Press release

ING Corporate Communications
Amsterdam, 2 February 2023

ING posts FY2022 net result of €3,674 million, proposed final 2022 dividend of €0.389 per share

4Q2022 profit before tax of €1,711 million; CET1 ratio remains strong at 14.5%
- Profit before tax up 29% on 4Q2021 and 24% on 3Q2022, mainly driven by higher income
- Higher net interest income, as a further increase in liability margins helped offset TLTRO impact this quarter
- Risk costs declined to 17 bps of average customer lending

Full-year 2022 net result of €3,674 million, supported by growing customer base and increase in lending and deposits
- On a full-year basis, our primary customer base grew by 585,000
- Net core lending growth of €18 billion and net core deposits growth of €25 billion in 2022
- Net result of €3,674 million in a challenging year; proposed final 2022 dividend of €0.389 per share

CEO statement

"Looking back, 2022 was an extraordinary year," said ING CEO Steven van Rijswijk. "The outbreak of war in Ukraine – first and foremost an immense human tragedy – had a far-reaching impact on people's lives, on societies and on economies, causing energy and price shocks and driving up inflation and interest rates. Despite the challenging operating conditions and lingering effects of Covid-19, we performed well.

"The rapid changes of the past year underscore the importance of having clear strategic priorities and being able to adapt to changing circumstances. Our focus is on making the difference for people and the planet by providing a superior customer experience and putting sustainability at the heart of what we do.

"We continued to execute on our strategy and delivered strong results, as well as made significant progress in a number of areas, including providing seamless digital services using our strong scalable tech and operations foundations. An example of this is our onboarding process in the Netherlands, where 52% of new customers were digitally onboarded in the fourth quarter of 2022, up from 39% in the same quarter of 2021. This is really strong proof of how we're digitalising our sales and service model in one of our Market Leaders countries. The year 2022 closed with impressive growth in the number of global mobile payments transactions, reaching a remarkable amount of 1.4 billion transactions, up more than 60% year-on-year.

"Regarding our financial performance, we managed to limit expense growth despite the impact of higher salary expenses and higher marketing expenses to invest in the growth of our customer base. In various countries, we supported our employees with allowances to help them cover their increased energy costs.

"The positive developments in our net promoter scores prove that customers value our services. We're now number one in six of our 10 retail markets. In Wholesale Banking too we see a growing appreciation among clients, with our net promoter score improving to 67 at year-end 2022, up from 59 at year-end 2021 and well above the industry benchmark. I'm particularly proud that even more customers are choosing ING as their primary bank. During this quarter, our primary customer base grew by 218,000, mainly in the Challenger & Growth markets. On a full-year basis, we gained 585,000 primary customers, bringing the total number to 14.6 million, which is 4% higher than year-end 2021.

"We also made further progress on our sustainability goals during 2022. Wholesale Banking continues to be a sustainability pioneer in helping clients transition to a more sustainable way of doing business, achieving a volume of over €100 billion in sustainable finance mobilised by end-2022. That puts us well on our way towards our goal of €125 billion annually by 2025.

"Despite continued uncertainty in the current operating environment, I'm confident in our ability to perform well in these circumstances. We have a good capital position, a growing customer base, a diversified income stream, a strong funding structure as well as one of the best credit ratings in the eurozone. We'll continue to invest to provide our customers with a superior experience, helped by our technology foundations, and to facilitate the transition to a low-carbon economy.

"I want to thank our customers for their ongoing loyalty to ING and our colleagues worldwide for their hard work under challenging circumstances, which contributed to our strong performance throughout the whole year. Also a thank you to our shareholders for continuing to support our strategy."

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Live audio webcast at www.ing.com

Business Highlights

Primary customers	Net result	CET1 ratio
14.6 mln +585,000 in 2022	**€1,089 mln** +15% vs 4Q2021	**14.5%** -0.2% vs 3Q2022
Mobile-only customers	**Fee income**	**Return on equity (4-qtr rolling avg)**
58% in % of total active customers vs 51% at 4Q2021	**€888 mln** -4% vs 4Q2021	**7.2%** -2.0% vs 4Q2021

Customer experience

NPS score:

Ranked #1 in 6 of 10 Retail markets

Primary customers:

+218,000 in 4Q2022

and

+585,000 in 2022

ING continues to invest in giving customers a superior digital experience. In Belgium, ING launched a completely digital motorbike and moped insurance. Customers can calculate the premium, purchase the policy and make claims digitally. ING is the only bank in Belgium to offer a completely digital experience in this area. ING in Turkey integrated personal online advice in their pension contract sales process. Via a video call, customers can get more information about the pension funds, and final approval of the contract is provided by SMS. ING is the first bank in Turkey to provide this service in a fully digital way. In the Netherlands, 97% of customer interactions now take place via the app, showing our customers' clear preference for digital interactions. One of the most complex processes in the retail bank is the settlement of an inheritance. In the fourth quarter, the first customers in the Netherlands were able to manage their inheritance process fully digitally via the mobile channel.

In Wholesale Banking, we were one of six underwriters in a financing transaction for Porsche SE related to Porsche AG's IPO. It was Germany's second largest IPO ever, and supported our client in further strengthening its portfolio of investments.

During 2022, our net promoter scores (NPS) improved in both Retail and Wholesale Banking, indicating our customers have a high level of satisfaction with our service. We're now number one in six of our 10 retail markets. Within Wholesale Banking we achieved an all-time high NPS of 67 at year-end 2022, up from 59 at year-end 2021.

Sustainability

Volume mobilised

€101 bln in 2022

vs €88 bln in 2021

Sustainability deals supported by ING:

491 in 2022

vs 411 in 2021

We aim to put sustainability at the heart of what we do. We continue to facilitate the transition to a low-carbon economy and support our clients in their transition. In 4Q2022 we closed several deals, the largest one being $6 billion for Champlain Hudson Power Express. ING was mandated as the sole green loan coordinator on the transaction, which will finance the construction of a 339-mile renewable power transmission line. The line will carry clean power from Canada to New York City, helping New York state reach its 2030's renewable energy targets.

Since April 2017, when we launched the world's first sustainability-linked loan (SLL) for Philips, we've provided SLLs to numerous companies across a wide range of sectors and regions. In the fourth quarter, ING closed an SLL for global container leasing company UES, which helped UES get its first ESG rating.

ING Lease in Poland closed the country's first-ever sustainability-linked lease transaction together with one of Poland's biggest retailers. The interest rate of this lease contract is linked to the ESG performance of the client. This transaction is helping our client to realise its sustainability goals.

Financial health is an important part of our sustainability approach. As a founding signatory of the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking, we also signed the Commitment to Financial Health & Inclusion (December 2021). We've co-led a group of banks in developing a common set of indicators around financial health and financial inclusion of customers, which were announced in October 2022. The indicators are a first step in a systemic approach to improving in this area by allowing a common language for banks to measure, set targets, track progress and collaborate. Financial health is becoming increasingly important in these times as the energy crisis and inflation put additional strain on customers.

Consolidated Results

Consolidated results	4Q2022	4Q2021	Change	3Q2022	Change	FY2022	FY2021	Change
Profit or loss (in € million)								
Net interest income - excl. net TLTRO impact	3,860	3,290	17.3%	3,261	18.4%	13,843	13,131	5.4%
Net interest income - net TLTRO impact[1]	-315	84	-475.0%	71	-543.7%	-87	483	-118.0%
Net fee and commission income	888	925	-4.0%	876	1.4%	3,586	3,517	2.0%
Investment income	15	15	0.0%	111	-86.5%	187	138	35.5%
Other income	420	310	35.5%	93	351.6%	1,032	1,221	-15.5%
Total income	**4,868**	**4,624**	**5.3%**	**4,412**	**10.3%**	**18,561**	**18,490**	**0.4%**
Expenses excl. regulatory costs	2,596	2,562	1.3%	2,533	2.5%	9,949	9,927	0.2%
Regulatory costs[2]	291	385	-24.4%	96	203.1%	1,250	1,265	-1.2%
Operating expenses	**2,888**	**2,947**	**-2.0%**	**2,629**	**9.9%**	**11,199**	**11,192**	**0.1%**
Gross result	**1,980**	**1,677**	**18.1%**	**1,783**	**11.0%**	**7,363**	**7,299**	**0.9%**
Addition to loan loss provisions[3]	269	346	-22.3%	403	-33.3%	1,861	516	260.7%
Result before tax	**1,711**	**1,331**	**28.5%**	**1,380**	**24.0%**	**5,502**	**6,782**	**-18.9%**
Taxation	575	351	63.8%	427	34.7%	1,725	1,877	-8.1%
Non-controlling interests	48	35	37.1%	-26		102	128	-20.3%
Net result	**1,089**	**945**	**15.2%**	**979**	**11.2%**	**3,674**	**4,776**	**-23.1%**
Profitability and efficiency								
Interest margin	1.36%	1.37%		1.28%		1.34%	1.39%	
Cost/income ratio	59.3%	63.7%		59.6%		60.3%	60.5%	
Risk costs in bps of average customer lending	17	22		25		29	8	
Return on equity based on IFRS-EU equity[4]	8.8%	7.2%		7.7%		7.2%	9.2%	
ING Group common equity Tier 1 ratio	14.5%	15.9%		14.7%		14.5%	15.9%	
Risk-weighted assets (end of period, in € billion)	331.5	313.1	5.9%	338.6	-2.1%	331.5	313.1	5.9%
Customer balances (in € billion)								
Customer lending	642.0	632.8	1.5%	649.7	-1.2%	642.0	632.8	1.5%
Customer deposits	640.8	617.3	3.8%	664.3	-3.5%	640.8	617.3	3.8%
Net core lending growth (in € billion)[5]	3.1	13.4		4.7		18.2	30.6	
Net core deposits growth (in € billion)[5]	7.2	-2.1		10.5		25.1	10.3	

[1] Net TLTRO impact includes both the spread between the funding rate of our TLTRO III participation and the prevailing ECB deposit facility rate, as well as the hedge results on our TLTRO-related derivative position as of 3Q2022
[2] Regulatory costs comprise bank taxes and contributions to the deposit guarantee schemes ('DGS') and the (European) single resolution fund ('SRF').
[3] The amount presented in 'Addition to loan loss provisions' is equivalent to risk costs.
[4] Annualised net result divided by average IFRS-EU shareholders' equity excluding reserved profits not included in CET1 capital.
[5] Net core lending growth represents the development in loans and advances to customers excluding provisions for loan losses, adjusted for currency impacts, Treasury and run-off portfolios. Net core deposits growth represents customer deposits adjusted for currency impacts, Treasury and run-off portfolios.

Total income

Total income in 4Q2022 was strong at €4,868 million. This included a net TLTRO impact of €-315 million, reflecting the net negative impact of unwinding our TLTRO-related derivative position (as a result of ECB's decision to change the conditions for the TLTRO programme) and the remaining TLTRO benefit until 23 November 2022. The benefit from the TLTRO III programme was €84 million in 4Q2021 and €71 million in 3Q2022. Excluding this net TLTRO impact, total 4Q2022 income was €5,183 million, supported by considerably higher net interest income on liabilities.

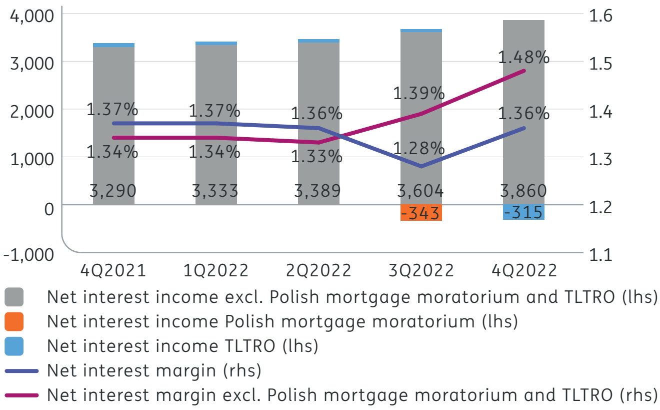
Net interest income in this quarter benefited from strongly improved liability margins. Year-on-year, net interest income was also supported by higher interest results from FX ratio hedging, reflecting higher interest rate differentials, mainly on the US dollar and Polish zloty. Net interest income from mortgages declined, reflecting higher funding costs and a lower level of income from prepayment penalties. Interest income from other lending decreased, as higher average volumes could not fully compensate for lower margins.

Sequentially, when excluding both the net TLTRO impact and the €-343 million Polish mortgage moratorium impact that was recorded in the previous quarter, net interest income increased by €256 million, mainly driven by higher interest margins on liabilities.

The net interest margin was 1.36% in 4Q2022. Excluding the net TLTRO impact, it was 1.48%.

On a comparable basis, and when also excluding the impact of the Polish mortgage moratorium, the net interest margin improved by 9 basis points quarter-on-quarter and 14 basis points year-on-year.

Net interest income (in € million) and net interest margin (in %)



Consolidated Results

Net core lending growth – which excludes FX impacts and movements in Treasury lending as well as in the run-off portfolios – was €3.1 billion in 4Q2022. Net core lending growth in Retail Banking was €2.2 billion and consisted of €1.4 billion of growth in residential mortgages (primarily in Germany and Belgium) and €0.8 billion in other retail lending. Wholesale Banking recorded a net core lending growth of €0.9 billion. On a full-year basis, net core lending grew by €18.2 billion in 2022, of which €11.2 billion was in residential mortgages.

Net core deposits growth – which excludes FX impacts and movements in Treasury deposits as well as in the run-off portfolios – was €7.2 billion in 4Q2022. The growth in Retail Banking amounted to €10.4 billion, mainly reflecting an inflow from private individuals in Germany, the Netherlands and Spain. Net core deposits growth in Wholesale Banking was €-3.2 billion, mainly due to seasonal outflow. For the full year 2022, net core deposits growth totalled €25.1 billion, of which more than half was attributable to Retail Netherlands.

Net fee and commission income amounted to €888 million. In Retail Banking, the growth in daily banking fees, driven by higher fees for payment packages and new service fees, was more than offset by lower fees on investment products, reflecting low stock markets and subdued trading activity. In Wholesale Banking, high fee income in Lending from several large deals could not fully compensate for the impact of adverse market conditions in Global Capital Markets, Corporate Finance and Trade & Commodity Finance. Sequentially, Wholesale Banking fee income benefited from a higher deal flow in both Lending and in Corporate Finance. On a full-year basis, net fee and commission income rose by 2.0%, as the growth in daily banking and Wholesale Banking Lending was partly offset by a decline in fees on investment products (from a record year in 2021) and in Global Capital Markets.

Investment income was flat year-on-year at €15 million and lower sequentially, as 3Q2022 had included a €111 million annual dividend from our stake in the Bank of Beijing.

Other income was €420 million and included a €67 million gain from a legacy entity in Retail Belgium and a final payment of €14 million from the transfer of our investment business in France to Boursorama. In 4Q2021, other income had included a €28 million gain on an investment in an associate. The third quarter of 2022 included a €-288 million impact for the unwinding of a macro fair value hedge of deposits in Belgium, which was only partly offset by €100 million of income from the transfer of our investment business in France to Boursorama. Excluding the aforementioned items, other income improved year-on-year as higher trading results in Financial Markets were partly offset by lower other income in Group Treasury. Sequentially, other income increased, driven by Group Treasury.

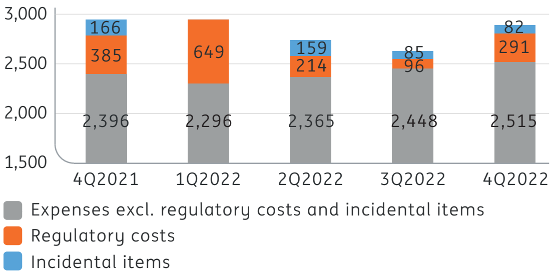
Operating expenses

Total operating expenses were €2,888 million and declined by 2.0% compared with 4Q2021, reflecting lower regulatory and incidental cost items.

Expenses excluding regulatory costs and incidental items were €2,515 million and rose 5.0% year-on-year. The increase was primarily attributable to higher staff costs, due to CLA increases and indexation, and a small increase in FTEs. Furthermore, marketing costs increased, particularly in the Challenger and Growth markets, to invest in further growth of our customer base.

Compared with 3Q2022, cost growth excluding regulatory costs and incidental items was 2.7%. This was mainly due to higher staff and marketing costs, and €15 million of impairments in Wholesale Banking.

Operating expenses (in € million)



Operating expenses in 4Q2022 included €82 million of incidental items, consisting of €30 million of allowances to employees to help cover their increased energy costs, €43 million of restructuring costs and €9 million of hyperinflation accounting impacts on expenses in Turkey (due to accounting requirements of IAS 29). By comparison, 4Q2021 had included €166 million of incidental items, of which €141 million was for redundancy provisions and impairments related to our exit from the French retail banking market. In 3Q2022, incidental items amounted to €85 million, of which €75 million was for adding the interest-on-interest effect to the compensation of customers for certain Dutch consumer credit products and €10 million for the hyperinflation impact in Turkey.

Regulatory costs in 4Q2022 were €291 million and included the annual Dutch bank tax, which is always fully recorded in the fourth quarter. Compared with 4Q2021, regulatory costs were lower, as in that quarter a 50% add-on to the tariff of the Dutch bank tax had been applied.

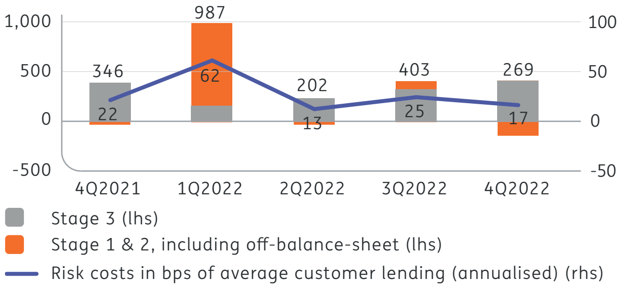
Consolidated Results

Addition to loan loss provisions

Net additions to loan loss provisions amounted to €269 million, or 17 basis points of average customer lending. This included €407 million of risk costs in Stage 3, mainly related to individual risk costs. This reflected additions for a limited number of unrelated files in Wholesale Banking that were newly provisioned, while files with an existing provision showed a limited release on a net basis.

Total Stage 1 and 2 risk costs (including off-balance-sheet provisioning and modifications) were €-137 million. This included a €112 million release of Stage 2 provisions for our Russian portfolio, partly reflecting a further decrease in our Russia-related exposure. Management overlays were lowered by €46 million, primarily in Wholesale Banking, driven by a reduction in the overlay for second-order impacts. The update of the macroeconomic indicators resulted in a net addition of €20 million to the collective provisions.

Addition to loan loss provisions (in € million)

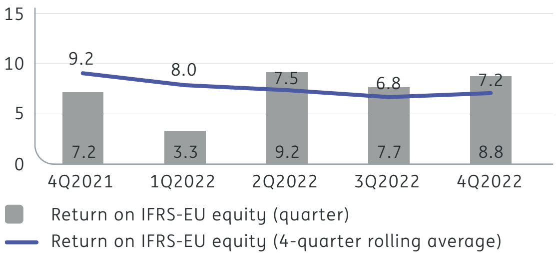


Net result

ING's net result in 4Q2022 was €1,089 million, up 15.2% on 4Q2021, reflecting higher income and lower risk costs, which more than compensated for a higher effective tax rate.

The effective tax rate in 4Q2022 was 33.6% compared with 26.4% in 4Q2021 and 30.9% in 3Q2022. The full-year effective tax rate came out at 31.4%, up from 27.7% in 2021. The increase was mainly caused by the impact in 2022 of the following non-deductible items for corporate income tax purposes: hyperinflation accounting loss in Turkey, impairments on TTB and interest expenses in various countries.

Return on equity ING Group (in %)



On a full-year basis, the return on ING's average IFRS-EU equity declined to 7.2% from 9.2% in 2021 due to a decrease in net result. The lower net result was mainly due to higher risk costs, reflecting additions related to our Russian portfolio and for the risks of secondary impacts in 2022, while the previous year had included significant releases from Covid-19 related overlays.

ING's return on equity is calculated using IFRS-EU shareholders' equity after excluding 'reserved profit not included in CET1 capital', which amounted to €1,411 million as per the end of 2022. This reflects 50% of the resilient net profit in 2022, which has been reserved for distribution in line with our policy, minus the 2022 interim dividend paid in August 2022.

Resilient net profit is defined as net profit adjusted for significant items that are not linked to the normal course of business. In line with this definition, the combined impact of hyperinflation accounting and the impairment on the goodwill allocated to Turkey (recorded in 2Q2022) has been excluded. Therefore, resilient net profit was €34 million higher than net profit in 4Q2022 and €363 million higher on a full-year basis.

Dividend

In line with our dividend policy, the Board proposes to pay a final dividend over 2022 of €1.4 billion, subject to approval by the Annual General Meeting on 24 April 2023. The proposed final 2022 dividend amounts to €0.389 per ordinary share and will be paid in cash shortly after approval by the Annual General Meeting.

An interim dividend of €0.17 per ordinary share for year 2022 was paid in August 2022. Additionally, €0.082 per ordinary share was paid in cash on 16 January 2023, being the remainder of the total share buyback amount as announced on 3 November 2022.

Consolidated Balance Sheet

Consolidated balance sheet							
in € million	31 Dec. 22	30 Sep. 22	31 Dec. 21		31 Dec. 22	30 Sep. 22	31 Dec. 21
Assets				**Liabilities**			
Cash and balances with central banks	87,614	135,089	106,520	Deposits from banks	56,632	91,778	85,092
Loans and advances to banks	35,104	26,244	23,592	Customer deposits	640,770	664,344	617,296
Financial assets at fair value through profit or loss	113,766	156,714	101,956	- savings accounts	321,005	311,854	314,893
- trading assets	56,870	71,397	51,381	- credit balances on customer accounts	283,417	290,353	279,805
- non-trading derivatives	3,893	3,313	1,536	- corporate deposits	36,011	61,359	22,174
- designated as at fair value through profit or loss	6,159	6,831	6,355	- other	336	778	424
- mandatorily at fair value through profit or loss	46,844	75,173	42,684	Financial liabilities at fair value through profit or loss	93,019	126,180	71,041
Financial assets at fair value through OCI	31,625	31,147	30,635	- trading liabilities	39,088	55,221	27,113
- equity securities fair value through OCI	1,887	1,900	2,457	- non-trading derivatives	3,048	5,524	2,120
- debt securities fair value through OCI	29,095	28,494	27,340	- designated as at fair value through profit or loss	50,883	65,436	41,808
- loans and advances fair value through OCI	643	752	838	Other liabilities	15,773	18,475	14,707
Securities at amortised cost	48,160	47,895	48,319	Debt securities in issue	95,918	89,811	91,784
Loans and advances to customers	635,999	643,677	627,508	Subordinated loans	15,786	16,571	16,715
- customer lending	641,982	649,662	632,782	**Total liabilities**	**917,897**	**1,007,160**	**896,635**
- provision for loan losses	-5,984	-5,985	-5,274				
Investments in associates and joint ventures	1,500	1,473	1,587	**Equity**			
Property and equipment	2,446	2,500	2,515	Shareholders' equity	49,909	51,292	53,919
Intangible assets	1,102	1,106	1,156	Non-controlling interests	504	378	736
Other assets	10,994	12,984	7,502	**Total equity**	**50,413**	**51,670**	**54,654**
Total assets	**968,310**	**1,058,830**	**951,290**	**Total liabilities and equity**	**968,310**	**1,058,830**	**951,290**

Balance sheet

Compared with September 2022, ING's balance sheet decreased by €90.5 billion to €968.3 billion, including the impact of an early repayment of €29.5 billion of ING's TLTRO III participation and €13.6 billion of negative currency impacts that were mainly driven by the depreciation of the US dollar against the euro.

The decrease on the asset side of the balance sheet was mainly visible in cash and balances with central banks and in financial assets at fair value through profit or loss. Customer lending decreased by €7.7 billion, including €8.3 billion of negative currency impacts. These decreases were partly offset by higher loans and advances to banks, largely due to increased reverse repos.

On the liability side of the balance sheet, the main decreases were recorded in deposits from banks (including the €29.5 billion early partial repayment of ING's TLTRO III participation), financial liabilities at fair value through profit or loss, and customer deposits. These decreases were partly offset by deposit growth in Retail Banking, primarily in the Netherlands, Germany and Poland, and a higher amount of debt securities in issue consisting mainly of increased CD/CPs.

Compared with year-end 2021, ING's balance sheet grew by €17.0 billion, including €4.1 billion of positive currency impacts driven primarily by the appreciation of the US dollar against the euro in 2022.

Balance sheet growth was mainly recorded in loans and advances to banks, financial assets at fair value through profit or loss, customer lending, and in other assets (financial transactions pending settlement). This was partly offset by a decline in cash and balances with central banks.

On the liability side of the balance sheet, the main increases were in customer deposits (reflecting strong growth in Retail Banking Netherlands and despite the discontinuation of Retail Banking France), financial liabilities at fair value through profit or loss, and debt securities in issue (increases in both CD/CPs and other, mainly long-term, debt securities in issue). These increases were partly offset by lower deposits from banks following the €29.5 billion repayment of ING's TLTRO III participation in December 2022. After this partial repayment, an amount of €36.0 billion TLTRO III funding remains.

Shareholders' equity

Change in shareholders' equity		
in € million	4Q2022	FY2022
Shareholders' equity beginning of period	**51,292**	**53,919**
Net result for the period	1,089	3,674
(Un)realised gains/losses fair value through OCI	-45	-549
(Un)realised other revaluations	1	-5
Change in cashflow hedge reserve	-111	-2,901
Change in liability credit reserve	-88	165
Defined benefit remeasurement	97	-19
Exchange rate differences	-837	1,088
Change in treasury shares	-1,197	-1,577
Change in employee stock options and share plans	5	27
Dividend	-297	-3,349
Other changes	-1	-564
Total changes	**-1,384**	**-4,010**
Shareholders' equity end of period	**49,909**	**49,909**

Consolidated Balance Sheet

Shareholders' equity decreased by €4,010 million in 2022, primarily reflecting €4,936 million of capital distribution. That consisted of €3,349 million of cash dividends paid (€1,545 million of final dividend over 2021, a €634 million interim dividend payment over 2022 and €1,171 million additional cash payments) and €1,587 million of share buybacks (recorded as a change in treasury shares). Higher interest rates led to a €2,901 million decline in the cashflow hedge reserve. These decreases were largely offset by the €3,674 million net result recorded for full-year 2022 and €1,088 million of positive exchange rate differences.

Shareholders' equity per share decreased to €13.79 on 31 December 2022 from €14.28 on 31 December 2021.

Capital, Liquidity and Funding

ING Group: Capital position		
in € million	31 Dec. 2022	30 Sep. 2022
Shareholders' equity (parent)	49,909	51,292
- Reserved profits not included in CET1 capital	-1,411	-848
- Other regulatory adjustments	-537	-515
Regulatory adjustments	-1,948	-1,363
Available common equity Tier 1 capital	**47,961**	**49,929**
Additional Tier 1 securities	6,295	6,885
Regulatory adjustments additional Tier 1	60	58
Available Tier 1 capital	**54,316**	**56,873**
Supplementary capital - Tier 2 bonds	10,046	10,228
Regulatory adjustments Tier 2	-32	-34
Available Total capital	**64,330**	**67,067**
Risk-weighted assets	331,520	338,561
Common equity Tier 1 ratio	**14.5%**	**14.7%**
Tier 1 ratio	16.4%	16.8%
Total capital ratio	19.4%	19.8%
Leverage ratio	**5.1%**	**5.0%**

Capital ratios

The CET1 ratio, which stood at 14.7% at the end of 3Q2022, decreased to 14.3% following the announcement of the share buyback programme of up to €1.5 billion on 3 November 2022. During the quarter, the CET1 ratio strengthened again, to end at 14.5%. The inclusion of €0.5 billion of interim profits and lower RWA more than offset the impact of lower FX reserves (€-0.8 billion).

The decrease in both the Tier 1 ratio and the Total capital ratio mirrors trends in the CET1 ratio and was furthermore affected by the depreciation of the US dollar.

The leverage ratio increased as the lower Tier 1 Capital was more than offset by the lower leverage exposure.

Risk-weighted assets (RWA)

The decrease in total RWA mainly reflects the FX impact on credit RWA.

ING Group: Composition of RWA		
in € billion	31 Dec. 2022	30 Sep. 2022
Credit RWA	282.6	291.8
Operational RWA	35.0	32.7
Market RWA	13.9	14.0
Total RWA	**331.5**	**338.6**

The FX impact on credit RWA was €-5.7 billion and was mainly caused by the depreciation of the US dollar against the euro.

Excluding currency impacts, credit RWA decreased by €3.6 billion, mainly due to a better overall profile of the loan book (€-3.1 billion) and model updates (€-2.0 billion). The decreases were partly offset by higher lending volumes (€2.4 billion), which were mainly visible in Wholesale Banking.

The increase in operational RWA was €2.3 billion and included regular updates of the AMA model, among others for external loss data. Market RWA decreased by €0.1 billion.

Distribution

In line with our distribution policy of a 50% pay-out ratio on resilient net profit, the Board proposes to pay a final cash dividend over 2022 of €0.389 per share. This is subject to the approval by shareholders at the Annual General Meeting in April 2023.

ING has reserved €562 million of the 4Q2022 net profit for distribution. The resilient net profit in 4Q2022 (which is defined as net profit adjusted for significant items not linked to the normal course of business) was €1,123 million. This includes a positive adjustment to the reported net result of €34 million related to hyperinflation accounting according to IAS 29 in the consolidation of our subsidiary in Turkey.

The additional distribution of €1.5 billion, as announced on 3 November 2022, was completed. A total number of 107.0 million ordinary shares had been repurchased by 28 December 2022, for a total amount of €1.2 billion, and the remaining amount was paid in cash (€0.082 per share) to shareholders on 16 January 2023.

CET1 requirement

ING targets a CET1 ratio of around 12.5%, which is comfortably above the prevailing CET1 ratio requirement (including buffer requirements) of 10.58% (3Q2022: 10.52%).

ING's fully loaded CET1 requirement increased to 10.98% (3Q2022: 10.96%). The increases in the countercyclical buffers, as announced earlier by various macro prudential authorities, will phase in over the coming quarters.

MREL and TLAC requirements

Minimum Required Eligible Liabilities (MREL) and Total Loss Absorbing Capacity (TLAC) requirements apply to ING Group at the consolidated level of the resolution group. The available MREL and TLAC capacity consists of own funds and senior debt instruments issued by ING Group.

Capital, Liquidity and Funding

The intermediate MREL requirements are 27.39% of RWA and 5.97% of leverage exposure (LR). The MREL surplus based on RWA mirrors trends in the Total capital ratio and declined as the impact of the issuance of two senior debt instruments (total €2.25 billion) was more than offset by instruments that lost MREL eligibility (maturity <1 year). The MREL surplus based on LR mirrors trends in the leverage ratio.

ING Group: MREL requirement

in € million	31 Dec. 2022	30 Sep. 2022
MREL capacity	100,922	105,396
MREL (as a percentage of RWA)	30.4%	31.1%
MREL (as a percentage of leverage exposure)	9.5%	9.2%
MREL surplus (shortage) based on LR	**37,383**	**37,005**
MREL surplus (shortage) based on RWA	**10,134**	**12,880**

The prevailing TLAC requirements are 23.10% of RWA and 6.75% of LR. The development in the TLAC ratios mirrors trends in MREL.

ING Group: TLAC requirement

in € million	31 Dec. 2022	30 Sep. 2022
TLAC capacity	100,857	105,331
TLAC (as a percentage of RWA)	30.4%	31.1%
TLAC (as a percentage of leverage exposure)	9.5%	9.2%
TLAC surplus (shortage) based on LR	**29,016**	**28,005**
TLAC surplus (shortage) based on RWA	**24,291**	**27,339**

Liquidity and funding

In 4Q2022, the 12-month moving average Liquidity Coverage Ratio (LCR) increased from 133% to 134%, driven by an increase in high-quality liquid assets (HQLA) and inflow, partly offset by higher outflow.

LCR 12-month moving average

in € billion	31 Dec. 2022	30 Sep. 2022
Level 1	175.7	171.5
Level 2A	6.1	6.3
Level 2B	4.8	5.2
Total HQLA	**186.7**	**183.0**
Outflow	**240.5**	**235.6**
Inflow	**101.4**	**98.2**
LCR	**134%**	**133%**

In 4Q2022 the Net Stable Funding Ratio of ING remained comfortably above the regulatory minimum of 100%. In the funding mix of 4Q2022, there was a shift towards retail customer deposits, mainly caused by the early partial repayment of ING's TLTRO III participation.

ING Group: Loan-to-deposit ratio and funding mix

In %	31 Dec. 2022	30 Sep. 2022
Loan-to-deposit ratio	0.99	0.97
Key figures		
Customer deposits (retail)	51%	47%
Customer deposits (corporate)	23%	24%
Lending / repurchase agreement	6%	8%
Interbank	6%	9%
CD/CP	3%	3%
Long-term senior debt	8%	8%
Subordinated debt	2%	2%
Total[1]	**100%**	**100%**

[1] Liabilities excluding trading securities and IFRS equity.

ING's long-term debt position increased by €1.5 billion versus 3Q2022. The increase was driven by a €2.25 billion dual tranche Holdco Senior and approximately €2.5 billion of covered bond issuance (of which €1.75 billion by ING Bank and approximately €0.8 billion by ING Australia). This was partly offset by maturities, mainly in USD-denominated bonds.

Long-term debt maturity ladder per currency, 31 December 2022

in € billion	Total	'23	'24	'25	'26	'27	'28	>'28
EUR	61	5	1	7	5	6	8	29
USD	19	3	1	0	4	3	4	4
Other	9	1	1	1	2	0	1	2
Total	**90**	**9**	**3**	**9**	**11**	**9**	**13**	**35**

Ratings

The ratings and outlook from S&P, Moody's and Fitch remained unchanged during the quarter.

Credit ratings of ING on 1 February 2023

	S&P	Moody's	Fitch
ING Groep N.V.			
Issuer rating			
Long-term	A-	n/a	A+
Short-term	A-2	n/a	F1
Outlook	Stable	Stable[1]	Stable
Senior unsecured rating	A-	Baa1	A+
ING Bank N.V.			
Issuer rating			
Long-term	A+	A1	AA-
Short-term	A-1	P-1	F1+
Outlook	Stable	Stable	Stable
Senior unsecured rating	A+	A1	AA-

[1] Outlook refers to the senior unsecured rating.

Risk Management

ING Group: Total credit outstandings[1]										
	Credit outstandings		Stage 2		Stage 2 ratio		Stage 3		Stage 3 ratio	
in € million	31 Dec. 2022	30. Sep 2022	31 Dec. 2022	30. Sep 2022	31 Dec. 2022	30. Sep 2022	31 Dec. 2022	30. Sep 2022	31 Dec. 2022	30. Sep 2022
Residential mortgages	326,927	327,027	11,877	11,666	3.6%	3.6%	2,886	2,873	0.9%	0.9%
of which Netherlands	113,042	112,959	2,582	2,583	2.3%	2.3%	482	504	0.4%	0.4%
of which Belgium	43,534	43,041	5,972	5,982	13.7%	13.9%	1,284	1,171	2.9%	2.7%
of which Germany	91,166	90,244	1,679	1,486	1.8%	1.6%	364	355	0.4%	0.4%
of which Rest of the world	79,185	80,783	1,643	1,615	2.1%	2.0%	756	843	1.0%	1.0%
Consumer lending	26,393	26,674	2,146	2,134	8.1%	8.0%	1,102	1,051	4.2%	3.9%
Business lending	101,604	100,377	13,739	12,496	13.5%	12.4%	3,072	3,078	3.0%	3.1%
of which business lending Netherlands	37,211	36,932	5,329	4,906	14.3%	13.3%	827	867	2.2%	2.3%
of which business lending Belgium	45,711	44,694	4,819	4,719	10.5%	10.6%	1,606	1,579	3.5%	3.5%
Other retail banking	66,460	55,590	664	3,215	1.0%	5.8%	182	179	0.3%	0.3%
Retail Banking	**521,384**	**509,669**	**28,426**	**29,510**	**5.5%**	**5.8%**	**7,241**	**7,181**	**1.4%**	**1.4%**
Lending	164,294	169,704	21,567	23,672	13.1%	13.9%	3,583	3,469	2.2%	2.0%
Daily Banking & Trade Finance	67,644	70,788	4,412	4,799	6.5%	6.8%	419	406	0.6%	0.6%
Financial Markets	6,212	7,185	618	561	9.9%	7.8%			0.0%	0.0%
Treasury & Other	25,092	88,933	359	856	1.4%	1.0%	53	53	0.2%	0.1%
Wholesale Banking	**263,242**	**336,611**	**26,956**	**29,889**	**10.2%**	**8.9%**	**4,055**	**3,928**	**1.5%**	**1.2%**
Total loan book	**784,626**	**846,280**	**55,382**	**59,399**	**7.1%**	**7.0%**	**11,296**	**11,109**	**1.4%**	**1.3%**

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

Credit risk management

Total credit outstandings decreased significantly in 4Q2022, resulting from a decrease in Wholesale Banking. This is mainly reflected in 'Treasury & Other' and was related to TLTRO repayments and a decline in our cash and balances with central banks. Stage 2 outstandings decreased, mainly due to repayments and improvements in credit quality. The Stage 2 ratio rose marginally due to the sharp decline in total credit outstandings. Stage 3 outstandings and the Stage 3 ratio increased slightly.

In 4Q2022, ING Group's stock of provisions remained stable, as a decrease in Stage 2 provisions, driven by releases, was offset by an increase in Stage 1 and Stage 3 (individual files). The Stage 3 coverage ratio increased to 33.9% compared with 32.7% in the previous quarter. The loan portfolio consists predominantly of asset-based and secured loans, including residential mortgages, project- and asset-based finance, and real estate finance with generally low loan-to-value ratios.

ING Group: Stock of provisions[1]			
in € million	31. Dec. 2022	30 Sep. 2022	Change
Stage 1 - 12-month ECL	581	533	47
Stage 2 - Lifetime ECL not credit impaired	1,679	1,924	-246
Stage 3 - Lifetime ECL credit impaired	3,830	3,638	192
Purchased credit impaired	11	9	2
Total	**6,101**	**6,105**	**-4**

[1] At the end of December 2022, the stock of provisions included provisions for loans and advances to customers (€5,984 million), provisions for loans and advances to central banks (€12 million), loans and advances to banks (€37 million), financial assets at FVOCI (€22 million), securities at amortised cost (€17 million) and provisions for contingent liabilities (credit replacements) recorded under Provisions (€29 million)..

Market risk

The average Value-at-Risk (VaR) for the trading portfolio decreased to €12 million from €13 million in 3Q2022.

ING Group: Consolidated VaR trading books				
in € million	Minimum	Maximum	Average	Quarter-end
Foreign exchange	2	5	3	3
Equities	2	6	3	2
Interest rate	1	14	11	13
Credit spread	1	7	4	1
Diversification			-8	-5
Total VaR[1]	**10**	**16**	**12**	**14**

[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.

Non-financial risk

As previously disclosed, after our September 2018 settlement with Dutch authorities concerning Anti-Money Laundering matters, and in the context of significantly increased attention to the prevention of financial economic crime, ING has experienced heightened scrutiny by authorities in various countries. The interactions with such regulatory and judicial authorities have included, and can be expected to continue to include, onsite visits, information requests, investigations and other enquiries. Such interactions, as well as ING's internal assessments in connection with its global enhancement programme, have in some cases resulted in satisfactory outcomes. Some have also resulted in, and may continue to result in, findings or other conclusions which may require appropriate remedial actions by ING, or may have other consequences. We intend to continue to work in close cooperation with authorities as we work to improve our management of non-financial risks.

ING is also aware, including as a result of media reports, that other parties may, among other things, seek to commence legal proceedings against ING in connection with the subject matter of the settlement.

Segment Reporting: Retail Banking

Retail Benelux: Consolidated profit or loss account	Retail Benelux			Netherlands			Belgium		
In € million	4Q2022	4Q2021	3Q2022	4Q2022	4Q2021	3Q2022	4Q2022	4Q2021	3Q2022
Profit or loss									
Net interest income - excl. net TLTRO impact	1,257	1,199	1,125	804	813	694	453	387	431
Net interest income - net TLTRO impact	-214	20	65	-150	9	51	-64	11	14
Net fee and commission income	360	336	353	224	206	235	136	129	118
Investment income	7	3	2	7	3	2	0	0	0
Other income	205	95	-169	126	30	59	79	65	-227
Total income	**1,614**	**1,652**	**1,376**	**1,011**	**1,061**	**1,041**	**603**	**592**	**335**
Expenses excl. regulatory costs	837	844	896	466	465	531	370	379	365
Regulatory costs	104	108	27	74	77	28	29	31	-1
Operating expenses	**940**	**952**	**923**	**541**	**542**	**559**	**400**	**410**	**364**
Gross result	**674**	**700**	**453**	**470**	**519**	**482**	**203**	**182**	**-29**
Addition to loan loss provisions	50	95	138	28	49	45	22	46	93
Result before tax	**623**	**605**	**316**	**442**	**470**	**437**	**181**	**136**	**-122**
Profitability and efficiency									
Net core lending growth (in € billion)	2.1	0.4	-0.5	0.4	0.0	0.6	1.7	0.3	-1.1
Net core deposits growth (in € billion)	3.6	4.2	0.3	2.9	3.8	0.6	0.7	0.4	-0.4
Cost/income ratio	58.3%	57.6%	67.1%	53.5%	51.1%	53.7%	66.3%	69.3%	108.6%
Risk costs in bps of average customer lending	8	16	22	7	13	12	10	21	41
Return on equity based on 12.5% CET1[1)]	16.8%	17.0%	8.4%	20.2%	25.1%	20.5%	12.0%	7.7%	-8.6%
Risk-weighted assets (end of period, in € billion)	85.4	82.6	86.8	50.6	44.6	51.6	34.8	38.0	35.2

[1)] After-tax return divided by average equity based on 12.5% of RWA (annualised).

Retail Netherlands

Net interest income excluding TLTRO was supported by a strong increase in liability margins and higher volumes. Year-on-year, this was more than offset by a decline in interest income from mortgages, reflecting the lengthening of the duration of the book and lower prepayment penalties, and from Treasury (offset in other income). Sequentially, interest income from mortgages stabilised.

Fee income rose strongly compared with 4Q2021, mainly due to increases in payment package fees and new service fees for business banking. Sequentially, fee income declined, as the previous quarter had included seasonally higher travel-related payment fees. Other income increased on both comparable quarters, driven by higher Treasury-related income.

Net core lending grew by €0.4 billion in 4Q2022, reflecting €0.3 billion of higher mortgage volumes and a €0.1 billion increase in business lending. Net core deposits growth was €2.9 billion.

Expenses in both 3Q2022 and 4Q2021 included incidental items: €75 million for adding the interest-on-interest effect to the compensation of customers for certain Dutch consumer credit products in 3Q2022 and €11 million of restructuring costs in 4Q2021. Expenses excluding regulatory costs and these incidental items increased slightly, both year-on-year and sequentially, mainly because of higher staff and marketing expenses. Regulatory costs declined slightly year-on-year, but increased from 3Q2022, reflecting the annual booking of the Dutch bank tax.

Risk costs were €28 million and included the impact of the update of the macroeconomic forecast and some releases from management overlays.

Retail Belgium (including Luxembourg)

Net interest income excluding TLTRO increased strongly year-on-year, as higher margins on liabilities more than compensated for mortgage margin compression due to higher funding costs, while interest income on other lending was flat. Furthermore, 4Q2021 had included a €-23 million reclassification from other income to net interest income. Compared with 3Q2022, interest income excluding TLTRO also increased, as the upward trend in liability margins more than offset a decline in interest income from lending.

Fee income increased on both comparable quarters. Year-on-year, this was mainly attributable to higher daily banking fees. Sequentially, fee income was primarily supported by higher fees on investment products as stock markets recovered.

Other income in 4Q2022 included a €67 million gain from a legacy entity, while 3Q2022 had included an impact of €-247 million to unwind a macro fair value hedge.

Net core lending rose by €1.7 billion compared with 3Q2022, consisting of €0.6 billion of growth in mortgages and a €1.1 billion increase in business lending. Net core deposits growth was €0.7 billion.

Expenses excluding regulatory costs declined year-on-year, as the impact of automatic salary indexation was more than offset by FTE reductions and lower IT costs. Sequentially, expenses excluding regulatory costs increased slightly, mainly due to higher staff costs. Regulatory costs in 4Q2022 reflected the allocation of the annual Dutch bank tax.

Risk costs were €22 million and included a reduction in management overlays.

Segment Reporting: Retail Banking

Retail Challengers & Growth Markets: Consolidated profit or loss account	Retail Challengers & Growth Markets			Germany			Other Challengers & Growth Markets		
In € million	4Q2022	4Q2021	3Q2022	4Q2022	4Q2021	3Q2022	4Q2022	4Q2021	3Q2022
Profit or loss									
Net interest income - excl. net TLTRO impact	1,373	1,027	854	568	345	421	804	682	433
Net interest income - net TLTRO impact	-42	4	16	-42	2	16	0	1	0
Net fee and commission income	214	269	230	89	125	99	124	144	131
Investment income	0	12	110	1	8	-1	-1	4	111
Other income	81	88	192	-14	29	-19	95	59	210
Total income	**1,626**	**1,400**	**1,401**	**603**	**510**	**516**	**1,023**	**890**	**885**
Expenses excl. regulatory costs	845	926	799	269	263	256	576	663	543
Regulatory costs	90	100	58	24	32	-4	67	67	62
Operating expenses	**935**	**1,026**	**857**	**293**	**296**	**253**	**642**	**730**	**605**
Gross result	**691**	**374**	**543**	**310**	**214**	**263**	**381**	**160**	**280**
Addition to loan loss provisions	152	35	136	52	7	43	100	27	94
Result before tax	**539**	**339**	**407**	**258**	**207**	**220**	**281**	**132**	**187**
Profitability and efficiency									
Net core lending growth (in € billion)	0.1	4.4	1.4	0.7	2.2	1.7	-0.6	2.2	-0.3
Net core deposits growth (in € billion)	6.8	-1.5	6.6	3.3	-5.0	4.4	3.4	3.5	2.2
Cost/income ratio	57.5%	73.3%	61.2%	48.6%	58.0%	49.0%	62.8%	82.0%	68.3%
Risk costs in bps of average customer lending	29	7	26	21	3	17	37	10	34
Return on equity based on 12.5% CET1[1)]	16.1%	9.6%	13.1%	19.2%	15.2%	19.6%	14.1%	6.1%	9.2%
Risk-weighted assets (end of period, in € billion)	78.2	77.8	77.5	29.8	29.4	29.7	48.4	48.4	47.8

[1)] After-tax return divided by average equity based on 12.5% of RWA (annualised).

Retail Germany (including Austria in 2021)

Net interest income excluding TLTRO was boosted by significantly higher margins on liabilities. Year-on-year, interest income was still impacted by lending margin pressure, while mortgage margins improved sequentially. Fee income decreased versus both comparable quarters, primarily due to a lower number of brokerage trades in investment products and lower fees from mortgage brokerage, reflecting lower production volumes. Year-on-year, this was partly compensated by higher daily banking fees. In 4Q2021, investment income had included an €8 million reversal of a one-off loss related to the transfer of ING's retail operations in Austria to bank99. Other income in 4Q2022 reflected lower Treasury-related income.

Net core lending growth in 4Q2022 was €0.7 billion, of which €0.9 billion was in mortgages. Net core deposits grew by €3.3 billion following an increase of our deposit rate on 6 December 2022.

Operating expenses in 4Q2022 included €10 million of incidental items for staff allowances and restructuring costs. Expenses excluding both regulatory costs and incidental items increased slightly quarter-on-quarter due to higher staff costs and marketing expenses to support customer growth. Year-on-year, the increase was offset by savings following the discontinuation of the Austrian retail banking activities. Regulatory costs decreased year-on-year, but were up sequentially, as 3Q2022 included an adjustment of the deposit guarantee contributions.

Risk costs were €52 million in 4Q2022 and primarily related to consumer lending.

Retail Other Challengers & Growth Markets

Net interest income was supported by higher margins on liabilities, most notably in Australia and Spain following increases in central bank interest rates. This more than compensated for negative currency impacts and tighter lending margins. Net interest income in 3Q2022 included €-343 million for the Polish mortgage moratorium.

Fee income decreased year-on-year due to lower fees on investment products, reflecting low stock markets and subdued trading activity, and the impact of ING's exit from the French retail market. Investment income in 3Q2022 included a €111 million annual dividend from our stake in the Bank of Beijing. Other income included €14 million of income from the final settlement of the transfer of our investment business in France, for which €100 million was recorded in 3Q2022. Furthermore, 3Q2022 included €38 million of proceeds from the sale of a non-performing loan portfolio in Spain and a €15 million impairment on our equity stake in TTB.

Net core lending decreased by €0.6 billion, mainly due to a decline in mortgages in Australia and Spain. Net core deposits growth was €3.4 billion, driven by net inflows in Spain and Poland.

Expenses included €33 million of incidental items, which were mainly restructuring costs for France and Turkey. By comparison, 4Q2021 had included €155 million of incidental items that mainly consisted of impairments and restructuring provisions related to our exit from the French retail market. Expenses excluding regulatory costs and incidental items rose versus 4Q2021 due to inflationary pressure across

Segment Reporting: Retail Banking

all markets, as well as investments in operational process improvements in Australia and €10 million of legal claims in 4Q2022. Sequentially, higher expenses mainly reflected the impact of increased marketing expenses to support customer growth combined with higher staff costs. 3Q2022 included a litigation provision of €21 million recorded in Spain.

Risk costs were €100 million. They were primarily attributable to net additions in Poland and Italy, and related to management overlays to reflect the risks from secondary impacts of the deteriorated macroeconomic outlook combined with model updates.

Segment Reporting: Wholesale Banking

Wholesale Banking: Consolidated profit or loss account

	Total Wholesale Banking		
In € million	4Q2022	4Q2021	3Q2022
Profit or loss			
Net interest income - excl. net TLTRO impact	1,073	1,029	1,099
Net interest income - net TLTRO impact	-77	36	25
Net fee and commission income	318	322	295
Investment income	1	1	-1
Other income	192	173	138
Total income	**1,507**	**1,561**	**1,556**
of which:			
Lending	746	803	819
Daily Banking & Trade Finance	443	362	437
Financial Markets	287	271	282
Treasury & Other	31	126	19
Total income	**1,507**	**1,561**	**1,556**
Expenses excl. regulatory costs	775	676	708
Regulatory costs	98	91	10
Operating expenses	**872**	**766**	**718**
Gross result	**635**	**795**	**838**
Addition to loan loss provisions	65	216	128
Result before tax	**570**	**579**	**710**
Profitability and efficiency			
Net core lending growth (in € billion)	0.9	8.6	3.8
Net core deposits growth (in € billion)	-3.2	-4.9	3.6
Cost/income ratio	57.9%	49.1%	46.1%
Income over average risk-weighted assets (in bps)[1]	370	424	374
Risk costs in bps of average customer lending	13	48	27
Return on equity based on 12.5% CET1[2]	7.1%	9.3%	10.1%
Risk-weighted assets (end of period, in € billion)	159.4	149.5	166.3

[1] Total income divided by average RWA (annualised).
[2] After-tax return divided by average equity based on 12.5% of RWA (annualised).

Net interest income excluding TLTRO rose year-on-year, mainly driven by increased margins in Payments and Cash Management (PCM), which benefited from higher interest rates. Sequentially, interest income decreased, primarily in Financial Markets and Treasury.

Fee income was stable year-on-year, as higher fees in Lending largely compensated for lower deal flow in Global Capital Markets (GCM), Corporate Finance and Trade & Commodity Finance (TCF). Sequentially, fee income was supported by strong fee income in Lending and an increased deal flow in Corporate Finance, while deal flow in TCF was lower.

Other income increased year-on-year, supported by higher trading income in Financial Markets. This was partly offset by negative fair value adjustments and secondary sales discounts in Lending. 4Q2021 had included a €28 million gain on an investment in an associate. Sequentially, other income increased mainly in Treasury (partly due to the €-41 million hedge accounting impact recorded in 3Q2022) and in Financial Markets, while Lending was impacted by the aforementioned valuation adjustments recorded in 4Q2022.

Net core lending rose by €0.9 billion in 4Q2022, driven by Lending and Working Capital Solutions, and was only partly offset by Trade & Commodity Finance (reflecting lower commodity prices). Net core deposits decreased by €3.2 billion in the fourth quarter, mainly due to seasonal outflow.

Expenses excluding regulatory costs increased versus both comparable quarters, partly due to €10 million of incidental items (mainly restructuring costs), €15 million of impairments and FX impacts reflecting the weakening of the euro relative to other currencies year-on-year. The remaining increase was mainly attributable to higher staff costs (due to CLA increases and indexation).

Net additions to loan loss provisions amounted to €65 million, which is equivalent to 13 basis points of average customer lending. Risk costs in 4Q2022 predominantly reflected Stage 3 individual risk costs; these were attributable to newly provisioned files and were partly offset by releases from files with existing provisions. Net releases in Stage 2 were driven by a €112 million release of provisions for our Russian portfolio, partly reflecting a further decrease in our Russia-related exposure. They also included a reduction in the overlay for second-order impacts.

Lending income decreased both year-on-year and sequentially, fully due to negative fair value adjustments and secondary sales discounts recorded in 4Q2022. The business remained strong, with an increase in volumes and significantly higher fee income from several sectors, while net interest income remained stable.

Segment Reporting: Wholesale Banking

Income from Daily Banking & Trade Finance increased both year-on-year and sequentially, predominantly driven by higher PCM income, which benefited from increased interest rates and higher volumes. This more than compensated for lower fee income, mainly in TCF, and lower other income.

Income for Financial Markets increased year-on-year, supported by higher trading results, especially in Money Markets, Non-Linear Trading and Global Securities Finance. This was partly offset by lower commission income from GCM, reflecting a slowdown of the market. Sequentially, income increased slightly, mainly because of positive valuation adjustments.

The quarterly income of Treasury & Other declined year-on-year, as 4Q2022 included a €-77 million net TLTRO III impact, while 4Q2021 had included positive fair value adjustments in Corporate Investments (including a €28 million gain on a capital stake) and a higher deal flow in Corporate Finance. Sequentially, income declined slightly, as the impact of a €-102 million change in TLTRO benefit was largely compensated by higher income in Treasury and in Corporate Finance, while 3Q2022 included a €-41 million hedge accounting impact to unwind a macro fair value hedge in Belgium.

Segment Reporting: Corporate Line

Corporate Line: Consolidated profit or loss account	Total Corporate Line			Corporate Line excl. IAS 29 impact			IAS 29 impact[1]		
In € million	4Q2022	4Q2021	3Q2022	4Q2022	4Q2021	3Q2022	4Q2022	4Q2021	3Q2022
Profit or loss									
Net interest income - excl. net TLTRO impact	157	35	184	143	35	173	14	0	11
Net interest income - net TLTRO impact	17	24	-35	17	24	-35	0	0	0
Net fee and commission income	-3	-2	-1	-5	-2	-2	1	0	1
Investment income	7	0	0	7	0	0	0	0	0
Other income	-58	-47	-68	-25	-47	-26	-32	0	-43
Total income	**121**	**10**	**79**	**137**	**10**	**110**	**-17**	**0**	**-31**
Expenses excl. regulatory costs	140	115	130	132	115	119	9	0	10
Regulatory costs	0	87	1	0	87	1	0	0	0
Operating expenses	**140**	**202**	**130**	**131**	**202**	**120**	**9**	**0**	**10**
Gross result	**-19**	**-192**	**-51**	**6**	**-192**	**-10**	**-26**	**0**	**-41**
Addition to loan loss provisions	1	0	1	0	0	0	1	0	1
Result before tax	**-21**	**-192**	**-52**	**6**	**-192**	**-10**	**-27**	**0**	**-42**
of which:									
Income on capital surplus	18	-8	-11	18	-8	-11	0	0	0
Foreign currency ratio hedging	151	68	189	151	68	189	0	0	0
Other Group Treasury	-31	-55	-55	-31	-55	-55	0	0	0
Group Treasury	138	5	123	138	5	123	0	0	0
Other Corporate Line	-159	-197	-175	-132	-197	-134	-27	0	-42
Result before tax	**-21**	**-192**	**-52**	**6**	**-192**	**-10**	**-27**	**0**	**-42**
Taxation							7	0	11
Net result							**-34**	**0**	**-53**

[1] Hyperinflation accounting (IAS 29) has become applicable for ING's subsidiary in Turkey since 2Q2022 with retrospective application from 1 January 2022. ING Group N.V., as a non-hyperinflationary parent presenting its consolidated financial statements in euro, did not restate comparative periods.

Total income was supported year-on-year by higher results from foreign currency ratio hedging (mainly on the US dollar and Polish zloty). Compared with 3Q2022, total income rose by €42 million, including a €52 million higher TLTRO III benefit, which was partly offset by lower income from foreign currency ratio hedging.

Operating expenses in 4Q2022 decreased sharply year-on-year, reflecting the temporary 50% increase in the Dutch bank tax of €87 million that had been recorded in Corporate Line in 4Q2021. Excluding these regulatory costs, expenses increased year-on-year, mainly due to €21 million for allowances to staff in the Netherlands to cover increased energy costs and a lower VAT refund. Sequentially, the increase in expenses was mainly attributable to the energy allowances, and was only partly offset by the VAT refund recorded in 4Q2022.

Share information					
	4Q2022	3Q2022	2Q2022	1Q2022	4Q2021
Shares (in millions, end of period)					
Total number of shares	3,726.5	3,767.3	3,907.0	3,906.9	3,904.1
- Treasury shares	107.4	41.7	163.9	140.6	128.3
- Shares outstanding	3,619.1	3,725.6	3,743.0	3,766.4	3,775.8
Average number of shares	3,683.7	3,728.5	3,760.3	3,770.4	3,846.7
Share price (in euros)					
End of period	11.39	8.86	9.43	9.51	12.24
High	11.66	9.94	10.52	13.91	13.39
Low	8.80	8.50	8.70	8.47	11.24
Net result per share (in euros)	0.30	0.26	0.31	0.11	0.25
Shareholders' equity per share (end of period in euros)	13.79	13.77	13.79	14.20	14.28
Distribution per share (in euros)	0.39	-	0.17	-	0.41
Price/earnings ratio[1]	11.6	9.5	9.2	8.8	10.0
Price/book ratio	0.83	0.64	0.68	0.67	0.86

[1] Four-quarter rolling average.

Financial calendar	
Publication 2022 ING Group Annual Report	Thursday 9 March 2023
2023 Annual General Meeting	Monday 24 April 2023
Ex-date for final dividend 2022 (Euronext Amsterdam)[1]	Wednesday 26 April 2023
Record date for final dividend 2022 entitlement (Euronext Amsterdam)[1]	Thursday 27 April 2023
Record date for final dividend 2022 entitlement (NYSE)[1]	Thursday 27 April 2023
Payment date for final dividend 2022 (Euronext Amsterdam)[1]	Friday 5 May 2023
Publication results 1Q2023	Thursday 11 May 2023
Payment date for final dividend 2022 (NYSE)[1]	Friday 12 May 2023
Publication results 2Q2023	Thursday 3 August 2023
Ex-date for interim dividend in 2023 (Euronext Amsterdam)[1]	Monday 7 August 2023
Record date for interim dividend in 2023 entitlement (Euronext Amsterdam)[1]	Tuesday 8 August 2023
Record date for interim dividend in 2023 entitlement (NYSE)[1]	Monday 14 August 2023
Payment date for interim dividend in 2023 (Euronext Amsterdam)[1]	Monday 14 August 2023
Payment date for interim dividend in 2023 (NYSE)[1]	Monday 21 August 2023
Publication results 3Q2023	Thursday 2 November 2023

[1] Only if any dividend is paid

All dates are provisional.

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 58,000 employees offer retail and wholesale banking services to customers in over 40 countries.

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

Sustainability is an integral part of ING's strategy, evidenced by ING's leading position in sector benchmarks. ING's Environmental, Social and Governance (ESG) rating by MSCI was affirmed 'AA' in September 2022. As of August 2022, Sustainalytics considers ING's management of ESG material risk to be 'strong', and in June 2022 ING received an ESG rating of 'strong' from S&P Global Ratings. ING Group shares are also included in major sustainability and ESG index products of leading providers Euronext, STOXX, Morningstar and FTSE Russell.

Further information

All publications related to ING's 4Q2022 results can be found at www.ing.com/4q2022, including a video with CEO Steven van Rijswijk. The 'ING ON AIR' video is also available on YouTube.

Additional financial information is available at www.ing.com/ir:
- ING Group Historical Trend Data
- ING Group Results presentation
- ING Group Credit Update presentation

For further information on ING, please visit www.ing.com. Frequent news updates can be found in the Newsroom or via the @ING_news Twitter feed. Photos, videos of ING operations, buildings and its executives are available for download at Flickr.

Important legal information

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

ING Group's annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2021 ING Group consolidated annual accounts. The financial statements for 2022 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 and the regional and global economic impact of the invasion of Russia into Ukraine and related international response measures (2) 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) 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, including in connection with the invasion of Russia into Ukraine and related international response measures (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 or stakeholders who feel misled or treated unfairly, 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 and IT 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 cyberattacks 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) 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, transition and other risks and challenges in connection with climate change and ESG-related matters (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.

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