

ING Credit Update 1Q2022

ING Investor Relations

6 May 2022



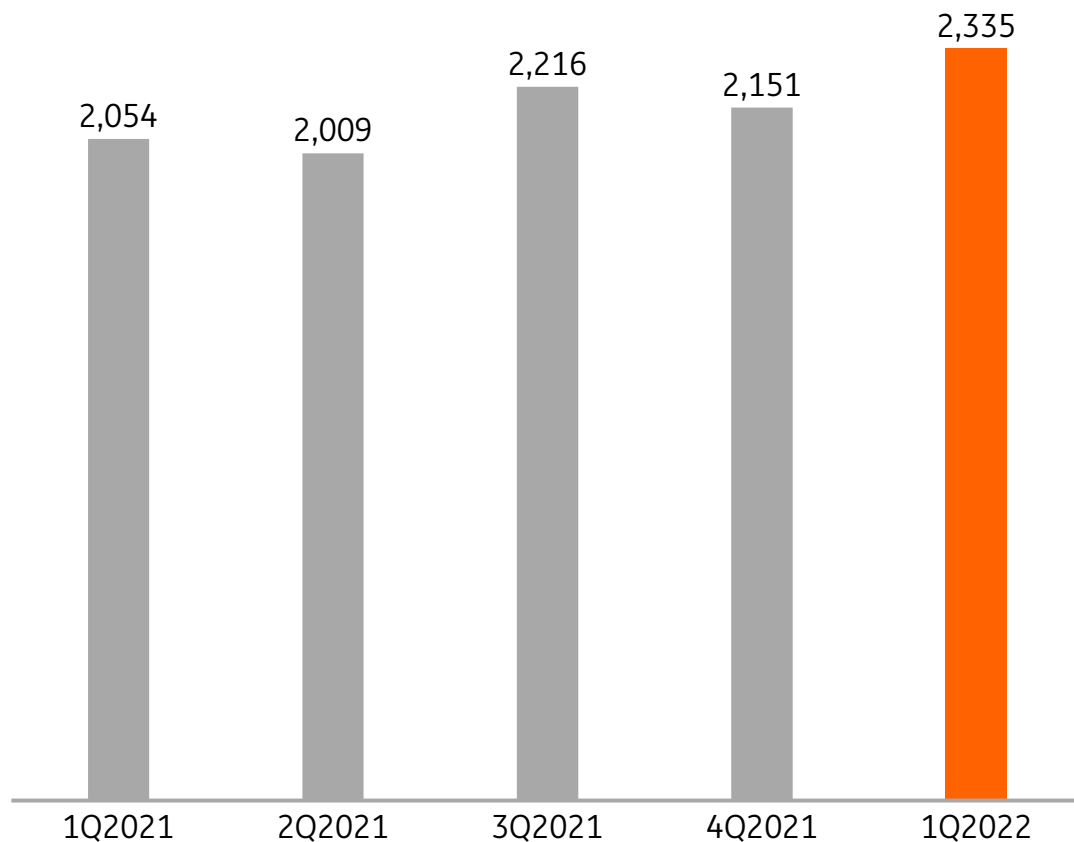
do your thing

Key points

- Pre-provision profit was strong, supported by resilient NII, with the pressure on liability income turning into a tailwind, strong fees and lower expenses
- We continue our support for the green transition, as evidenced by growth of our renewable energy financing and an increasing number of clients supported in their transitions
- Digital capabilities were added in our strive to offer a superior customer experience
- Loan growth in Retail was €5.6 bln, mainly driven by mortgages, while in Wholesale Banking loan growth was €-5.2 bln, including repayments of short-term facilities in Financial Markets. Net core deposits growth was €-0.7 bln
- Strong fee growth continued with 9.3% growth YoY, supported by our actions on daily banking in Retail and syndicated deal activity in WB, while investment product fees remained at a consistent high level
- Our cost focus continued with lower expenses in 1Q2022, despite salary increases driven by CLAs and indexation
- Elevated risk costs at €987 mln, or 62 bps of average customer lending. This was mainly driven by Stage 2 provisioning for Russia-related exposure, which we have reduced over the past months. Stage 3 provisioning was limited with a lower Stage 3 ratio at 1.4%. We are confident on the quality of our loan book and will continue to manage this in line with our proven risk management framework
- 1Q2022 CET1 ratio decreased to 14.9%, driven by higher RWA including higher risk weights, as we downgraded ratings of Russia-related exposure and the announced risk-weight floor on Dutch mortgages. We will pay a final cash dividend of €0.41 per share and make a €1.25 bln additional distribution

Strong pre-provision profit

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



- 1Q2022 pre-provision result excluding volatile items and regulatory costs increased both YoY and QoQ
- NII (excl. TLTRO III) was resilient, reflecting also the effect of rising interest rates
 - With an improving yield curve, the pressure on liability NII is turning into a tailwind
 - Where applicable, negative interest rate charging remained in place in eurozone countries, while in non-eurozone countries we benefited from rising central bank rates
 - Non-liability NII was affected as client rates generally track funding costs with a delay, while higher rates reduce the level of prepayment penalty income on mortgages
- The share of fee income increased to ~20%. We consider this higher fee level mostly structural, with room for further growth in line with our 5-10% growth ambition
- Good cost control, with cost savings absorbing increases related to CLAs and inflation
- Volatile items this quarter included a €150 mln impairment on TTB**

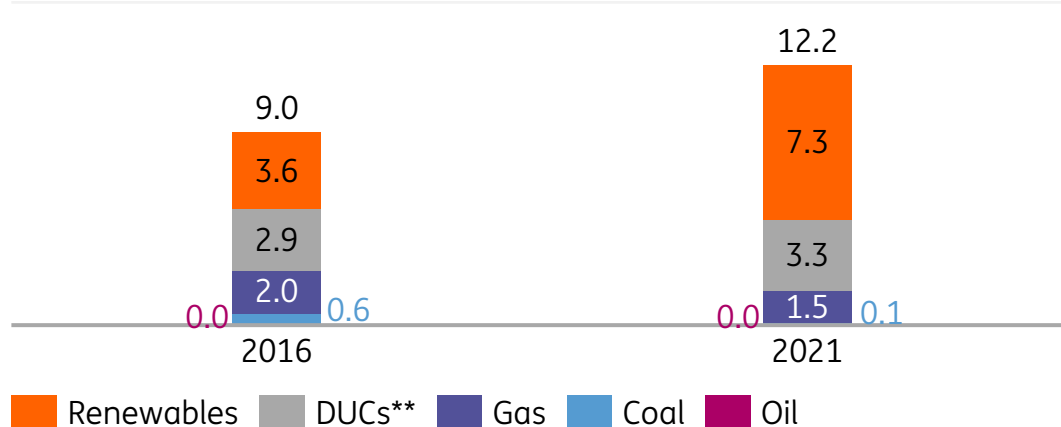
* As included in volatile items on slide 40

** TMBThanachart Bank (associated company 23% owned by ING)

Financing the green transition

- We see the green transition as both a necessity and a growth opportunity, as also reflected in our financing of renewable power generation*
- Our renewables book doubled since 2016 to €7.3 bln in 2021, to 60% of our total power generation book
- To further support the shift to renewables, we aim to grow annual new financing of renewable energy with 50% by 2025
- We further commit to not finance new oil & gas fields

Power generation book (in € bln)



* From renewable energy sources, including wind and solar
 ** Diversified Utility Company

- In support of the green transition in Retail Banking, we have introduced a green residential mortgage in the Netherlands
- In Wholesale Banking we supported an increasing number of clients in their transition to a low carbon business model, with 77 sustainability deals in 1Q2022
- This included the first sustainability-linked bond deal for Vodafone Ziggo, while two previous ING deals have won awards at the Environmental Finance Awards



€2.1 bln debut sustainability-linked bond for Vodafone Ziggo



Sustainability-linked loan of the year

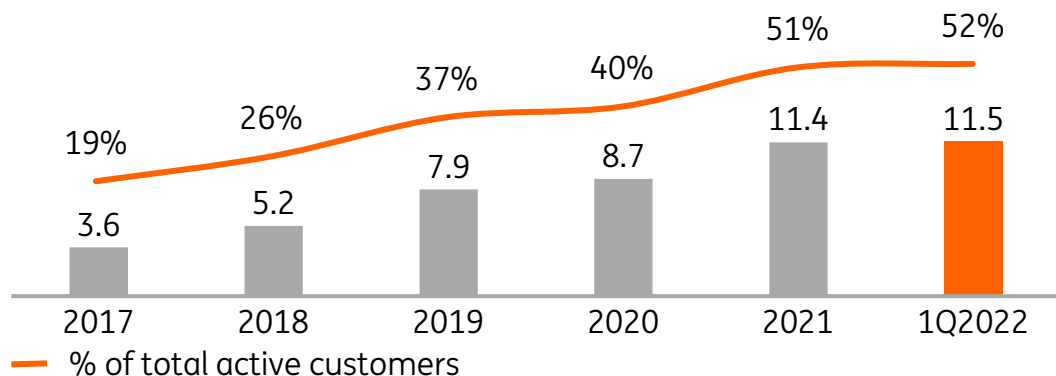
\$3.25 bln deal with CEMEX

Asset-backed/based green bond of the year

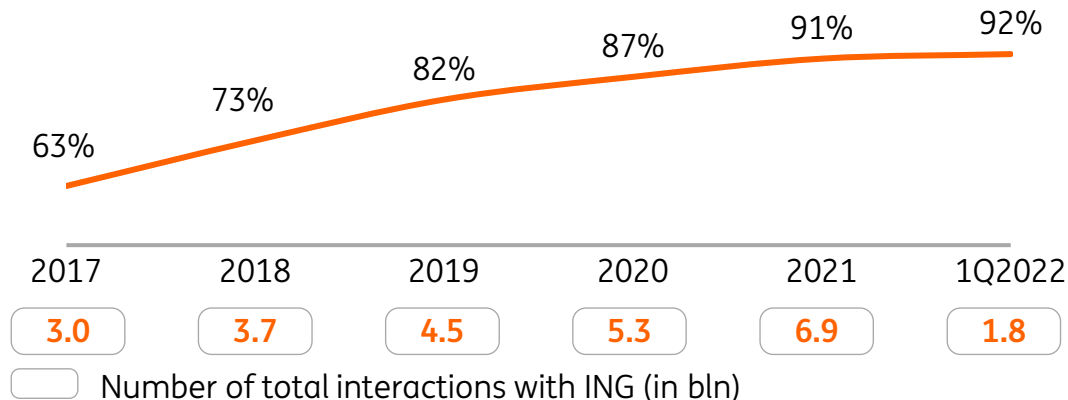
\$1.35 bln deal with Aligned

We further improved our most used and efficient channel

Mobile-only active customers (in mln)*



% mobile in interactions with ING



- To further improve our customer experience and drive value, we introduced several new digital propositions in 1Q2022
 - In Spain, instant lending was launched for new clients, with pricing and risk profile based on analysis of the applicant's data
 - In Belgium, we launched Self Invest via mobile, expanding online trading possibilities for our customers
 - In Poland, we introduced our own 'point of sale' app which turns a smartphone into a mobile card terminal
- Our focus on customer experience is recognised
 - In Germany, we were named 'most preferred bank' and 'online broker of the year' in a survey by Euro magazine
 - In Poland, we were named 'Institution of the Year' by mojebankowanie.pl, as well as 'Best Bank in Poland', 'Best Mobile App', 'Best Online Banking' and 'Best Mortgage Service'

Net promoter scores (NPS)

#1 in **6** out of
11 retail countries

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

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

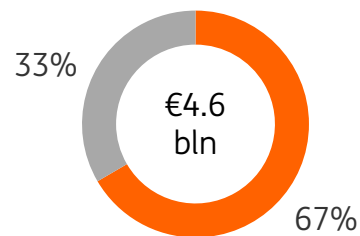
Wholesale Banking International Network

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**

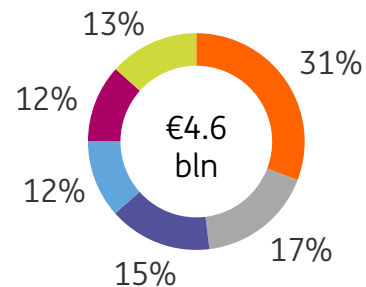
1Q2022



- Retail Banking
- Wholesale Banking

Total income**

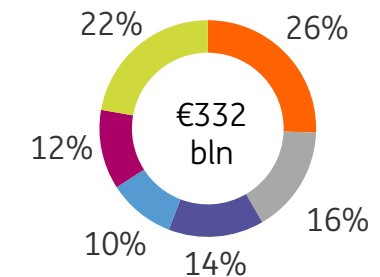
1Q2022



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

RWA (end of period)**

1Q2022



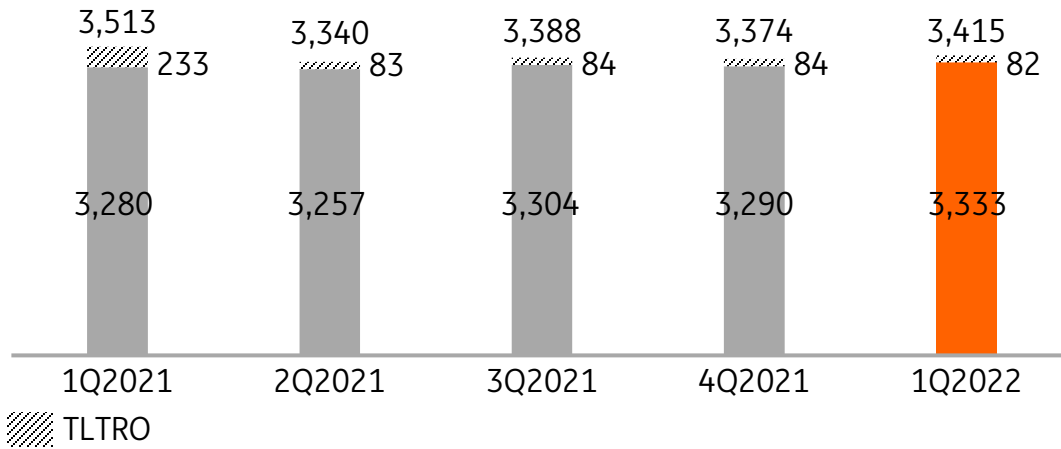
* Discontinuation of retail banking activities in France has been announced

** Segment "Other" is not shown on the slide. For this segment (Corporate Line and Real Estate run-off portfolio), total income was €21 mln in 1Q2022 and RWA was €2.6 bln as per 31 March 2022

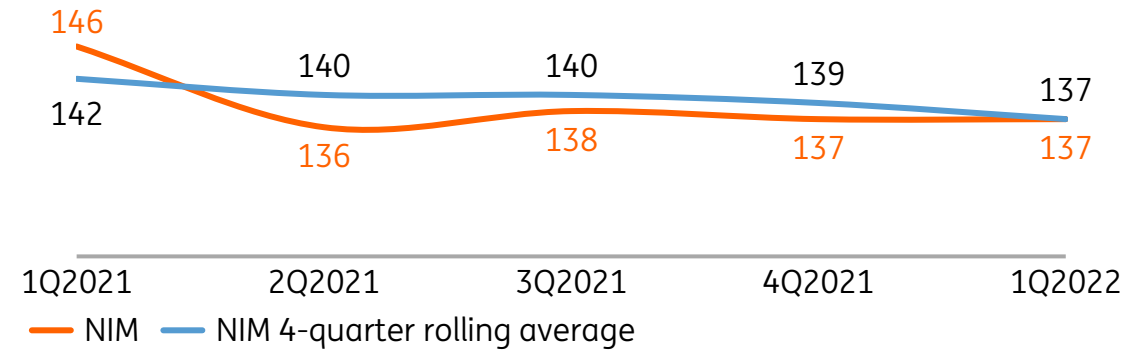
1Q2022 results

Resilient NII; 4-quarter rolling average NIM at 137 bps

Net interest income (in € mln)



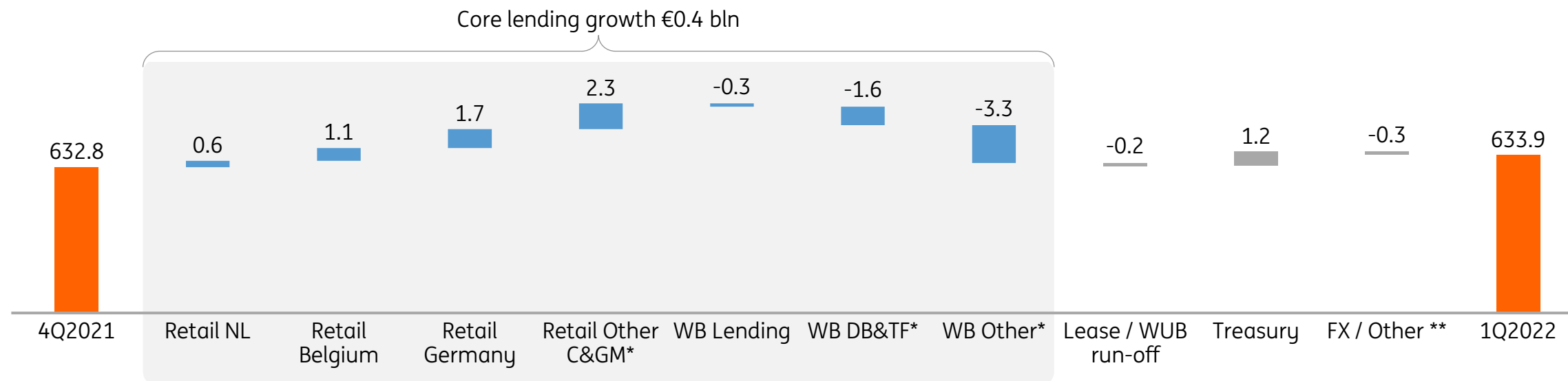
Net Interest Margin (in bps)



- NII was supported by a €82 mln TLTRO III benefit. Excluding this benefit, NII YoY benefited from higher results in Treasury and Financial Markets, as well as higher average lending volumes. Some pressure on lending margins was visible due to rising interest rates, as client rates generally track higher funding costs with a delay
- Sequentially, NII excluding the TLTRO III benefit, was supported by higher liability margins in a rising interest rate environment and higher results in Treasury and Financial Markets, while prepayment penalty income on mortgages was at a lower (more normalised) level. In addition, 4Q2021 included a €-23 mln reclassification from other income
- 1Q2022 NIM was stable compared with 4Q2021 at 137 bps, as higher NII was offset by a higher average balance sheet

Sustained mortgage growth in Retail, repayment of short-term facilities in WB

Customer lending 1Q2022 (in € bln)



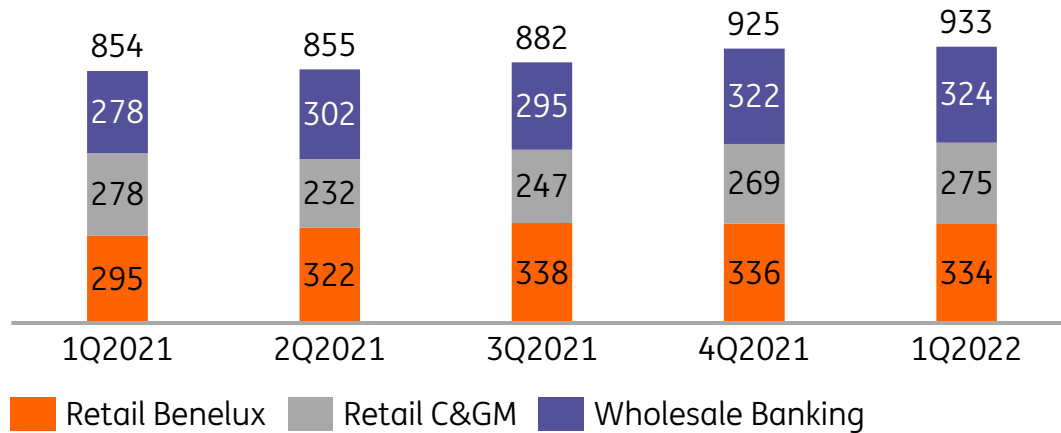
- Net core lending growth was €0.4 bln in 1Q2022
 - Retail Banking was €5.6 bln higher. Mortgages grew by €3.8 bln, due to sustained growth in most countries (primarily in Germany, Australia and Spain), whereas other retail lending increased by €1.8 bln, primarily in business lending in Belgium and Poland
 - Wholesale Banking declined by €5.2 bln, mainly in Financial Markets, reflecting repayments of short-term facilities
- Net core deposits growth was €-0.7 bln, primarily driven by lower deposits in Germany, following the introduction of negative interest rate charging

* C&GM is Challengers & Growth Markets; DB&TF is Daily Banking & Trade Finance; WB Other includes Financial Markets

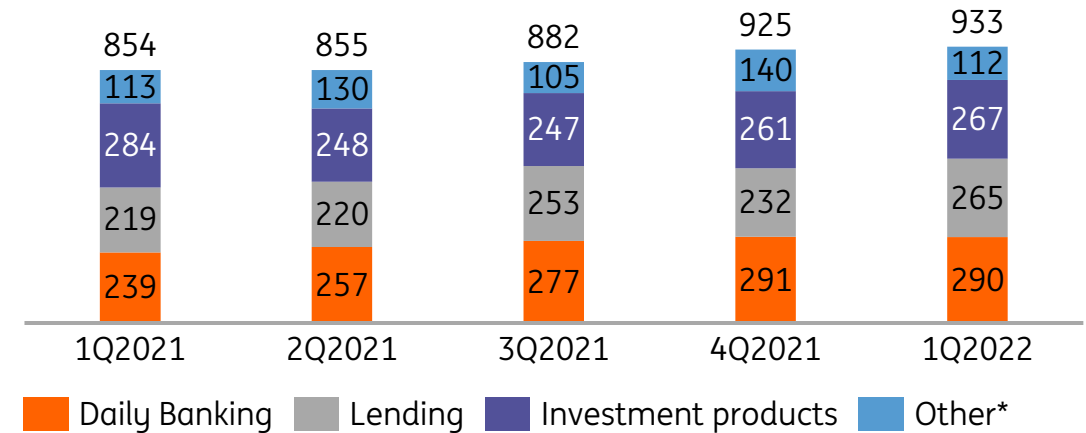
** FX impact was €3.2 bln and Other €-3.5 bln

Fee income growth continued

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



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

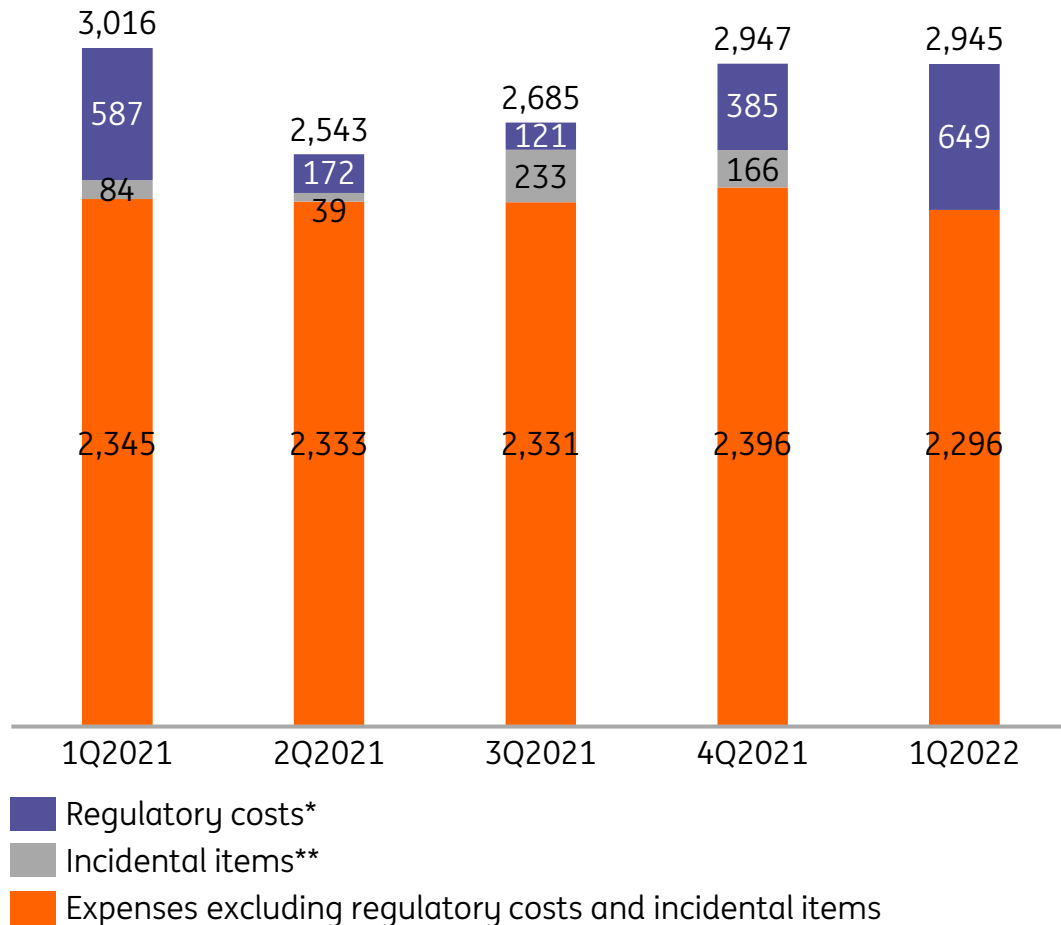


- Compared to 1Q2021, overall fee growth was 9.3%
 - In Retail Banking, fee growth was 6.3%. This was mainly driven by daily banking, reflecting increased fees on payment packages. Fees from investment products declined compared with the record-high level in 1Q2021, driven by a higher number of brokerage trades
 - Fees in Wholesale Banking were up 16.5%, driven by higher fees in Lending, TCF and PCM
- Sequentially, fees increased 0.9% on a strong 4Q2021. In Retail Banking, fees slightly increased, mainly from investment products. In Wholesale Banking, higher Lending fees were largely offset by lower fees in Financial Markets and lower activity in Corporate Finance

* Other includes insurance products and Financial Markets

Operating expenses under control

Expenses (in € mln)



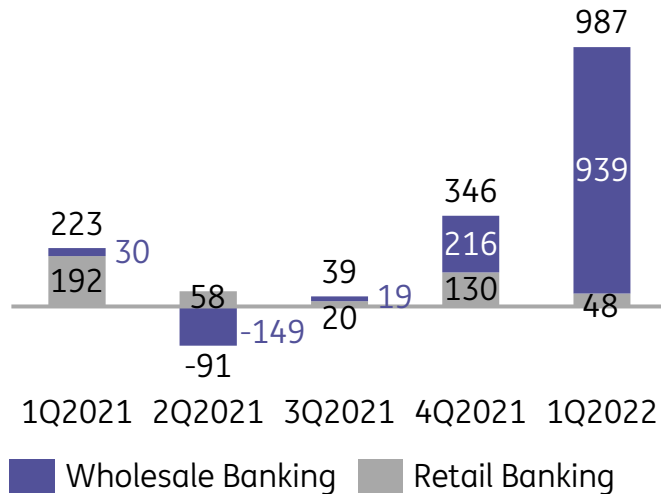
- Excluding regulatory costs and incidental items, expenses were 2.1% lower YoY, as a lower number of FTE and lower IT costs more than offset CLA increases and salary indexation
- Sequentially, expenses excluding regulatory costs and incidental items, were 4.2% lower. This was mainly driven by lower performance-related expenses, as well as lower costs for marketing, while fourth quarter expenses tend to be seasonally high
- Regulatory costs were €62 mln higher YoY, mainly reflecting a higher contribution to the European Single Resolution Fund
- QoQ regulatory costs were €264 mln higher, as the annual contributions to the SRF and Belgian DGS are fully paid in the first quarter of each year. This also applies to the annual Belgian bank tax, while 4Q2021 included the annual Dutch bank tax
- In 1Q2022, there were no incidental items in expenses, compared with €84 mln of incidental items in 1Q2021 and €166 mln in 4Q2021

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

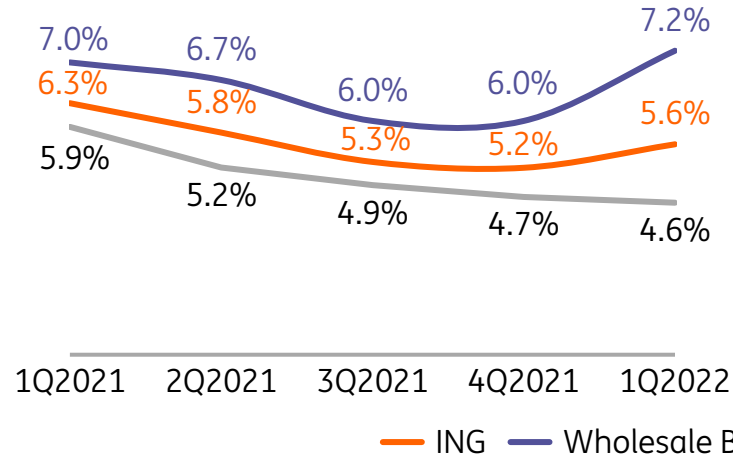
** Incidental expenses as included in volatile items on slide 40

Good quality loan book, risk costs elevated by collective Stage 2 provisions for Russia-related exposure

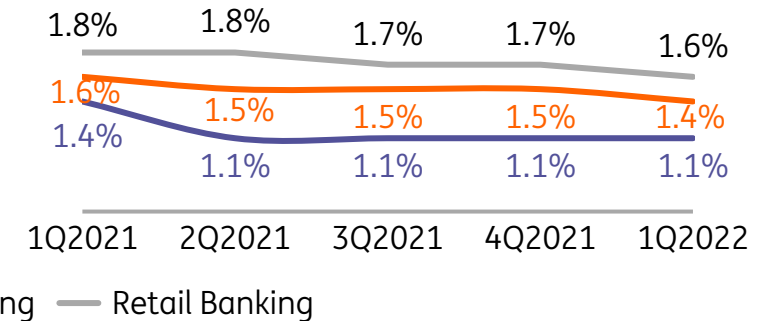
Risk costs per business line (in € mln)



Stage 2 ratio



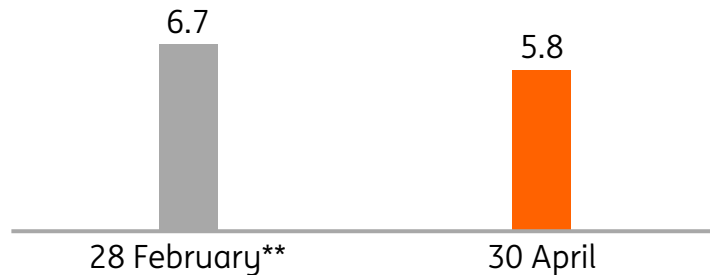
Stage 3 ratio



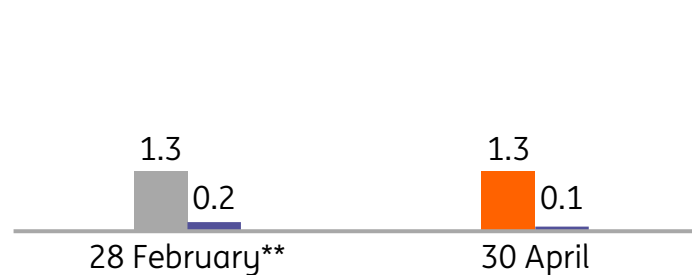
- 1Q2022 risk costs were €987 mln, or 62 bps of average customer lending, above the through-the-cycle average of ~25 bps
- The elevated level of provisioning was visible in WB, reflecting €834 mln for Russia-related exposure, of which €763 mln was in Stage 2
 - This included €466 mln from negative rating migration following the sovereign rating downgrade as well as stage migration following the transfer of certain clients to the watch list
 - A €297 mln management overlay was taken in Stage 2 reflecting the deteriorated circumstances for Russian clients
- Risk costs further included a €178 mln addition reflecting the update of macroeconomic indicators and €124 mln total releases of several Covid-19 related sector overlays taken in previous quarters
- The Stage 2 ratio increased to 5.6% and the Stage 3 ratio declined to 1.4%

We actively reduce our Russia-related exposure

Total Russia-related exposure*
(in € bln)

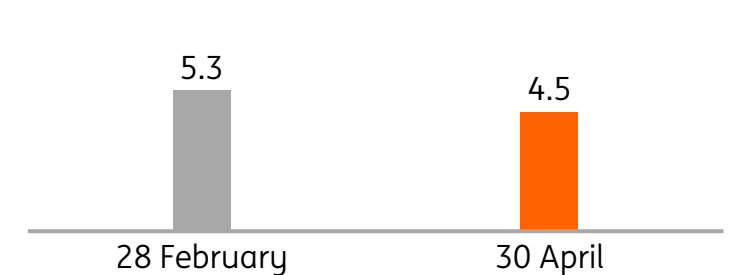


Onshore exposure* and equity
(in € bln)



■ Equity Russian subsidiary

Offshore exposure*
(in € bln)



- Since the end of February we have reduced our Russia-related exposure by €0.9 bln, to €5.8 bln as of 30 April, which included €0.4 bln deposits at the central bank and €1.4 bln covered by ECA, CPRI and European parent guarantees
- Undrawn committed exposure was €0.7 bln and notional hedge exposure was €0.6 bln
- As of 1Q2022, €2.5 bln has been included in CET1 capital to cover for expected and unexpected losses, consisting of
 - €0.8 bln of loan loss provisions on Russia-related exposure (mainly Stage 2 provisions)
 - €1.7 bln of CET1 capital equivalent (at 12.5%) of €13.3 bln total credit RWA on Russia-related exposure
- Going forward focus remains on further reducing exposure and managing the associated risks
 - No new business with Russian companies and a material part of the existing exposure is short-term
 - €3.3 bln exposure affected by sanctions implying no additional exposure, repayments are allowed and received

More details on Russia-related exposure on slide 32

* Lending credit outstandings, including pre-settlement, money market and investment limits, excluding off-balance sheet positions

** As published on 4 March 2022

ING Group financial ambitions

		Actual 2021	Actual 1Q2022	Financial ambitions
Capital	▪ CET1 ratio (%)	15.9%	14.9%	~12.5%* (Basel IV)
Profitability	▪ ROE (%)** (IFRS-EU Equity)	9.2%	8.0%	10-12%
	▪ C/I ratio (%)**	60.5%	60.5%	50-52%
Distribution	▪ Distribution (per share)	€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 March 2022, this amounted to €1,783 mln, reflecting the remaining amount reserved for distribution from the 2021 and 1Q2022 resilient net profit

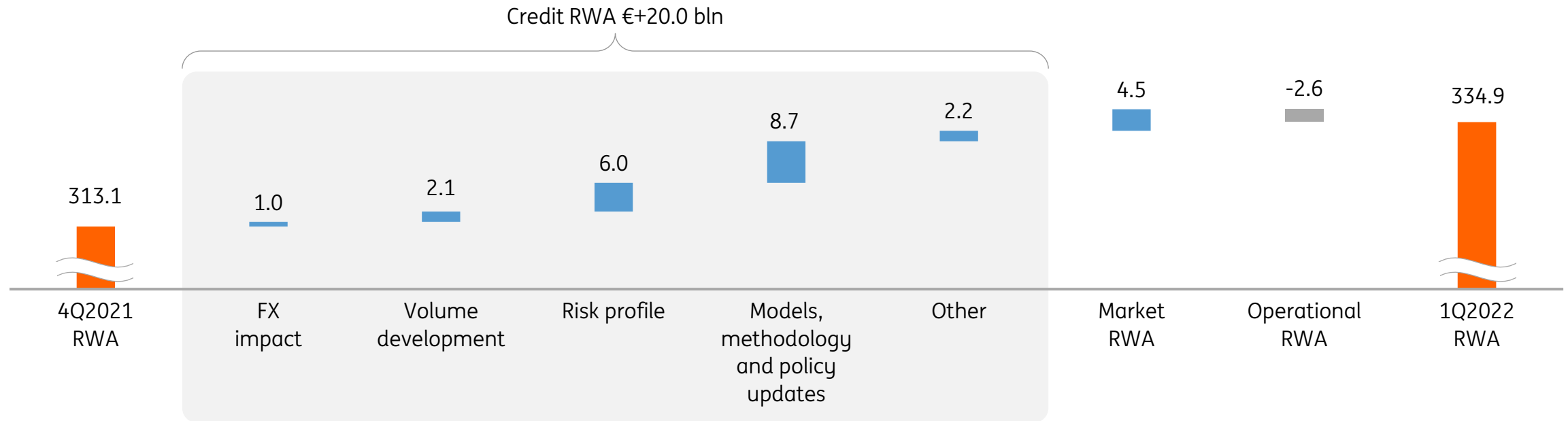
*** Consisting of the remaining dividend over 2020 (€0.27 per share), interim dividend over 2021 (€0.21 per share) and the proposed final dividend over 2021 (€0.41 per share)

**** Of resilient net profit

Capital

Risk-weighted assets increased in 1Q2022, reflecting Russia-related rating migration and introduction of floor on Dutch mortgages

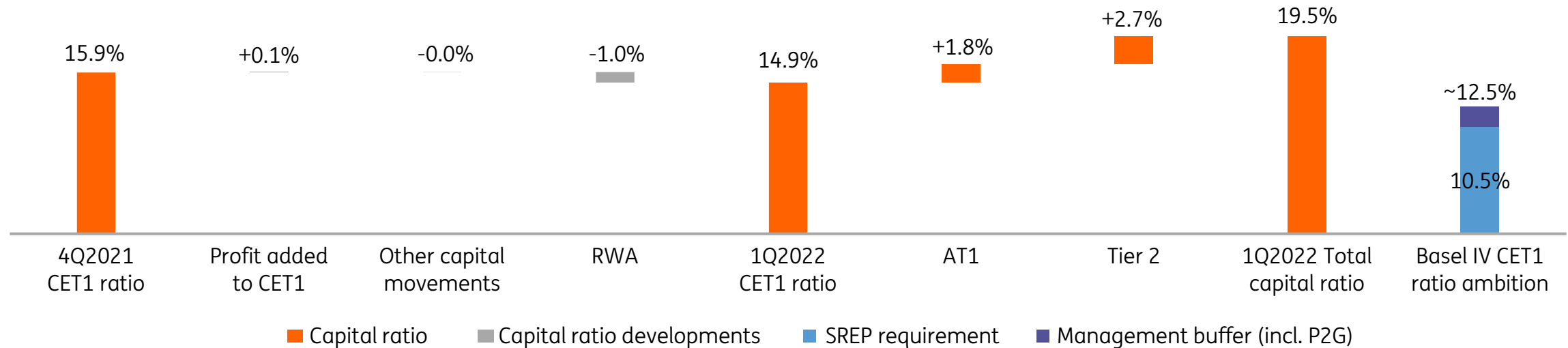
ING Group risk-weighted assets development (in € bln)



- In 1Q2022, RWA increased by €21.8 bln to €334.9 bln. Credit RWA grew by €20.0 bln, mainly driven by model impacts (€8.7 bln) largely due to the introduction of a risk weight floor on Dutch residential mortgages by the Dutch Central Bank. The increase further reflects €9.0 bln of rating migration on Russia-related exposure following the sovereign rating downgrade, which was partly offset by an improved risk profile of other exposures (€-3.0 bln)
- Market RWA increased by €4.5 bln, driven by higher market volatility as well as higher market positions
- Operational RWA decreased by €2.6 bln due to regular updates to the AMA model

CET1 ratio decreased to 14.9% as a result of higher risk-weighted assets. Pro-forma CET1 ratio at 14.5% after additional distribution

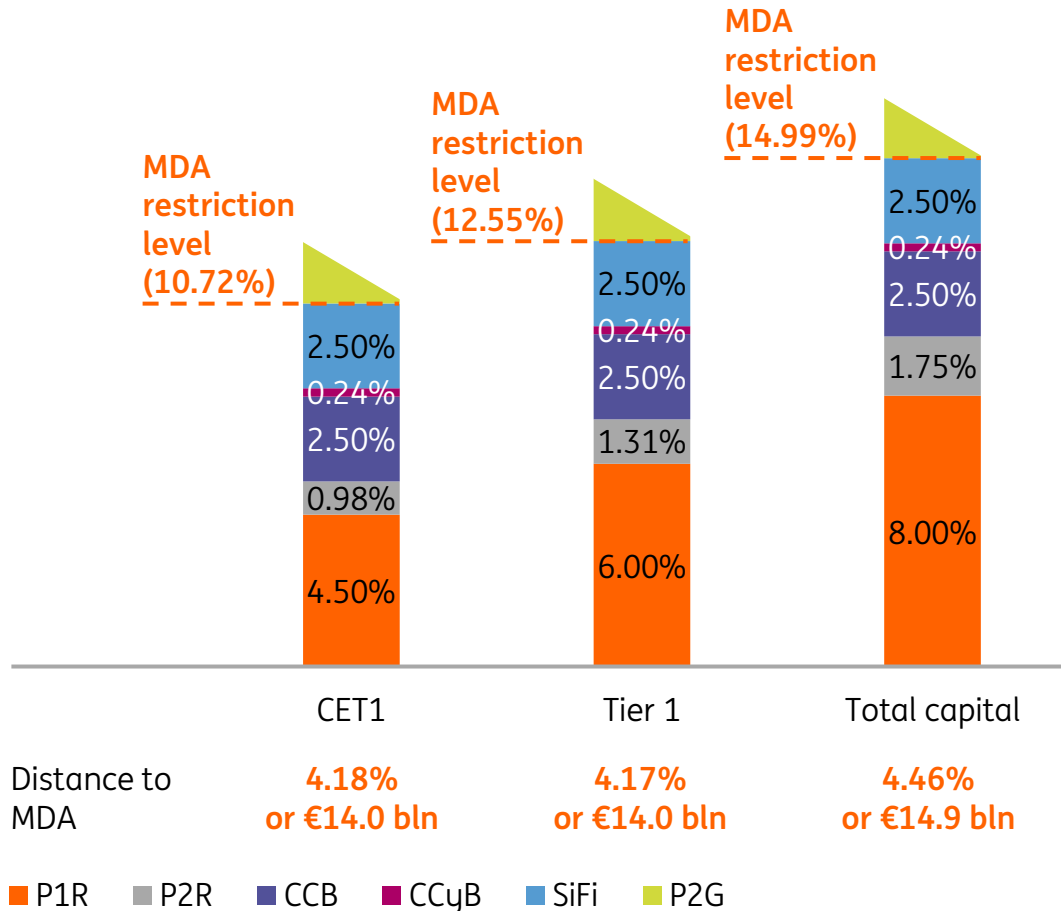
ING Group Total capital ratio development (in %)



- The 1Q2022 CET1 ratio decreased to 14.9%, driven by higher risk-weighted assets
- At the end of 1Q2022, there was €1,783 mln of reserved profits not included in CET1 capital, of which €1,568 mln relates to the result of 2021 and will be paid as a final cash dividend of €0.41 per share on 9 May 2022
- In line with our intention to converge our CET1 ratio towards our ambition level in the coming years, we will distribute an additional €1,250 mln, which we have rightsized to the prevailing macro uncertainties and brings the pro-forma CET1 ratio to 14.5%
 - A cash dividend of €0.232 per share on 18 May 2022, which is driven by Dutch withholding tax requirements
 - A share buyback for the remaining €380 mln, which will commence on 12 May 2022
- The AT1 ratio decreased by 0.4%-point to 1.8%, due to the announced redemption of a \$1 billion AT1 instrument in April 2022 and higher risk-weighted assets. Higher risk-weighted assets also led to a 0.2%-point decrease of the Tier 2 ratio, to 2.7%

Buffer to fully-loaded Maximum Distributable Amount, including announced CCyB increases, remained strong at ~4%

ING Group fully-loaded SREP requirements



- ING Group's fully-loaded CET1 requirement is 10.72%
 - 4.50% Pillar 1 Requirement (P1R)
 - 0.98% Pillar 2 Requirement (P2R)
 - 2.50% Capital Conservation Buffer (CCB)
 - 0.24% Countercyclical Buffer (CCyB)*
 - 2.50% Systemically Important Financial Institutions Buffer (SiFi)
- Fully-loaded Tier 1 requirement is 12.55%
 - 0.33%-point of P2R can be filled with AT1
- Fully-loaded Total Capital requirement is 14.99%
 - 0.44%-point of P2R can be filled with Tier 2

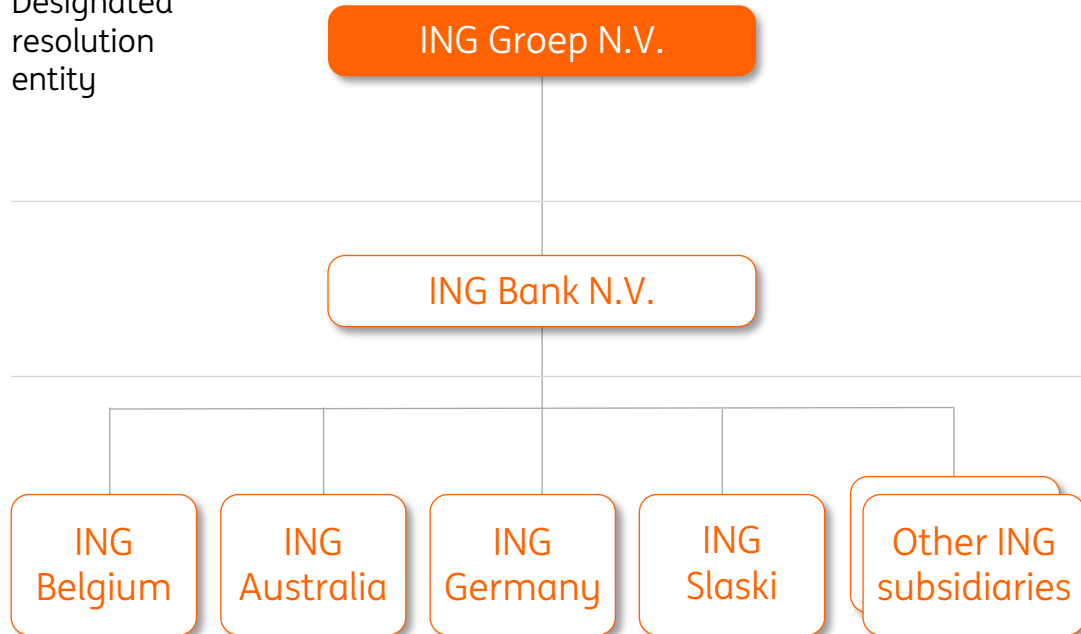
* Fully-loaded CCyB increased by 0.01% to 0.24% in 1Q2022, mainly due to announced increase in France; 1Q2022 CCyB remained 0.03%

Funding & liquidity

Issuance entities under our approach to resolution

Issuance entities

Designated
resolution
entity

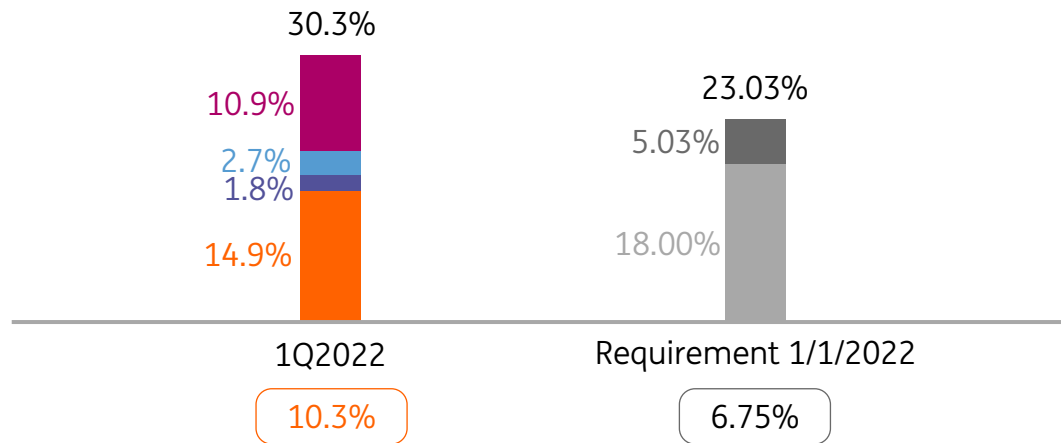


Eligible instruments for TLAC/MREL

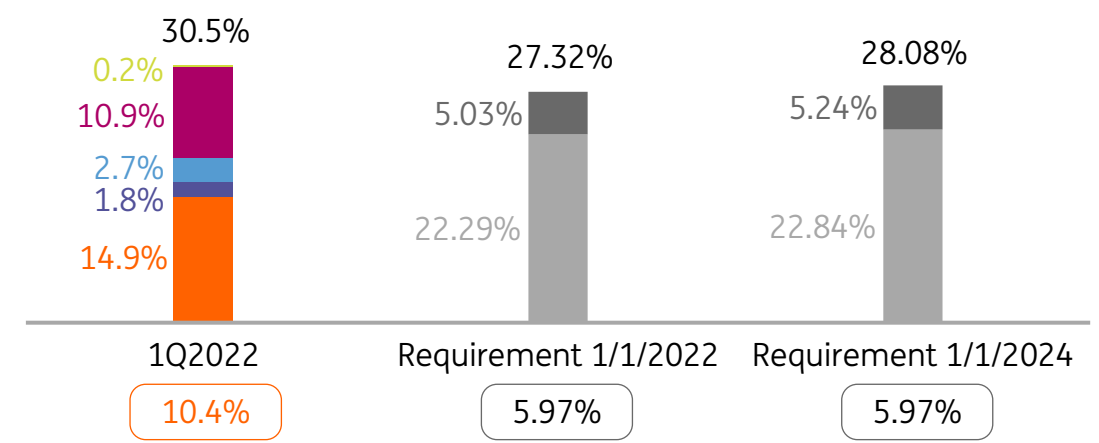
	TLAC	MREL
<ul style="list-style-type: none"> Own funds (CET1 / AT1 / Tier 2) 	✓	✓
<ul style="list-style-type: none"> Senior unsecured debt (> 1 year) 	✓	✓
<ul style="list-style-type: none"> Own funds 	✓	✓
<ul style="list-style-type: none"> Secured funding & senior unsecured debt (> 1 year) 	✗	✗
<ul style="list-style-type: none"> Secured funding 	✗	✗
<ul style="list-style-type: none"> Operational funding needs (un)-secured debt 	✗	✗

ING meets its TLAC and MREL 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 30.3% of RWA and 10.3% of TLAC leverage exposure (LR)
- RWA-based MREL is the most constraining requirement for ING. As per 31 March 2022, ING Group amply meets the intermediary MREL requirements as per 1 January 2022
- In 1Q2022, ING issued €6.6 bln of HoldCo Senior debt in various currencies

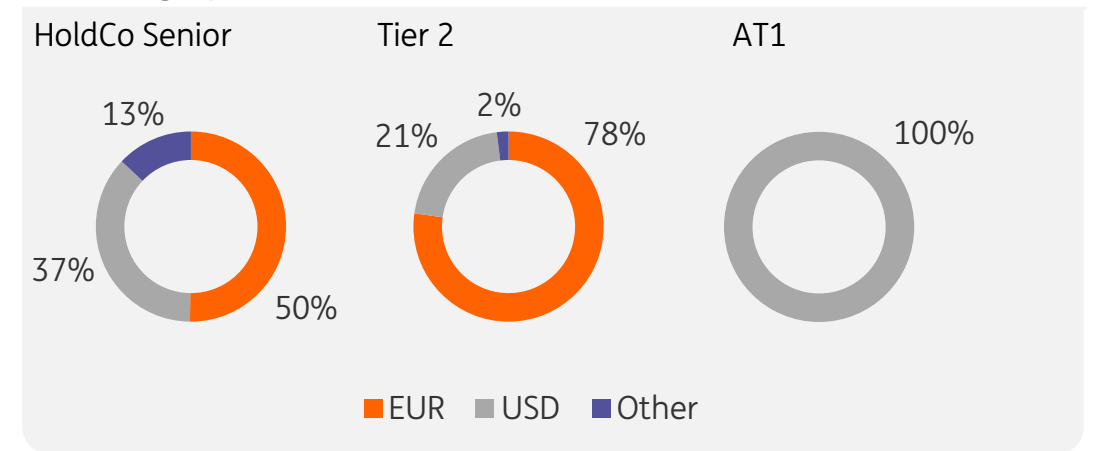
* Relates to regulatory adjustments on T2

Long-term debt maturity ladder and issuance guidance

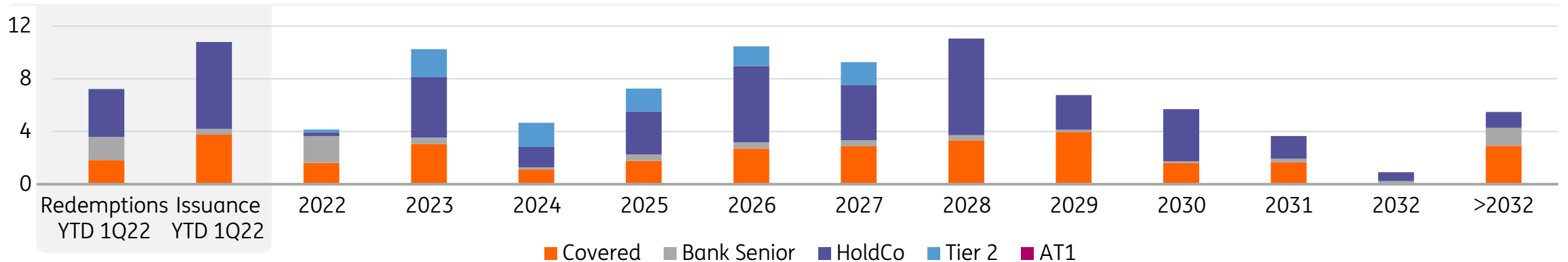
Issuance guidance 2022

- 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

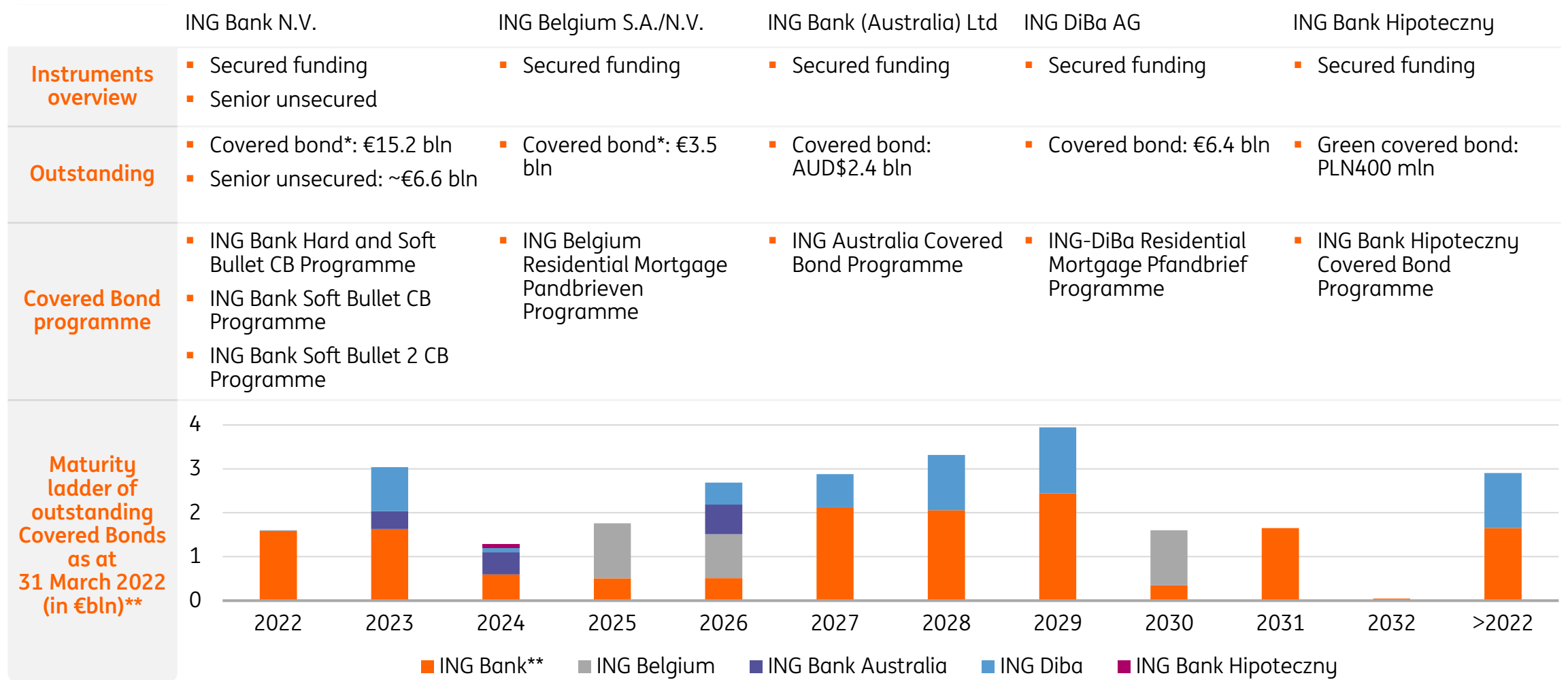


Long-term debt maturity ladder (in € bln)*



* 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



* 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 takes into account the EU Taxonomy (EUT) Regulation and the EUT Delegated Act (including all intricate technical screening, Do No Significant Harm and Minimum Social Safeguards criteria). 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 ~€13 bln*, with ~€7 bln of outstanding green bonds issued
- We intend to issue green bonds on a regular basis going forward

Sustainability Ratings ING Groep N.V.



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



- Rating: AA
- Affirmed: December 2021



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

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

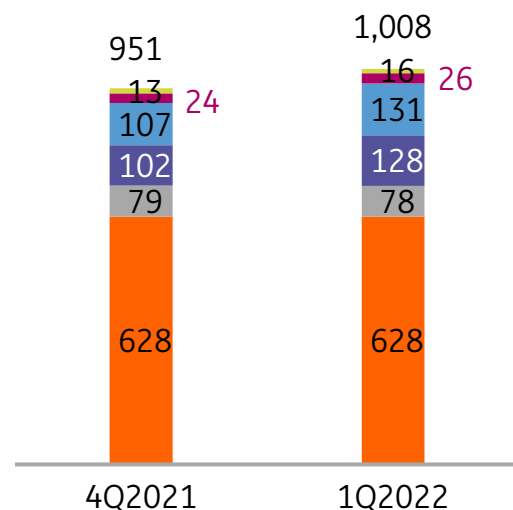
* As of latest allocation and impact report (FY2021)
See website for more details: <https://www.ing.com/Sustainability.htm>

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

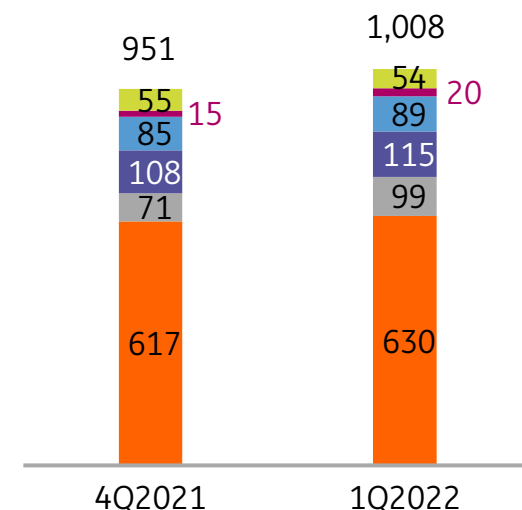
Balance sheet ING Group (in € bln)

- Balance sheet ING Group increased to €1,008 bln in 1Q2022

Assets



Liabilities



- Other
- Loans to banks
- Cash with central banks
- Financial assets at FVPL
- Financial assets at FVOCI*
- Loans to customers

- Total equity
- Other
- Deposits from banks
- Wholesale funding
- Financial liabilities at FVPL
- Customer deposits

Well-diversified customer loan book

- See “Asset Quality” section of this presentation

Stable funding profile

- Increase in balance sheet mainly due to higher financial assets at fair value through P&L and higher cash and balances with central banks
- 62% of the balance sheet is funded by customer deposits
- 88% of total customer deposits is in Retail Banking
- Well-balanced loan-to-deposit ratio of 100% as per 31 March 2022**

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 1Q2022 increased to €10 mln compared with €5 mln in 4Q2021, driven by higher market volatility

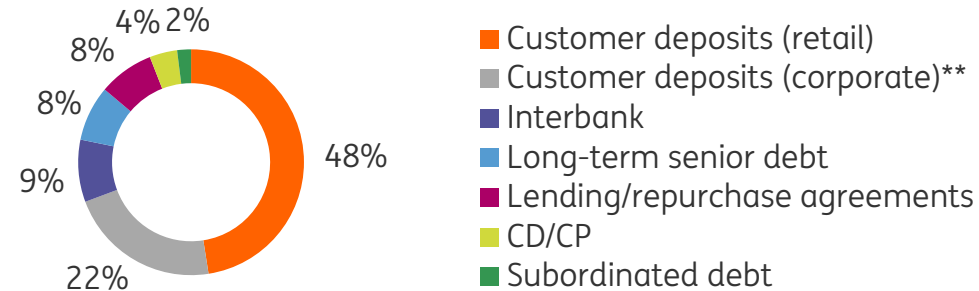
* Including securities at amortised cost

** 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 138%

Funding mix*

31 March 2022



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

* Liabilities excluding trading securities and IFRS-EU equity

** Includes SME / Midcorps from Retail Banking

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 138% due to a higher stressed outflow
- Besides the HQLA buffer, ING maintains large pools of ECB-eligible assets, in the form of internal securitisations and credit claims

LCR 12-month moving average (in € bln)

	31 March 2022	31 December 2021
Level 1	160.6	154.8
Level 2A	5.3	5.0
Level 2B	5.8	5.6
Total HQLA	171.7	165.4
Stressed outflow	214.8	206.6
Stressed inflow	90.5	87.5
LCR	138%	139%

Strong rating profile at both Group and Bank levels

Main credit ratings of ING as of 5 May 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-

* Outlook refers to the senior unsecured rating

Latest rating actions on ING Group and Bank

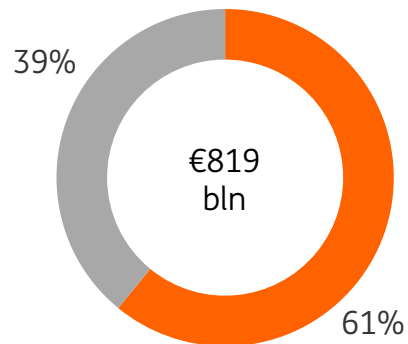
- Fitch: ING Bank was upgraded to AA- in February 2019. In November 2021, Fitch affirmed ING Group's and ING Bank's ratings and revised the outlooks from negative to stable, reflecting the group's better than anticipated financial performance during the pandemic and the stabilisation of the Dutch and 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

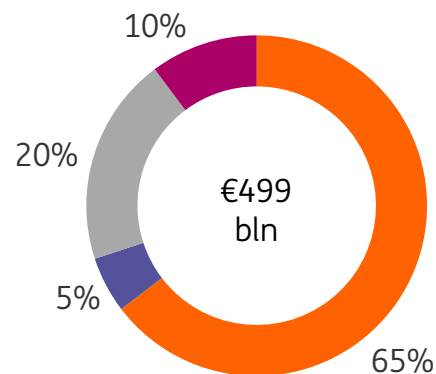
Lending credit O/S* 1Q2022



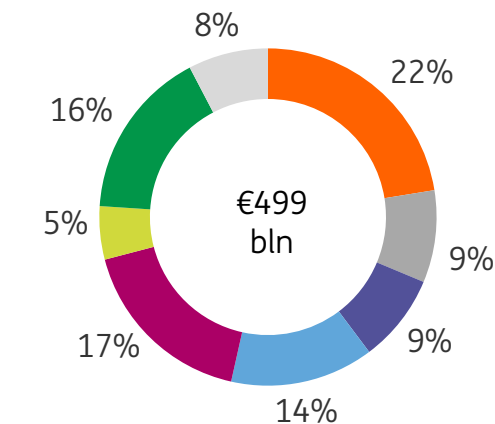
- Retail Banking
- Wholesale Banking

Retail Banking

Lending credit O/S* 1Q2022



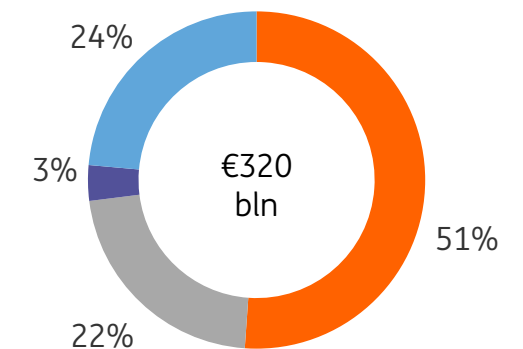
- Residential mortgages
- Consumer Lending
- Business Lending
- Other Lending**



- 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* 1Q2022



- 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

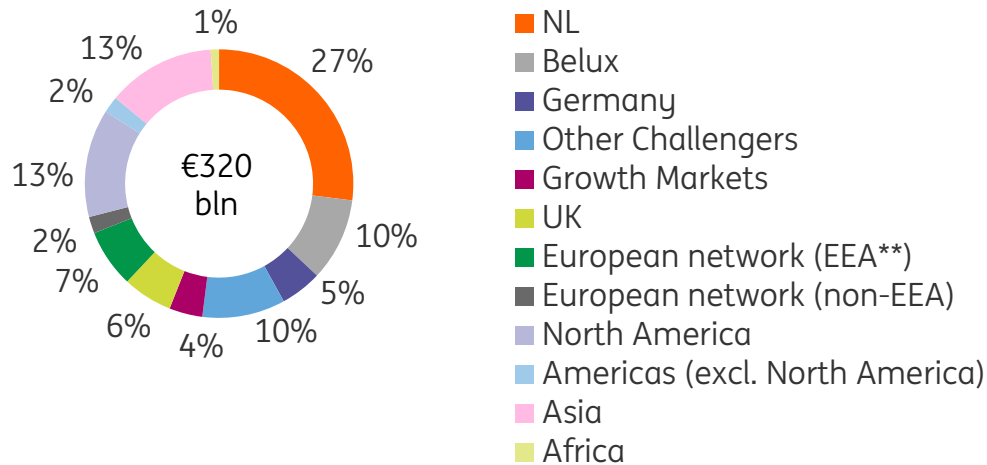
* Lending and money market credit outstandings, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)

** Other includes €40 bln Retail-related Treasury lending and €11 bln Other Retail Lending

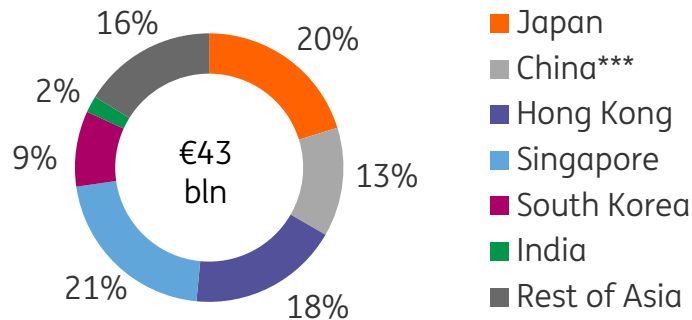
Wholesale Banking lending

Loan portfolio is well diversified across geographies...

Lending Credit O/S* Wholesale Banking

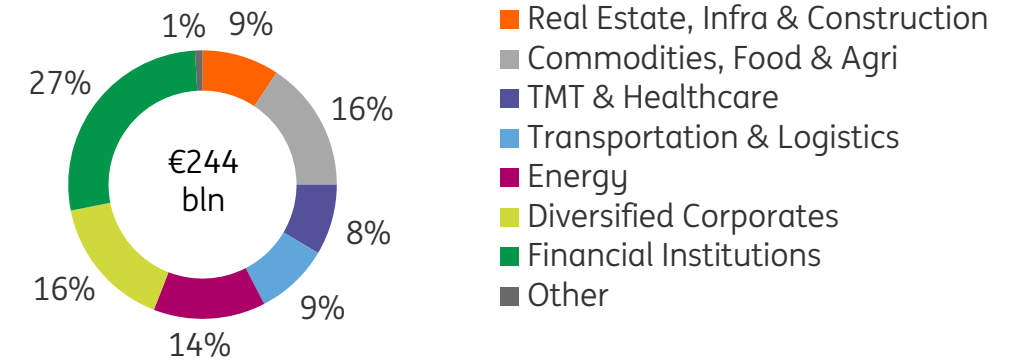


Lending Credit O/S* Wholesale Banking Asia

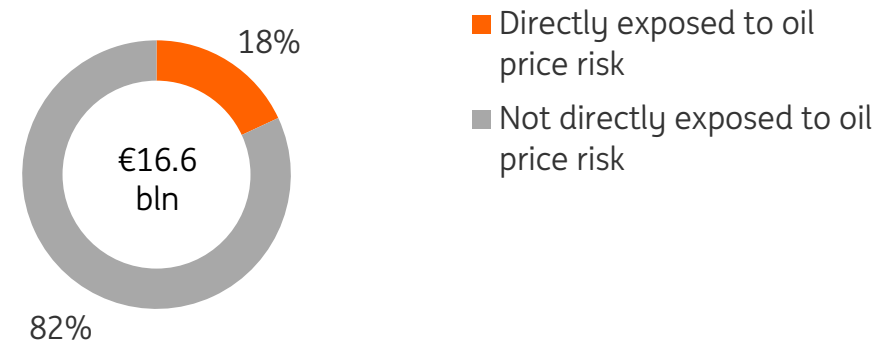


...and sectors

Lending Credit O/S Wholesale Banking excluding Treasury & Other



Oil and gas exposure (Up-, mid- and downstream)



* 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) ** European Economic Area; *** Excluding our stake in Bank of Beijing (€1.8 bln at 31 March 2022)

Updated overview exposure related to Russia and Ukraine

Lending credit outstandings (in € bln)

	28 Feb 2022*	31 March 2022	30 April 2022
Lending credit outstandings related to Russia			
Russian borrower with Russian ownership	5.0	4.2	4.2
Russian borrower with non-Russian ownership	0.3	0.4	0.5
Non-Russian borrower with Russian ownership	1.5	1.3	1.1
Total Russia-related exposure	6.7	6.0	5.8
Booked at ING in Russia	1.3	1.2	1.3
Of which covered by (European) parent guarantees	0.2	0.2	0.2
Booked at other ING entities	5.3	4.8	4.5
Of which covered by ECA and CPRI	2.2	1.2**	1.2
Affected by sanctions	0.7	2.8	3.3
Undrawn committed facilities	0.6	0.8**	0.7
Equity in Russian subsidiary	0.2	0.1	0.1
Lending credit outstandings related to Ukraine			
Booked at ING in Ukraine	0.4	0.4	0.4
Booked at other ING entities	0.2	0.2	0.2
Total	0.5	0.6	0.6
Of which covered by (European) parent guarantees	0.2	0.2	0.2

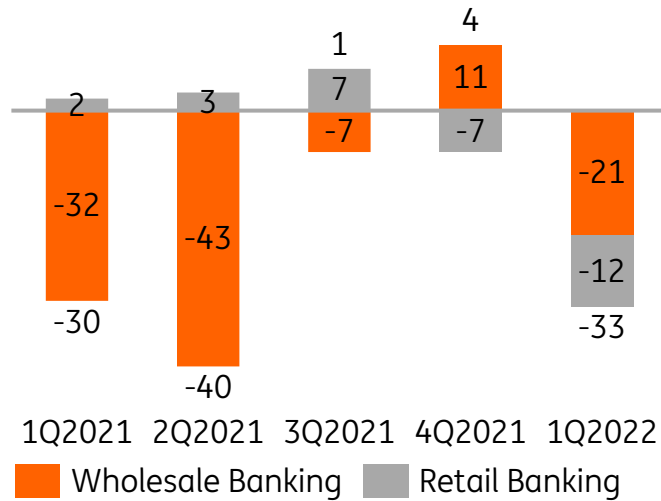
Lending credit outstandings, including pre-settlement, money market and investment limits, excluding undrawn committed exposures (off-balance sheet positions)

* As published on 4 March 2022

** Delta vs 28 February mainly reflects further refinement post end-of-month closing

Provisioning per Stage

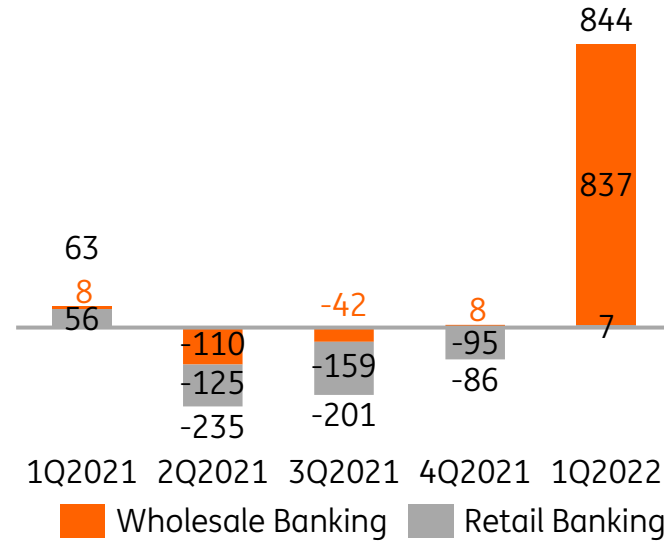
Stage 1 provisioning (in € mln)



Main drivers 1Q2022

- Partial release of Covid-19 related sector overlays applied in previous quarters

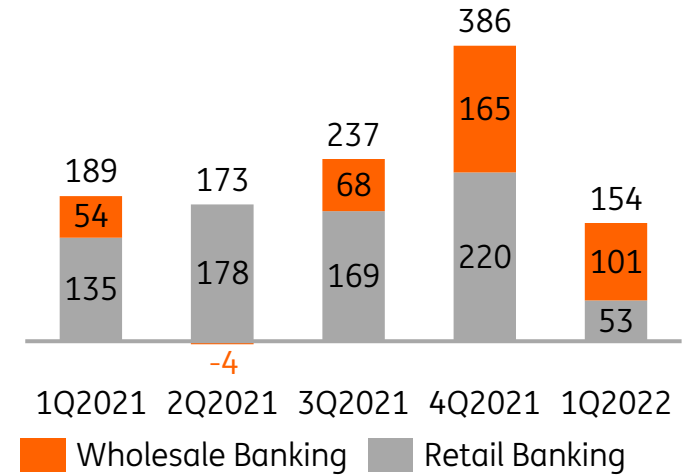
Stage 2 provisioning (in € mln)



Main drivers 1Q2022

- Rating downgrades following sovereign rating downgrade
- Stage migration due to watch list transfers
- Management overlay related to Russian exposure
- Updated macroeconomic indicators
- Partial release of Covid-19 related sector overlays applied in previous quarters

Stage 3 provisioning (in € mln)



Main drivers 1Q2022

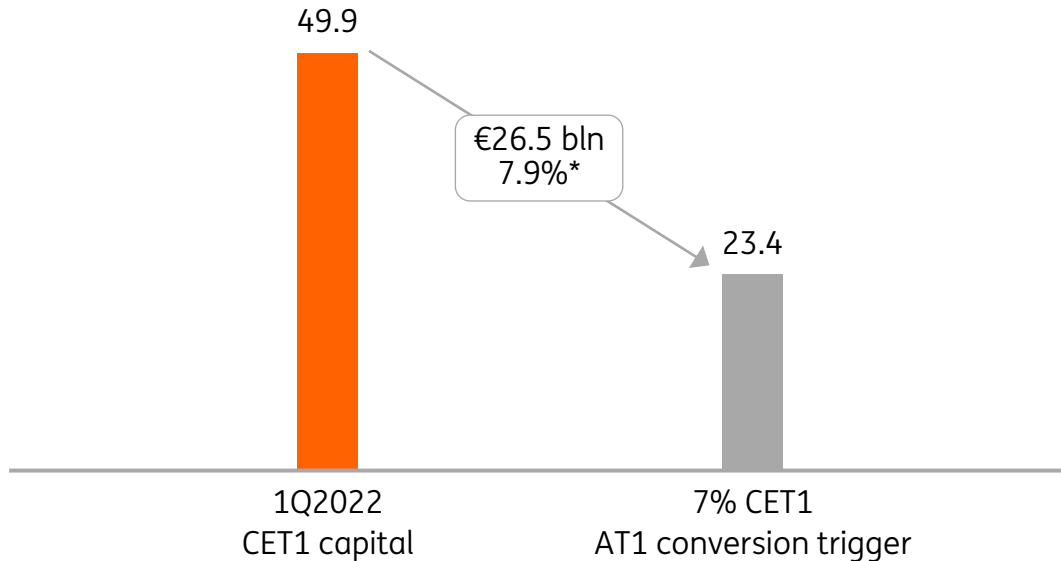
- Collective provisioning in Retail Banking
- Some additions for new and existing individual files in Wholesale Banking

Appendix

Comfortable buffer to Additional Tier 1 trigger

Buffer to AT1 trigger (in € bln)

31 March 2022



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 €26.5 bln, or 7.9% of RWA
- 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 14.9% ING Group CET1 ratio in 1Q2022 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	Issued (€ mln)	Reset spread
XS2443920249	Feb-22	Feb-26	Feb-27	5NC4	1.25%	1500	3mE + 85
XS2443920751	Feb-22	Feb-30	Feb-31	9NC8	1.75%	1500	3mE + 115
XS2449218093	Feb-22	Feb-33	Feb-34	12NC11	1.876%	75	3mE + 104
XS2421195178	Dec-21	Feb-33	Feb-34	12NC11	0.98%	100	3mE + 82
XS2413697140	Nov-21	Nov-29	Nov-30	9NC8	0.88%	750	3mE + 88
XS2413696761	Nov-21	Nov-24	Nov-25	4NC3	0.13%	1,250	3mE + 43
XS2390506546	Sep-21	Sep-27	Sep-28	7NC6	0.38%	1,500	3mE + 70

HoldCo Senior Unsecured, USD issuances*

ISIN	Issue date	First call date	Maturity	Tenor	Coupon	Issued (US\$ mln)	Reset Spread
US456837BA00	Mar-22	Mar-25	Mar-26	4NC3	3.869%	1,250	SOFR + 164
US456837BD49	Mar-22	Mar-25	Mar-26	4NC3	FRN	500	SOFR + 164
US456837BB82	Mar-22	Mar-27	Mar-28	6NC5	4.017%	1,250	SOFR + 183
US456837BC65	Mar-22	Mar-32	Mar-33	11NC10	4.252%	1,000	SOFR + 207
US456837AV55	Apr-21	Apr-26	Apr-27	6NC5	1.73%	1,100	SOFR + 100.5
US456837AX12	Apr-21	Apr-26	Apr-27	6NC5	SOFR+101	400	SOFR + 101
US456837AW39	Apr-21	Apr-31	Apr-32	11NC10	2.73%	750	SOFR + 131.6

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

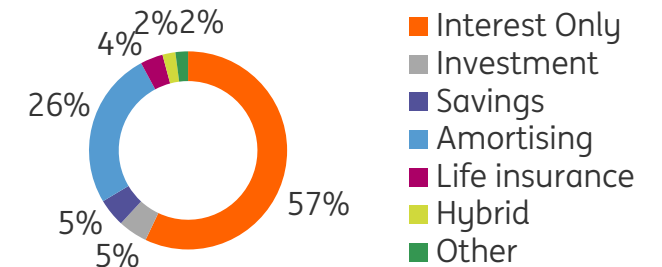
ING Bank's covered bond programme...

- 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 March 2022, 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

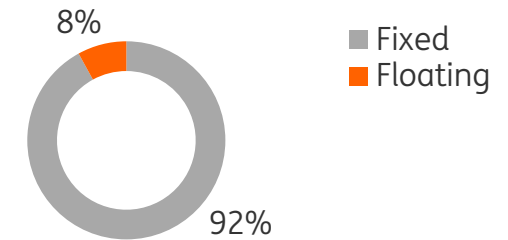
Portfolio characteristics*

Net principal balance	€19,866 mln
Outstanding bonds	€16,594 mln
# of loans	104,500
Avg. principal balance (per borrower)	€190,105
WA current interest rate	2.26%
WA remaining maturity	17.98 years
WA remaining time to interest reset	7.50 years
WA seasoning	11.77 years
WA current indexed LTV	49.55%
Min. documented OC	2.50%
Nominal OC	19.72%

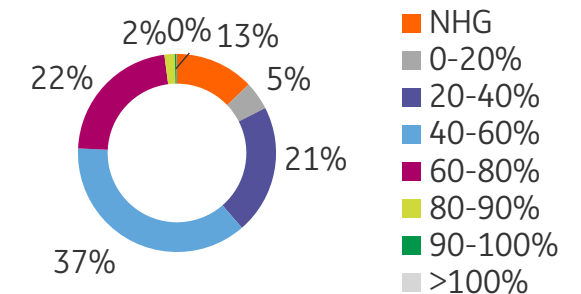
Redemption type*



Interest rate type*



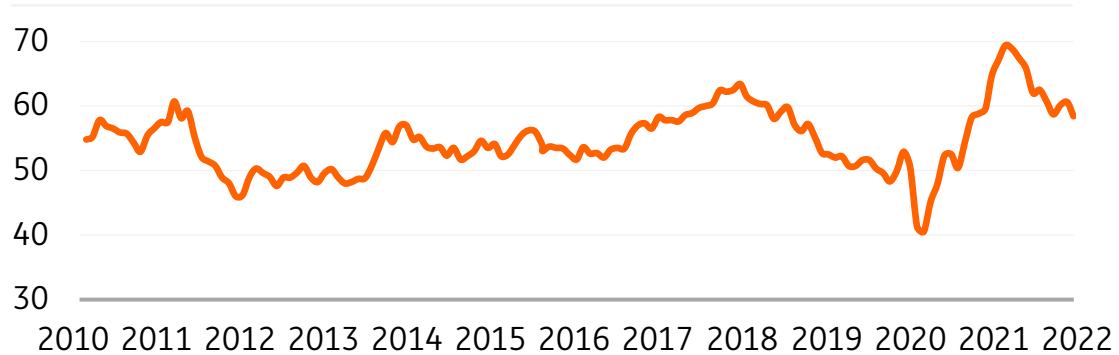
Current Indexed LTVs*



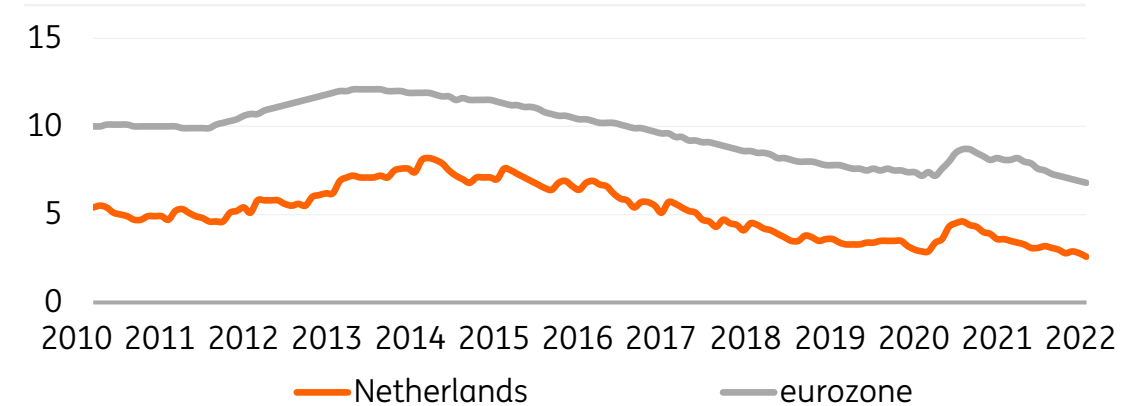
* As per 31 March 2022

...benefits from a continued strong Dutch housing market, which seems unaffected by the increased economic uncertainty

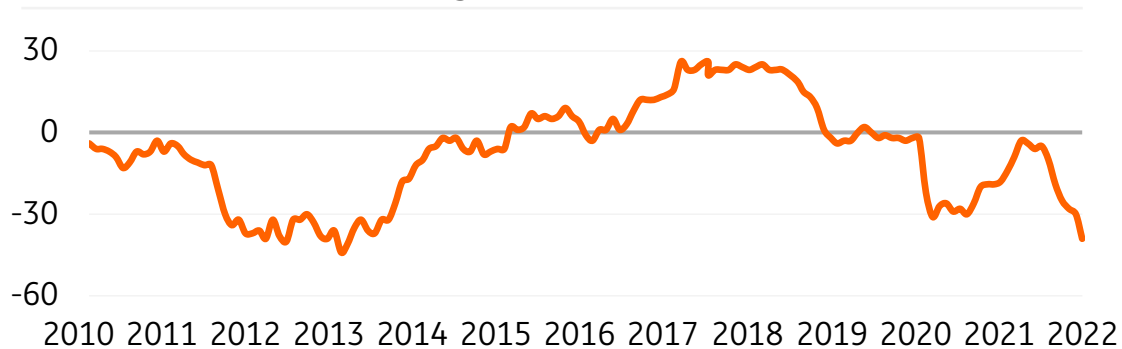
Dutch Purchasing Managers Index (PMI) indicating industrial growth, but decreased to 58.4 after the invasion of Ukraine



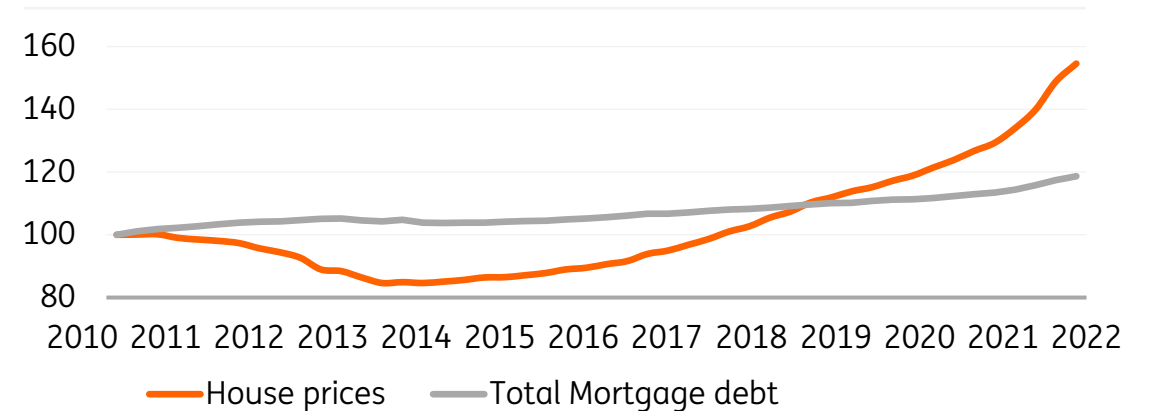
Dutch unemployment rates (%) continue to decrease since August 2020



Also Dutch consumer confidence was affected by the invasion of Ukraine during 1Q2022



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 4Q2021

Volatile items 1Q2022

Volatile items and regulatory costs (in € mln)

	1Q2021	2Q2021	3Q2021	4Q2021	1Q2022
WB/FM – valuation adjustments	11	11	38	3	-70
Capital gains/losses	36	-2	6	5	26
Hedge ineffectiveness	23	11	7	-24	81
Other items income*	233	155	50	92	-68
Total volatile items – income	303	175	101	76	-31
Incidental items - expenses**	-84	-39	-233	-166	0
Total volatile items	219	136	-132	-90	-31
Regulatory costs	-587	-172	-121	-385	-649

* 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 a €8 mln reversal of the estimated loss on the transfer of ING's retail banking operations in Austria to bank99; 1Q2022 consists of €82 mln TLTRO III benefit and a €-150 mln impairment on our equity stake in TTB

** Incidental items expenses in 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 2021 ING Group consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to 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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