Strong commercial performance led to an excellent start of the year

1Q2024

ING Group

2 May 2024

do your thing

Strong commercial performance

Growth in primary customers[1)]

99,000

- Continued growth in primary customers, driven by Germany and Romania
- On track to reach 17 mln primary customers by the end of 2025

Growth in core lending

€4.2 bln

- Continued signs of recovery of loan demand
- Strong performance in Retail Banking driven by growth in mortgages
- Growth in Wholesale Banking with a focus on capital efficiency

Growth in core deposits

€13.5 bln

- Strong growth of the deposit base, both in Retail Banking and Wholesale Banking
- Successful promotional campaigns in Germany, Poland and Italy

[1)] Includes private individuals only

Resulting in an excellent start of the year

Delivering value

Strong NII
+€5 mln
versus 4Q2023 excluding accounting asymmetry

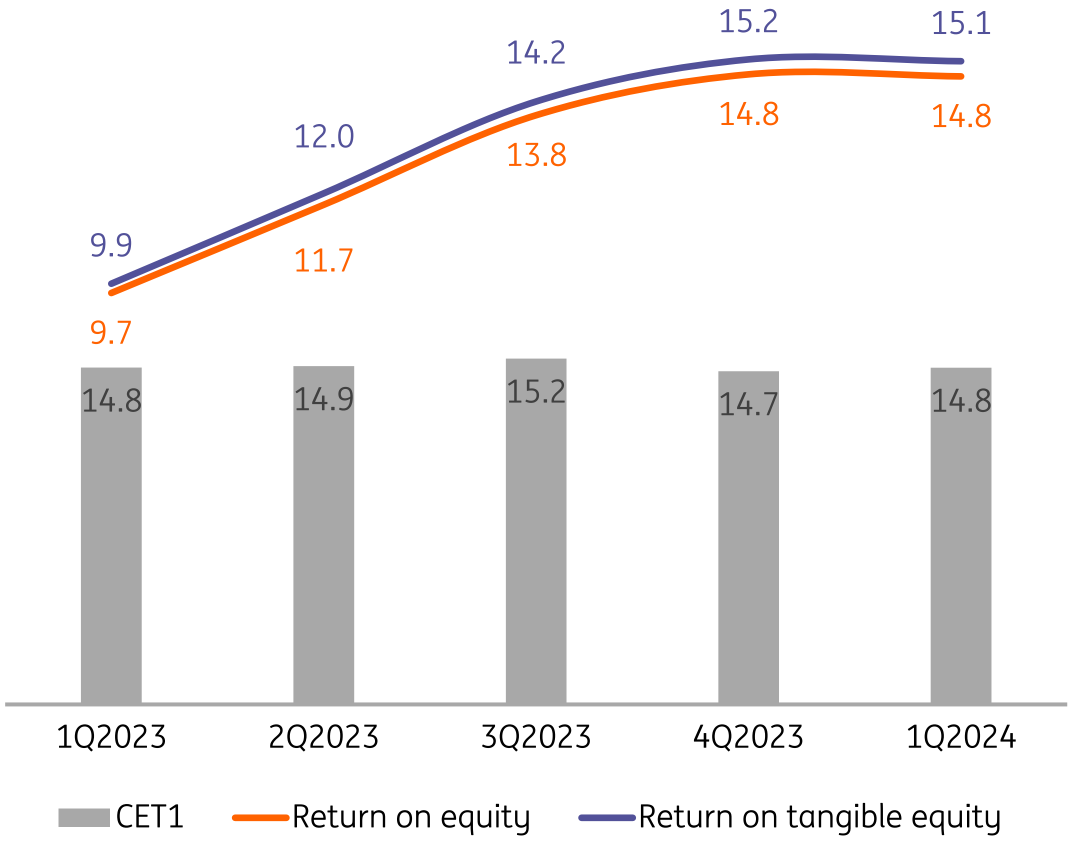
Double-digit fee income growth
+11%
versus 1Q2023

Operating costs on track[1)]
+5%
versus 1Q2023

Continued low risk costs
16 bps
well below through-the-cycle average

Increasing returns on strong capital base

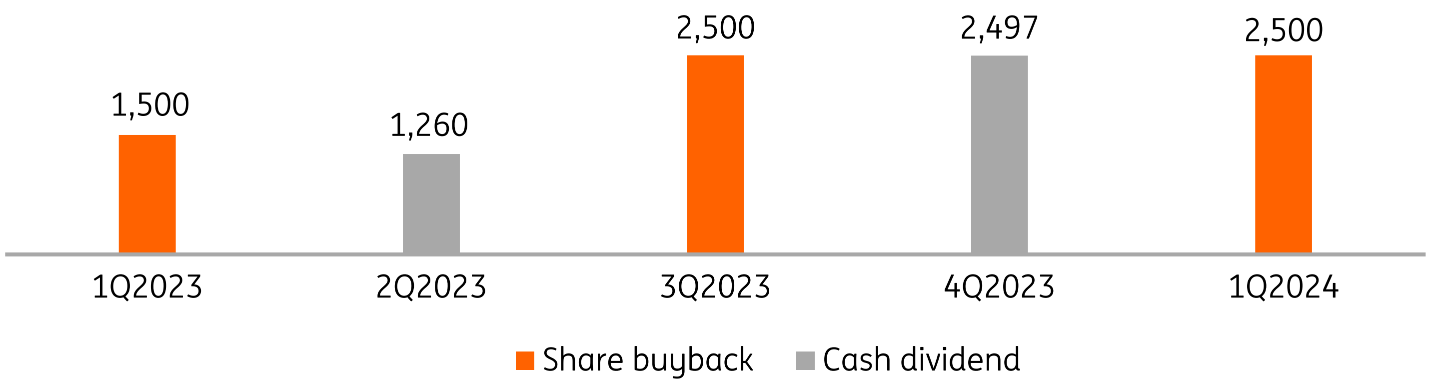
Return on (tangible) equity[2)] and CET1 ratio (in %)



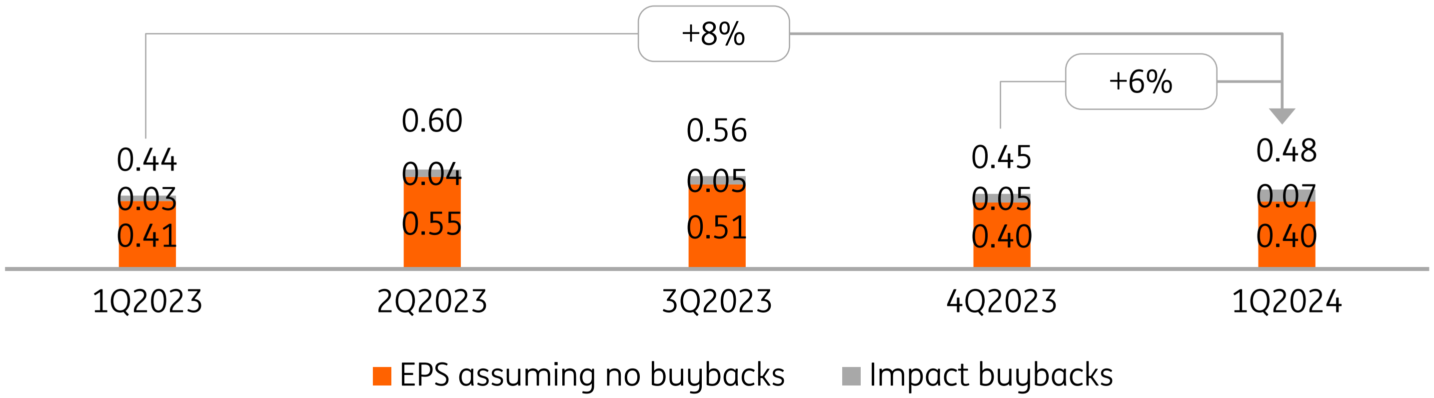
[1)] Expenses excluding regulatory costs and incidental items
[2)] ING Group four-quarter rolling return on equity is calculated using IFRS-EU shareholders' equity after excluding amounts reserved for future distribution

Increasingly attractive shareholder return

Historical distributions to shareholders (in € mln)



Increasing earnings per share (in €)



Attractive shareholder return

- €2.5 bln buyback announced on the back of strong capital generation
  - Structurally increasing earnings per share and dividend per share
- We have capacity to continue providing an attractive shareholder return
  - Pro forma CET1 ratio of 14.1%
  - €5 bln CET1 capital in excess of our target of ~12.5% by the end of 2025
- Size of potential next steps will depend on capital generation going forward
  - The impact from the implementation of Basel IV on our CET1 ratio is expected to be ~20 bps, among others related to ORWA
  - Periodical methodology changes and strategies taken regarding IRB model landscape will continue to have a positive or negative effect on CRWA

Good progress on our strategy execution

Our purpose	**Empowering people to stay a step ahead in life and in business**	
Our strategic priorities	**A superior customer experience**	**Sustainability at the heart**
1Q2024 highlights	62% mobile-only customers	Introduction of sustainable alternatives for Retail products in several markets
	Launch of a new safety feature in the banking app in the Netherlands	€24.7 bln sustainable volume mobilised
	Introduction of an instant overdraft product for Business Banking clients in Romania	Publications on nature and human rights that outline our progress
	Portfolio insights tool (real-time) for Wholesale Banking clients	

Themes Capital Markets Day - 17 June London

Strategy update

Capital allocation

Financial targets

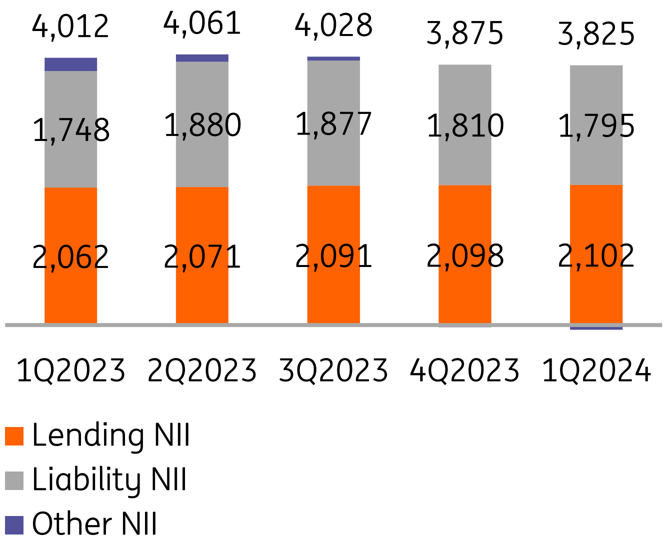
Growth initiatives

Operational leverage

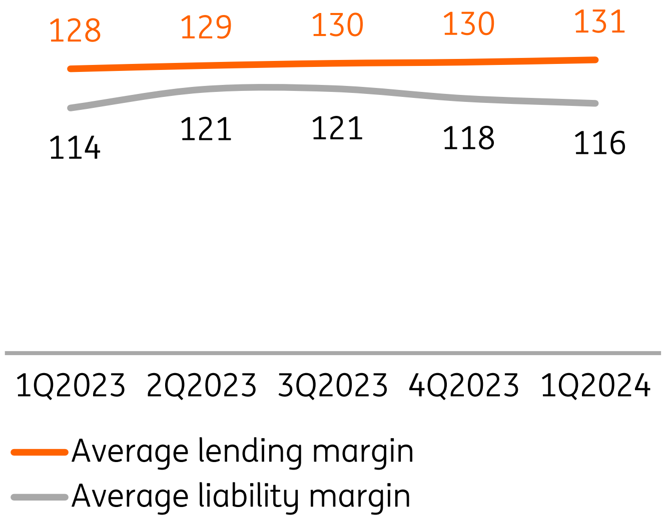
1Q2024 results

Resilient net interest income from lending and liabilities

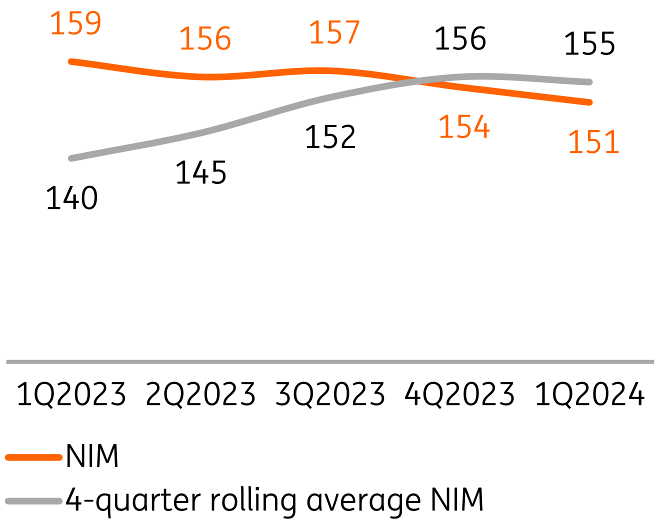
Net interest income (in € mln)



Lending and liability margin (in bps)



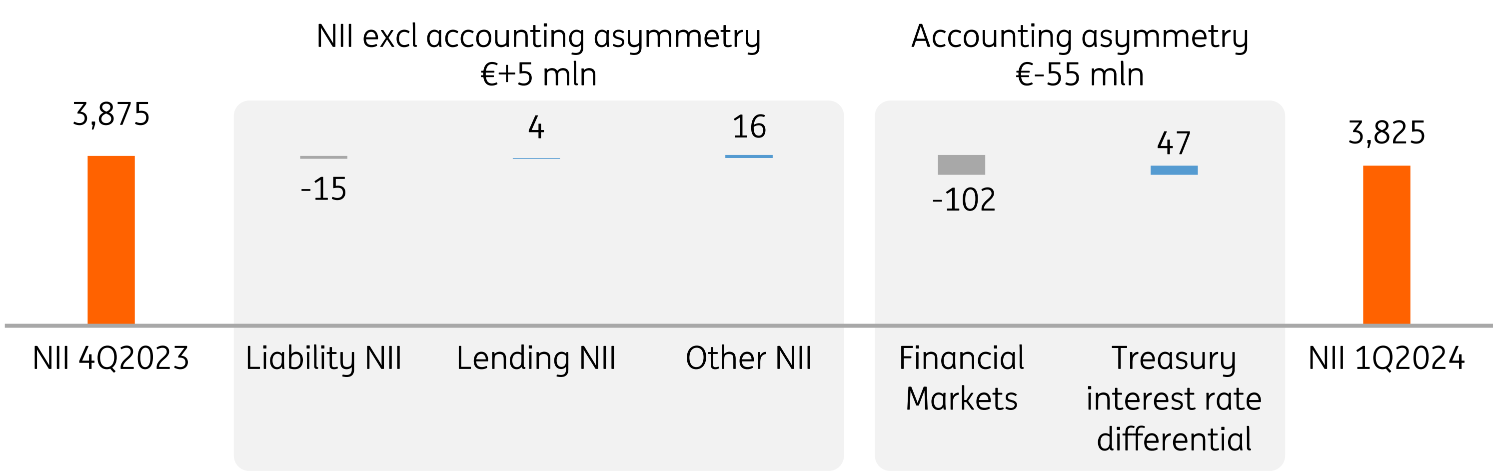
Net interest margin (in bps)



- Resilient net interest income from lending and liabilities with margins holding up well
- NIM decreased by 3 bps to 151 bps, mainly attributable to lower net interest income for Financial Markets

Net interest income drivers for 2024 have improved

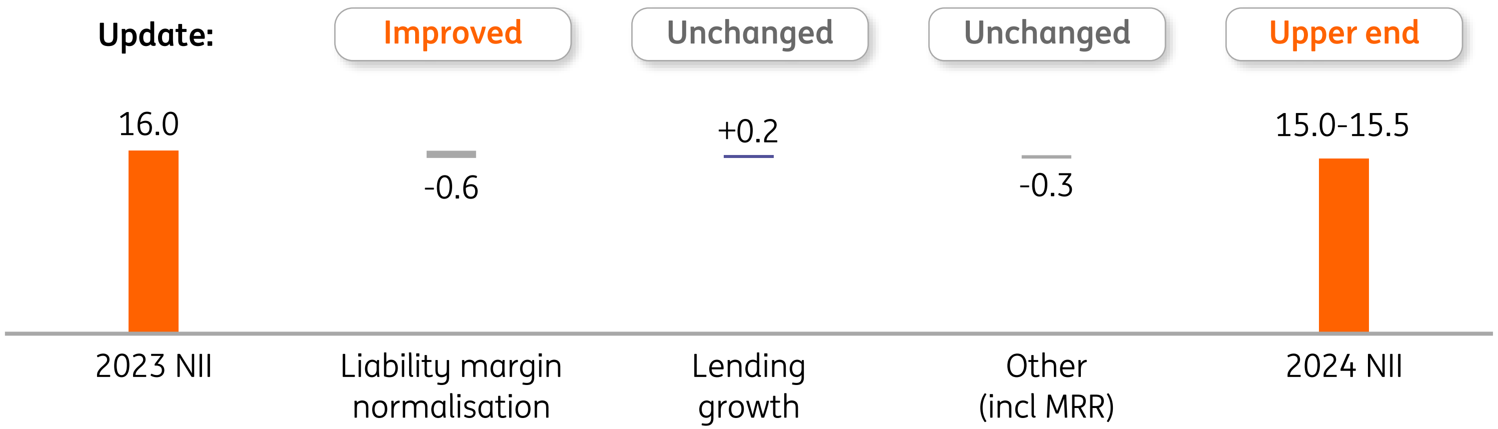
1Q2024 NII development (in € mln)



Key developments

- Accounting asymmetry increased by €55 mln, with the negative impact on NII more than offset in other income

2024 NII illustrative scenario (in € bln) (as disclosed with 4Q2023 results)



Comparison versus 4Q2023 scenario

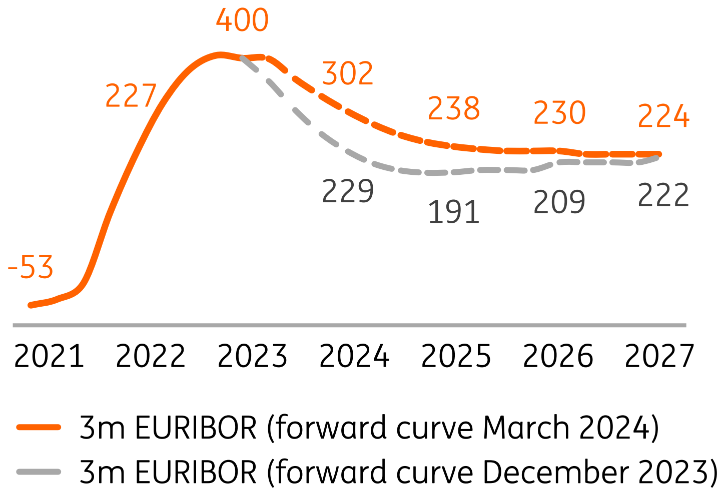
- Liability NII holding up better
- Lending growth in line
- Full-year impact from accounting asymmetry assumed to be stable

- 2024 NII to end up at the upper end of the range

Continued strong liability NII in a lower rate environment

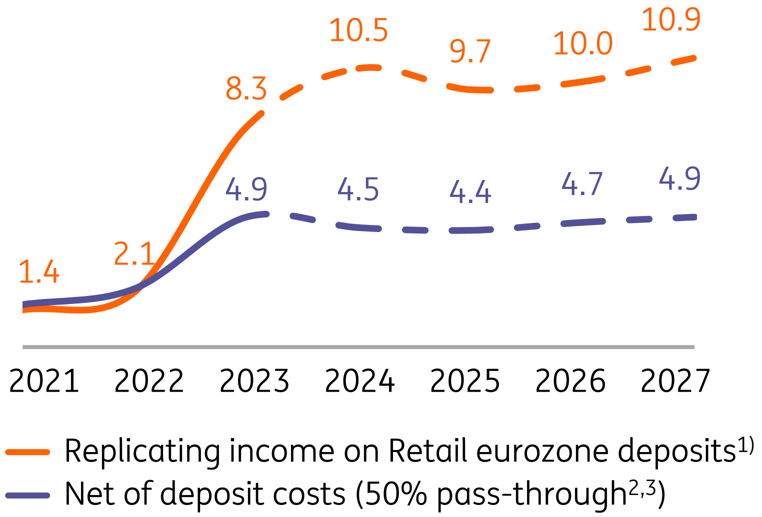
Interest rates expected to moderate

Implied interest rates, end-of-period, in bps



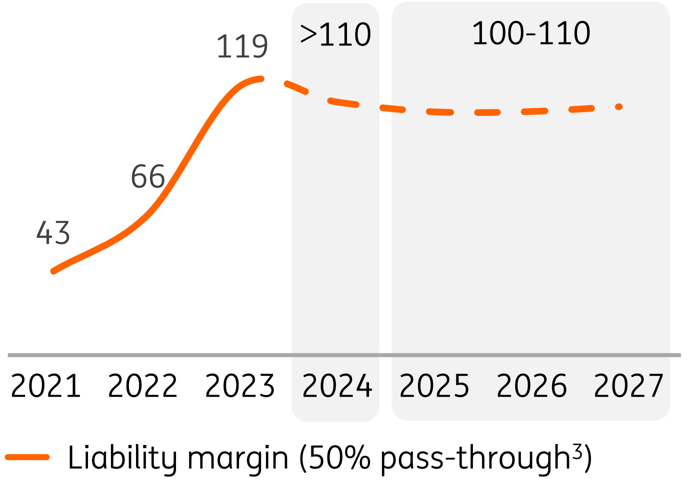
Strong Retail eurozone liability NII is preserved in a lower rate environment

Interest income in € bln



Total liability margin to stabilise at a higher level

Average liability margin in bps



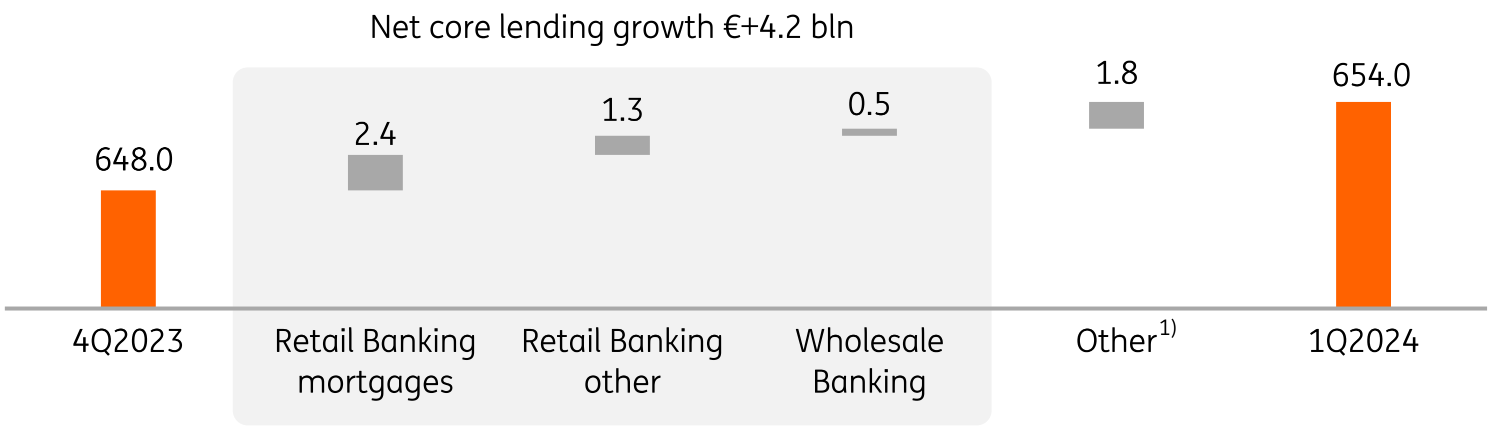
- The illustrative scenario assumes 3-4% of annual deposit growth
- Every 10 bps of pass-through on savings and term deposits has an impact of ~€0.4 bln on NII

- The total liability margin covers
  - RB eurozone (€~480 bln)
  - RB non-eurozone (€~90 bln)
  - WB excl. FM (€~60 bln)

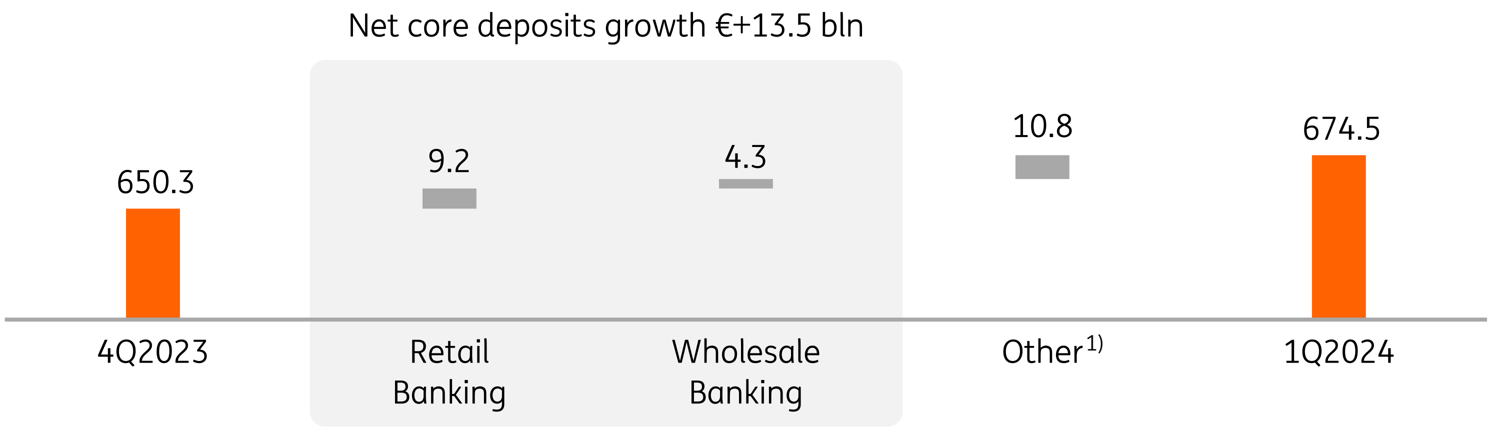
[1] Based on the March 2024 forward curve
[2] Pass-through percentages represent total deposit costs on savings, term deposits and current accounts (~30% in 1Q2024, ~28% in 4Q2023, ~24% in 3Q2023, ~19% in 2Q2023, ~12% in 1Q2023)
[3] 50% pass-through scenario Retail eurozone: 2024 based on maintaining current client rates; 2025 based on average pass-through of 40%, 2026 of 45% and 2027 of 50%

Continuation of commercial momentum in 1Q2024

Customer lending (in € bln)



Customer deposits (in € bln)



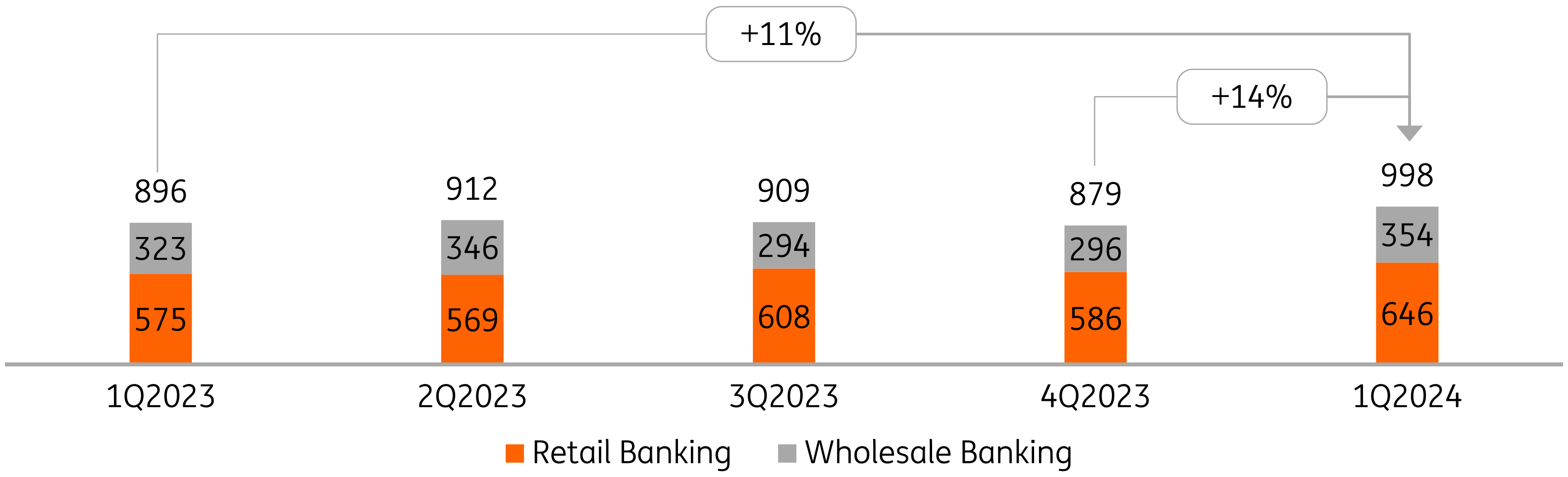
Main drivers

- Strong growth in customer lending
  - Growth in Retail Banking driven by strong performance in mortgages, primarily in the Netherlands and Germany
  - In Wholesale Banking, growth was driven by Lending and Financial Markets
- Deposit base increased significantly
  - Growth in Retail Banking driven by another successful promotional campaign in Germany
  - Inflow in Wholesale Banking mainly in Financial Markets and Bank Mendes Gans

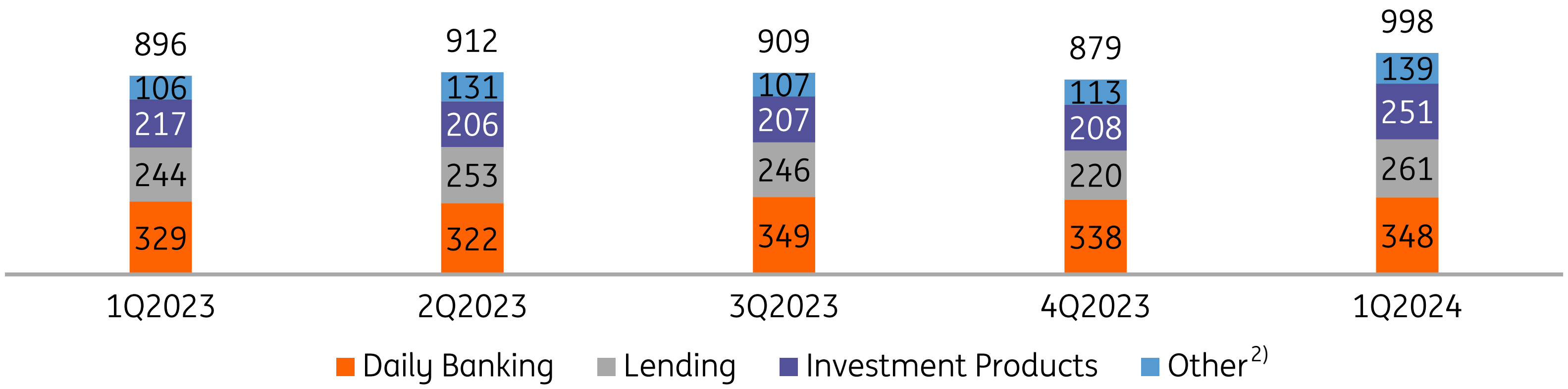
[1] Other includes movements in the Treasury and run-off portfolios as well as currency impacts

Double-digit fee income growth

Net fee & commission income per business line (in € mln)[1)]



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



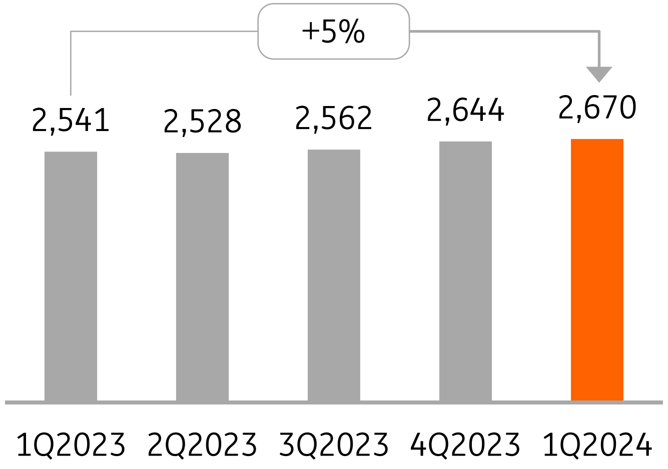
Main drivers

- Double-digit fee income growth in 1Q2024, exceeding our target range
- Roughly half of the growth was driven by resilient revenue generation and effectiveness of our fee structures
  - Growth in the number of customers
  - Increase in daily banking fees
  - Lower fees paid to independent brokers in Belgium
- Furthermore, we saw increased appetite for Investments Products and higher corporate deal flow
  - Normalising trading activity and a higher level of AuM in Retail Banking
  - Higher deal flow in Global Capital Markets in Wholesale Banking

[1)] Totals including Corporate Line
[2)] Other includes insurance products and Financial Markets

Increase in operating expenses offset by lower regulatory costs

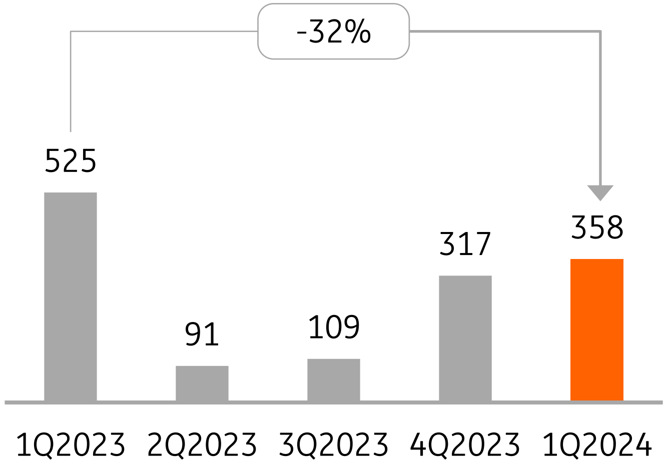
Operating expenses (in € mln)[1)]



Main drivers

- Cost increase in 1Q2024 below our 2024 outlook
- Growth mainly due to the impact of inflation on staff expenses and higher VAT

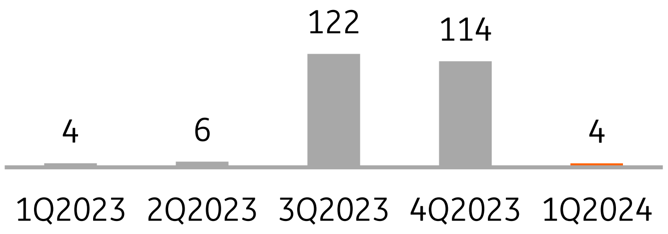
Regulatory costs (in € mln)



Main drivers

- Regulatory costs seasonally higher in the first quarter
- Decrease year-on-year as no contribution is required to the SRF in the eurozone in 2024

Incidental items (in € mln)[2)]



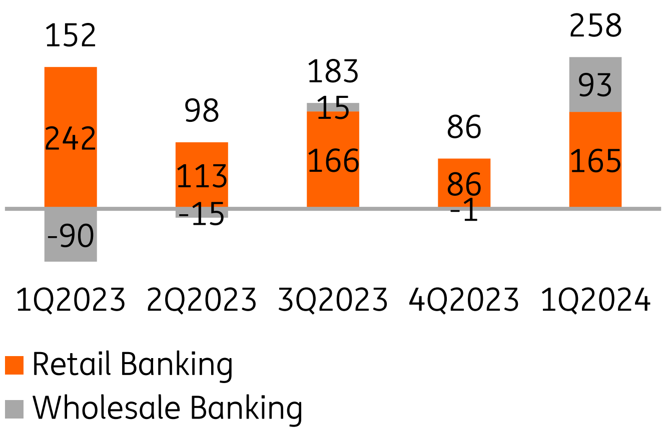
Main drivers

- Incidental expense items reflected hyperinflation accounting impacts on expenses
- No restructuring costs in 1Q2024

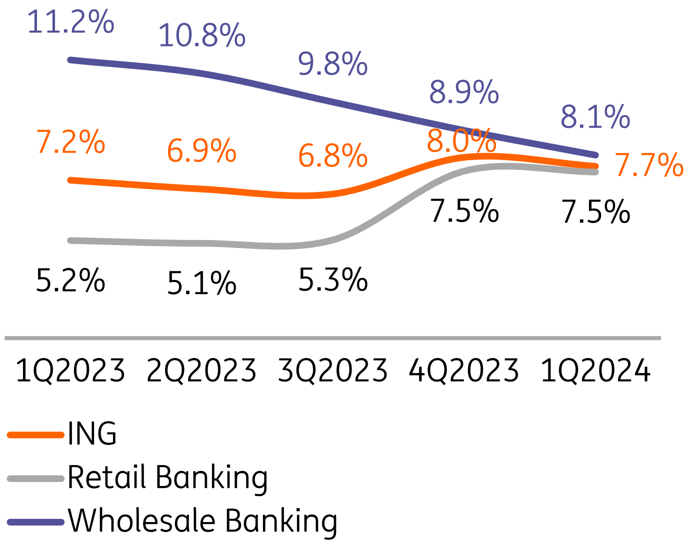
[1)] Excluding regulatory costs and incidental items
[2)] Incidental expenses as included in volatile items on slide 20

Low risk costs reflecting high quality and resilience of the loan book

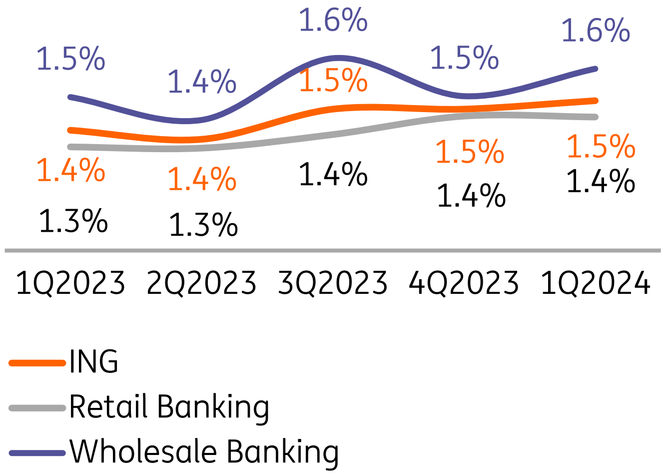
Risk costs per business line (in € mln)[1)]



Stage 2 ratio



Stage 3 ratio

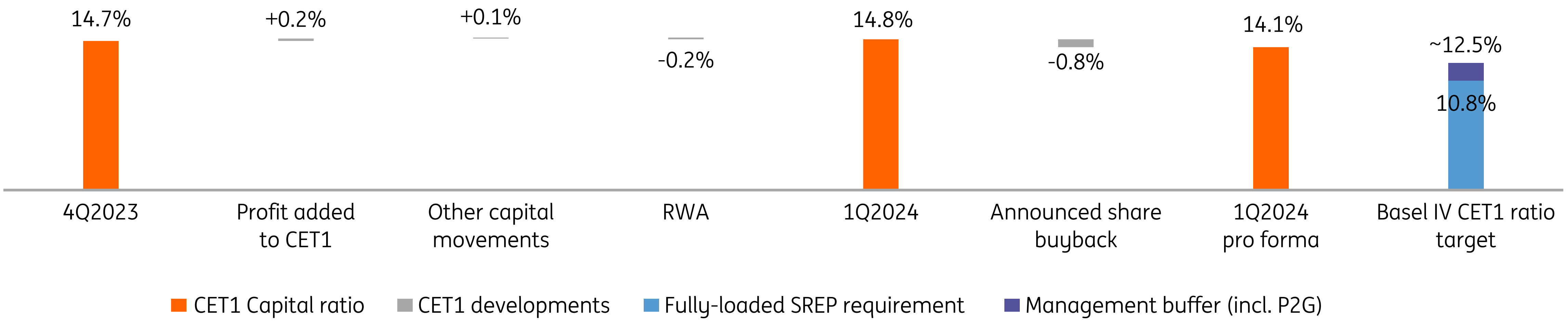


- Risk costs were €258 mln, or 16 bps of average customer lending, well below the through-the-cycle average of ~25 bps
- Wholesale Banking risk costs included additions for a number of unrelated files that were newly provisioned in Stage 3 and a net release in Stage 1 and 2, triggered by an update of the macroeconomic indicators and a reduction of overlays[2)]
- Retail Banking risk costs were mostly driven by Business Banking and consumer loans while mortgages continue to perform well
- Stage 2 ratio decreased, as Stage 2 credit outstandings declined driven by repayments and a few individual files moving to Stage 3
- Stage 3 ratio remained stable at 1.5%

[1)] Totals including Corporate Line
[2)] Total stock of management overlays of €533 mln in 1Q2024

CET1 ratio increase driven by strong capital generation

CET1 capital ratio development (in %)



- CET1 ratio increased to 14.8%, again driven by strong capital generation
  - The announced €2.5 bln share buyback will have an impact of 77 bps on the CET1 ratio
- CET1 capital was €1.1 bln higher, driven by the inclusion of 50% of the quarterly resilient net profit
- RWA increased by €3.9 bln, including €+1.0 bln of FX impacts
  - Credit RWA excluding FX impacts increased by €3.0 bln, driven by increase in exposure and model changes, partly offset by a change in the overall profile of the loan book
  - Operational and market RWA were stable
- The final cash dividend over 2023 of €0.756 per share will be paid on 3 May 2024

2024 outlook

	1Q2024 achievements	2024 outlook[5]
Total income[1,2]	+0.3%	
Fee income[1]	+11.4%	
Cost/income ratio[3]	51.0%	
CET1 ratio	14.8%	
Return on equity[3,4]	14.8%	

2024 outlook[5]

- Total income to remain strong in a positive rate environment, however somewhat below the level of 2023
- Fee growth of 5-10%
- Total cost growth of ~3%[6]
- CET1 ratio to converge towards our ~12.5% target by 2025
- Return on equity of >12%

ING Capital Markets Day on 17 June 2024

1) Year-on-year comparison
2) Total income excluding incidental income items (corresponding with 'other volatile income items' as presented on slide 20)
3) Based on 4 quarter rolling average
4) Return on equity is calculated using IFRS EU shareholders' equity after excluding amounts reserved for future distribution
5) The targets, outlook and trends are forward-looking statements that are based on management's current expectations and are subject to change, including as a result of the factors described under the section entitled 'Important Legal Information' in this document. ING assumes no obligation to publicly update or revise these forward-looking statements, whether as a result of new information or for any other reason
6) Excluding potential incidental items

Q&A

Appendix

1Q2024 results overview

In € mln	Reported P&L	Volatile items	P&L excluding volatile items
Net interest income	3,825	3	3,822
Net fee and commission income	998	0	998
Investment income	8	7	1
Other income	752	-43	795
Total income	**5,583**	**-32**	**5,616**
Expenses excl. regulatory costs	2,674	4	2,670
Regulatory costs	358	0	358
Operating expenses	**3,032**	**4**	**3,028**
Gross result	**2,551**	**-37**	**2,588**
Addition to loan loss provisions	258	0	258
Result before tax	**2,293**	**-37**	**2,329**
Taxation	653		
Non-controlling interests	61		
Net result	**1,578**		

Volatile income and expense items

Volatile items (in € mln)

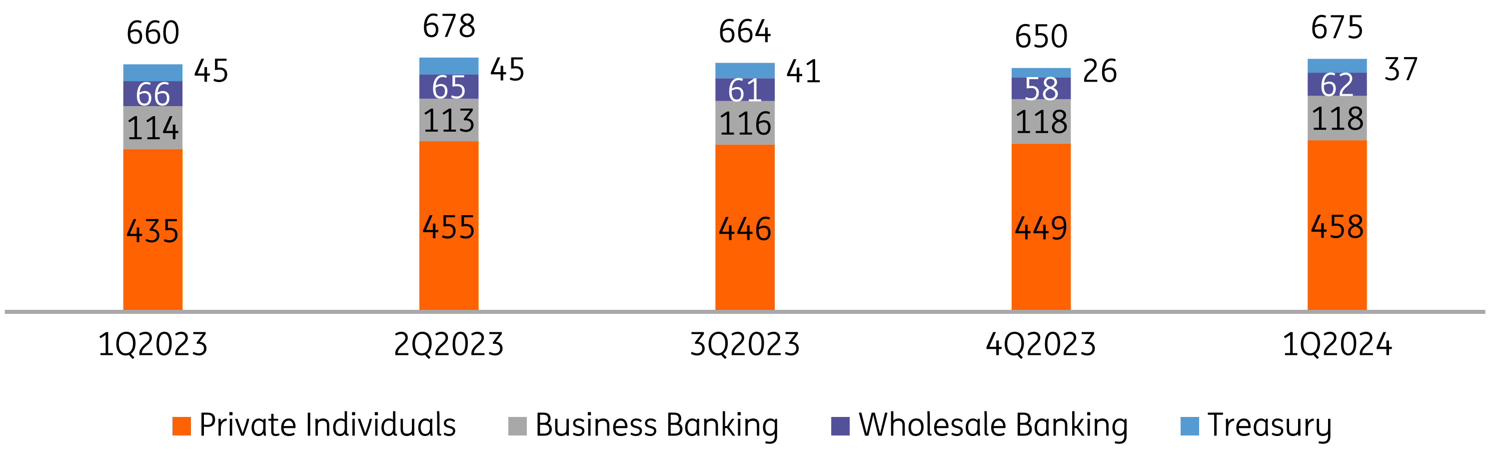
	1Q2023	2Q2023	3Q2023	4Q2023	1Q2024
WB/FM – valuation adjustments	-10	33	15	-52	16
Capital gains/losses	15	-0	0	-25	7
Hedge ineffectiveness	35	-46	102	49	-60
Other items income[1)]	-69	-6	-88	-16	4
Total volatile items – income	**-29**	**-21**	**29**	**-44**	**-32**
Incidental items – expenses[2)]	-4	-6	-122	-114	-4
Impact total volatile items on gross result	**-34**	**-27**	**-93**	**-158**	**-37**

1) 1Q2023: €-69 mln hyperinflation impact
2Q2023: €-6 mln hyperinflation impact
3Q2023: €-88 mln hyperinflation impact
4Q2023: €-16 mln hyperinflation impact
1Q2024: €-49 mln hyperinflation impact, €+53 mln receivable related to a prior insolvency of a financial institution in the Netherlands

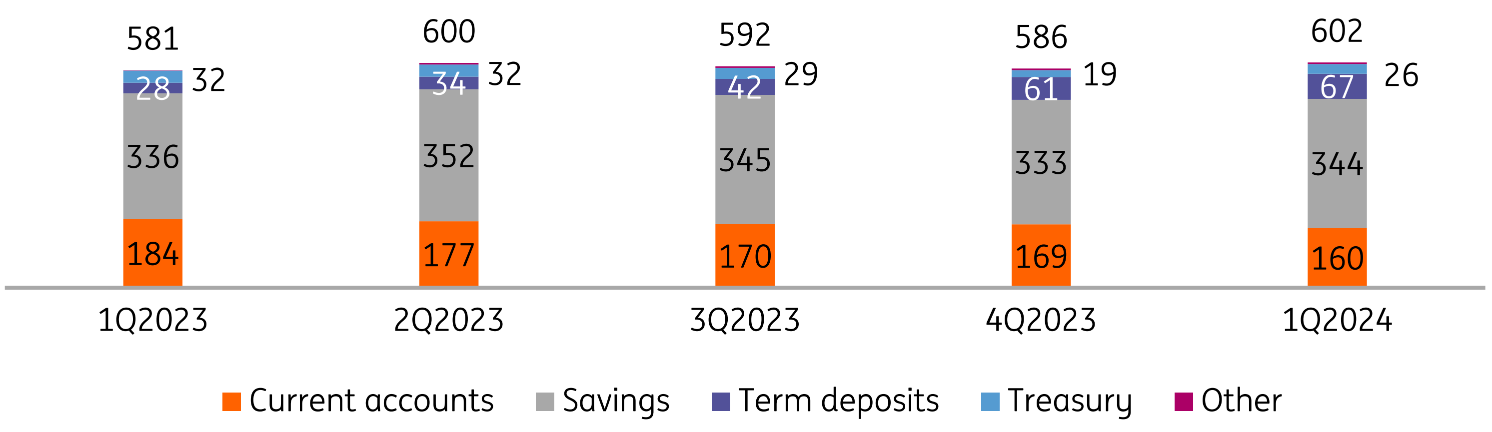
2) 1Q2023: €4 mln hyperinflation impact
2Q2023: €6 mln hyperinflation impact
3Q2023: €46 mln for restructuring and related costs for Retail Belgium, €26 mln hyperinflation impact and €51 mln provisioned in Corporate Line
4Q2023: €95 mln for restructuring costs and impairments, €12 mln hyperinflation impact and €7 mln allowances for employees
1Q2024: €4 mln hyperinflation impact

Granular customer deposit base

Total customer deposits per segment (in € bln)



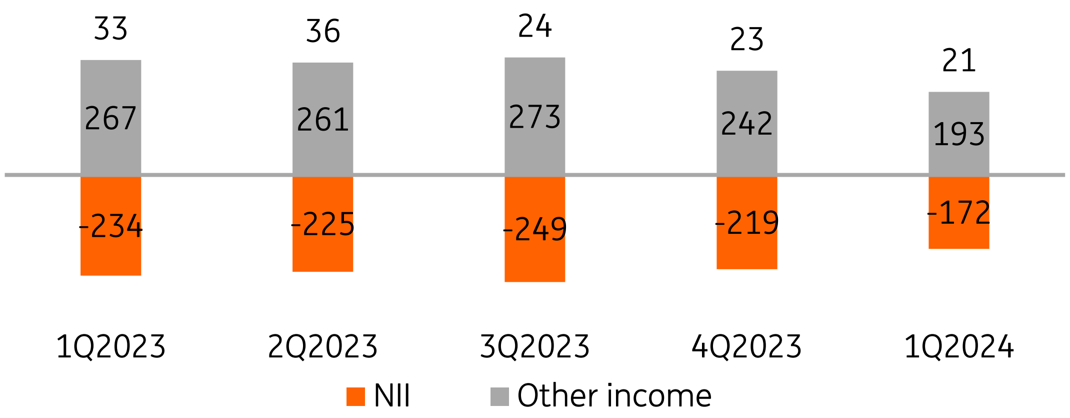
Retail deposits per product (in € bln)



- Highly insured, granular and continuously growing customer deposits represent a strong funding base
  - ~70% of total deposits is from private individuals, of which ~85% is DGS-covered
- Strong focus on Retail Banking, diversified across >39 mln private individuals in 10 countries
  - Average private individual account balance of ~€15,000
- Strong increase in savings in 1Q2024 was driven by Germany

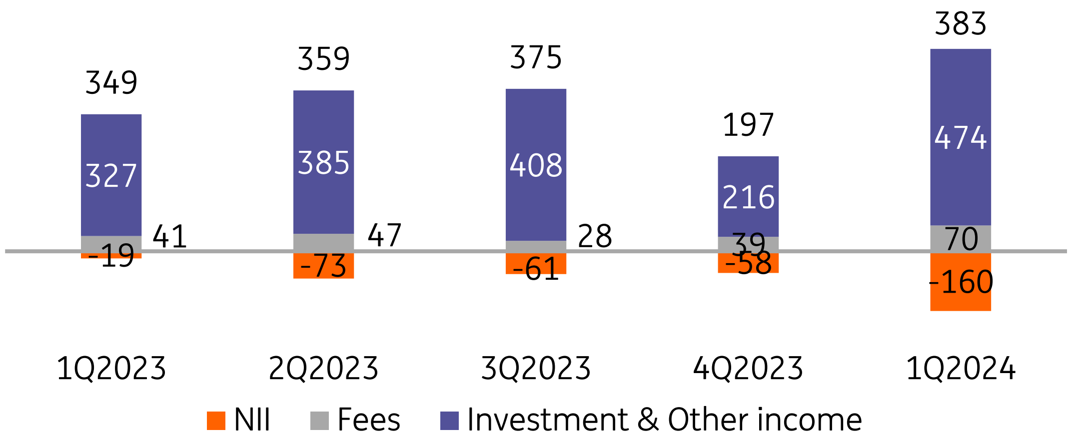
Accounting asymmetry impacting net interest income

Treasury interest rate differential (in € mln)



- Treasury benefited from favourable market opportunities through money market and FX transactions
- These activities had a negative impact on net interest income, which was more than offset by a positive impact in other income
- The magnitude of this accounting asymmetry depends on the volume of trades and the interest rate differential between the euro and other currencies (mostly US dollar)

WB Financial Markets (in € mln)



- Increasing interest rates led to higher funding costs, resulting in a reduction in net interest income, while other income, related to the opposite position, rose significantly
- This accounting asymmetry is more pronounced in a positive rate environment and is also influenced by product mix developments
- The fourth quarter of 2023 included a €60 mln increase in reserves, while 3Q2023 included a €61 mln gain from the release of reserves

Hyperinflation accounting in Türkiye

Application of IAS 29 to consolidation of ING in Türkiye

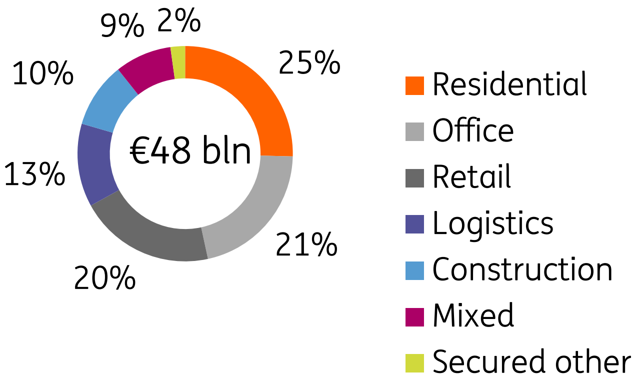
- We applied IAS 29 (‘Financial Reporting in Hyperinflationary Economies’) to the consolidation of our subsidiary in Türkiye, effective as of 1 January 2022, as cumulative inflation in Türkiye over the preceding three years had exceeded 100%
- The application of IAS 29 resulted in a negative accounting impact on ING net result in 1Q2024 of €-51 mln, reflecting the adjustments for changes in the general purchasing power of the Turkish lira
- The impact on CET1 capital is slightly positive as the negative impact on P&L is offset by a positive adjustment in equity
- Resilient net profit and shareholders’ distribution has not been affected as the total quarterly P&L impact of €-51 mln was treated as a significant item not linked to the normal course of business, in line with ING’s distribution policy

Impact on results (in € mln)

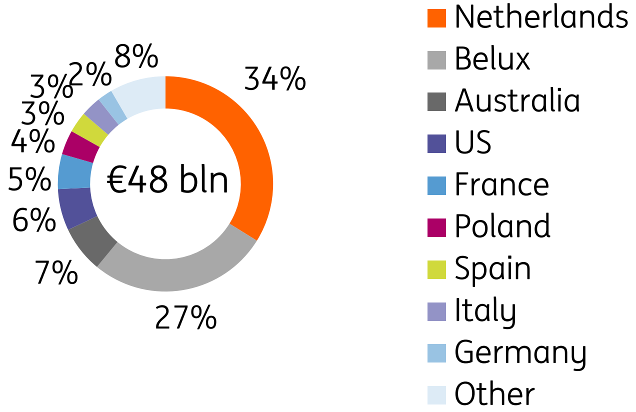
	4Q2023	1Q2024
Profit or loss		
Net interest income	8	3
Net fee and commission income	2	0
Investment income	0	0
Other income	-25	-52
Total income	**-16**	**-49**
Expenses excl. regulatory costs	12	4
Regulatory costs	0	0
Operating expenses	**12**	**4**
Gross result	**-28**	**-53**
Addition to loan loss provisions	2	0
Result before tax	**-30**	**-53**
Taxation	2	-1
Net result	**-32**	**-51**

Well-diversified Commercial Real Estate portfolio

CRE by asset type (in %)



CRE by geography (in %)[1]

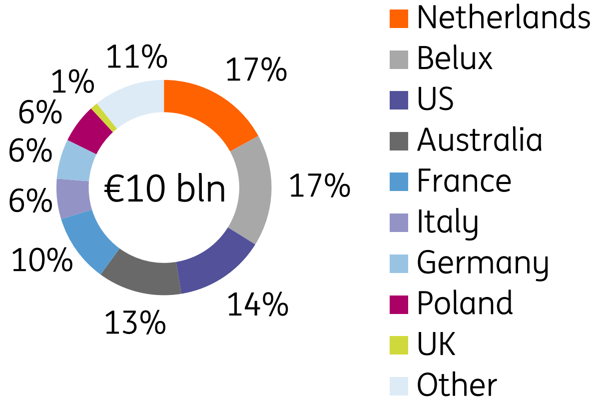


Key highlights

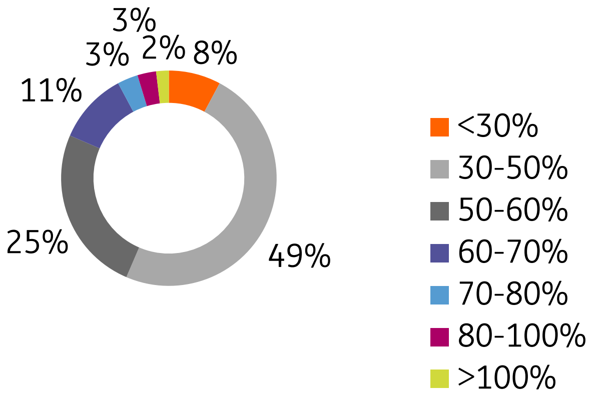
- CRE is well-diversified over different asset classes and geographies
- Caps in place to limit concentration risk
- Early anticipation of trends, such as the focus on energy-efficient buildings and the growth of e-commerce
- Improved asset mix
  - Exposure to office has decreased to ~€10 bln (of which US ~14%)
  - Exposure to Retail has decreased to ~€10 bln

- Stage 3 of 2.3%
- Average LtV of 43%

Office by geography (in %)[1]



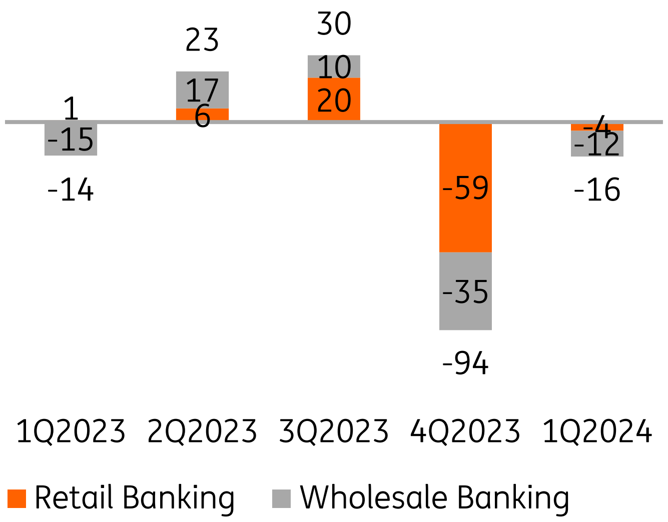
Loan-to-value buckets (in %)[2]



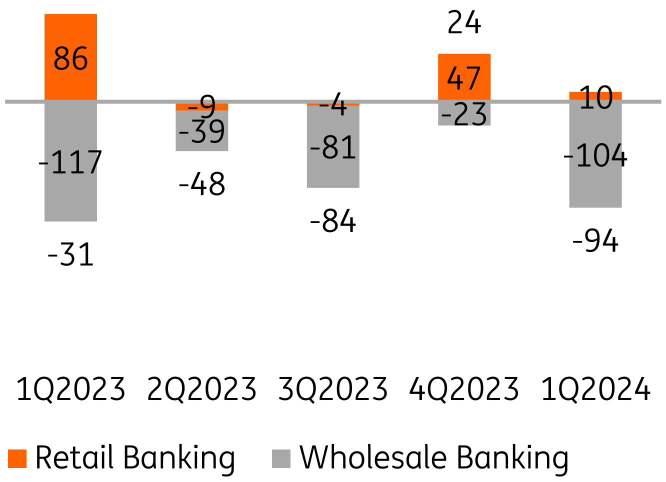
[1] Geographical split based on country of residence
[2] Loan-to-value buckets of the secured portfolio

Addition to loan loss provisions per Stage

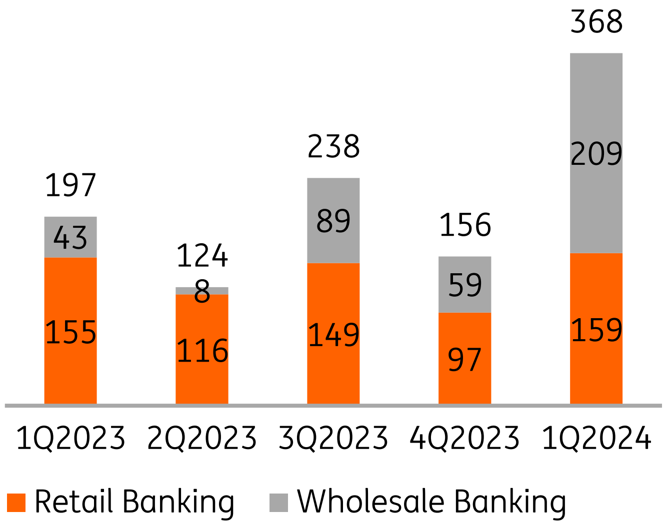
Stage 1 provisioning (in € mln)[1)]



Stage 2 provisioning (in € mln)[1,2)]



Stage 3 provisioning (in € mln)[1)]



Main drivers

- An update of the macroeconomic forecasts

Main drivers

- An update of the macroeconomic forecasts and releases of overlays

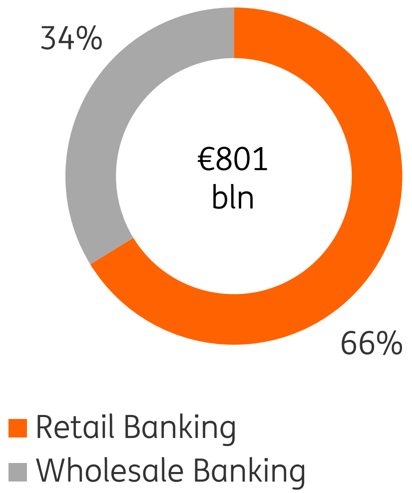
Main drivers

- Additions for a number of unrelated files that were newly provisioned in Wholesale Banking
- Additional inflow in Business Banking and consumer loans in Retail Banking, while mortgages continue to perform well

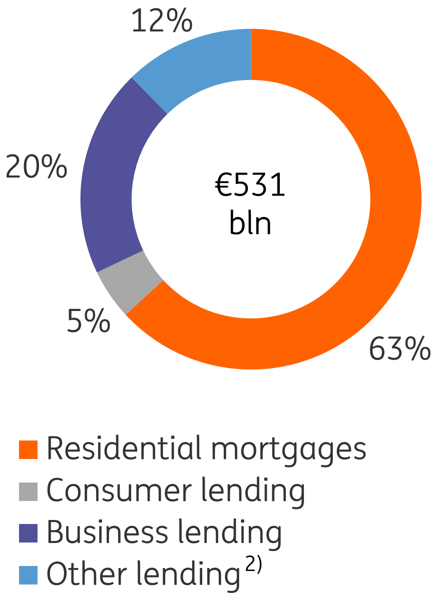
1) Wholesale Banking provisioning includes Corporate Line
2) Stage 2 includes modifications

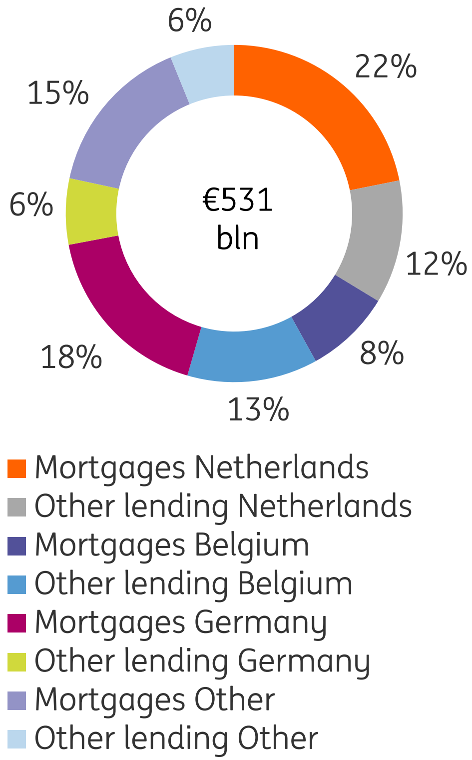
Well-diversified lending credit outstandings[1)] by activity

ING Group

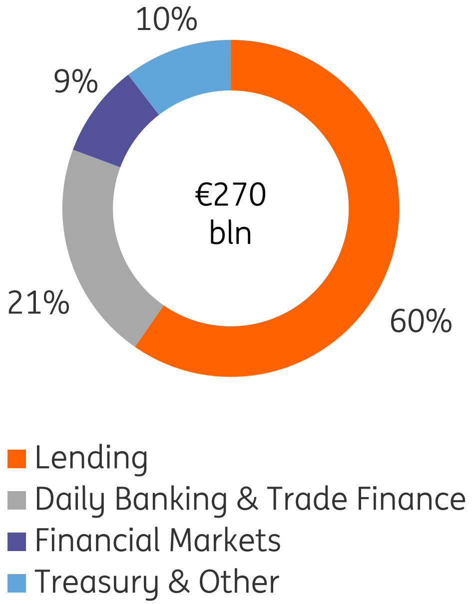


Retail Banking





Wholesale Banking



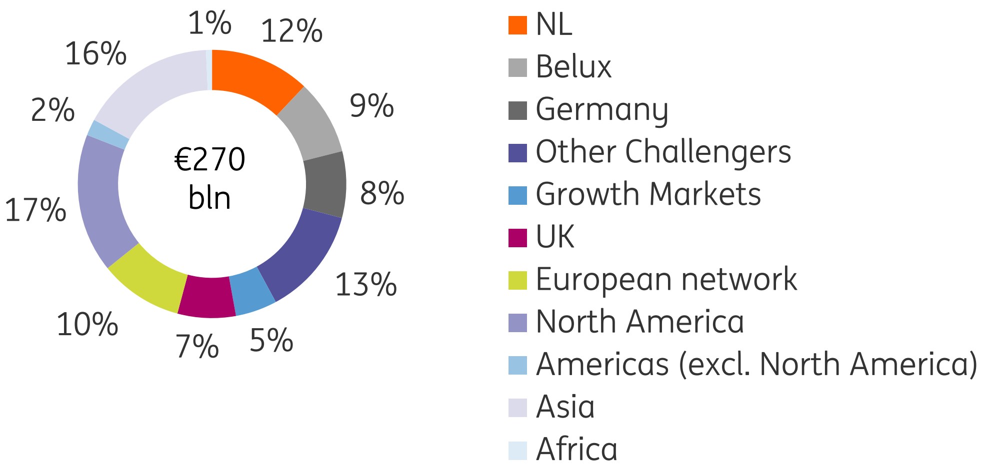
- ING has a well-diversified and well-collateralised loan book with a strong focus on own-originated mortgages and senior loans

1) Lending and money market credit outstandings, including guarantees and letters of credit, excluding undrawn committed exposures (off-balance sheet positions)
2) Other includes €53 bln Retail-related Treasury lending and €7 bln Other Retail Lending

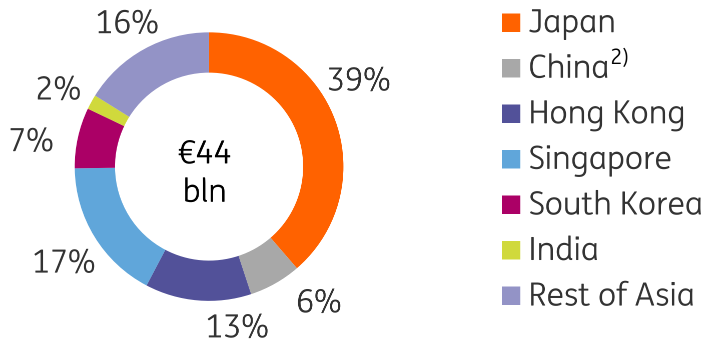
Wholesale Banking lending credit outstandings[1)]

Loan portfolio is well diversified across geographies…

Wholesale Banking

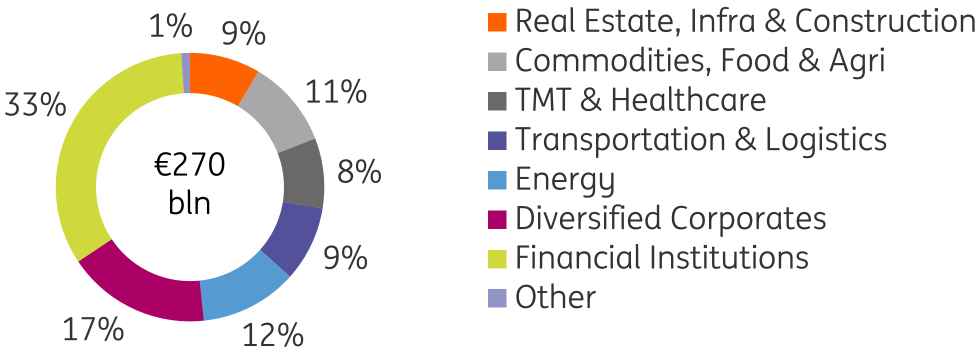


Wholesale Banking Asia



…and sectors

Wholesale Banking



Selected countries/sectors

Russia

- €1.3 bln offshore exposure[3)], of which €0.6 bln with ECA or CPRI cover
- Equity Russian subsidiary €0.4 bln

[1)] Lending and money market credit outstandings, including guarantees and letters of credit, excluding undrawn committed exposures (off-balance sheet positions)
[2)] Excluding our stake in Bank of Beijing (€2.0 bln at 31 March 2024)
[3)] Lending credit outstandings, money market, investment and pre-settlement, including guarantees and letters of credit, excluding undrawn committed exposures (off balance positions)

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 2023 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) changes affecting interest rate levels (3) any default of a major market participant and related market disruption (4) changes in performance of financial markets, including in Europe and developing markets (5) fiscal uncertainty in Europe and the United States (6) discontinuation of or changes in 'benchmark' indices (7) inflation and deflation in our principal markets (8) changes in conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness (9) failures of banks falling under the scope of state compensation schemes (10) 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 (11) geopolitical risks, political instabilities and policies and actions of governmental and regulatory authorities, including in connection with the invasion of Russia into Ukraine and the related international response measures (12) legal and regulatory risks in certain countries with less developed legal and regulatory frameworks (13) prudential supervision and regulations, including in relation to stress tests and regulatory restrictions on dividends and distributions (also among members of the group) (14) ING's ability to meet minimum capital and other prudential regulatory requirements (15) changes in regulation of US commodities and derivatives businesses of ING and its customers (16) application of bank recovery and resolution regimes, including write down and conversion powers in relation to our securities (17) 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 (18) changes in tax laws and regulations and risks of non-compliance or investigation in connection with tax laws, including FATCA (19) 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 and including any risks as a result of incomplete, inaccurate, or otherwise flawed outputs from the algorithms and data sets utilized in artificial intelligence (20) risks and challenges related to cybercrime including the effects of cyberattacks and changes in legislation and regulation related to cybersecurity and data privacy, including such risks and challenges as a consequence of the use of emerging technologies, such as advanced forms of artificial intelligence and quantum computing (21) changes in general competitive factors, including ability to increase or maintain market share (22) inability to protect our intellectual property and infringement claims by third parties (23) inability of counterparties to meet financial obligations or ability to enforce rights against such counterparties (24) changes in credit ratings (25) business, operational, regulatory, reputation, transition and other risks and challenges in connection with climate change and ESG-related matters, including data gathering and reporting (26) inability to attract and retain key personnel (27) future liabilities under defined benefit retirement plans (28) failure to manage business risks, including in connection with use of models, use of derivatives, or maintaining appropriate policies and guidelines (29) 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 (30) 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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