ING Credit Update 4Q2021

ING Investor Relations

3 February 2022

do your thing

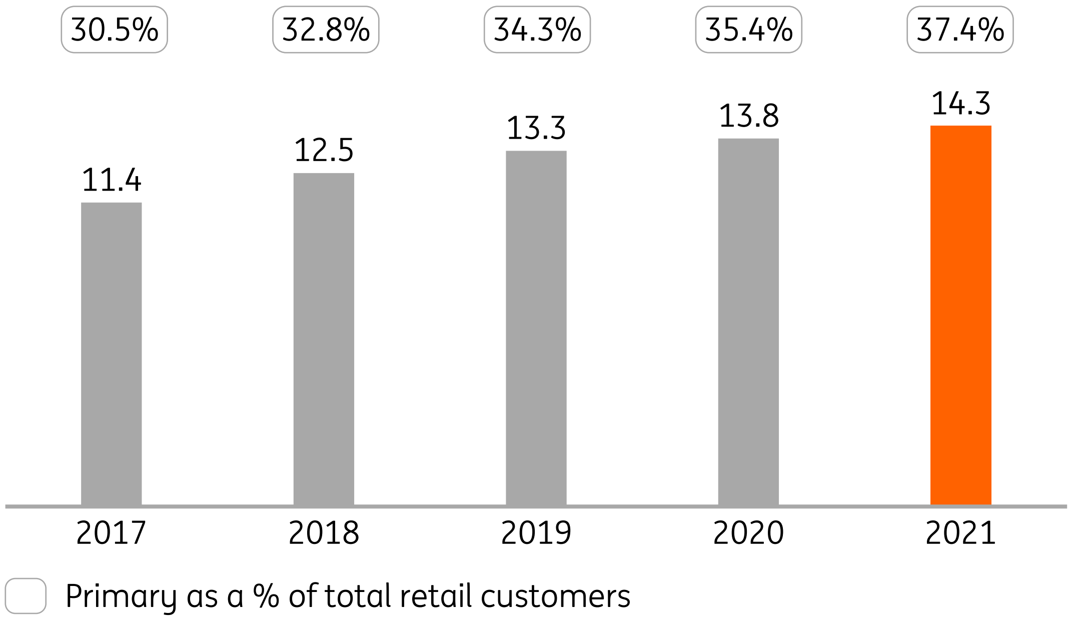
Key points

- In 2021 our business model proved its strength under challenging conditions, as more Retail customers chose ING as their primary bank and a growing number of businesses turned to ING to support their green transition efforts
- Further growth of mobile interactions, with mobile becoming the main channel used by our retail customers
- FY2021 income increased as our growing primary customer base and focus on diversifying income supported fee and loan growth, which offset the continuing pressure on liability income
- Loan growth returned with net core lending growth of €30.6 bln in FY2021, with strong growth in Retail at €17.5 bln and €13.1 bln in Wholesale Banking. Net core deposits growth was modest at €10.3 bln for the full year
- Strong fee growth of 17% in FY2021, as our actions on investment products and daily banking more than compensated for the continued negative impact of the Covid-19 pandemic on fees for payments and lending
- Our cost focus continues with expenses remaining broadly flat in 2021, absorbing CLA increases and more normalised cost levels related to performance accruals and marketing
- FY2021 risk costs were €516 mln, or 8 bps of average customer lending, well below our through-the-cycle average of ~25 bps. The Stage 3 ratio remained low at 1.5% and we are confident on the quality of our loan book
- 4Q2021 CET1 ratio improved to 15.9%, with 50% of 4Q2021 resilient net profit reserved outside of regulatory capital. We propose to pay a final cash dividend of €0.41 per share, subject to AGM approval

FY2021 results

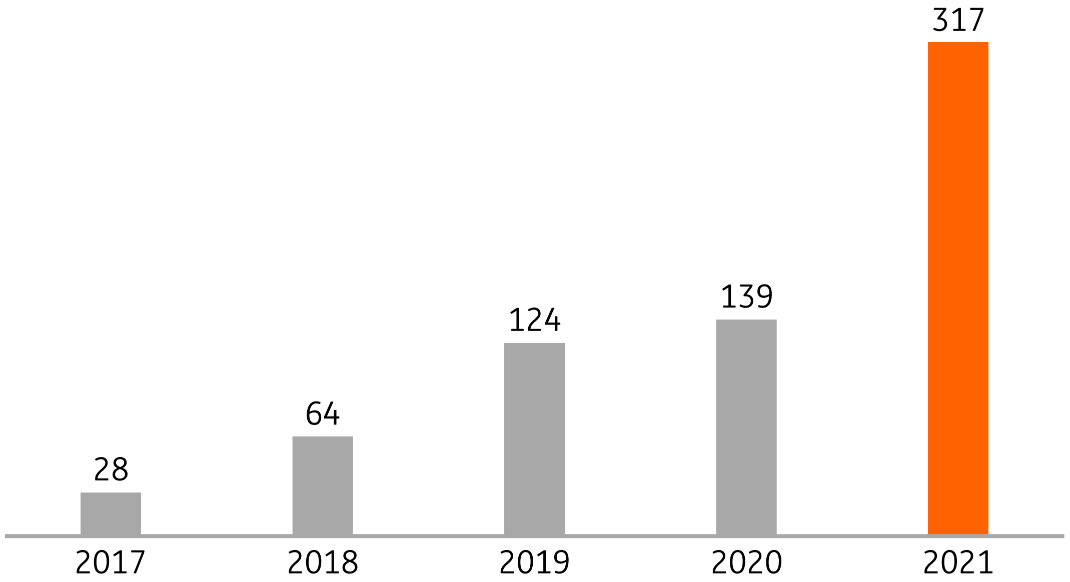
Customers recognise ING’s strengths

Our primary customer base (in mln)



- In 2021 our primary customer base grew by 3.5%, now representing over 37% of our Retail customers*
- In 4Q2021 ING was #1 in terms of Net Promotor Score in 5 of our 11 Retail markets (excluding France)

Sustainability deals** (#)

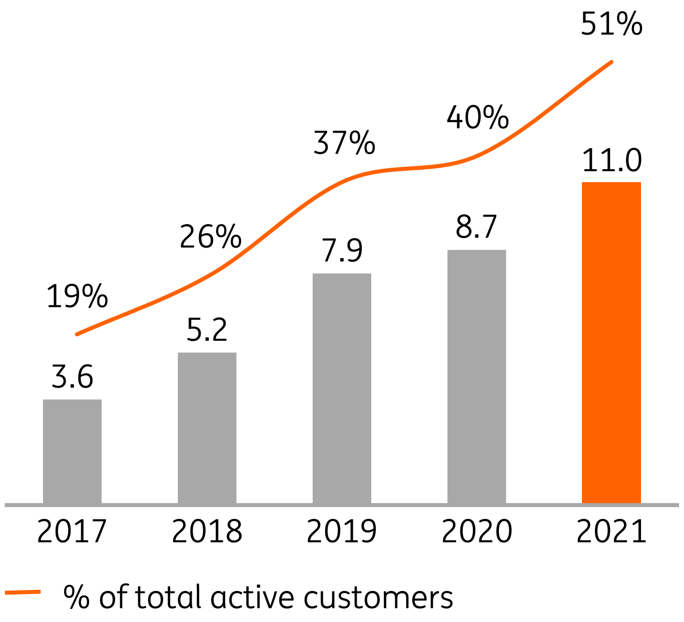


- In Wholesale Banking we supported an increasing number of clients in their transition to a low carbon business model, with the number of mandates increasing significantly as our strong sustainability profile is recognised by the market

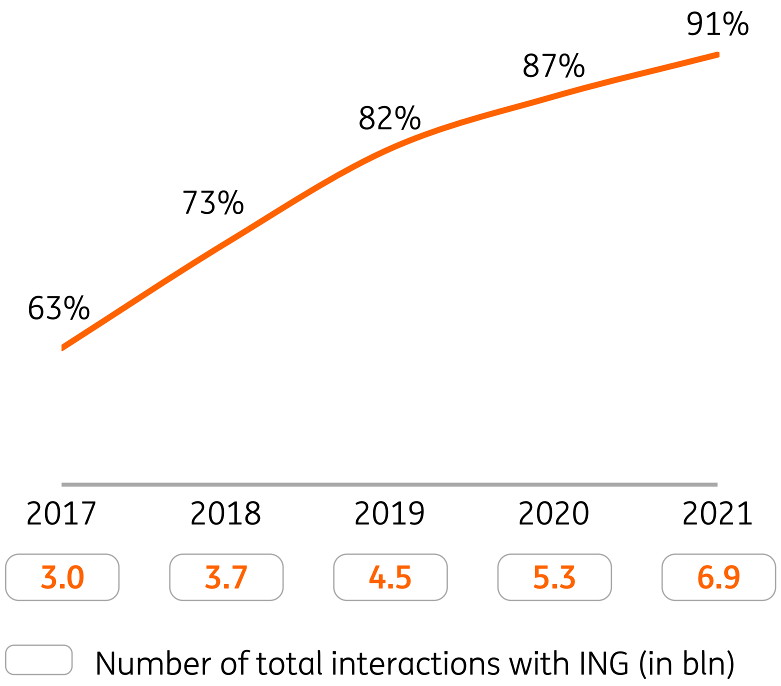
* Private individual customers
** Sustainability deals include sustainability loans and bonds, green loans and bonds, sustainable structured finance, social loans and bonds, and sustainable investments

Mobile became the main channel for our customers

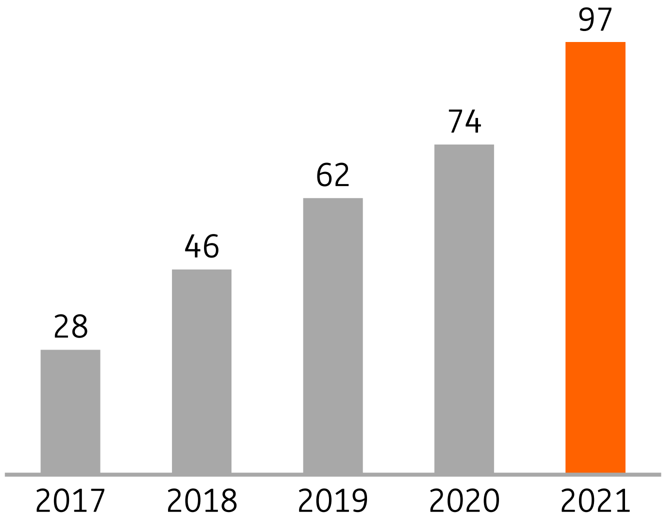
Mobile-only active customers (in mln)*



% mobile in interactions with ING



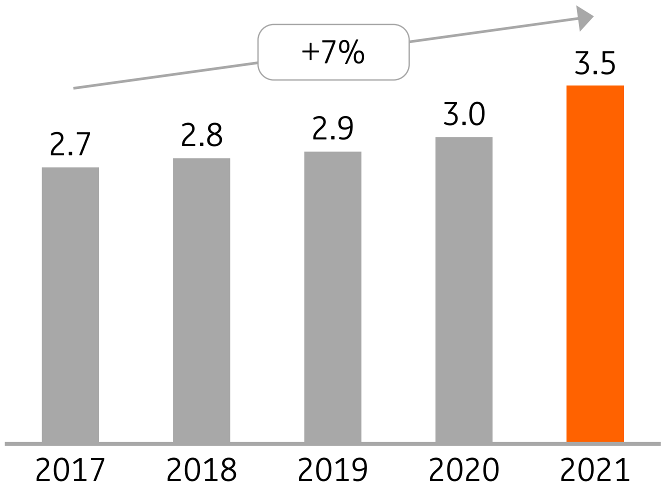
Annual mobile non-deposit sales per 1,000 active customers (in #)



* Definition: Retail customers who used the mobile channel at least once in the last quarter

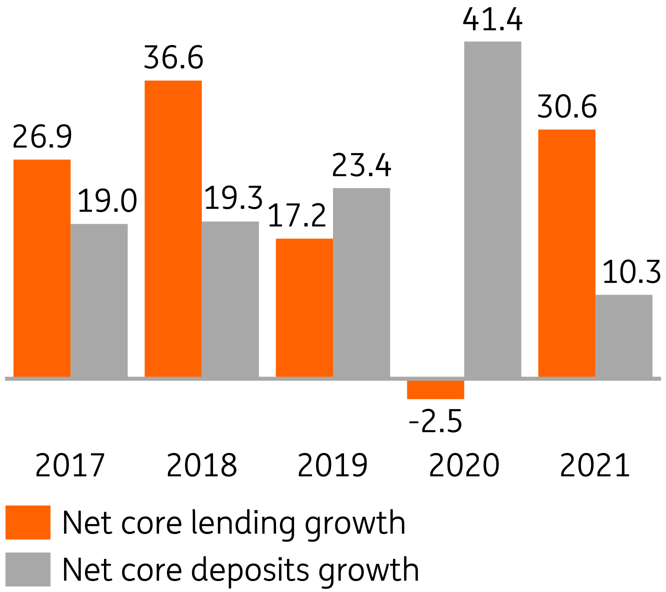
Focus on diversifying income offset pressure on liability income

Fee and commission income (in € bln)



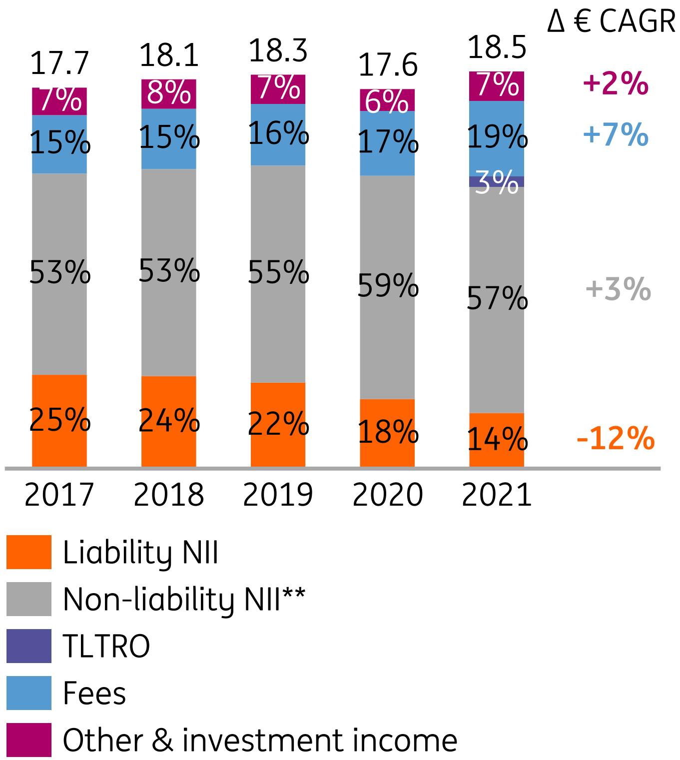
- The 7% CAGR for fee income is in line with our 5-10% fee growth ambition, with 17% growth in 2021

Net core lending and deposit growth (in € bln)



- Loan growth returned in 2021, with net core lending up 5%, above our 3-4% loan growth ambition
- Actions taken to stem the inflow of deposits paid off

Total income* (in € bln)

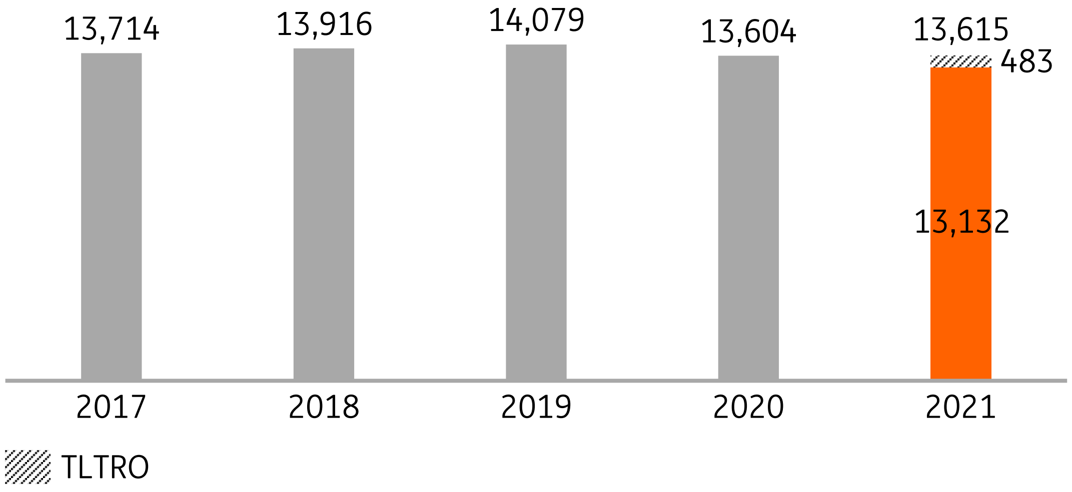


- FY2021 fee and loan growth fully offset pressure on liability income

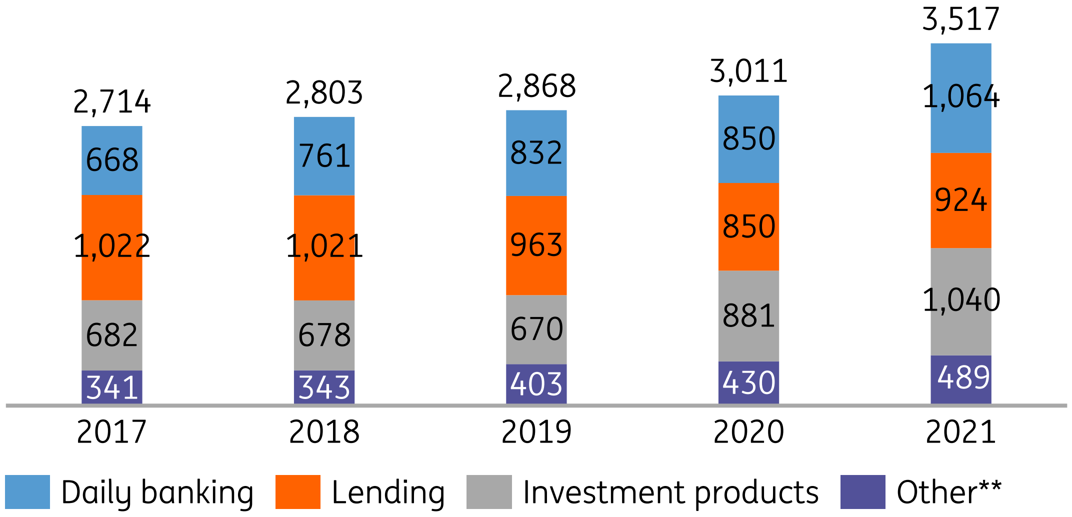
* For 2017-2018 underlying income is shown
** Including NII from lending, Financial Markets and (Group) Treasury and excluding TLTRO benefits in NII

NII stable, strong 17% fee growth in 2021

Net interest income* (in € mln)



Net fee & commission income per product category (in € mln)

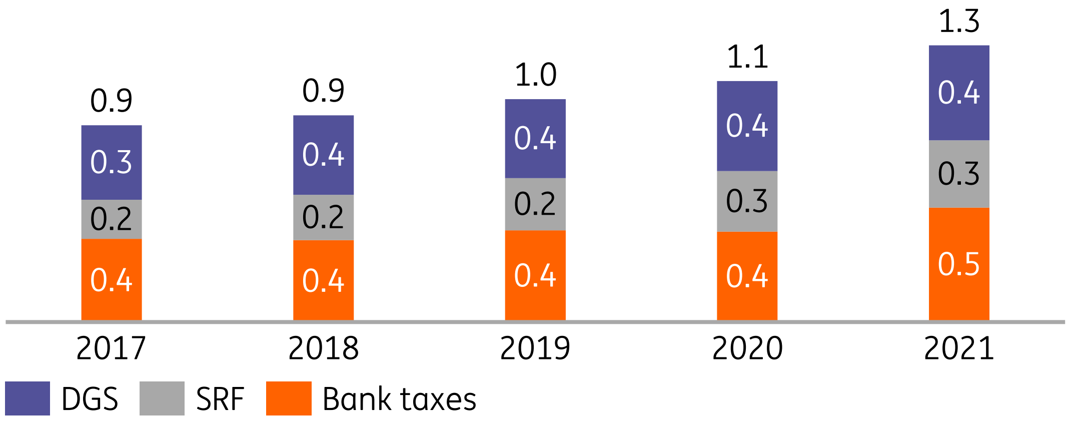


- Until 2020 we have successfully grown NII, countering pressure from the negative rate environment, through loan growth and margin discipline, as well as benefitting from higher central bank rates in our non-eurozone countries
- In 2020 Covid-19 reduced the effectiveness of some of these levers and while during 2021 loan growth returned, pressure on NII remained visible when excluding TLTRO. This reflected continued pressure on liability income as the positive effect of an improving yield curve is only visible over time
- In 2021 this pressure on income was however fully compensated by higher fee income, up €0.5 bln, or 17%, compared to 2020
  - Daily banking fees were up 25%, reflecting higher package fees, recovery of payment transactions and new fee introductions
  - Investment product fees increased 18%, driven by new account openings, a higher number of trades and higher AuM
  - Lending fees grew 9%, although still reflecting overall lower deal activity in WB compared to pre-Covid years

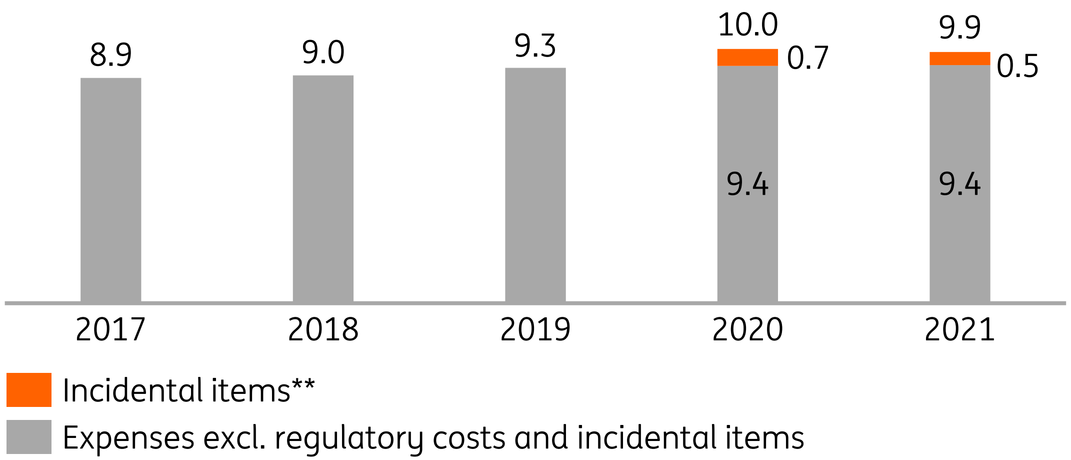
* For 2017-2018 underlying income is shown
** Other includes Insurance products and Financial Markets

Continued focus and measures taken on expenses

Regulatory expenses (in € bln)



Expenses excluding regulatory costs* (in € bln)

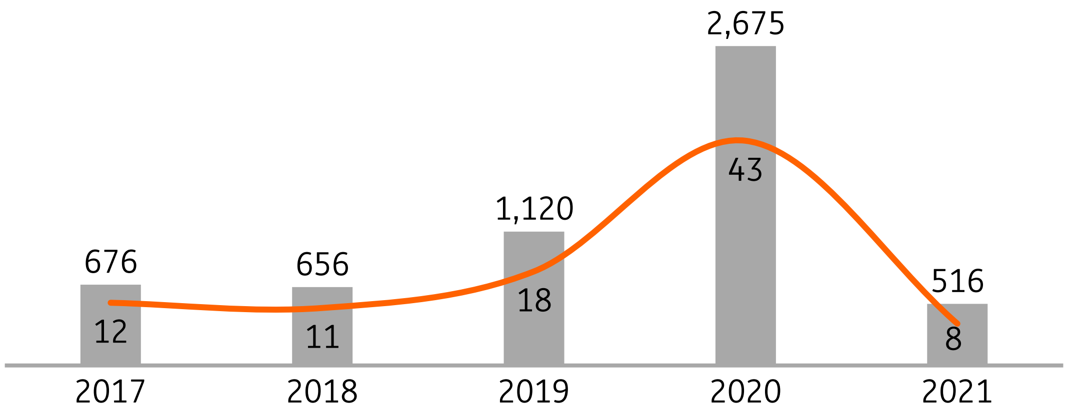


* For 2017-2018 underlying expenses are shown
** Incidental expenses as included in volatile items on slide 45

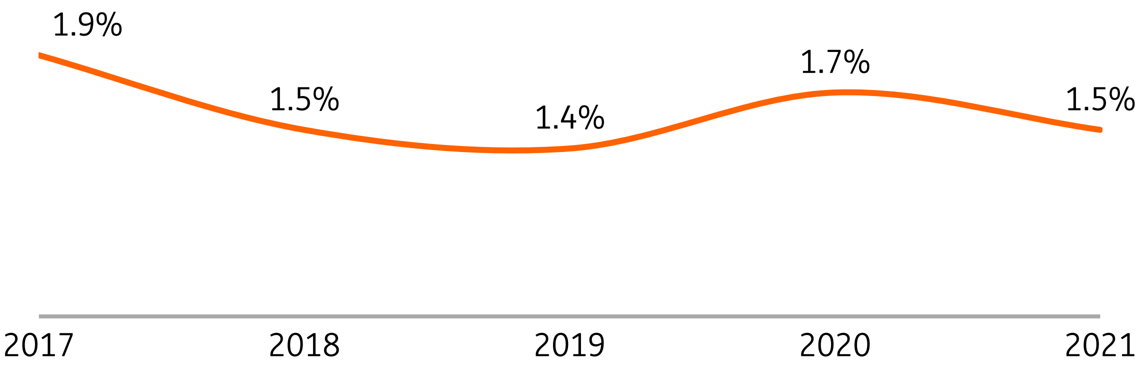
- Higher FY2021 costs were driven by higher regulatory costs, mainly due to an incidental 50% increase in the Dutch bank tax for 2021
- FY2021 expenses further included €522 mln of incidental items, mainly reflecting redundancy provisions and impairments related to a further reduction of the branch network in Retail Benelux and the departure from several European retail banking markets, as well as a provision for compensation of customers on certain Dutch consumer credit products
- Excluding regulatory costs and these incidental items, FY2021 expenses were only slightly higher (+0.3%) despite continued CLA increases and higher performance-related expenses after a low level in 2020
- The impact of higher inflation rates has been limited so far, going forward we could however expect to see some impact, primarily due to CLA packages and salary indexation
- We will continue our vigilance over costs and aim to absorb expected inflationary effects in 2022

FY2021 risk costs well below through-the-cycle average

Risk costs (in € mln and in bps over customer lending)



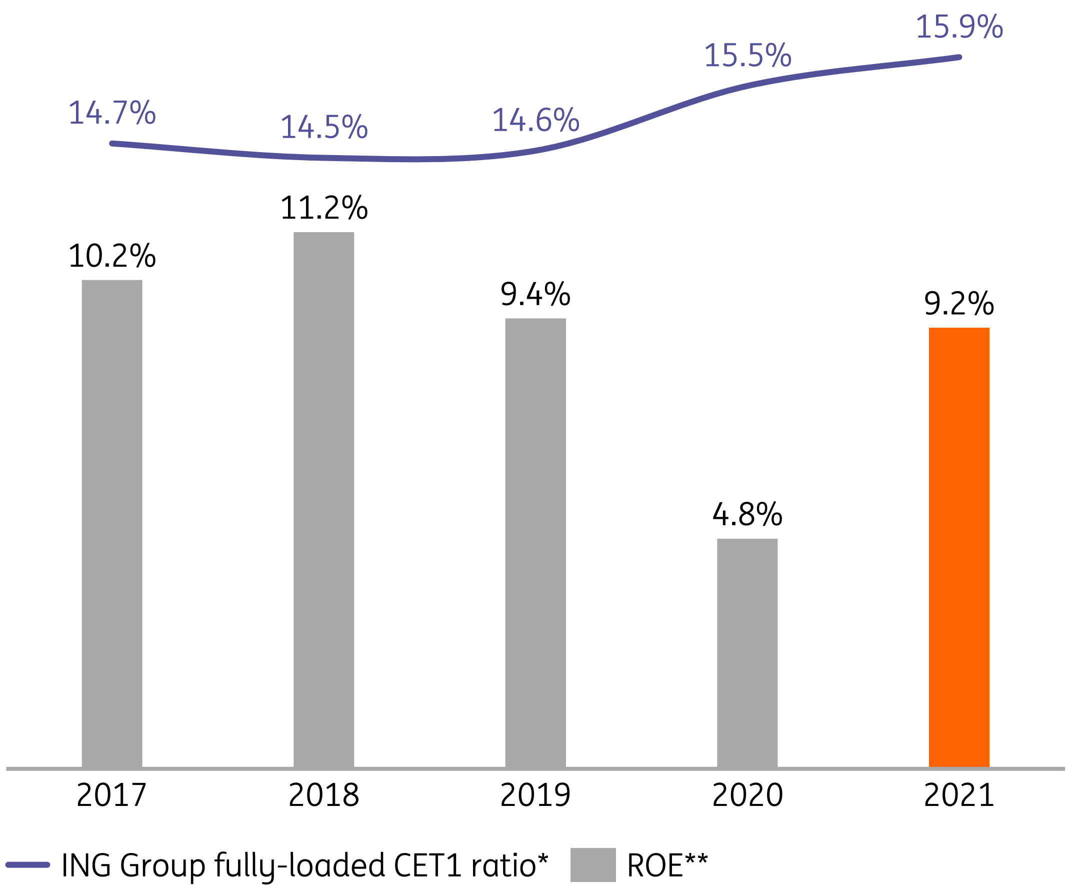
Stage 3 ratio



- Risk costs for 2021 were €516 mln, or 8 bps over average customer lending, well below our through-the-cycle average of ~25 bps
- Risk costs were primarily driven by additions to Stage 3, mainly reflecting additions for existing files. Provisioning in Stage 1 and 2 was reduced, primarily driven by the partial release of management overlays applied in previous quarters
- The Stage 3 ratio was 1.5% at year-end 2021 and we remain confident on the quality of our loan book
  - Well-diversified loan book in terms of product type, client segment and geography
  - Almost fully senior and well-collateralised with the majority of exposure in Wholesale Banking to investment grade customers
  - Historically provisioning has been more than sufficient to cover actual write-offs

Our 10-12% ROE ambition

CET1 ratio and Return on Equity



* Basel III CET1 ratio of 14.5% as per 1 January 2018 due to IFRS 9 adoption
** For 2017-2018 underlying ROE is shown; ROE is calculated using ING Group's IFRS-EU shareholders' equity after excluding 'reserved profit not included in CET1 capital' as from end-1Q2017 onwards

- We run ING with a 10-12% through-the-cycle ROE ambition
- 2021 ROE recovered, mainly reflecting lower IFRS 9 provisioning, while still being affected by several sizeable negative incidentals in the P&L, other Covid-19 related effects, negative rates, regulatory impacts on RWA and a CET1 ratio well above our ambition
- Our 10-12% ROE ambition is supported by several factors
  - Primary customer growth
  - Ambition for 3-4% loan growth and 5-10% fee growth
  - Maintain high asset quality and a low Stage 3 ratio through our strong risk management framework
  - Normalised level of international payments transactions
  - Continue where suitable with charging for actual costs of operating (savings) accounts, custody fees, daily banking packages and negative rates on savings
  - Management actions to absorb regulatory RWA inflation
  - Ongoing discipline and measures on costs
  - Lower regulatory costs as funds required for the DGS and SRF are filled
  - Over time bring our CET1 ratio, currently at 15.9%, in line with our ambition of ~12.5%

ING Group financial ambitions

		Actual 2020	**Actual 2021**	Financial ambitions
Capital	CET1 ratio (%)	15.5%	**15.9%**	~12.5%* (Basel IV)
Profitability	ROE (%)** (IFRS-EU Equity)	4.8%	**9.2%**	10-12%
	*C/I ratio (%)***	*63.2%*	***60.5%***	*50-52%*
Distribution	Distribution (per share)	€0.12***	**€0.89*******	50% pay-out ratio*****

* Implies management buffer (incl. Pillar 2 Guidance) of ~180 bps over fully-loaded CET1 requirement of 10.71%
** Based on 4-quarter rolling average. ING Group ROE is calculated using IFRS-EU shareholders' equity after excluding 'reserved profit not included in CET1 capital'
As at 31 December 2021, this amounted to €1,568 mln, reflecting the remaining amount reserved for distribution from the 2021 resilient net profit
*** Final dividend over 2020
**** Consisting of the remaining dividend over 2020 (€0.27 per share), interim dividend over 2021 (€0.21 per share) and the proposed final dividend over 2021 (€0.41 per share)
***** Of resilient net profit

Business profile

Well-diversified business mix with many profitable growth drivers

Retail Banking

- Focus on earning the primary relationship
- We use technology to offer a differentiating experience to our customers
- Distribution increasingly through mobile devices which requires simple product offering

Market Leaders
Netherlands, Belgium, Luxembourg

Challengers
Australia, France*, Germany, Italy, Spain

Growth Markets
Philippines, Poland, Romania, Turkey, Asian bank stakes

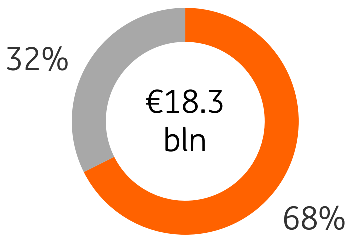
Wholesale Banking International Network

Wholesale Banking

- Our business model is similar throughout our global WB franchise
- With a sector and client-driven strategy, our global franchises serve corporates, multinational corporations, financial institutions, governments and supranational bodies

Total income**

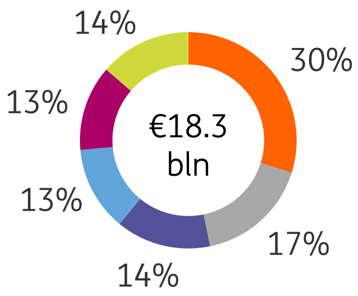
FY2021



■ Retail Banking
■ Wholesale Banking

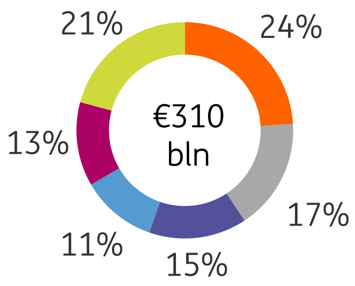
Total income**

FY2021



RWA (end of period)**

FY2021



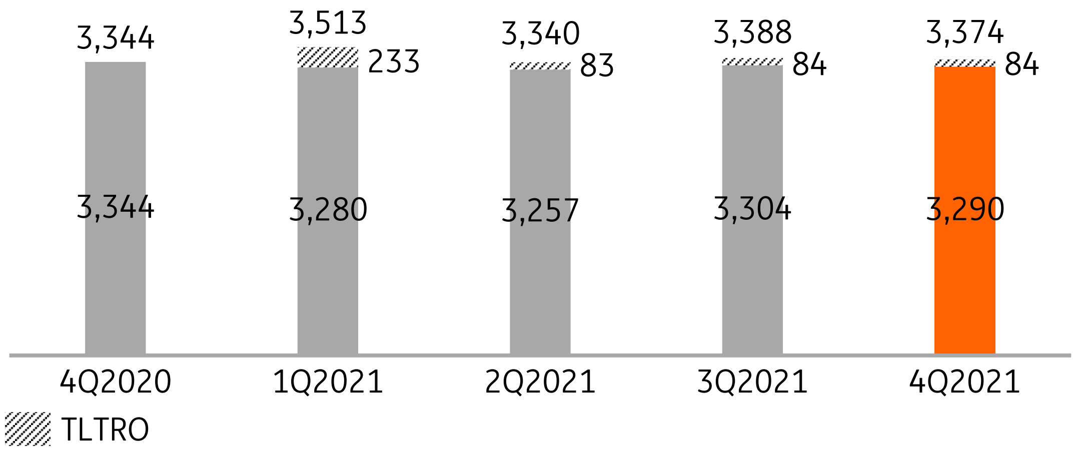
■ Netherlands ■ Belgium ■ Germany ■ Other Challengers ■ Growth Markets ■ WB Rest of World

* Discontinuation of retail banking activities has been announced
** Segment “Other" is not shown on the slide. For this segment (Corporate Line and Real Estate run-off portfolio), total income was €226 mln in FY2021 and RWA was €3.2 bln as per 31 December 2021

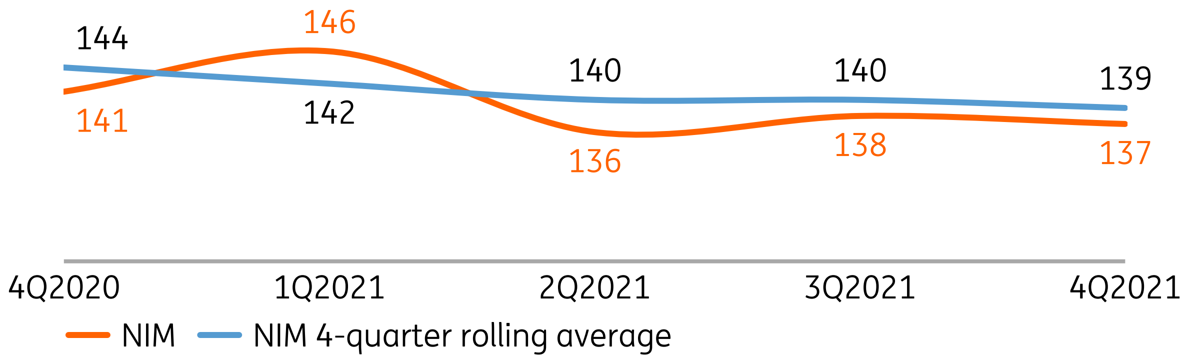
4Q2021 results

Resilient NII; 4-quarter rolling average NIM broadly stable at 139 bps

Net interest income (in € mln)



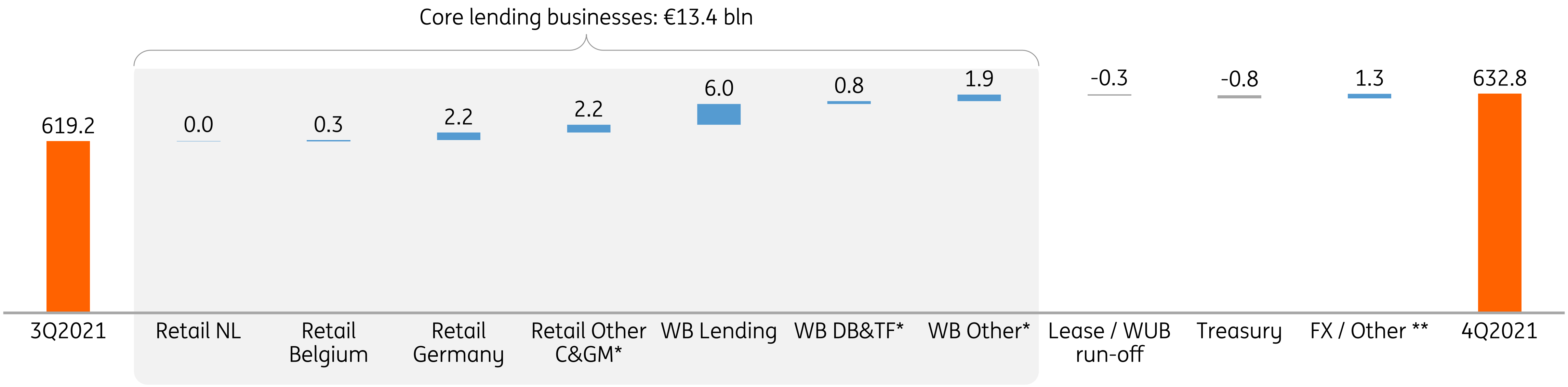
Net Interest Margin (in bps)



- NII was supported by a €84 mln TLTRO III benefit. Excluding this benefit, NII YoY was supported by higher average lending volumes and a higher contribution of negative interest rate charging in Retail Benelux. This was offset by continued pressure on customer deposit margins on higher average liability volumes and a €-23 mln reclassification in Retail Belgium from Other income to NII
- Sequentially, NII excluding the TLTRO III benefit and the aforementioned €-23 mln reclassification, was supported by growth in lending NII and a higher contribution from negative interest rate charging, which more than offset pressure on customer deposit margins
- 4Q2021 NIM was 137 bps, down one basis point from 3Q2021. This was caused by the reclassification in Retail Belgium, while the liability margin remained stable, supported by the increased charging of negative interest rates

Sustained mortgage growth, higher demand in WB

Customer lending 4Q2021 (in € bln)

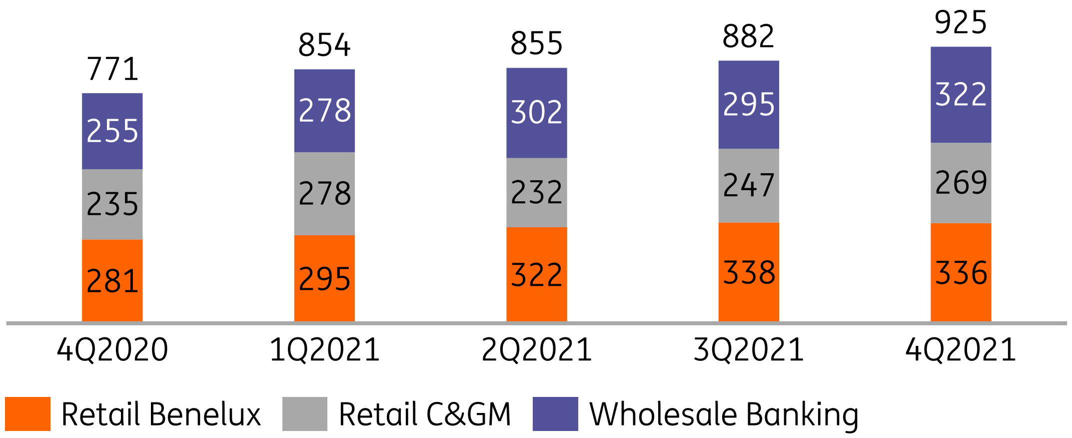


- Net core lending growth was €13.4 bln in 4Q2021
  - Retail Banking was €4.8 bln higher. Mortgages grew by €4.1 bln, due to sustained growth in most countries (primarily in Germany, Spain, Australia and Poland), whereas other retail lending increased by €0.7 bln
  - Wholesale Banking rose by €8.6 bln, mainly in Lending, primarily reflecting growth in term loans, and higher short-term facilities in Financial Markets
- Net core deposits growth was €-2.1 bln

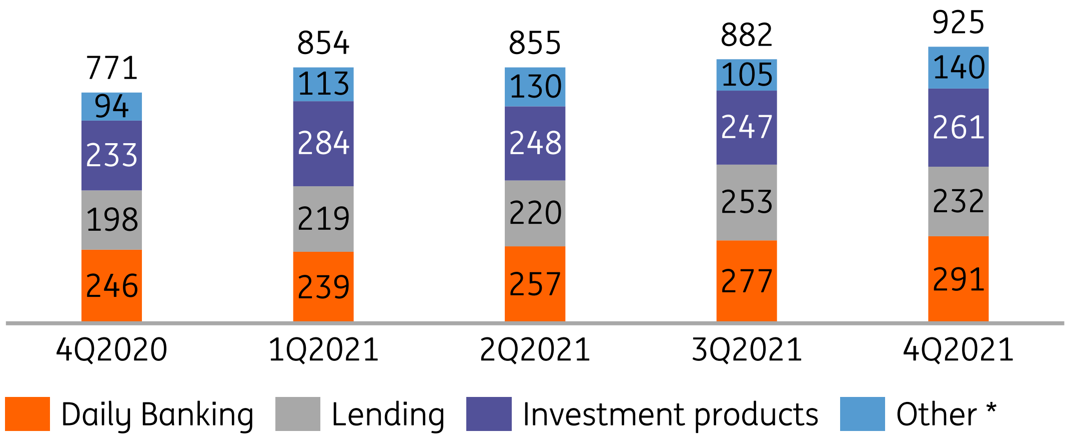
* C&GM is Challengers & Growth Markets; DB&TF is Daily Banking & Trade Finance; WB Other includes Financial Markets
** FX impact was €2.0 bln and Other €-0.7 bln

Fee income strong

Net fee & commission income per business line (in € mln)



Net fee & commission income per product category (in € mln)

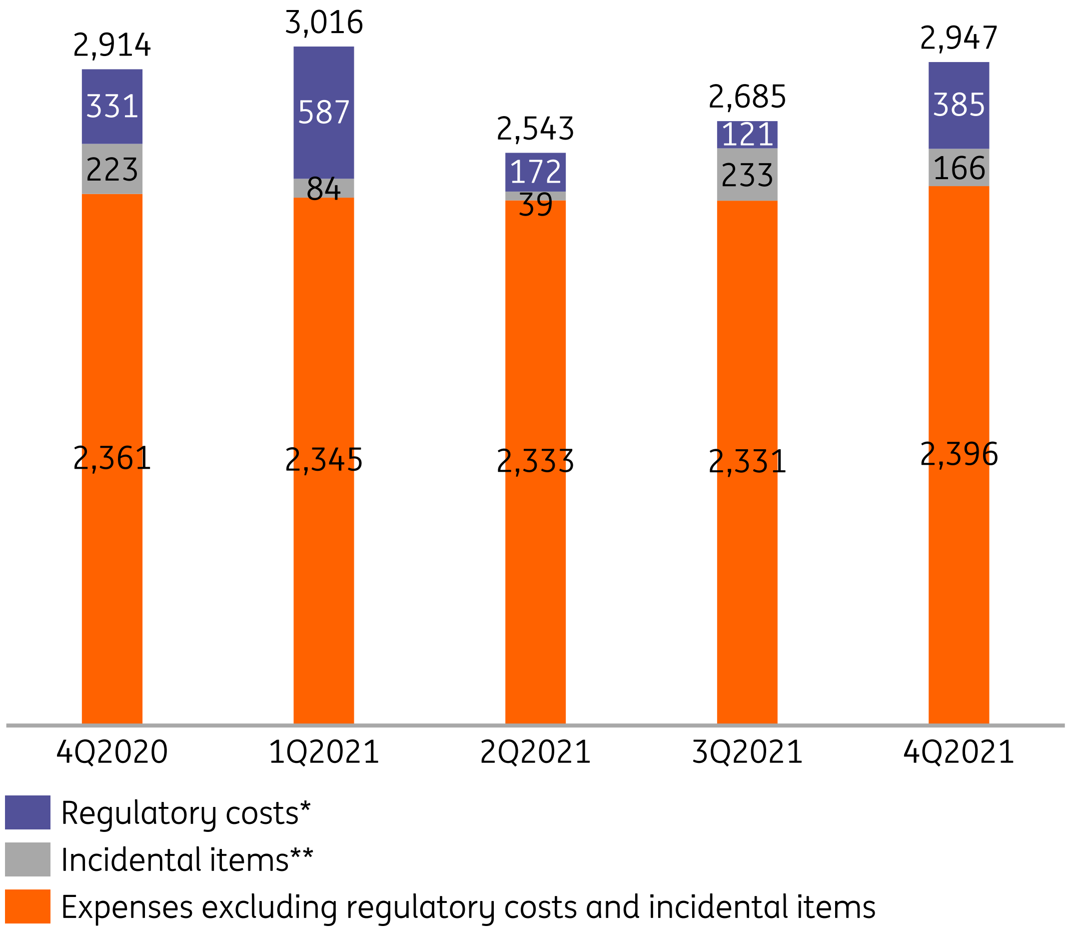


- Compared to 4Q2020, overall fee growth was 20%
  - In Retail Banking, fee growth was 17%. This was mainly driven by daily banking fees, as the benefit from higher package fees became visible, while (domestic) payment transactions further recovered. Fees from investment products were higher as assets under management, the number of new accounts and number of trades all increased. Lending fees were also up
  - Fees in Wholesale Banking were up 26%, driven by higher fees in FM, Lending, TCF and Corporate Finance
- Sequentially, fees increased 5% on a strong 3Q2021. In Retail Banking, investment product and daily banking fees both increased, mainly due to the aforementioned factors. In Wholesale Banking, fees were higher mainly due to FM, Corporate Finance and Daily Banking

* Other includes insurance products and Financial Markets

Operating expenses under control

Expenses (in € mln)

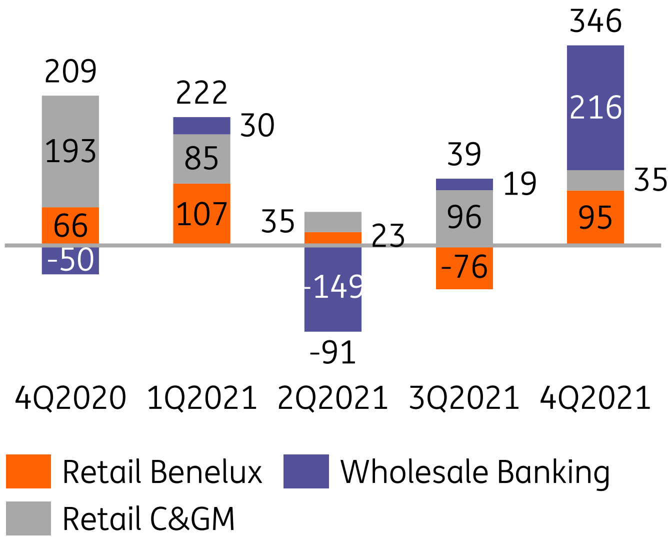


- Expenses included €166 mln of incidental items, mainly due to €141 mln redundancy provisions and impairments related to the announced discontinuation of the retail banking activities in France. This compares to €223 mln of incidental items in 4Q2020 and €233 mln in 3Q2021
- Excluding incidental items and regulatory costs, expenses were 1.5% higher YoY, as cost saving initiatives could only partly offset a lower VAT refund and higher staff expenses related to performance accruals and CLA increases
- Sequentially expenses excluding regulatory costs and incidental items, were up, mainly driven by an increase in staff costs, including higher performance-related expenses, as well as higher costs for marketing and IT
- Regulatory costs were €54 mln higher YoY, mainly reflecting an incidental 50% increase in the annual Dutch bank tax
- QoQ regulatory costs were €264 mln higher, as the full-year Dutch bank tax is paid in the fourth quarter

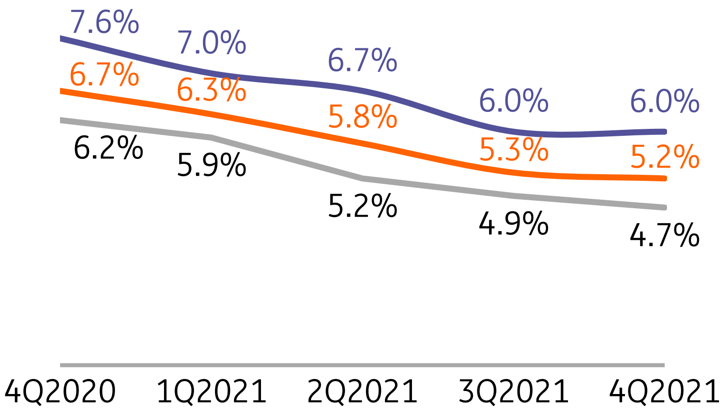
* Formal build-up phase of Deposit Guarantee Schemes (DGS) and Single Resolution Fund (SRF) should be completed by 2024
** Incidental expenses as included in volatile items on slide 45

Risk costs remain below the through-the-cycle average

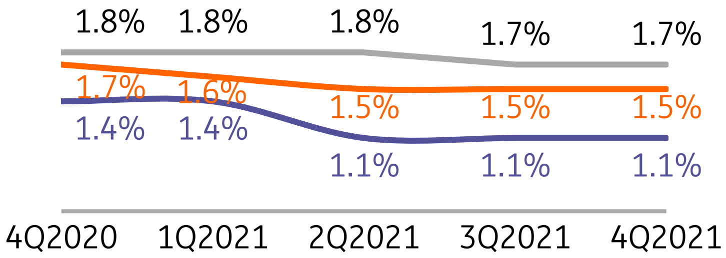
Risk costs per business line (in € mln)



Stage 2 ratio*



Stage 3 ratio



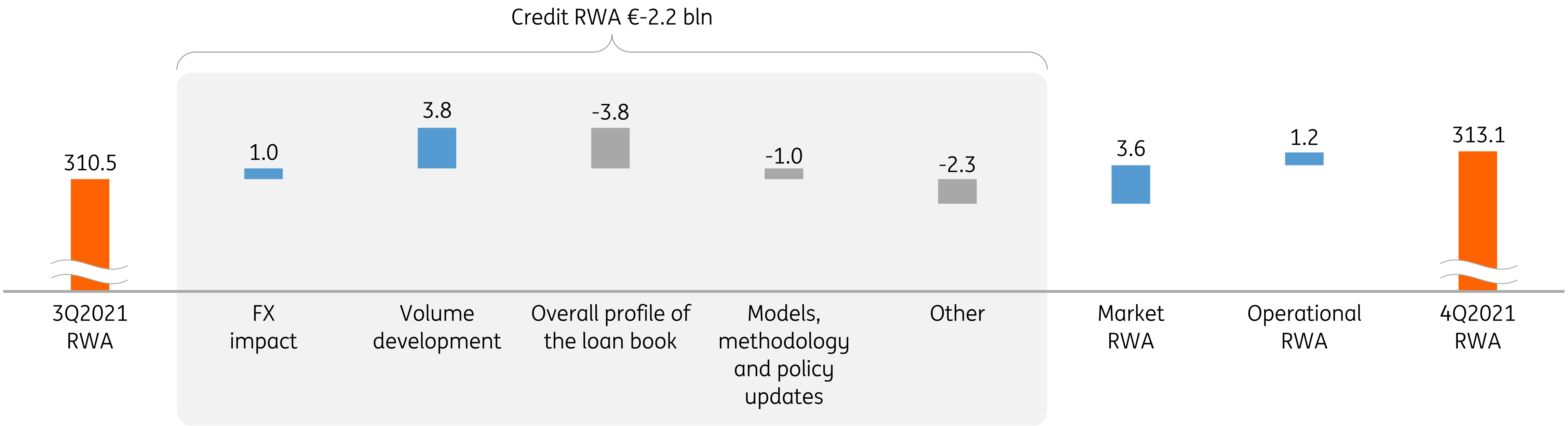
- 4Q2021 risk costs were €346 mln, or 22 bps of average customer lending, slightly below the through-the-cycle average of ~25 bps
- The majority was booked in Stage 3, which included €130 mln provisioning from updated recovery scenarios of existing clients, mainly in Wholesale Banking, reflecting uncertainty in recovery scenarios and valuations in certain asset classes. Risk costs further included a €124 mln management overlay related to residential mortgages, mainly in Stage 2 and 3, to reflect the potential impact of higher inflation and rising interest rates on customers' ability to pay and expected negative impact on property valuations
- An overall release was visible in Stage 1 and 2, mainly due to releases of management overlays applied in previous quarters
- In Retail Benelux, risk costs further included model updates in Belgium and some individual Stage 3 additions. Risk costs in Retail C&GM further reflected some collective provisions, mainly in Poland, Spain and Turkey. Risk costs in Wholesale Banking further included a limited number of individual Stage 3 additions
- The Stage 2 ratio was down to 5.2% and the Stage 3 ratio remained 1.5%

* Stage 2 ratio has been corrected reflecting a model adjustment in residential mortgages in Retail The Netherlands

Capital

Total risk-weighted assets increased in 4Q2021, reflecting higher lending volumes and higher market RWA

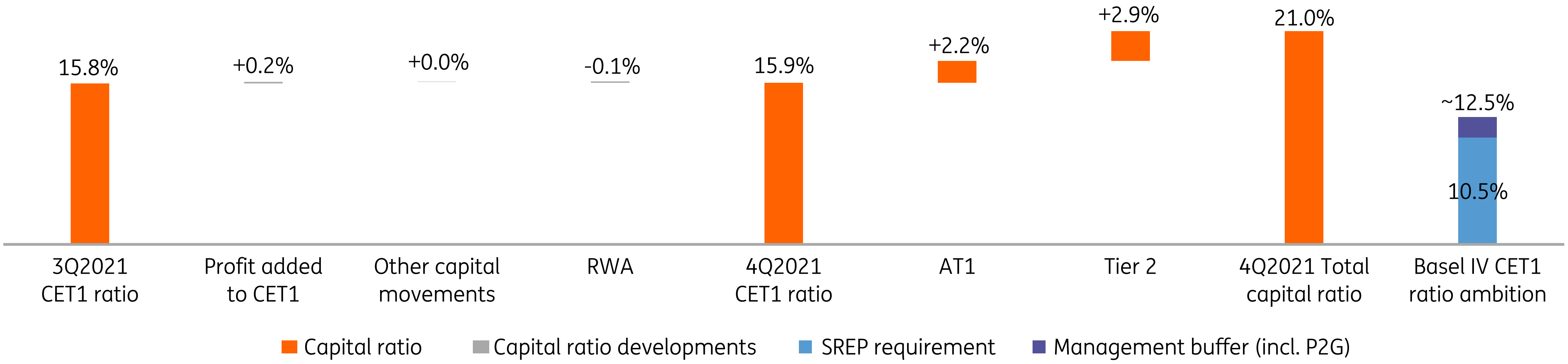
ING Group risk-weighted assets development (in € bln)



- In 4Q2021, RWA increased by €2.5 bln to €313.1 bln. Credit RWA decreased by €2.2 bln, mainly driven by a better overall profile of the loan book, lower RWA on NPLs and the transfer of our Retail Banking activities in Austria to bank99. The decrease was partially offset by higher lending volumes
- Market RWA increased by €3.6 bln, largely caused by not yet being able to consolidate positions and apply netting this quarter as a result of regulations, mainly reflected in Financial Markets
- Operational RWA increased by €1.2 bln due to regular updates to the AMA model

Strong ING Group CET1 ratio at 15.9%, excluding €1,568 mln profit reserved for distribution

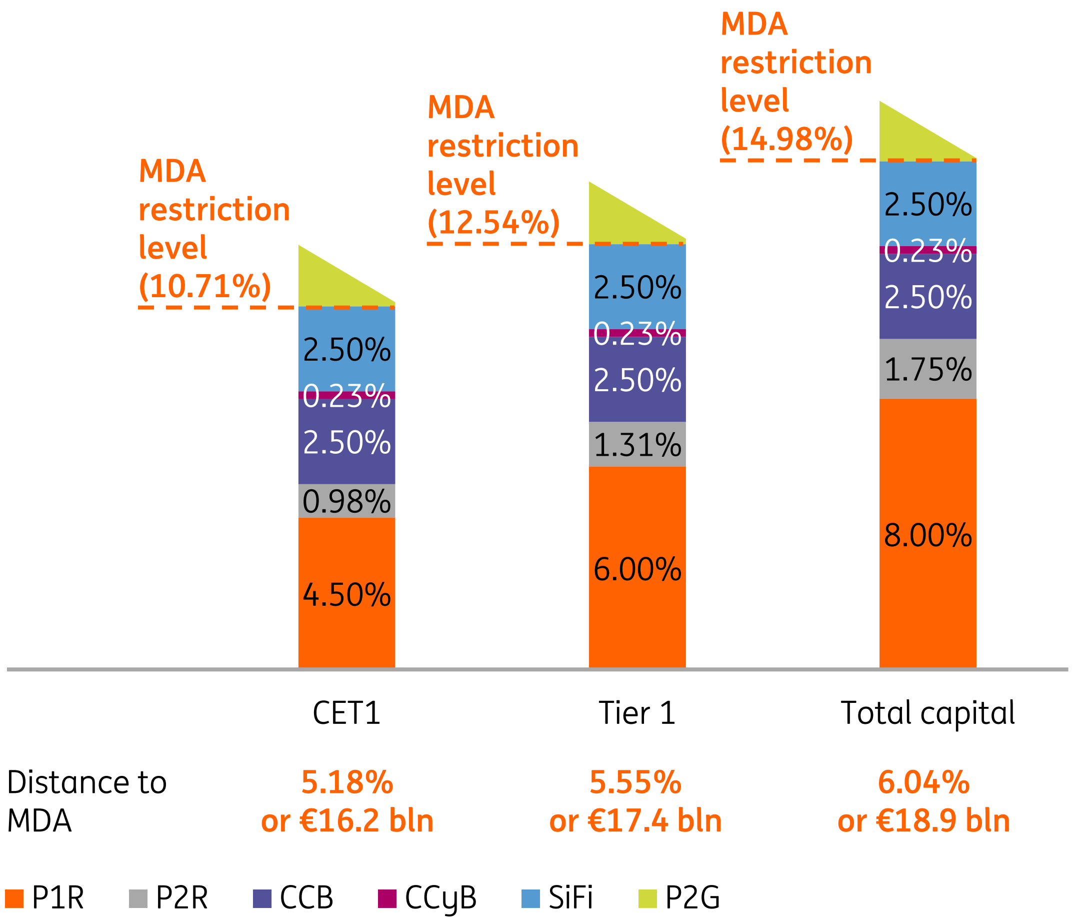
ING Group Total capital ratio development (in %)



- The 4Q2021 CET1 ratio increased to 15.9%, driven by higher CET1 capital
- CET1 capital was €0.6 bln higher, mainly reflecting the addition of 50% of the 4Q2021 net profit (€0.5 bln)
- At the end of 4Q2021, there was €1,568 mln of reserved profits not included in CET1 capital
- The 4Q2021 AT1 ratio was stable at 2.2%. The Tier 2 ratio increased by 0.3%-point to 2.9%, reflecting the issuance of a €1.0 bln Tier 2 instrument in November 2021. We benefit fully from the CET1 capital relief provided by article 104(a) CRD V

Buffer to fully-loaded Maximum Distributable Amount, including announced CCyB increases, remained strong at ~5%

ING Group fully-loaded SREP



- ING Group's fully-loaded CET1 requirement is 10.71%
  - 4.50% Pillar 1 Requirement (P1R)
  - 0.98% Pillar 2 Requirement (P2R)
  - 2.50% Capital Conservation Buffer (CCB)
  - 0.23% Countercyclical Buffer (CCyB)*
  - 2.50% Systemically Important Financial Institutions Buffer (SiFi)
- Fully-loaded Tier 1 requirement is 12.54%
  - 0.33%-point of P2R can be filled with AT1
- Fully-loaded Total Capital requirement is 14.98%
  - 0.44%-point of P2R can be filled with Tier 2

* Fully-loaded CCyB increased by 0.19% to 0.23% in 4Q2021, mainly due to announced increases in Germany and the UK; 4Q2021 CCyB remained 0.03%

ING's distribution plans in 2022 and beyond

ING's Distribution Policy

- Pay-out ratio of 50% of resilient net profit
  - Net profit adjusted for significant items not linked to the normal course of business
  - To be paid out in cash or a combination of cash and share repurchases, with the majority in cash
  - Cash-only interim dividend, representing ~1/3 of first half year resilient net profit, to be paid out with our half year results
- Additional return of structural excess capital
  - To be considered periodically, taking into account alternative opportunities as well as macro-economic circumstances and the outcome of our capital planning

Distribution in 2022 and beyond

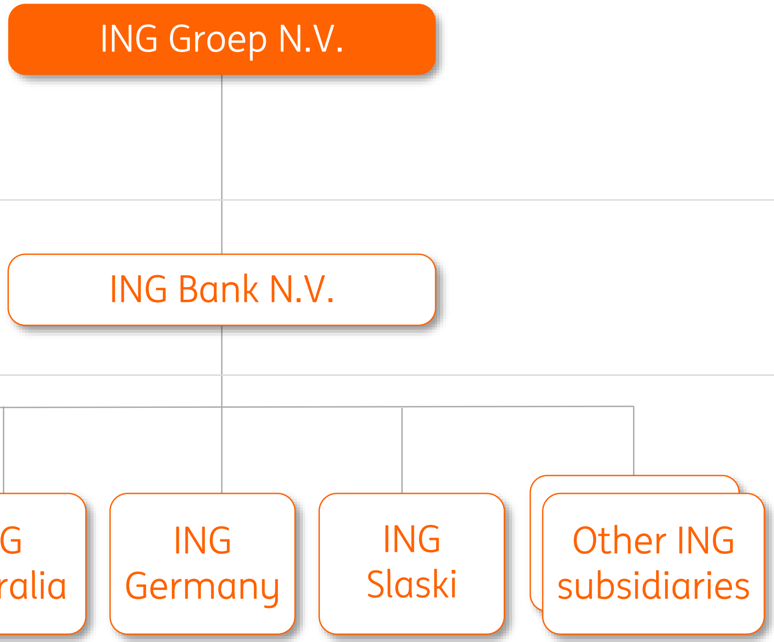
- We are on track to reach our 10-12% ROE ambition
- In line with our policy, we intend to distribute 50% of resilient net profit, resulting in an attractive yield for shareholders
  - Our current share buyback programme will be finalised before 5 May 2022
  - We will pay a final dividend over 2021 of €0.41 per share in May 2022, subject to AGM approval
- The remaining 50% of resilient net profit can be used to support profitable loan growth, meet regulatory requirements, inorganic opportunities and / or additional shareholder return
- With a CET1 ratio of ~15.9% at the end of 4Q2021, ING holds a significant amount of capital in excess of our ~12.5% CET1 ambition
- We have a constructive dialogue with the ECB about the potential distribution of excess capital and will announce next steps when required approvals are in place

Funding & liquidity

Issuance entities under our approach to resolution

Issuance entities

Designated resolution entity

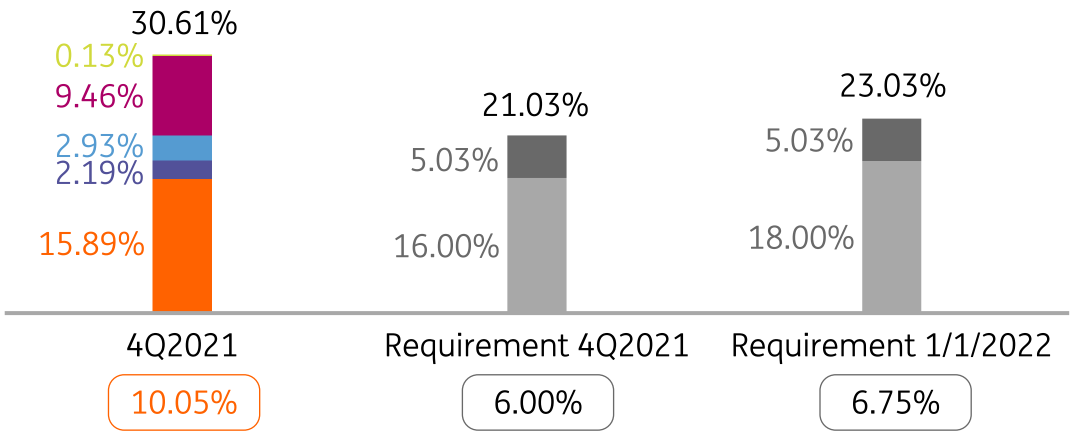


Eligible instruments for TLAC/MREL

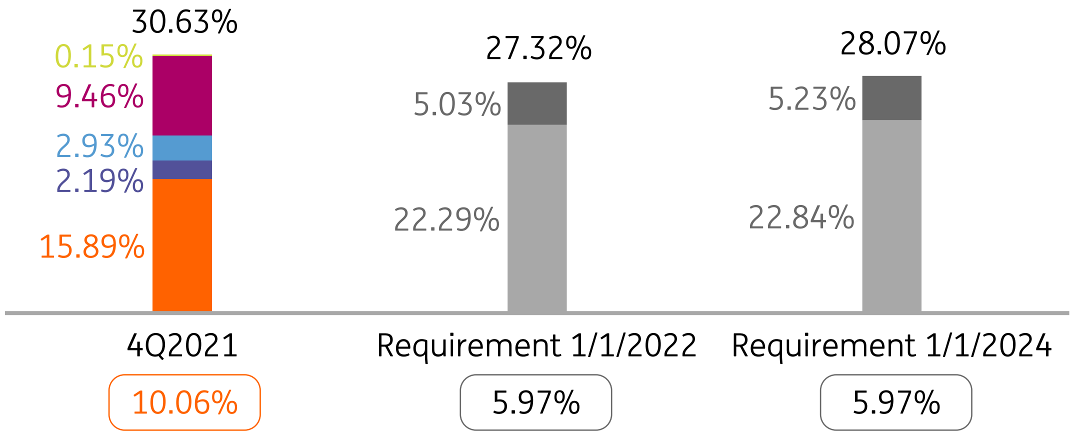
	TLAC	MREL
Own funds (CET1 / AT1 / Tier 2)	✓	✓
Senior unsecured debt (> 1 year)	✓	✓
Own funds	✓	✓
Senior unsecured debt (> 1 year)	✗	✗
Secured funding	✗	✗
Operational funding needs (un)-secured debt	✗	✗

ING meets its regulatory capital requirements

TLAC as % of RWA (and LR)



MREL as % of RWA (and LR)



CET1 AT1 T2 HoldCo Senior Adjustments* TLAC / MREL requirement CBR TLAC / MREL as % of leverage exposure

- ING follows a Single Point of Entry (SPE) resolution strategy and issues TLAC/MREL eligible instruments from its resolution entity ING Groep NV
- ING amply meets the end-state TLAC requirement with a TLAC ratio of 30.61% of RWA and 10.05% of TLAC leverage exposure (LR)
- RWA-based MREL is the most constraining requirement for ING. As per 31 December 2021, ING Group amply meets the intermediary MREL requirements as per 1 January 2022
- In 4Q2021, ING issued a €2 bln Senior HoldCo dual tranche transaction and a €100 mln private placement, bringing the FY2021 Senior HoldCo issuance volume to ~€8 bln

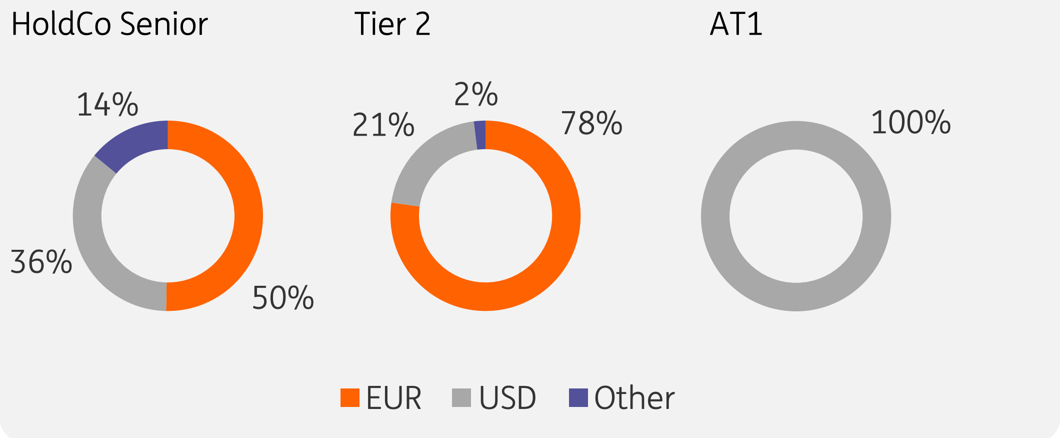
* Relates to regulatory adjustments on T2

Long-term debt maturity ladder and issuance guidance

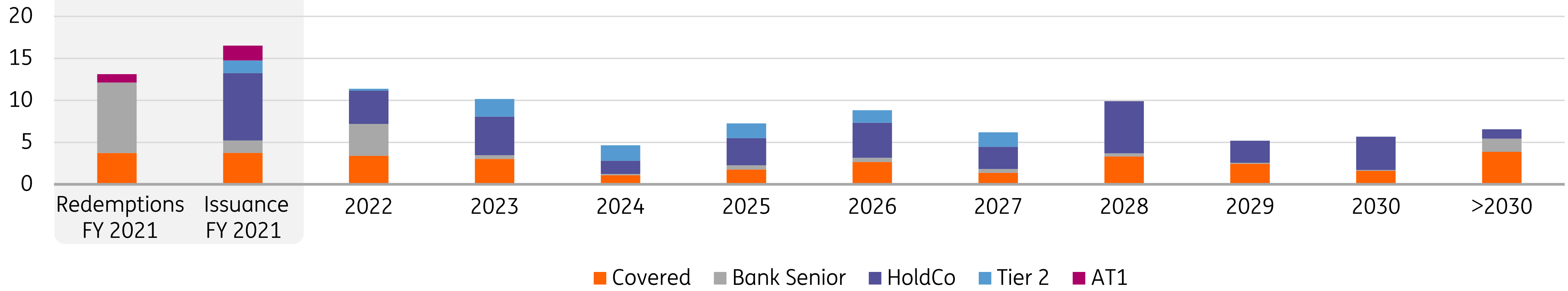
Issuance guidance 2022

- Guidance on HoldCo Senior issuances for 2022 is ~€8-10 bln, subject to balance sheet developments
- Covered bonds to be issued from various programmes in 2022
- OpCo Senior could be issued for internal ratio management and general corporate funding purposes

Currency Split



Long-term debt maturity ladder (in € bln)*

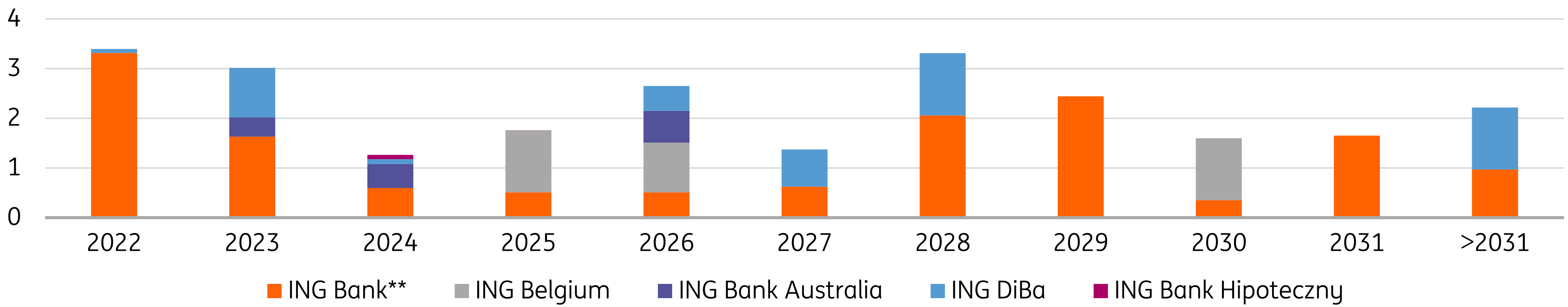


* Tier 2 maturities are based on the 1st call date for callable bonds and contractual maturity for bullets. All HoldCo Senior bonds are based on contractual maturity. Excluding RMBS

Covered bond funding through various programmes

	ING Bank N.V.	ING Belgium S.A./N.V.	ING Bank (Australia) Ltd	ING DiBa AG	ING Bank Hipoteczny
Instruments overview	▪ Secured funding ▪ Senior unsecured	▪ Secured funding	▪ Secured funding	▪ Secured funding	▪ Secured funding
Outstanding	▪ Covered bond*: €14.7 bln ▪ Senior unsecured: ~€8.0 bln	▪ Covered bond*: €3.5 bln	▪ Covered bond: AUD$2.4 bln	▪ Covered bond: €4.9 bln	▪ Green covered bond: PLN400 mln
Covered Bond programme	▪ ING Bank Hard and Soft Bullet CB Programme ▪ ING Bank Soft Bullet CB Programme ▪ ING Bank Soft Bullet 2 CB Programme	▪ ING Belgium Residential Mortgage Pandbrieven Programme	▪ ING Australia Covered Bond Programme	▪ ING-DiBa Residential Mortgage Pfandbrief Programme	▪ ING Bank Hipoteczny Covered Bond Programme

Maturity ladder of outstanding Covered Bonds as at 31 December 2021 (in €bln)**



* Externally placed covered bonds
** Maturity ladder as per contractual maturity

We issue green bonds to support meeting our sustainability objectives

ING's Green Bond Programme

- ING's Green Bond Framework is aligned with the ICMA Green Bond Principles and a Second Party Opinion (SPO) has been obtained from ISS-ESG
- ING allocates the net proceeds of the green bonds issued to an Eligible Green Loan Portfolio (EGLP), which includes renewable energy projects and green buildings
- Our total EGLP equals ~€8.5 bln*, with ~€4.9 bln of outstanding green bonds issued under the Debt Issuance Program in senior unsecured format as of 31 December 2021
- We intend to issue green bonds on a regular basis going forward

Green Covered Bonds

- As part of our Green Bond Programme, we aim to issue covered bonds in green format to support meeting our sustainability objectives
  - ING Bank Hipoteczny issued a PLN 400 mln Green Covered Bond in 2019 under its Green Bond Framework, which also has an SPO from ISS-ESG
  - ING DiBa-AG issued a €1.25 bln Green Pfandbrief which settled in October 2021, with the financing of energy efficient buildings as the use of proceeds
  - Under the ING Green Bond Framework, other ING subsidiaries have the ability and intention to issue Green Covered Bonds

Sustainability Ratings ING Groep N.V.

SUSTAINALYTICS

- Evaluation: Management of ESG material risk is 'Strong'
- Position: 17th percentile of 398 banks
- Updated: September 2021

MSCI

- Rating: AA
- Affirmed: December 2021

S&P Global

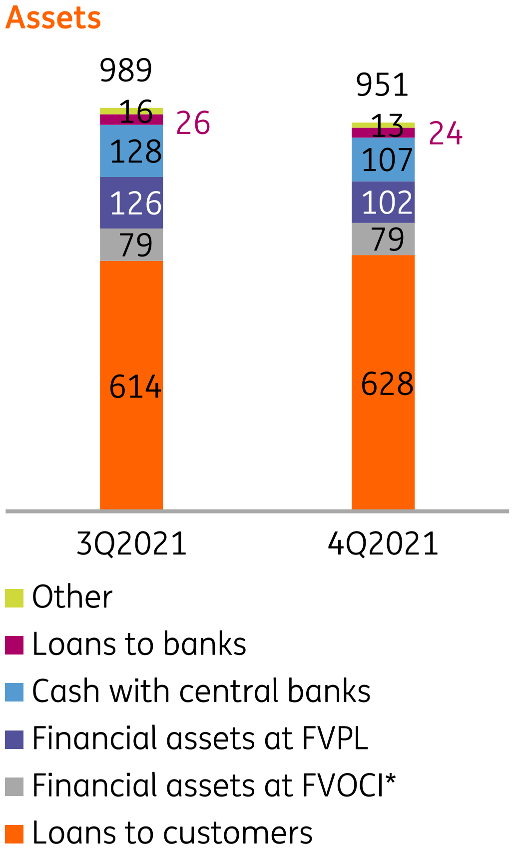
- ESG evaluation: Strong
- Score: 83/100
- Updated: January 2021

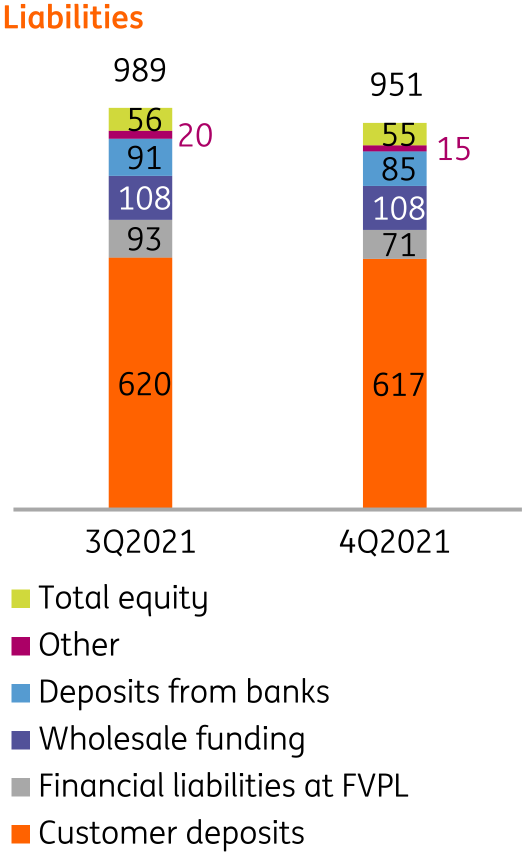
* As of latest allocation and impact report (FY2020)
See website for more details: https://www.ing.com/Sustainability.htm

Strong and conservative balance sheet with customer deposits as the primary source of funding

Balance sheet ING Group (in € bln)

- Balance sheet ING Group decreased to €951 bln in 4Q2021





Well-diversified customer loan book

- See "Asset Quality" section of this presentation

Stable funding profile

- Decrease in balance sheet mainly due to lower financial assets at fair value through P&L and lower cash and balances with central banks
- 65% of the balance sheet is funded by customer deposits
- 90% of total customer deposits is in Retail Banking
- Well-balanced loan-to-deposit ratio of 102% as per 31 December 2021**

Conservative trading profile

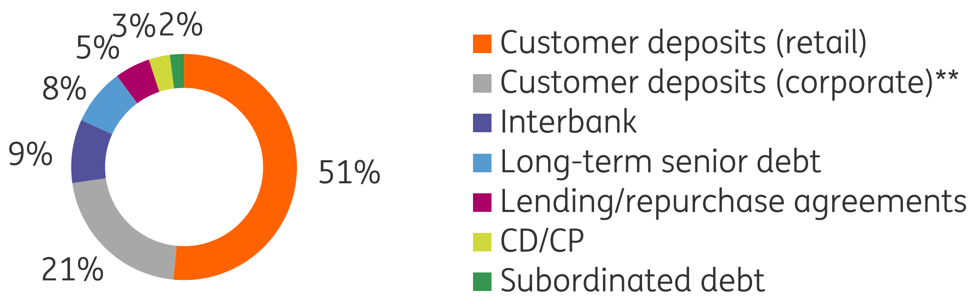
- Majority of our Financial Markets business is customer flow based where we largely hedge our positions, reflected in large, but often offsetting, positions in assets and liabilities at Fair Value
- Average VaR for ING's trading portfolio during 4Q2021 remained stable at €5 mln

* Including securities at amortised cost
** Loan-to-deposit ratio is calculated as customer lending including provisions for loan losses divided by customer deposits

Robust liquidity position with a 12-month moving average LCR of 139%

Funding mix*

31 December 2021



ING maintains a sizeable liquidity buffer

- ING's funding consists mainly of retail deposits, corporate deposits and public debt
- ING's 12-month moving average LCR decreased to 139% due to a decrease in the liquidity buffer
- Besides the HQLA buffer, ING maintains large pools of ECB-eligible assets, in the form of internal securitisations and credit claims

Liquidity buffer

- Level 1: mainly core European sovereign bonds, SSA and US Treasuries
- Level 1B: core European and Nordic covered bonds
- Level 2A: mainly Canadian covered bonds
- Level 2B: mainly short-dated German Auto ABS

LCR 12-month moving average (in € bln)

	31 December 2021	30 September 2021
Level 1	154.8	153.3
Level 2A	5.0	4.8
Level 2B	5.6	5.0
Total HQLA	**165.4**	**163.0**
Stressed outflow	**206.6**	**199.2**
Stressed inflow	**87.5**	**84.8**
LCR	**139%**	**142%**

* Liabilities excluding trading securities and IFRS-EU equity
** Includes SME / Midcorps from Retail Banking

Strong rating profile at both Group and Bank levels

Main credit ratings of ING as of 2 February 2022

	S&P	Moody's	Fitch
Stand-alone rating	a	baa1	a+
Government support	-	1 notch	-
Junior debt support	1 notch	N/A	-
Moody's LGF support	N/A	3 notches	N/A
ING Groep NV (HoldCo)			
Long-term issuer rating	A-	n/a	A+
Short-term issuer rating	A-2	n/a	F1
Outlook	Stable	Stable	Stable
Senior unsecured rating	A-	Baa1	A+
AT1	BB	Ba1	BBB
Tier 2	BBB	Baa2	A-
ING Bank NV (OpCo)			
Long-term issuer rating	A+	A1	AA-
Short-term issuer rating	A-1	P-1	F1+
Outlook	Stable	Stable	Stable
Senior unsecured rating	A+	A1	AA-
Tier 2	BBB+	Baa2	A-

Latest rating actions on ING Group and Bank

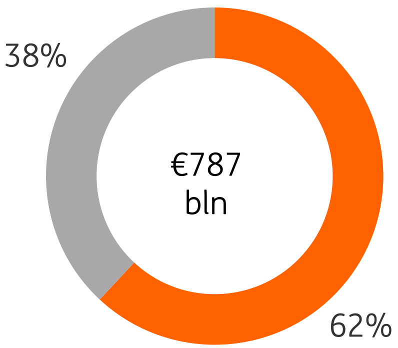
- Fitch: ING Bank was upgraded to AA- in February 2019. In November 2021, Fitch affirmed ING Group's and ING Bank's ratings and revised the outlooks from negative to stable, reflecting the group's better than anticipated financial performance during the pandemic and the stabilisation of the Dutch and Belgian operating environments
- Moody's: Both ING Group's and ING Bank's ratings and outlooks were affirmed in July 2021, reflecting Moody's view that ING's solvency and liquidity are robust and will remain resilient over the outlook horizon, despite a likely deterioration in asset quality and profitability due to the Covid-19 pandemic
- S&P: ING Bank was upgraded to A+ in July 2017, reflecting the expectation that ING will build a sizable buffer of bail-in-able debt, while maintaining strong capital adequacy metrics thanks to resilient financial performance, supportive internal capital generation, and a broadly similar risk profile. In June 2021, S&P changed ING Group's outlook from negative to stable, as a result of the improved economic outlook and the impact of the outlook on the BICRA for Dutch banks

Asset quality

Well-diversified lending credit outstandings by activity

ING Group*

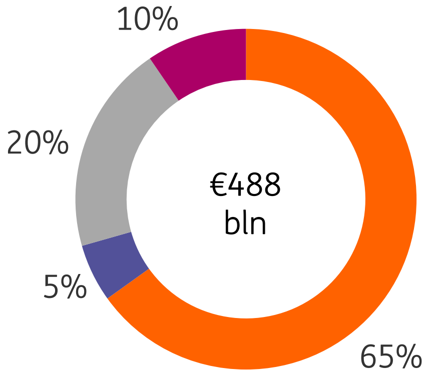
Lending credit O/S* 4Q2021



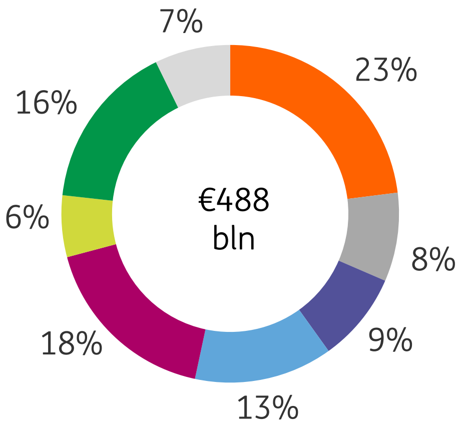
- Retail Banking
- Wholesale Banking

Retail Banking*

Lending credit O/S* 4Q2021



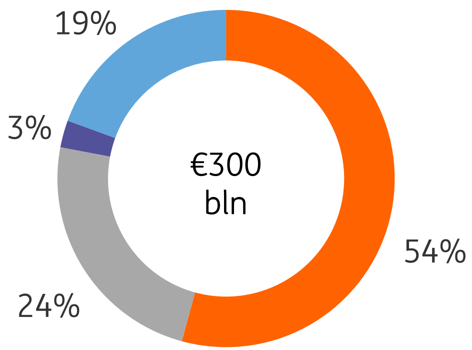
- Residential mortgages
- Consumer Lending
- Business Lending
- Other Lending**



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

Wholesale Banking*

Lending credit O/S* 4Q2021

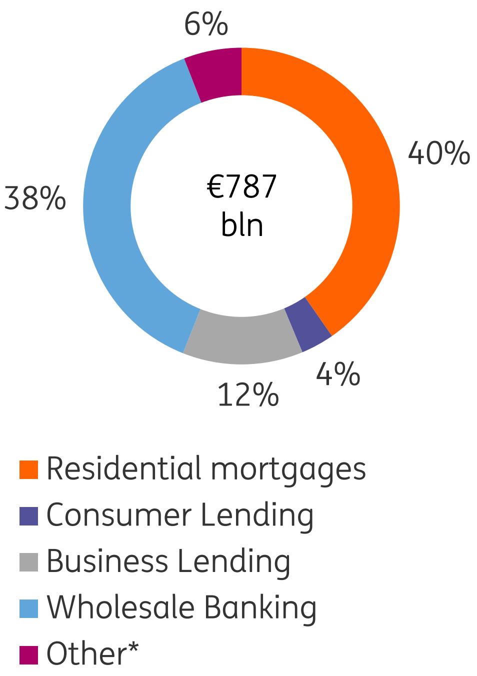


- Lending
- Daily Banking & Trade Finance
- Financial Markets
- Treasury & Other

- ING has a well-diversified and well-collateralised loan book with a strong focus on own-originated mortgages and senior loans

* Lending and money market credit outstandings, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)
** Other includes €36 bln Retail-related Treasury lending and €11 bln Other Retail Lending

Our lending book is senior and well-collateralised



Residential Mortgages
€317 bln

- Average LTV of 57% with low Stage 3 ratio at 1.1%
- Risk metrics remained strong

Consumer Lending
€27 bln

- Relatively small book, risk metrics slightly improved

Business Lending
€97 bln

- Limited exposure to most vulnerable sectors:
  - Agriculture: €5.1 bln (0.6% of loan book), Stage 3 ratio at 5.8%
  - Non-food Retail: €3.2 bln (0.4% of loan book), Stage 3 ratio at 3.3%
  - Hospitality + Leisure: €3.7 bln (0.5% of loan book), Stage 3 ratio at 6.8%

Wholesale Banking
€300 bln

- Limited exposure to most vulnerable sectors:
  - Leveraged Finance: €7.2 bln (capped at €10.1 bln), well-diversified over sectors
  - Oil & Gas: €16.6 bln of which €3.0 bln with direct exposure to oil price risk (0.4% of loan book; Reserve Based Lending (€2.0 bln) and Offshore business (€1.0 bln)), Stage 3 at 5.7%
  - Aviation: €4.2 bln (0.5% of loan book), Stage 3% at 1.9%
  - Hospitality + Leisure: €1.6 bln (0.2% of loan book), Stage 3% at 8.5%

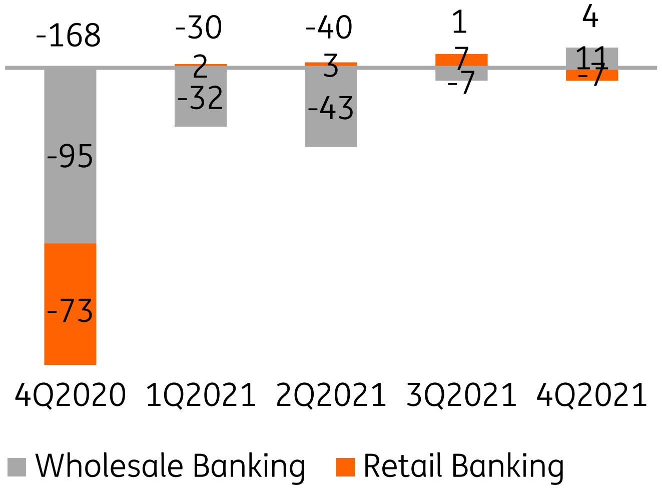
Commercial Real Estate (RB + WB)

- Total €48.9 bln (6.2% of loan book), booked in RB and WB
- Well-diversified capped loan book
- LtV at 48.0% and low Stage 3% at 1.2%

* Other includes €36 bln Retail-related Treasury lending and €11 bln Other Retail Lending

Provisioning per Stage

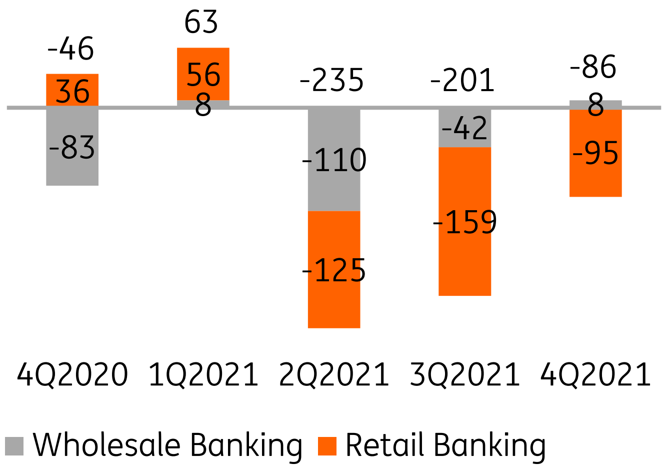
Stage 1 provisioning (in € mln)



Main drivers 4Q2021

- Partial release of management overlays applied in previous quarters relating to payment holidays and sector-based overlays

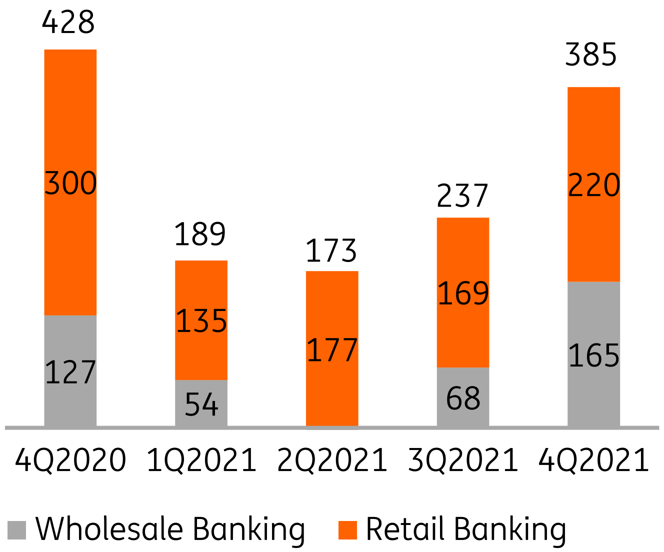
Stage 2 provisioning (in € mln)



Main drivers 4Q2021

- Partial release of management overlays applied in previous quarters relating to payment holidays and sector-based overlays

Stage 3 provisioning (in € mln)



Main drivers 4Q2021

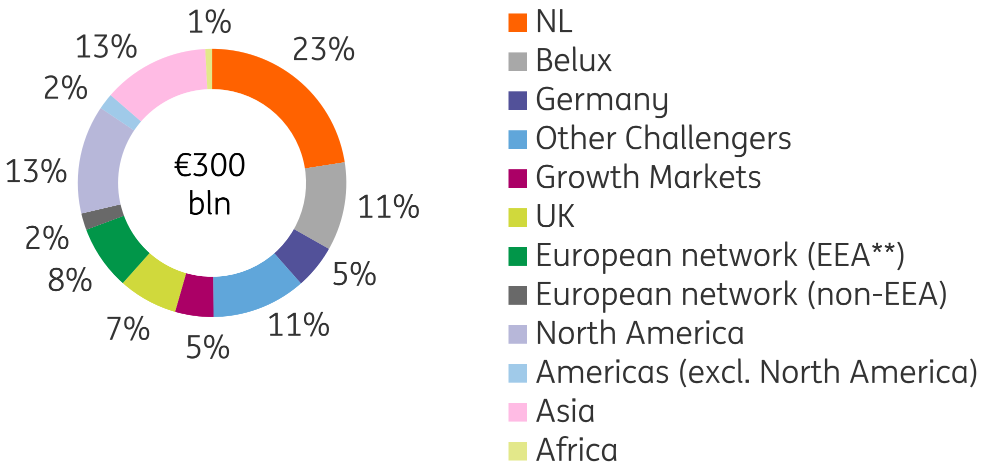
- Management overlay related to residential mortgages
- Additions for the potential impact of market uncertainty on the recovery value of certain asset classes, mainly in Wholesale Banking

Note: provisioning as shown per Stage excludes off-balance sheet provisioning and modifications

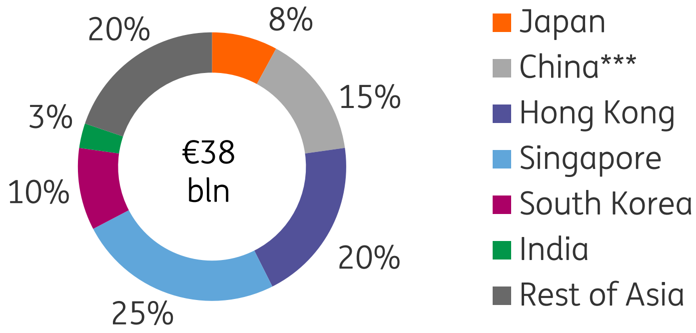
Wholesale Banking lending

Loan portfolio is well diversified across geographies…

Lending Credit O/S* Wholesale Banking

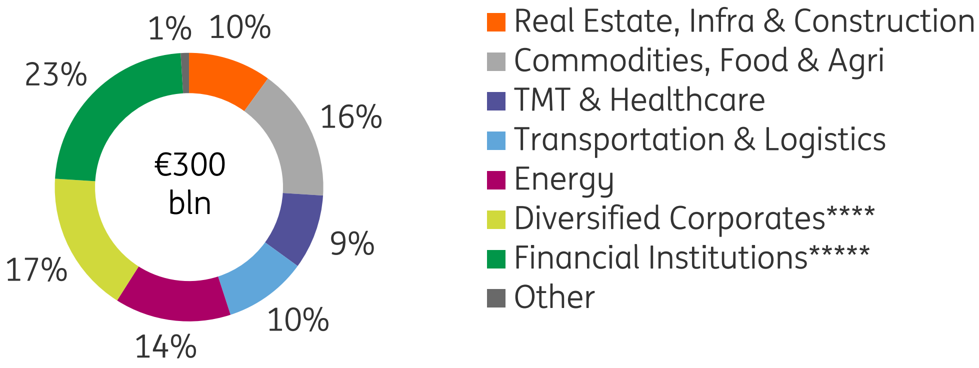


Lending Credit O/S* Wholesale Banking Asia



…and sectors

Lending Credit O/S* Wholesale Banking



Exposure to selected geographies

Lending Credit O/S* Russia, Ukraine and Turkey

- Russia €4.7 bln, of which ~25% is onshore
  - Mainly project and asset-based finance to exporters, typically in USD
  - Stage 3 ratio close to 0%
- Ukraine €0.6 bln, of which ~50% is onshore
  - Stage 3 ratio 0%
- Turkey €7.5 bln
  - Stage 3 ratio 2.8% and intra-group funding €0.5 bln

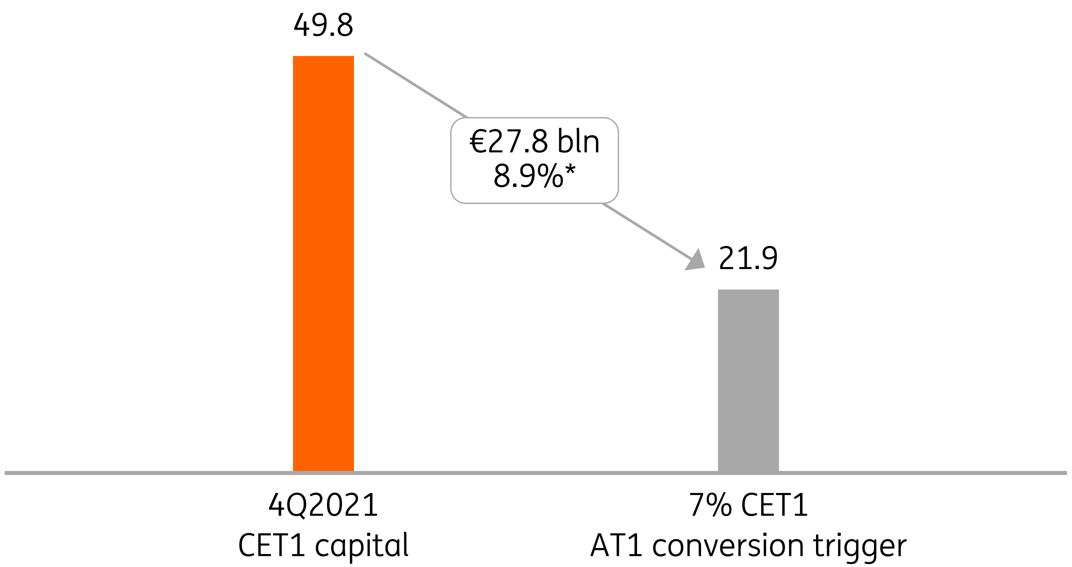
* Lending and money market credit O/S, including guarantees and letters of credit but excluding undrawn committed exposures and other off-balance sheet positions (such as pre-settlement limits, guarantees and money market facilities) ** European Economic Area; *** Excluding our stake in Bank of Beijing (€1.7 bln at 31 December 2021); **** Large corporate clients active across multiple sectors; ***** Including Financial sponsors

Appendix

Comfortable buffer to Additional Tier 1 trigger

Buffer to AT1 trigger (in € bln)

31 December 2021



ING Group available distributable items (in € mln)**

	2021
Share premium	17,105
Other reserves	31,940
Legal and statutory reserves	1,069
Non-distributable	-8,205
Total	**41,909**
Accrued interest expenses on own fund instruments at year-end	163
Distributable items excluding result for the year	**42,072**
Unappropriated result for the year	3,766
Total available distributable items	**45,837**

- ING Group capital buffer to conversion trigger (7% CET1) is high at €27.8 bln, or 8.9% of RWA
- This excludes €1,568 mln of net profits that we set aside for distribution to shareholders
- AT1 discretionary distributions may only be paid out of distributable items
- As per year-end 2021, ING Group had ~€45.8 bln of available distributable items following the CRR/CRD IV definition

* Difference between 15.9% ING Group CET1 ratio in 4Q2021 and 7% CET1 equity conversion trigger
** According to the CRR/CRD IV

Outstanding benchmark capital securities

(Additional) Tier 1 securities issued by Group

Currency	Issue date	First call date	Coupon	Outstanding (mln)**	Reset spread
USD*	Sep-21	May-27	3.875%	1,000	UST + 286bps
USD*	Sep-21	May-31	4.250%	1,000	UST + 286bps
USD	Feb-20	May-29	4.875%	750	UST + 351bps
USD*	Sep-19	Nov-26	5.750%	1,500	UST + 434bps
USD	Feb-19	Apr-24	6.750%	1,250	USSW + 420bps
USD	Nov-16	Apr-22	6.875%	1,000	USSW + 512bps
USD*	Apr-15	Apr-25	6.500%	1,250	USSW + 445bps

Tier 2 securities issued by Group

Currency	Issue date	First call date	Coupon	Outstanding (mln)**	Maturity
EUR	Nov-21	Nov-27	1.00%	1,000	Nov-32
EUR	June-21	June-27	0.875%	500	June-32
EUR	May-20	Feb-26	2.125%	1,500	May-31
EUR	Nov-19	Nov-25	1.00%	1,000	Nov-30
USD	Mar-18	Mar-23	4.70%	1,250	Mar-28
EUR	Mar-18	Mar-25	2.00%	750	Mar-30
EUR	Sep-17	Sep-24	1.625%	1,000	Sep-29
EUR	Feb-17	Feb-24	2.50%	750	Feb-29
EUR	Apr-16	Apr-23	3.00%	1,000	Apr-28

Tier 2 securities issued by Bank

Currency	Issue date	First call date	Coupon	Outstanding (mln)**	Maturity
USD	Sep-13	n/a	5.80%	811	Sep-23

* SEC registered
** Amount outstanding in original currency
Green bond

HoldCo Senior transactions in past 12 months

HoldCo Senior Unsecured, EUR issuances

ISIN	Issue date	First call date	Maturity	Tenor	Coupon	Currency	Issued (€ mln)	Reset spread
XS2421195178	Dec-21	Feb-33	Feb-34	12NC11	0.98%	EUR	100	3mE + 82
XS2413697140	Nov-21	Nov-29	Nov-30	9NC8	0.88%	EUR	750	3mE + 88
XS2413696761	Nov-21	Nov-24	Nov-25	4NC3	0.13%	EUR	1,250	3mE + 43
XS2390506546	Sep-21	Sep-27	Sep-28	7NC6	0.38%	EUR	1,500	3mE + 70
XS2281155254	Jan-21	Feb-29	Feb-30	9NC8	0.25%	EUR	1,500	3mE + 70

HoldCo Senior Unsecured, USD issuances*

ISIN	Issue date	First call date	Maturity	Tenor	Coupon	Currency	Issued (US$ mln)	Reset Spread
US456837AV55	Apr-21	Apr-26	Apr-27	6NC5	1.73%	USD	1,100	SOFR + 100.5
US456837AX12	Apr-21	Apr-26	Apr-27	6NC5	SOFR+101	USD	400	SOFR + 101
US456837AW39	Apr-21	Apr-31	Apr-32	11NC10	2.73%	USD	750	SOFR + 131.6

HoldCo Senior Unsecured issuances (other currencies)

ISIN	Issue date	First call date	Maturity	Tenor	Coupon	Currency	Issued (€ mln)	Reset spread
XS2305598216	Feb-21	Dec-27	Dec-28	8NC7	1.13%	GBP	800	SONIA + 90.5

Please note with regards to IBOR replacement:
ING has a limited outstanding amount of public securities and private placements referring to IBOR with a maturity date beyond the respective IBOR cessation date. The majority of the documentation pertaining to these instruments contain appropriate discontinuation language. Discontinuation language refers to the appointment of an Independent Advisor to determine an appropriate Successor Rate, failing which an Alternative Rate, and in either case, an Adjustment Spread (if any) and any Benchmark Amendments. For more information: see the paragraph titled "Benchmark Discontinuation" on page 74 of the Debt Issuance Programme dated 26 March 2021 or any updates thereafter.

* HoldCo USD issues are SEC registered unless mentioned otherwise
Green bond

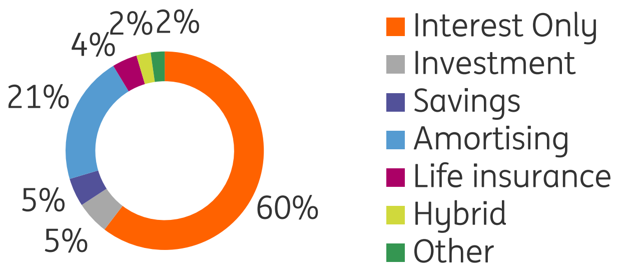
ING Bank's covered bond programme…

- ING Bank NV €30 bln Hard and Soft Bullet Covered Bonds programme
  - UCITS, CRR and ECBC Label compliant. Rated Aaa/AAA/AAA (Moody's/S&P/Fitch)
  - This programme is used for external issuance purposes. There is a separate €15 bln Soft Bullet Covered Bonds programme for internal transactions only and it is not detailed on this slide
  - Cover pool consists of 100% prime Dutch residential mortgage loans, all owner-occupied and in euro only. As per 31 December 2021, no arrears > 90 days in the cover pool
  - Strong Dutch legislation with minimum legally required over collateralisation (OC) of 5% and LTV cut-off rate of 80%
- Latest investor reports are available on www.ing.com/ir

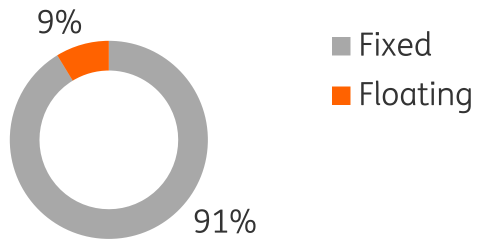
Portfolio characteristics*

Net principal balance	€18,544 mln
Outstanding bonds	€16,114 mln
# of loans	99,733
Avg. principal balance (per borrower)	€185,937
WA current interest rate	2.31%
WA remaining maturity	17.41 years
WA remaining time to interest reset	7.00 years
WA seasoning	12.36 years
WA current indexed LTV	57.653%
Min. documented OC	2.50%
Nominal OC	15.08%

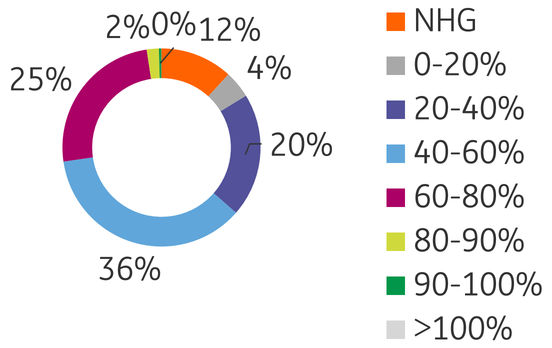
Redemption type*



Interest rate type*



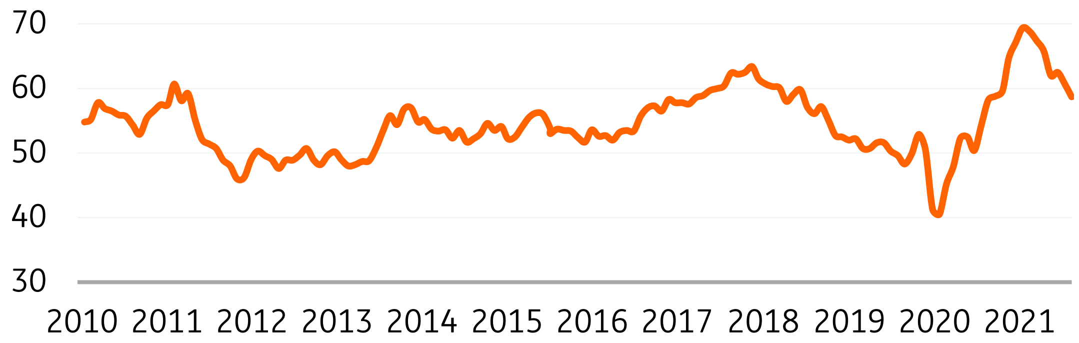
Current Indexed LTVs*



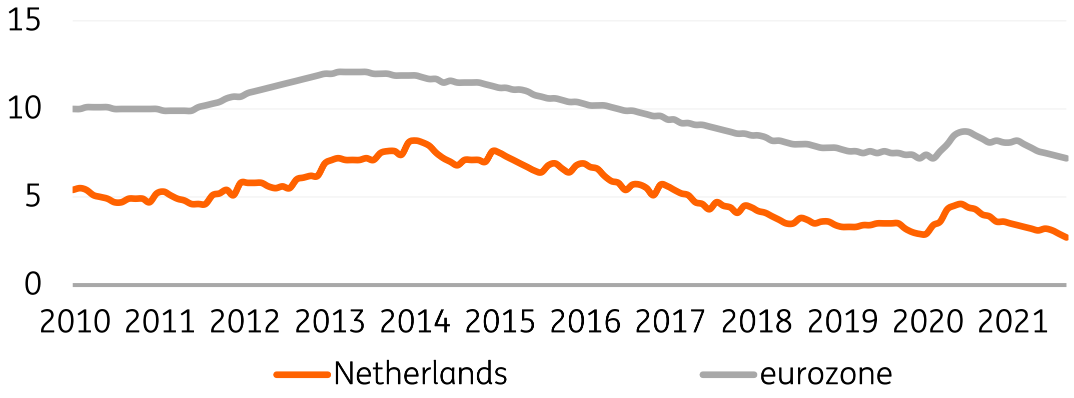
* As per 31 December 2021

…benefits from a continued strong Dutch housing market, which seems unaffected by economic uncertainty during the pandemic

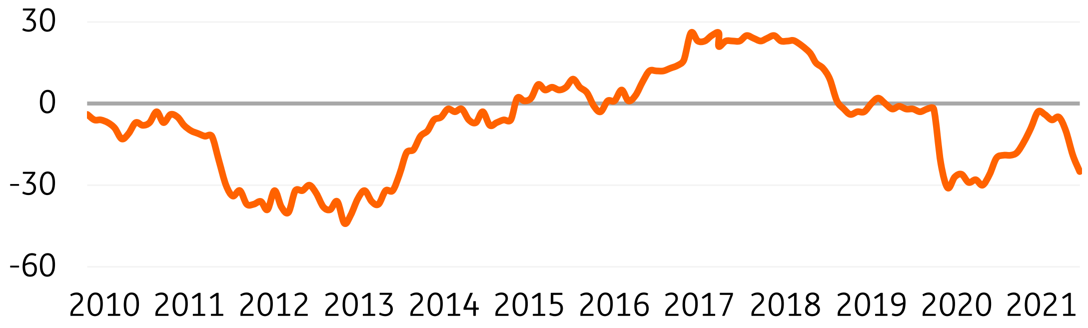
Dutch Purchasing Managers Index (PMI) indicating industrial growth, but decreased to 58.7 after new lockdown measures



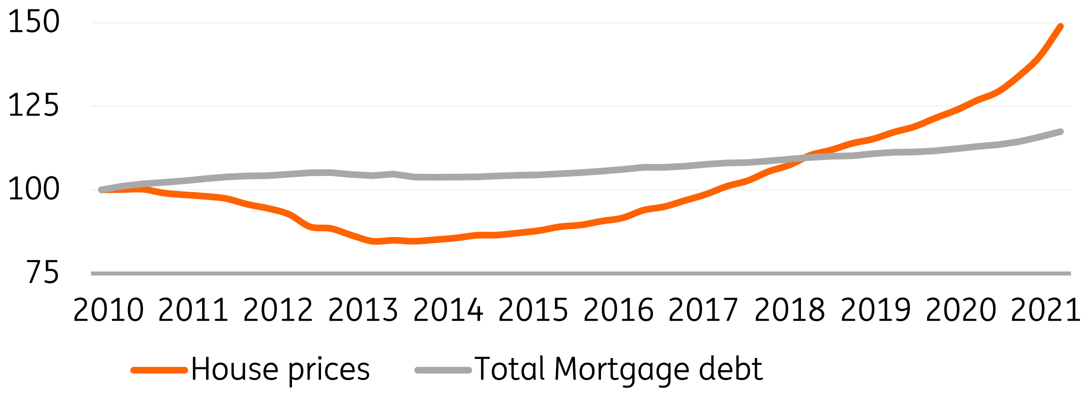
Dutch unemployment rates (%) continue to decrease since August 2020



Also Dutch consumer confidence was affected by Omicron-related uncertainty during 4Q2021



Dutch house price increases in the last six years are not credit driven*



Source: Central Bureau for Statistics for all data except for the Dutch PMI (IHS Markit) and eurozone unemployment (Eurostat)
* Reflects latest available data as of 3Q2021

Volatile items 4Q2021

Volatile items and regulatory costs (in € mln)

	4Q2020	1Q2021	2Q2021	3Q2021	4Q2021
WB/FM – valuation adjustments	-13	11	11	38	3
Capital gains/losses	3	36	-2	6	5
Hedge ineffectiveness	-59	23	11	7	-24
Other items income*	0	233	155	50	92
Total volatile items – income	**-69**	**303**	**175**	**101**	**76**
Incidental items - expenses**	-223	-84	-39	-233	-166
Total volatile items	**-292**	**219**	**136**	**-132**	**-90**
Regulatory costs	-331	-587	-172	-121	-385

* Other items income in 1Q2021 consists of €233 mln TLTRO III benefit; 2Q2021 consists of €83 mln TLTRO benefit and a €72 million receivable due to a better than expected recovery of the insolvency of a financial institution in the Netherlands; 3Q2021 consists of €84 mln TLTRO III benefit and €-34 mln estimated loss following the agreement to transfer ING's retail banking operations in Austria to bank99; 4Q2021 consists of €84 mln TLTRO III benefit and an €8 mln reversal of the estimated loss on the transfer of ING's retail banking operations in Austria to bank99

** Incidental items expenses in 4Q2020 consists of €-223 mln of incidental costs due to restructuring provisions and impairments as well as a provision for customer claims in the Netherlands; 1Q2021 consists of €-84 mln of redundancy and restructuring costs following the announced restructuring of the branch network and the retail advice organisation in the Netherlands and the announcement to leave the Czech retail market; 2Q2021 consists of €39 mln of redundancy provisions and impairments; 3Q2021 consists of €180 mln provision for compensation of customers on certain Dutch consumer credit products, €44 mln impairment on Payvision and €9 mln of redundancy and restructuring costs in the RB Netherlands; 4Q2021 consists of €-155 mln of redundancy provisions and impairments in RB OC&GM, primarily related to the announcement to leave the French retail market, and €-11 mln of redundancy and restructuring costs in the Netherlands

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 2020 ING Group consolidated annual accounts. The Financial statements for 2021 are in progress and may be subject to adjustments from subsequent events. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to a number of factors, including, without limitation: (1) changes in general economic conditions and customer behaviour, in particular economic conditions in ING's core markets, including changes affecting currency exchange rates (2) the effects of the Covid-19 pandemic and related response measures, including lockdowns and travel restrictions, on economic conditions in countries in which ING operates, on ING's business and operations and on ING's employees, customers and counterparties (3) changes affecting interest rate levels (4) any default of a major market participant and related market disruption (5) changes in performance of financial markets, including in Europe and developing markets (6) political instability and fiscal uncertainty in Europe and the United States (7) discontinuation of or changes in 'benchmark' indices (8) inflation and deflation in our principal markets (9) changes in conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness (10) failures of banks falling under the scope of state compensation schemes (11) non-compliance with or changes in laws and regulations, including those concerning financial services, financial economic crimes and tax laws, and the interpretation and application thereof (12) geopolitical risks, political instabilities and policies and actions of governmental and regulatory authorities (13) legal and regulatory risks in certain countries with less developed legal and regulatory frameworks (14) prudential supervision and regulations, including in relation to stress tests and regulatory restrictions on dividends and distributions, (also among members of the group) (15) regulatory consequences of the United Kingdom's withdrawal from the European Union, including authorizations and equivalence decisions (16) ING's ability to meet minimum capital and other prudential regulatory requirements (17) changes in regulation of US commodities and derivatives businesses of ING and its customers (18) application of bank recovery and resolution regimes, including write-down and conversion powers in relation to our securities (19) outcome of current and future litigation, enforcement proceedings, investigations or other regulatory actions, including claims by customers who feel mislead and other conduct issues (20) changes in tax laws and regulations and risks of non-compliance or investigation in connection with tax laws, including FATCA (21) operational risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business (22) risks and challenges related to cybercrime including the effects of cyber-attacks and changes in legislation and regulation related to cybersecurity and data privacy (23) changes in general competitive factors, including ability to increase or maintain market share (24) the inability to protect our intellectual property and infringement claims by third parties (25) inability of counterparties to meet financial obligations or ability to enforce rights against such counterparties (26) changes in credit ratings (27) business, operational, regulatory, reputation and other risks and challenges in connection with climate change (28) inability to attract and retain key personnel (29) future liabilities under defined benefit retirement plans (30) failure to manage business risks, including in connection with use of models, use of derivatives, or maintaining appropriate policies and guidelines (31) changes in capital and credit markets, including interbank funding, as well as customer deposits, which provide the liquidity and capital required to fund our operations, and (32) 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.

This document may contain inactive textual addresses to internet websites operated by us and third parties. Reference to such websites is made for information purposes only, and information found at such websites is not incorporated by reference into this document. ING does not make any representation or warranty with respect to the accuracy or completeness of, or take any responsibility for, any information found at any websites operated by third parties. ING specifically disclaims any liability with respect to any information found at websites operated by third parties. ING cannot guarantee that websites operated by third parties remain available following the publication of this document, or that any information found at such websites will not change following the filing of this document. Many of those factors are beyond ING's control.

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

This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States or any other jurisdiction.