banking	**204,240**	**200,717**	**5,260**	**5,634**	**2.6%**	**2.8%**
Total loan book	**602,581**	**593,426**	**14,152**	**15,029**	**2.3%**	**2.5%**

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

ING Bank's non-performing loans (NPL) ratio continued to improve, ending at 2.3% for the first quarter of 2016 as the quality of the loan book improved. ING Group's fully-loaded common equity Tier 1 ratio strengthened further to 12.9% at the end of the first quarter of 2016, exceeding the current fully-loaded requirement of 12.5% for ING Group.

Credit risk management

ING Bank's non-performing loans (NPLs) expressed as a percentage of lending credit outstandings further improved. The NPL ratio decreased in the first quarter of 2016 to 2.3% from 2.5% in the last quarter of 2015. This decrease was mainly caused by a EUR 0.9 billion reduction in NPLs, mainly in residential mortgages Netherlands and Real Estate Finance, while the increase in total credit outstandings also had a positive, but smaller, impact.

In Retail Netherlands, the NPL ratios for both residential mortgages and Other lending continued to improve for the fourth consecutive quarter. For the Dutch mortgage portfolio, the NPL amount decreased more strongly than the credit outstandings, resulting in a further decline in the NPL ratio to 1.7% from 1.9% at year-end 2015. The NPL ratio for the portion of the Dutch mortgage portfolio that is 90+ days overdue decreased to 0.8% from 0.9% in the prior quarter. The NPL ratio for the Business Lending Netherlands portfolio decreased to 7.4% from 7.8% in the previous quarter, mainly due to a reduction in NPL amounts.

For Retail Belgium, the NPL ratio for residential mortgages decreased slightly to 3.2% compared with 3.3% in the fourth quarter of 2015. The NPL ratio for the portion that is 90+ days overdue also decreased to 1.2% from 1.3%. For Retail Challengers & Growth Markets, the NPL ratio remained flat at 1.3% as the improvement in Other lending in Germany was offset by a deterioration in Other lending in Other Challengers & Growth Markets.

ING Bank: Stock of provisions[1)]

in EUR million	Retail Benelux	Retail Challengers & Growth Markets	Wholesale Banking	Total ING Bank 1Q 2016	Total ING Bank 4Q 2015
Stock of provisions at beginning of period	**2,199**	**1,216**	**2,371**	**5,786**	**5,870**
Changes in composition of the Bank	0	0	0	0	0
Amounts written off	-188	-37	-149	-374	-444
Recoveries of amounts written off	20	3	1	24	28
Increases in loan loss provisioning	203	120	190	513	580
Releases from loan loss provisioning	-122	-53	-73	-248	-278
Net additions to loan loss provisions	81	67	117	265	302
Exchange rates or other movements	-27	-6	-34	-67	31
Stock of provisions at end of period	**2,085**	**1,243**	**2,306**	**5,634**	**5,786**
Coverage ratio 1Q 2016	**30.2%**	**62.9%**	**43.8%**	**39.8%**	
Coverage ratio 4Q 2015	29.4%	63.6%	42.1%	38.5%	

1) At the end of March 2016, the stock of provisions included provisions for amounts due from banks: EUR 16 million (December 2015: EUR 14 million).

Risk & Capital Management

In Wholesale Banking, the NPL ratio decreased to 2.6% from 2.8% in the previous quarter, driven by a decline of non-performing loans, mainly observable in Real Estate Finance, combined with lending growth. In Real Estate Finance, NPL amounts continued to come down, mainly due to the restructuring of some large files. Consequently, the NPL ratio displayed a sharp decline to 3.6% compared with 4.8% in the previous quarter. The oil and gas book has seen a modest increase in non-performing loans, but generally remains in good shape.

During the first quarter of 2016, ING Bank's stock of provisions decreased by EUR 0.2 billion to EUR 5.6 billion as the amount of write-offs and adverse currency movements exceeded the net additions to loan loss provisions. Despite the decrease in the stock of provisions, ING Bank's coverage ratio increased to 39.8% from 38.5% as the decrease in NPLs more than offset the declining stock of provisions. This was especially observable in Retail Benelux and Wholesale Banking. In Retail Challengers & Growth Markets, the coverage ratio declined as a slight increase in the stock of provisions was outpaced by higher NPL amounts. ING Bank's loan portfolio consists predominantly of asset-based and/or well-secured loans, including Structured Finance, Real Estate Finance and residential mortgages.

Securities portfolio

In the first quarter of 2016, ING Bank's overall exposure to debt securities increased to EUR 102.6 billion from EUR 101.9 billion in the previous quarter. This was mainly due to an increase of EUR 1.1 billion in LCR Level 1 SSA bonds, largely in Dutch agencies and German federal states. The revaluation reserve of debt securities was stable at EUR 1.3 billion after tax.

ING Bank: Debt securities[1)]

in EUR billion	31 Mar. 16	31 Dec. 15
Government bonds	52.7	52.5
Sub-sovereign, Supranationals and Agencies (SSA)	23.4	22.3
Covered bonds	15.8	16.2
Financial institutions	2.2	2.3
Corporate bonds	2.2	2.2
ABS	6.3	6.4
Total	**102.6**	**101.9**

[1)] Excluding positions at fair value through the P&L but including securities classified as Loans & Receivables.

Breakdown government bonds

in EUR billion	31 Mar. 16	31 Dec. 15
The Netherlands	10.3	10.1
Belgium	7.4	7.5
Poland	6.1	5.7
France	5.7	5.9
Germany	4.8	4.8
Austria	4.5	4.3
United States	2.6	2.9
Italy	2.5	2.9
Spain	2.5	2.6
Finland	2.3	2.1
Turkey	1.0	0.9
Other	3.1	2.8
Total	**52.7**	**52.5**

Funding and liquidity

During the first quarter, ING Bank issued EUR 4.6 billion of long-term senior unsecured debt and EUR 0.5 billion of RMBS with a tenor of one year or more. These issuances were more than offset by maturities. Furthermore, the euro strengthened against several currencies, causing a decrease in the valuation of long-term debt securities. This resulted in a net decrease, excluding currency impacts, of EUR 2.9 billion in long-term debt securities. ING Bank's loan-to-deposit ratio, excluding securities recognised at amortised cost, remained flat at 1.04 compared to the previous quarter.

ING Bank continued to transform its debt securities portfolio into a liquidity book by investing in high-quality LCR-eligible bonds as part of our strategy to optimise the balance sheet. In the first quarter of 2016, ING Bank maintained on a consolidated level its liquidity position above regulatory and internal targets by investing mainly in LCR Level 1 SSA bonds and increased its cash and balances at central banks.

Market risk

In the first quarter of 2016, the average Value-at-Risk (VaR) increased to EUR 15 million compared with the average of EUR 14 million at year-end. This increase was mainly due to position changes in equity and interest rates. The overnight VaR for ING Bank's trading portfolio ranged from EUR 10 million to EUR 22 million.

ING Bank: Consolidated VaR trading books

in EUR million	Minimum	Maximum	Average	Quarter-end
Foreign exchange	1	3	2	2
Equities	5	11	8	6
Interest rate	3	8	5	4
Credit spread	6	11	8	6
Diversification			-6	-6
Total VaR[1)]	**10**	**22**	**15**	**11**

[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.

Risk & Capital Management

ING Bank: Capital position

	2019 rules (fully-loaded)		2016/2015 rules (phased-in)	
in EUR million	31 Mar. 16	31 Dec. 15	31 Mar. 16	31 Dec. 15
Shareholders' equity (parent)	41,535	40,857	41,535	40,857
Regulatory adjustments	-4,352	-4,022	-4,302	-4,103
Available common equity Tier 1 capital	**37,183**	**36,834**	**37,233**	**36,753**
Subordinated loans qualifying as Tier 1 capital[1]	6,892	7,248	6,892	7,248
Regulatory adjustments additional Tier 1[2]	0	0	-840	-1,281
Available Tier 1 capital	**44,075**	**44,083**	**43,285**	**42,721**
Supplementary capital - Tier 2 bonds[3]	8,336	8,570	8,336	8,570
Regulatory adjustments Tier 2	101	102	-126	-239
Available BIS capital	**52,512**	**52,754**	**51,495**	**51,052**
Risk-weighted assets	315,361	318,202	315,361	318,202
Common equity Tier 1 ratio	**11.8%**	**11.6%**	**11.8%**	**11.6%**
Tier 1 ratio	14.0%	13.9%	13.7%	13.4%
Total capital ratio	16.7%	16.6%	16.3%	16.0%

[1] Including EUR 3,378 million which is CRR/CRD IV-compliant and EUR 3,514 million to be replaced, as capital recognition is subject to CRR/CRD IV grandfathering rules.
[2] Such as goodwill and intangibles.
[3] Including EUR 6,078 million which is CRR/CRD IV-compliant and EUR 2,259 million to be replaced, as capital recognition is subject to CRR/CRD IV grandfathering rules.

Capital ratio ING Bank

ING Bank remained strongly capitalised at the end of the first quarter of 2016 with a fully-loaded common equity Tier 1 ratio of 11.8%, an increase of 0.2 percentage point compared to year-end 2015. In the first quarter of 2016, common equity Tier 1 capital increased by EUR 0.3 billion to EUR 37.2 billion, supported by a net profit of EUR 0.8 billion, which was fully included in capital. This was partly offset by EUR 0.3 billion of lower equity revaluation reserves stemming from lower market values for Bank of Beijing and Kotak Mahindra. In addition, foreign exchange reserves decreased by EUR 0.2 billion following a strengthening of the euro in the first quarter of 2016. Risk-weighted assets (RWA) decreased by EUR 2.8 billion to EUR 315.4 billion, reflecting negative foreign currency movements and lower operational risk-weighted assets. Currency-related RWA movements were to a large extent offset by foreign exchange differences in available capital and therefore had a limited impact on the common equity Tier 1 ratio.

ING Bank's fully-loaded Tier 1 ratio (including grandfathered securities) increased to 14.0% at 31 March 2016. The increase primarily reflects a reduction in risk-weighted assets. The increase in common equity Tier 1 capital was offset by lower subordinated loans qualifying as Tier 1 capital, reflecting currency movements and the redemption of a grandfathered additional Tier 1 security. The security, which was fully on-lent to ING Bank, was redeemed by ING Group on its first call date in March 2016. The fully-loaded total capital ratio (including grandfathered securities) rose to 16.7% at the end of March 2016.

ING Bank's phased-in (transitional) common equity Tier 1 ratio was 11.8% at the end of the first quarter, up 0.2 percentage point compared with 31 December 2015. Common equity Tier 1 capital increased by EUR 0.5 billion, largely mirroring developments in fully-loaded common equity Tier 1 capital in combination with the application of the transitional rules under CRR/CRD IV. At the start of 2016, another step was taken to converge the phased-in calculations towards the fully-loaded approach.

The pro-forma leverage ratio of ING Bank (including grandfathered securities), which takes into account the combined impact of grossing up the notional cash pool activities and the alignment with the Delegated Act (which was adopted in January 2015), was 4.0% on 31 March 2016. The decline of 0.1 percentage point reflects the increase in the balance sheet, resulting in a higher total exposure measure.

In April 2016, ING Bank successfully strengthened the capital base by issuing EUR 1.0 billion of CRD IV-eligible Tier 2 instruments. The proceeds will be used to further optimise ING's capital structure.

Risk-weighted assets (RWA)

At the end of March 2016, ING Bank's total RWA were EUR 315.4 billion, or EUR 2.8 billion lower than at the end of the previous quarter. The decline reflects a negative impact from foreign currency movements and lower operational risk-weighted assets following further model updates. Credit risk-weighted assets, excluding foreign currency impacts, increased by EUR 2.3 billion as higher RWA related to volume growth was partly offset by positive risk migration and lower market values for Bank of Beijing and Kotak Mahindra. Market risk-weighted assets increased to EUR 10.0 billion.

ING Bank: Composition of RWA

in EUR billion	31 Mar. 16	31 Dec. 15
Credit RWA	264.9	265.4
Operational RWA	40.5	43.1
Market RWA	10.0	9.6
Total RWA	**315.4**	**318.2**

Risk & Capital Management

ING Group: Capital position

	2019 rules (fully-loaded)		2016/2015 rules (phased-in)	
in EUR million	31 Mar. 16	31 Dec. 15	31 Mar. 16	31 Dec. 15
Shareholders' equity (parent)	48,810	47,832	48,810	47,832
-Deductions of significant investments in financial institutions	-399	-1,389	-233	-558
-Interim profit not included in CET1 capital[1]	-2,842	-1,586	-2,842	-1,586
-Other regulatory adjustments	-4,379	-4,069	-4,268	-4,134
Regulatory adjustments	-7,620	-7,044	-7,342	-6,278
Available common equity Tier 1 capital	**41,189**	**40,788**	**41,467**	**41,554**
Additional Tier 1 securities[2]	6,217	6,574	6,217	6,574
Regulatory adjustments additional Tier 1	0	0	-928	-1,716
Available Tier 1 capital	**47,407**	**47,362**	**46,756**	**46,412**
Supplementary capital - Tier 2 bonds[3]	8,336	8,570	8,336	8,570
Regulatory adjustments Tier 2	101	102	-204	-657
Available BIS capital	**55,844**	**56,034**	**54,889**	**54,325**
Risk-weighted assets	318,329	321,151	318,357	321,135
Common equity Tier 1 ratio	**12.9%**	**12.7%**	**13.0%**	**12.9%**
Tier 1 ratio	14.9%	14.7%	14.7%	14.5%
Total capital ratio	17.5%	17.4%	17.2%	16.9%

[1] The interim profit not included in CET1 capital is the sum of (i) EUR 1,586 million, representing ING's Group full-year dividend payment to be made in May and (ii) the full first-quarter profit of EUR 1,257 million, as ING has decided not to include any of the first-quarter interim profit in CET1 capital.
[2] Including EUR 1,972 million is CRR/CRD IV-compliant and EUR 4,920 million to be replaced as capital recognition is subject to CRR/CRD IV grandfathering rules. This amount is presented net of positions on-lent to NN Group.
[3] Including EUR 6,078 million is CRR/CRD IV-compliant and EUR 2,259 million to be replaced as capital recognition is subject to CRR/CRD IV grandfathering rules.

Capital ratios ING Group

The fully-loaded common equity Tier 1 ratio for ING Group rose by 0.2 percentage point to 12.9% in the first quarter of 2016 from 12.7% at the end of December 2015. The increase reflects higher common equity Tier 1 capital as well as lower risk-weighted assets. The increase of EUR 0.4 billion in capital was supported by a EUR 1.0 billion lower deduction of significant investments in financial institutions, following the sell-down of NN shares and a lower market value for the Bank of Beijing. This positive impact was partly offset by lower equity revaluation reserves and foreign exchange reserves.

ING has decided not to include any of the first-quarter interim profit in common equity Tier 1 capital. This will provide flexibility to decide on a dividend pay-out for the 2016 financial year in line with our dividend policy, which aims to pay a progressive dividend over time. ING aims to pay an interim dividend with its half-year results, as well as a final dividend each year, both in cash. Dividend proposals will reflect considerations including expected future capital requirements, growth opportunities available to the Group, net earnings, and regulatory developments.

Fully-loaded risk-weighted assets declined by EUR 2.8 billion to EUR 318.3 billion. The decline mirrors developments at ING Bank to a large extent. The fully-loaded Tier 1 ratio (including grandfathered securities) increased to 14.9% from 14.7%, mirroring the trend in common equity Tier 1 capital and including the redemption of a GBP 66 million legacy Tier 1 instrument in March 2016. The fully-loaded total capital ratio (including grandfathered securities) increased to 17.5% from 17.4% at year-end 2015.

ING Group's common equity Tier 1 phased-in ratio rose from 12.9% at year-end 2015 to 13.0% at the end of March 2016. The regular annual adjustment of the transitional arrangements had a marginal negative impact of EUR 0.2 billion on the phased-in common equity Tier 1 capital.
The pro-forma leverage ratio of ING Group (including grandfathered securities), which takes into account the combined impact of grossing up the notional cash pool activities and the alignment with the Delegated Act (which was adopted in January 2015), was 4.3% on 31 March 2016. The decline of 0.1 percentage point reflects the increase in the balance sheet, resulting in a higher total exposure measure.

In April 2016, ING successfully issued EUR 1.0 billion of CRD IV-eligible Tier 2 instruments. The transaction had an issuer substitution option which gives ING the right to exchange for subordinated Tier 2 notes issued by ING Groep NV.

Ratings

During the first quarter of 2016, all ratings remained unchanged. In April 2016, Fitch upgraded its ratings for both ING Groep NV and ING Bank NV by one notch from A to A+. The rating action was part of a periodic portfolio review of major Benelux banking groups and reflects ING's solid financial metrics and strong execution of strategy, supported by higher capital ratios, which resulted in an improvement of ING Bank's viability rating.

Main credit ratings of ING on 9 May 2016

	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	A1	Stable	A+	Stable

Business & Sustainability Highlights

ING's purpose is to empower people to stay a step ahead in life and in business. We believe a financial institution should support and encourage economic, social and environmental progress, leading to a better quality of life. As a bank that empowers customers and facilitates economic growth, we take the long view and want to go beyond just mitigating harm—we want to drive sustainable progress.

Our 52,000 employees work each day to earn the primary relationship with our customers and meet their needs over the long term. Our teams are encouraged to constantly think of better and innovative ways to service our customers.

New ways to empower customers

For the first quarter of 2016, we highlight several new initiatives that support our purpose to empower our customers both in life and in business.

Customers in France became the first in the country to have a digital financial advisor that helps them make better savings and investment choices. "Coach Epargne" (or "Savings Coach") enables customers to use their mobile device to check whether their savings are adequate, and advises them on how to make best use of their money, for example by investing some of it. More than 10,000 people used the service in the first three weeks after its launch.

In the Netherlands, we started working with small enterprises in our "Ondernemerslab" (or "Entrepreneurs lab") facility to co-develop services that meet their business needs in areas such as finance and marketing. Examples include "ING Brighter Business", which gives clients insights into trends and how well their business is prepared; and "Direct werkkapitaal", a digital platform that helps corporate clients with their billing, giving them insight into their customers' creditworthiness and providing security against debtors' failure to pay.

Also, our InsideBusiness digital banking platform, which provides Wholesale Banking clients with a single point of access to a growing selection of services and products, was expanded outside of the Netherlands to the UK and Ireland. This means clients there now have access to InsideBusiness anytime and anywhere, including new functionality like digital document-signing. In the coming year, InsideBusiness will be rolled out to several more European countries.

Innovation continues

We continue to work with fintechs to improve the banking experience and empower customers. We've partnered with around 45 fintech companies worldwide on customer-focused topics such as money management, payments, lending, and mobile on-boarding. These partnerships are in different categories, varying from "proof-of-concept" agreements to equity investments and contracting.

In Belgium, for example, the ING Fintech Village provides an innovative environment for seven fintechs working on their "proof-of-concept" with ING Belgium. The Village's inhabitants include start-ups such as POM, a virtual personal assistant for all administrative matters, and HopOn, a mobile ticketing platform for mass-transportation networks.

Thinking forward

The Think Forward Initiative, set up by ING with partners Microsoft, EMC and the Institute for New Economic Thinking, passed a milestone in the first quarter with its first Think Forward Summit in Brussels on 25 February. The Initiative brings together different experts, disciplines and data to figure out how to help people manage the challenges and risks of the modern era so they can become—and stay—financially and economically fit.

At the Summit, more than 120 academics, European and national policy-makers, consumer-organisation representatives and leaders from the financial and technology sectors came together in a "meeting of the minds". They defined several challenges to focus on and committed to further working groups that will consider suggesting research, policy recommendations, awareness campaigns and technology projects, all aiming to help consumers make better financial decisions. The results are expected to be presented at a Think Forward Summit in 2017.

Sustainable progress

ING believes that banking can play a significant role in creating a fairer and greener economy. We approach this by financing projects that accelerate our clients' transition towards more sustainable businesses, and by supporting clients that develop solutions to broader environmental and social challenges.

One of the highlights in the first quarter was the EUR 605 million transaction for First State Investments SA, which was financed via ING's inaugural green bond that was issued in November 2015. This transaction supports the acquisition of Finerge by First State Investments, an infrastructure investor owned by the Commonwealth Bank of Australia. Finerge operates 23 operational onshore wind farms in Portugal. ING acted as senior mandated lead arranger and senior swap arranger.

Our commitment to sustainability shows not only in what we finance, but also in what we don't finance, as outlined in our environmental and social risk (ESR) policies. Our ESR framework was expanded in February when ING published a policy requiring clients to meet animal welfare standards and broadening the range of activities we won't finance because of animal mistreatment.

External recognition

ING was recognised with several awards in the first quarter. The trade magazine 'Global Finance' named us Best Bank Western Europe, Best Bank Netherlands, Best Bank Poland, Best Bank for Cash Management in Belgium, Netherlands and Russia 2016; as well as Best Bank for Working Capital Optimisation in Western Europe and Central & Eastern Europe 2016.

ING was also recognised by the Top Employer Institute, an independent organisation that measures what companies offer employees against an international standard. The Institute named us Top Employer Europe, with individual recognition for Spain, Poland, France, Belgium and the UK.

Appendix

Consolidated profit and loss account ING Group

ING Group: Consolidated profit and loss account	Total ING Group		of which: Retail Banking[1]		of which: Wholesale Banking[1]		of which: Corporate Line Banking	
In EUR million	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015
Interest result Banking operations	3,248	3,175	2,330	2,311	925	898	-7	-35
Commission income	607	606	357	350	251	256	-1	-0
Investment income	71	113	56	63	15	50	-0	0
Other income	161	442	72	215	125	295	-36	-68
Total underlying income	**4,087**	**4,335**	**2,815**	**2,939**	**1,316**	**1,498**	**-44**	**-102**
Expenses excl. regulatory costs	2,140	2,068	1,508	1,478	573	576	59	13
Regulatory costs	496	174	394	150	102	24	0	0
Operating expenses	**2,636**	**2,242**	**1,902**	**1,629**	**676**	**600**	**59**	**13**
Gross result	**1,451**	**2,093**	**913**	**1,311**	**641**	**898**	**-103**	**-115**
Addition to loan loss provisions	265	432	148	259	117	173	-0	-
Underlying result before tax Banking	**1,186**	**1,661**	**766**	**1,052**	**524**	**725**	**-103**	**-115**
Taxation	329	459	208	289	150	193	-29	-24
Minority interests	16	16	14	11	3	5	-	-
Underlying net result Banking	**842**	**1,187**	**545**	**752**	**371**	**527**	**-74**	**-92**
Net gains/losses on divestments	-	-	-	-	-	-	-	-
Net result from divested units	-	-	-	-	-	-	-	-
Special items after tax	-13	-14	-13	-14	-	-	-	-
Net result Banking	**829**	**1,173**	**532**	**738**	**371**	**527**	**-74**	**-92**
Net result Insurance Other	-78	7						
Net result intercompany elimination between ING Bank and NN Group		-10						
Net result from discontinued operations NN Group	506	276						
Net result from discontinued operations Voya Financial		323						
Net result ING Group	**1,257**	**1,769**						

[1] As of 1 January 2016 Czech Republic is segmented into both Retail Banking and Wholesale Banking. Historical figures have been adjusted.

Appendix

Consolidated profit and loss account Geographical split

Geographical split: Consolidated profit and loss account

	Total ING Group		Netherlands		Belgium		Germany		Other Challengers[1]		Growth Markets		Wholesale Banking Rest of World[1]		Other	
In EUR million	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015	1Q2016	1Q2015
Interest result Banking operations	3,248	3,175	1,182	1,197	533	605	505	412	347	307	298	279	389	409	-6	-34
Commission income	607	606	197	183	140	139	59	55	38	41	67	70	107	117	-1	-0
Investment income	71	113	33	2	36	5	4	41	-0	10	7	13	-5	11	-4	30
Other income	161	442	11	133	14	82	4	18	14	28	68	67	80	166	-31	-52
Total underlying income	**4,087**	**4,335**	**1,423**	**1,514**	**723**	**832**	**572**	**526**	**399**	**387**	**439**	**429**	**572**	**703**	**-41**	**-56**
Expenses excl. regulatory costs	2,140	2,068	760	742	417	440	216	194	216	197	240	247	231	228	61	19
Regulatory costs	496	174	111	-	196	109	103	31	22	2	26	26	37	7	0	0
Operating expenses	**2,636**	**2,242**	**871**	**742**	**614**	**549**	**319**	**225**	**238**	**199**	**266**	**273**	**267**	**235**	**61**	**19**
Gross result	**1,451**	**2,093**	**552**	**772**	**109**	**283**	**253**	**301**	**161**	**188**	**173**	**156**	**305**	**469**	**-103**	**-75**
Addition to loan loss provisions	265	432	92	262	33	51	6	12	29	42	59	36	46	28	-0	-
Underlying result before tax Banking	**1,186**	**1,661**	**460**	**510**	**76**	**232**	**247**	**288**	**132**	**146**	**115**	**120**	**259**	**440**	**-102**	**-75**
Retail Banking	766	1,052	336	420	106	192	174	250	73	114	78	75	0	-	-	-
Wholesale Banking	524	725	124	90	-30	41	73	38	59	31	37	44	259	440	1	40
Corporate Line	-103	-115	-	-	-	-	-	-	-	-	-	-	-	-	-103	-115
Underlying result before tax	**1,186**	**1,661**	**460**	**510**	**76**	**232**	**247**	**288**	**132**	**146**	**115**	**120**	**259**	**440**	**-102**	**-75**
Taxation	329	459	115	125	17	76	85	92	45	41	21	21	72	108	-28	-5
Minority interests	16	16	-	-	-1	1	0	0	-	-	16	14	-	-	-	-
Underlying net result Banking	**842**	**1,187**	**345**	**385**	**59**	**155**	**161**	**196**	**87**	**104**	**77**	**85**	**187**	**332**	**-75**	**-70**
Net gains/losses on divestments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result from divested units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special items after tax	-13	-14	-13	-14	-	-	-	-	-	-	-	-	-	-	-	-
Net result Banking	**829**	**1,173**	**332**	**371**	**59**	**155**	**161**	**196**	**87**	**104**	**77**	**85**	**187**	**332**	**-75**	**-70**
Net result Insurance Other	-78	7														
Net result intercompany elimination between ING Bank and NN Group		-10														
Net result from discontinued operations NN Group	506	276														
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Net result ING Group	**1,257**	**1,769**														

[1] As of 1 January 2016 Czech Republic is reported under Other Challengers while previously Czech Republic was reported under Wholesale Banking Rest of World. Historical figures have been adjusted.

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 (in the form of depositary receipts) on the exchanges of Amsterdam (INGA NA, ING.AS), Brussels and on the New York Stock Exchange (ADRs: ING US, ING.N).

Sustainability forms an integral part of ING's corporate strategy, which is evidenced by ING Group shares being included in the FTSE4Good index and in the Dow Jones Sustainability Index (Europe and World) where ING is among the leaders in the Banks industry group.

Further information

All publications related to ING's 1Q16 results can be found at www.ing.com/1q16, including a video interview with Ralph Hamers, which 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)

See also ing.world, ING Group's online magazine, which can be found in the About Us section on 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. Video is available on YouTube. Footage (B-roll) of ING is available via videobankonline.com, or can be requested by emailing info@videobankonline.com. ING presentations are available at SlideShare.

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 2015 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, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (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, (10) changes in the policies of governments and/or regulatory authorities, (11) conclusions with regard to purchase accounting assumptions and methodologies, (12) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (13) changes in credit ratings, (14) ING's ability to achieve projected operational synergies and (15) the other risks and uncertainties detailed in the most recent 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. 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.

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