



# ING Credit Update 2Q2024

**ING Investor Relations**  
1 August 2024



do your thing

# Recap of our recent Capital Markets Day

ING is a **highly successful** bank, with a **unique DNA** and a **strong track record**

Operating in **attractive markets** with enormous **untapped potential**

Continuing to accelerate **growth**, increase **impact** and deliver **value**

Aiming to be the **best European bank** for customers, employees, planet & society, and shareholders



# Accelerating growth with continued strong commercial performance



Mobile primary customers<sup>1)</sup>

**+248,000**

- Significant growth in mobile primary customers, driven by the Netherlands, Germany and Spain
- On track to grow by one million per year



Net core lending growth

**€+8 bln**

- Strong commercial performance mainly driven by Retail Banking
- Continued growth in mortgages across all markets
- Strong performance in consumer and business lending
- Further optimisation of capital usage in Wholesale Banking
- Core lending growth in 1H2024 of 3.7%<sup>2)</sup>



Net core deposits growth

**€+15 bln**

- Strong growth of the deposit base across the business
- Successful marketing efforts and payment of holiday allowances resulting in €9 bln growth in Retail Banking
- €6 bln inflow in Wholesale Banking, in line with our focus to increase deposits
- Core deposits growth in 1H2024 of 8.7%<sup>2)</sup>

Note: all figures represent 2Q2024 figures, unless specifically mentioned

<sup>1)</sup> Includes private individuals only

<sup>2)</sup> Annualised

# Increasing impact for our stakeholders



## Customers

- +430,000 mobile primary customers in 1H2024
- 65% customers are mobile-only<sup>1)</sup>
- #1 NPS in 6 Retail Banking markets
- Digi-index score of 73%<sup>2)</sup>



## Our people

- Further improving engagement scores
- Progression to the Advocate level in the Workplace Pride benchmark<sup>3)</sup>



## Planet and society

- Manage our lending portfolio towards net-zero by 2050
- €32 bln of sustainable volume mobilised
- 211 sustainability deals supported by ING
- 41% mortgage production with Label A or better in the Netherlands



## Shareholders

- Four-quarter rolling return on equity of 14%
- Earnings per share of €0.54
- €0.35 per share interim dividend over 1H2024
- >€24 bln distributed to shareholders since 2019
- ~19% of outstanding shares repurchased since 2020<sup>4)</sup>

Note: all figures represent 2Q2024 figures, unless specifically mentioned

<sup>1)</sup> Retail customers who interact digitally with us only through mobile (mobile app or mobile web) and used the channel at least once in the last quarter

<sup>2)</sup> Average of STP rates of 291 Retail customer journeys; STP rate is the percentage of a customer journey that is handled without manual intervention

<sup>3)</sup> <https://workplacepride.org/top-achievers-shine-in-2024-workplace-pride-global-benchmark/>

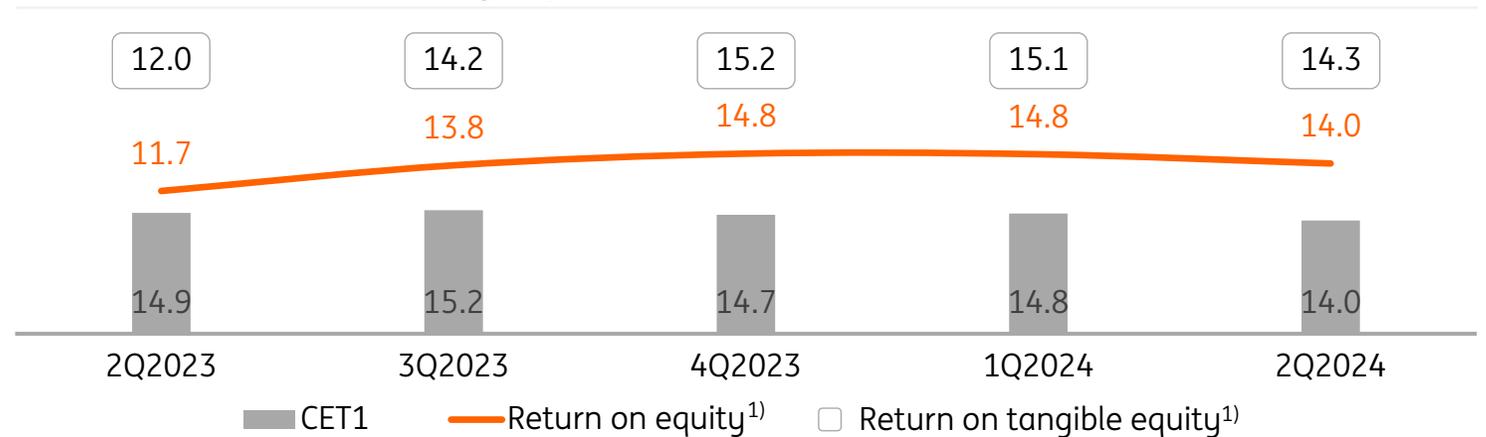
<sup>4)</sup> Including the full currently running programme, based on the average price under the current programme as per 30 June 2024

# Consistently delivering value

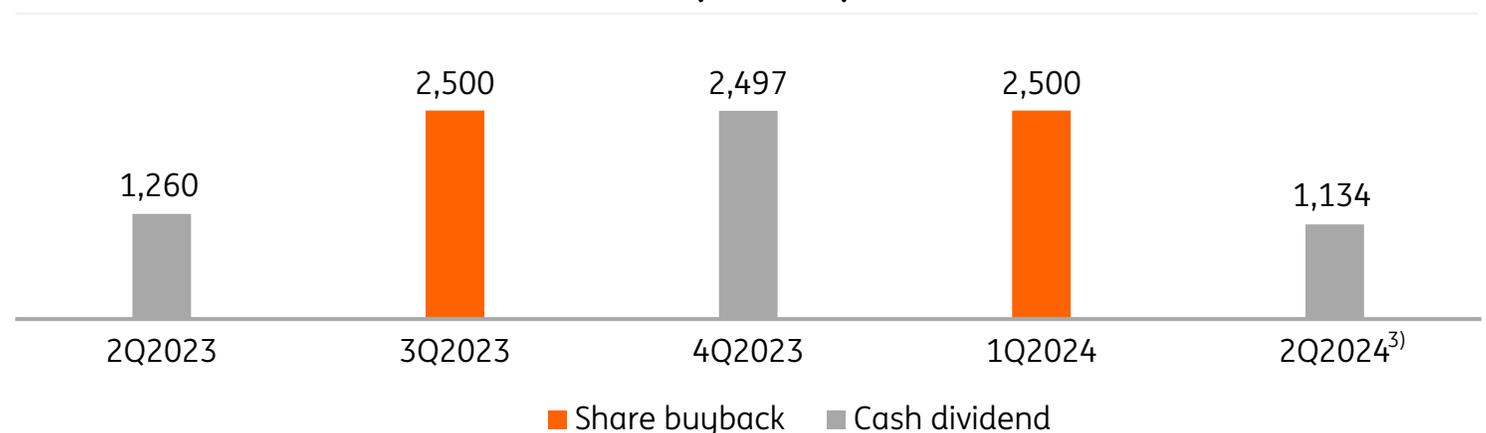
## Strong capital generation

- Strong NII development, growing by €65 mln quarter-on-quarter, excluding accounting asymmetry and one-offs
- €2 bln fee income in 1H2024, on track to reach €4 bln in 2024
- Operating expenses grew by ~3% in 1H2024, in line with our outlook
- Risk costs continue to be below the 10-year through-the-cycle average
- Return on equity of 14.0%<sup>1)</sup>, while still operating at a high CET1 ratio
- Interim dividend over 1H2024 of €1.1 bln
- CET1 ratio target of ~12.5% by end of 2025
  - We will update the market on next steps at the time of announcing the 3Q2024 results

## Attractive returns on strong capital base (in %)



## Historical distributions to shareholders (in € mln)<sup>2)</sup>



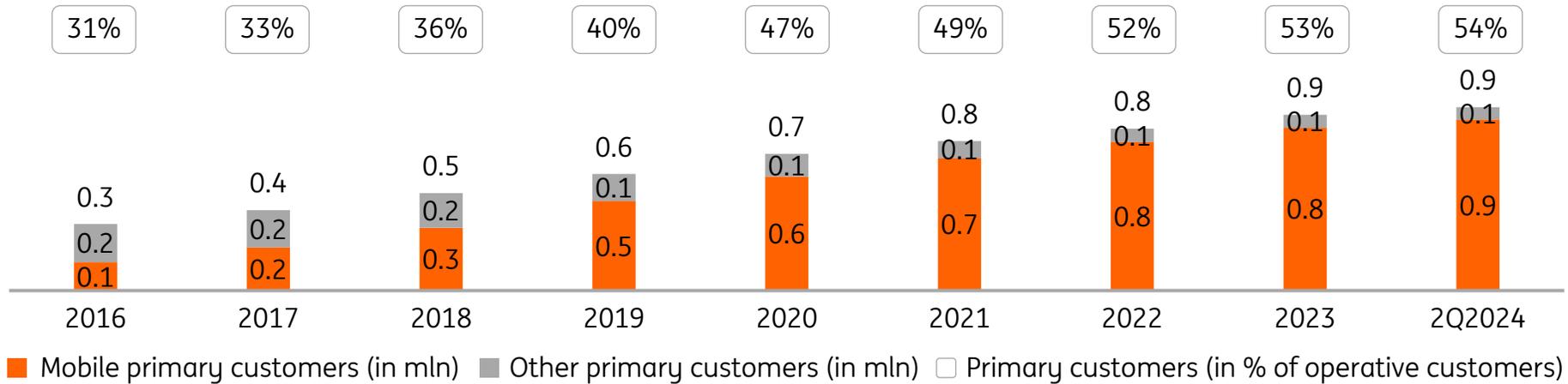
<sup>1)</sup> Four-quarter rolling average

<sup>2)</sup> As announced with the respective quarterly results

<sup>3)</sup> Latest estimate, actual amount dependent on number of shares outstanding on record date

# Showcase of 'Growing the difference' strategy execution - Romania

## Consistent customer growth with an increasing primary customer base



## Growing the difference

- Digital leadership with new digital onboarding process
- Digital lending and daily banking packages for Business Banking
- New value propositions for GenZ and renewed focus on Affluent clients
- Increased cross-sell of Daily Banking packages in Business Banking



**Most preferred bank**

**#1 NPS**

since 2016



**Top employer**

**#1**

since 2019<sup>1)</sup>



**Customer balances**

**+12% CAGR**

from 2019 to 2023



**Fee development**

**+19% CAGR**

from 2019 to 2023



**Strong profitability**

**47%**

4-quarter rolling ROE

Note: all figures represent Retail Banking only

<sup>1)</sup> Top employer in finance, source: Randstad

# Business profile

# Well-diversified business mix

## Retail Banking

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

## Retail Banking footprint

Netherlands  
Belgium  
Luxembourg  
Germany  
Spain  
Italy  
Australia  
Poland  
Romania  
Türkiye

## Wholesale Banking International Network

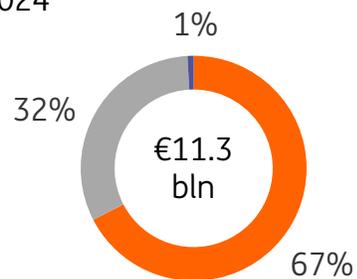
EMEA  
Asia Pacific  
Americas

## Wholesale Banking

- A leading European Wholesale Bank, powered by:
  - Our global reach, with local experts
  - We are sector experts
  - We are sustainability pioneers

## Total income

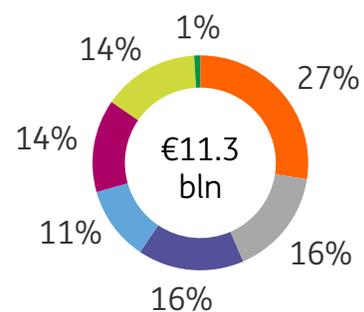
1H2024



- Retail Banking
- Wholesale Banking
- Corporate Line

## Total income

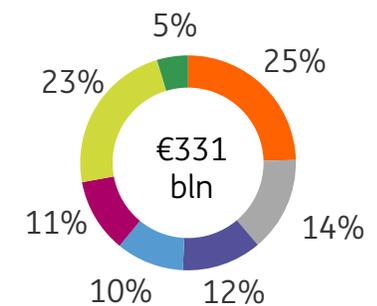
1H2024



- Netherlands
- Belgium
- Germany
- Other Challengers
- Growth Markets
- Corporate Line and Other

## RWA (end of period)

2Q2024



- Germany
- WB Rest of World

# Executing our strategy to be the best European bank



Purpose



Empowering people to stay a step ahead in life and in business

Strategic pillars



Superior value for customers

*Uniquely  
ING*

Sustainability at the heart

Enablers



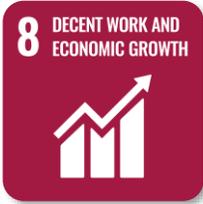
Providing  
seamless digital services

Staying  
safe & secure

Using  
our scalable Tech & Operations

Unlocking  
our people's full potential

# Our focus SDGs<sup>1)</sup> are reflected in our Sustainability Direction



## Environment

### Climate action

#### Empowering our clients<sup>2)</sup>

- We aim to steer the most carbon-intensive parts of our lending portfolio towards net-zero by 2050
- Co-develop new sector methodologies for net-zero steering
- Grow our Sustainable Finance business
- Provide sustainable products and services
- Help clients manage climate and nature risks and opportunities

#### Transparency

- Disclosure aligned with the TCFD and NZBA Frameworks

#### Improving our own footprint

- Reducing scope 1, 2 and 3 CO<sub>2</sub>e emissions from our own operations
- Sustainable procurement standards

## Social

### Financial health

#### Empowering our customers<sup>3)</sup> by focusing on:

- Financial inclusion by making bank products accessible
- Helping to get a grip on everyday finances and plan for the future

#### Empowering communities by investing in programmes focusing on:

- Future-proof employment
- Financial capabilities
- Social enterprises

### Human rights

#### UN Guiding Principles prioritisation and due diligence

- Environmental and social risk (ESR) framework and dedicated human rights policy
- Client engagement on human rights
- Human rights are included in the Know Your Supplier (KYS) questionnaire

#### Transparency

- Disclosure aligned with UNGP Reporting Framework

For more information please visit: [www.ing.com/Sustainability/Sustainability-direction.htm](http://www.ing.com/Sustainability/Sustainability-direction.htm)

<sup>1)</sup> Sustainable Development Goals (SDGs) set by the United Nations General Assembly

<sup>2)</sup> Society is transitioning to a low-carbon economy. So are our clients, and so is ING. We finance a lot of sustainable activities, but we still finance more that's not. Follow our progress on [www.ing.com/climate](http://www.ing.com/climate)

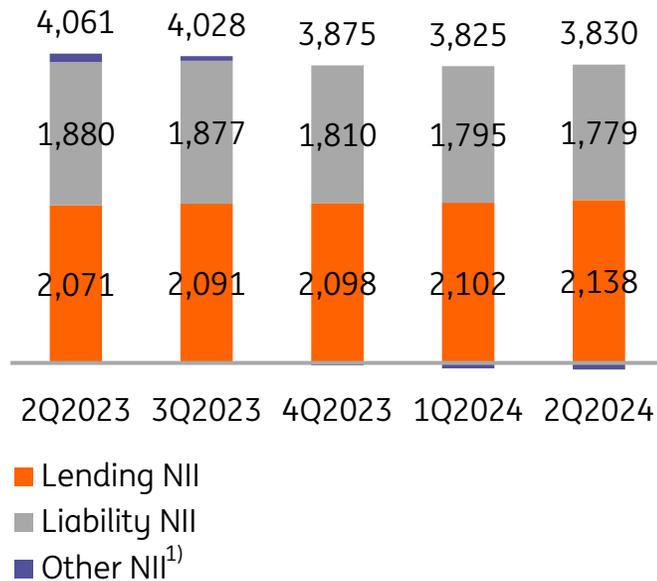
<sup>3)</sup> ING is a signatory of the United Nations Commitment to Financial Health and Inclusion.

See how we are progressing on [Financial health | ING](#)

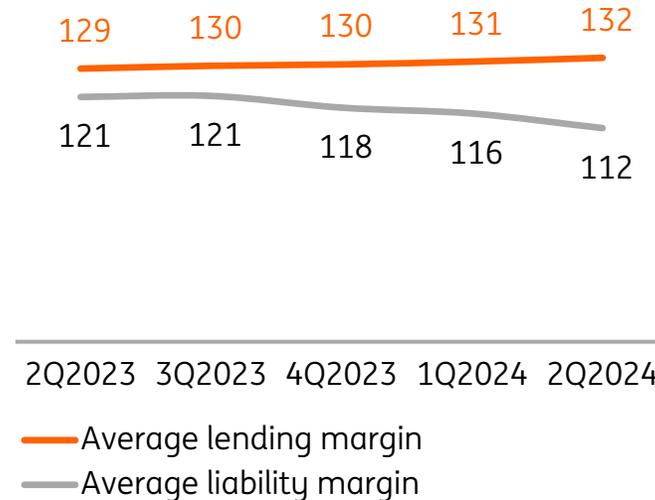
# 2Q2024 results

# Net interest income increased despite margin normalisation

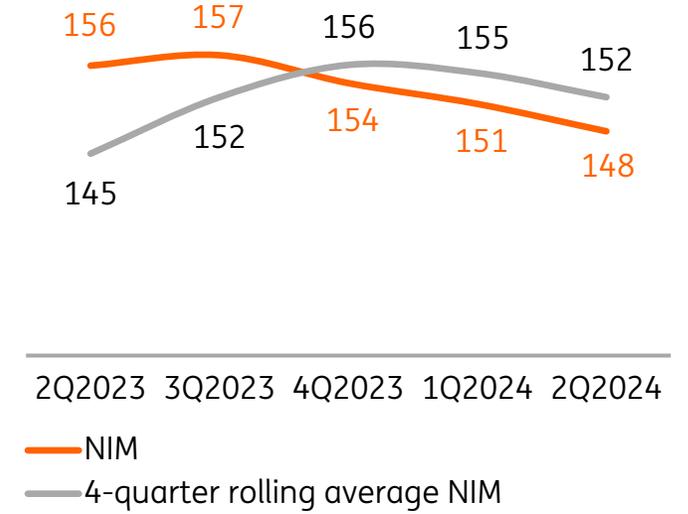
Net interest income (in € mln)



Lending and liability margin (in bps)



Net interest margin (in bps)

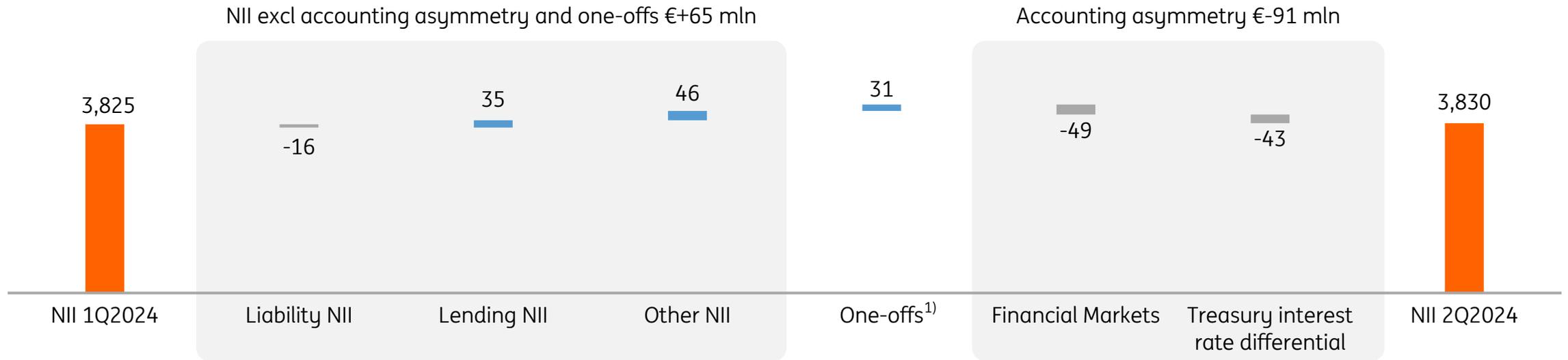


- Net interest income increased, despite a €91 mln incremental negative impact for accounting asymmetry
- Lending net interest income increased driven by volume growth and higher margins
- Net interest income from liabilities was stable, as higher volumes compensated margin normalisation
- NIM decreased by 3 bps to 148 bps, attributable to the impact of accounting asymmetry and a higher average balance sheet

<sup>1)</sup> Including Polish mortgage moratorium

# Strong development of structural net interest income drivers

## 2Q2024 NII development (in € mln)

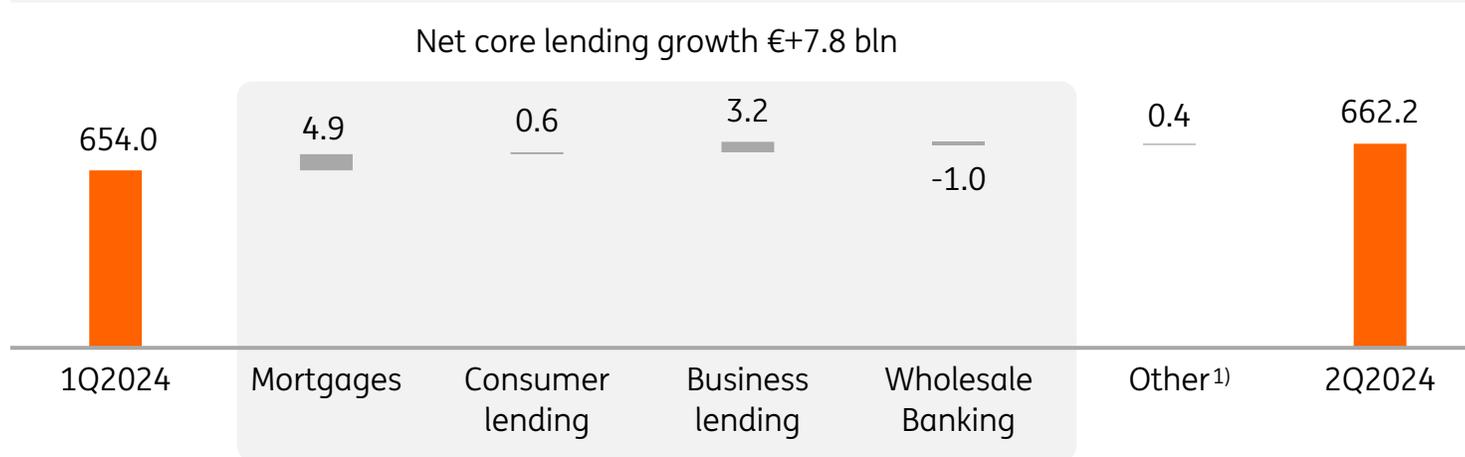


- Net interest income excluding accounting asymmetry and one-offs increased by €65 mln
- Other net interest income increased driven by Group Treasury
- Accounting asymmetry increased by €91 mln, with the negative impact on net interest income more than offset in other income

<sup>1)</sup> One-offs include a €-39 mln impact from the Polish mortgage moratorium and a €70 mln income in Wholesale Banking

# Focus on growing customer balances is clearly paying off

## Customer lending (in € bln)



## Customer deposits (in € bln)



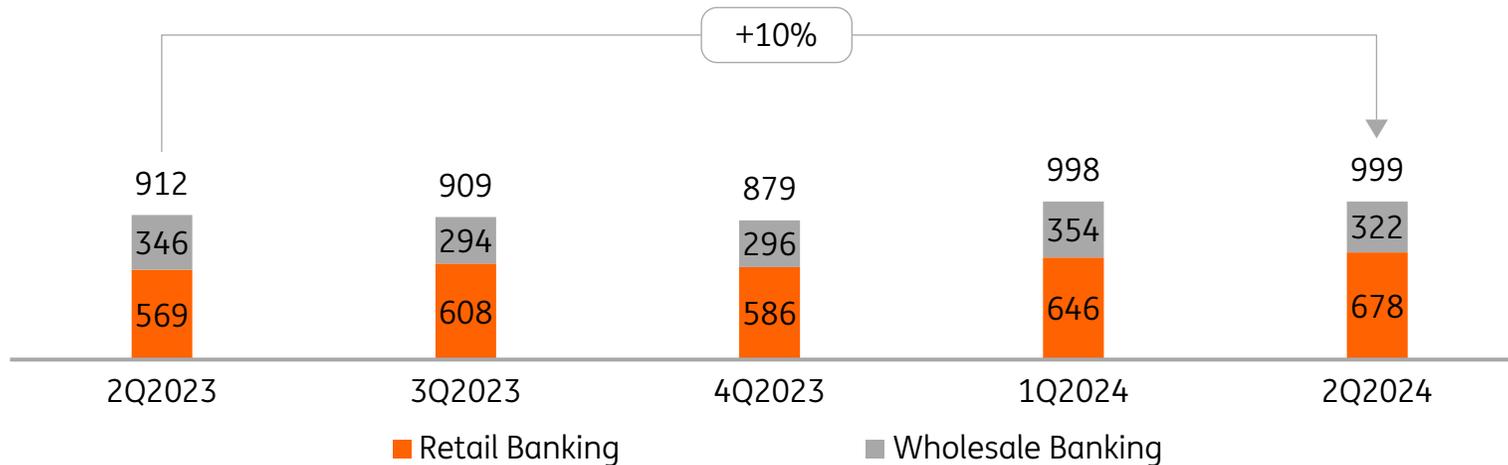
## Main drivers

- Strong growth in customer lending
  - Growth in Retail Banking mainly driven by strong performance in mortgages across all markets
  - In Wholesale Banking, growth in Lending was offset by loan sales to optimise capital usage and a decline in TCF and FM
  - Wholesale Banking exposure excluded undrawn committed exposures
- Successful deposit gathering
  - Growth in Retail Banking driven by inflows in most markets, particularly in the Netherlands, Belgium and Spain
  - Inflow in Wholesale Banking driven by successful initiatives in PCM

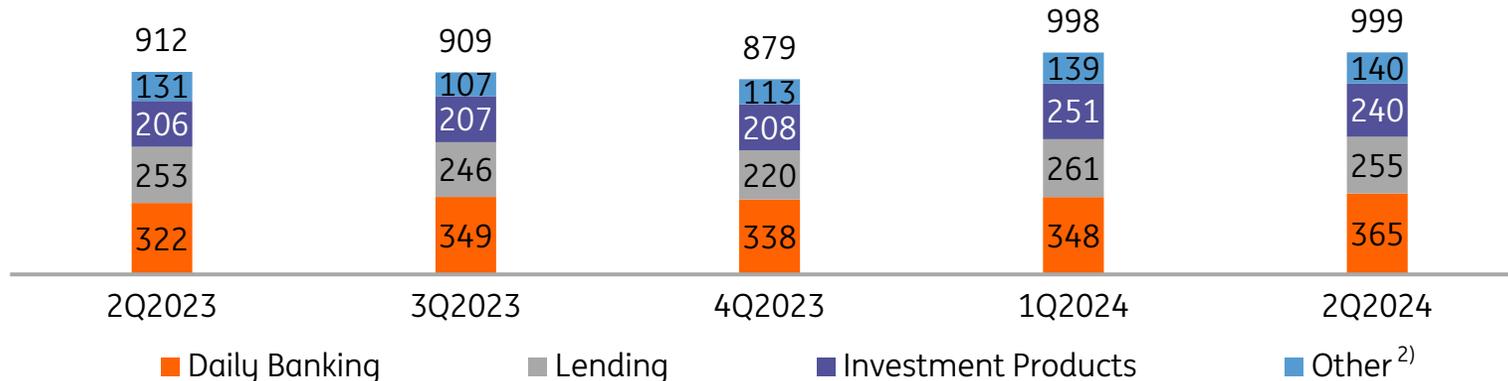
<sup>1)</sup> Other includes movements in the Treasury and run-off portfolios as well as currency impacts

# Fee income on track to reach our 2024 target

## Net fee & commission income per business line (in € mln)<sup>1)</sup>



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



<sup>1)</sup> Totals including Corporate Line

<sup>2)</sup> Other includes insurance products and Financial Markets

## Main drivers

- Year-on-year growth was mainly driven by structural (alpha) revenues and effectiveness of our fee structures
  - +0.9 mln mobile primary customers
  - 8% growth in active Investment Product customers (+3% QoQ)
  - 19% increase in daily banking fees in Retail Banking (+6% QoQ)
  - 25% increase in insurance fees in Retail Banking (15% QoQ)
  - Supported by lower fees paid to independent brokers in Belgium
- In addition, we also benefited from market developments (beta)
  - 66% growth in fees from mortgages due to normalisation of demand (+71% QoQ)
  - Normalisation of trading activity

# Total income outlook for 2024 increased to >€22 bln

## P&L drivers

Structural NII

Accounting asymmetry

Net interest income

Fees

Other income<sup>1)</sup>

**Total income**

## 1H2024

€8.4 bln

€-0.8 bln

€7.7 bln

€2.0 bln

€1.6 bln

**€11.3 bln**

## Previous 2024 outlook

€16.1 – €16.6 bln (upper end)

€-1.1 bln

€15.0 – €15.5 bln (upper end)

€4.0 bln

**~€22 bln**

## Current 2024 outlook

€16.1 – €16.6 bln (upper end)

€4.0 bln

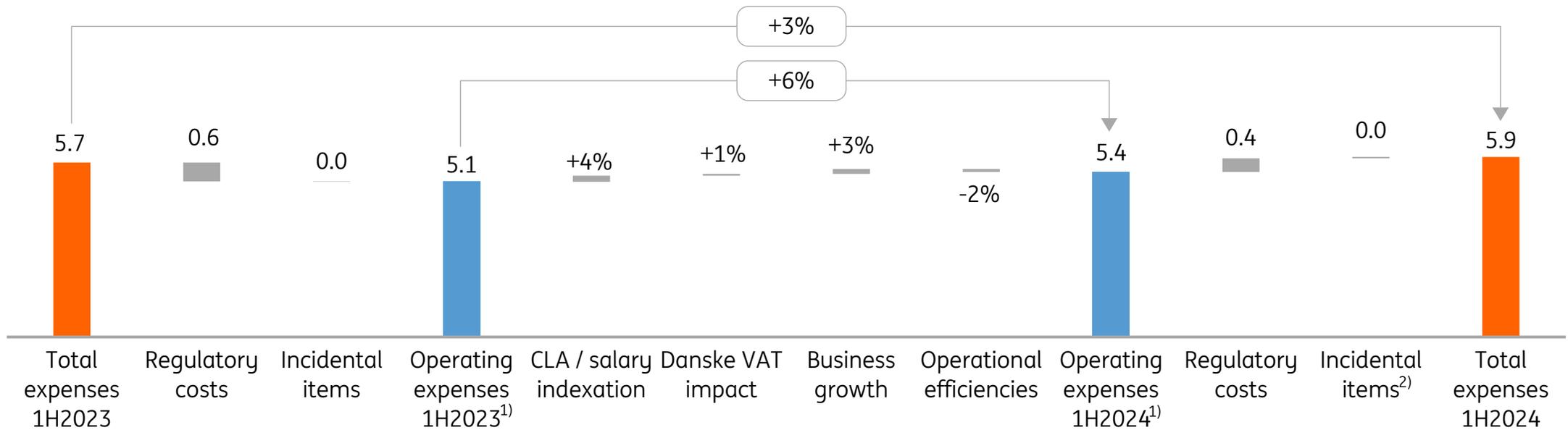
**>€22 bln**

- Structural net interest income drivers continue to support guidance for the upper end of the range
- Accounting asymmetry remains difficult to forecast; any negative impact on net interest income is more than compensated by higher other income
- Fees are on track to reach our target of €4 bln this year
- Outlook for total income in 2024 increased to >€22 bln

<sup>1)</sup> Other income includes investment income, €8 mln in 1Q2024 and €16 mln in 2Q2024

# Total expenses in line with our 2024 outlook

## Development operating expenses (in € bln)



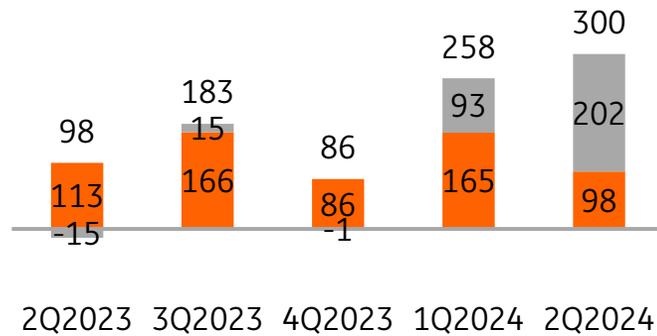
- Total expenses in line with our 2024 guidance of ~€12 bln
- In 1H2024, inflationary impact and continued investments in business growth were partly offset by savings and lower regulatory costs
- Increase in expenses in 2Q2024 was mainly driven by higher staff expenses and marketing costs

<sup>1)</sup> Operating expenses excluding regulatory costs and incidental items

<sup>2)</sup> 1H2024 incidental expense items include €34 mln restructuring costs in Retail Banking Belgium and €11 mln hyperinflation accounting

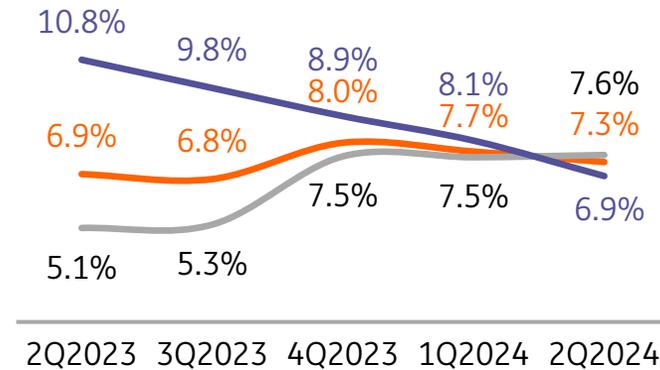
# Risk costs below through-the-cycle average

Risk costs per business line (in € mln)<sup>1)</sup>



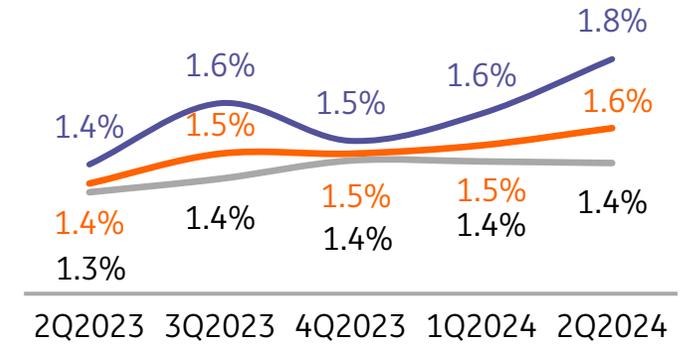
- Retail Banking
- Wholesale Banking

Stage 2 ratio



- ING
- Retail Banking
- Wholesale Banking

Stage 3 ratio



- ING
- Retail Banking
- Wholesale Banking

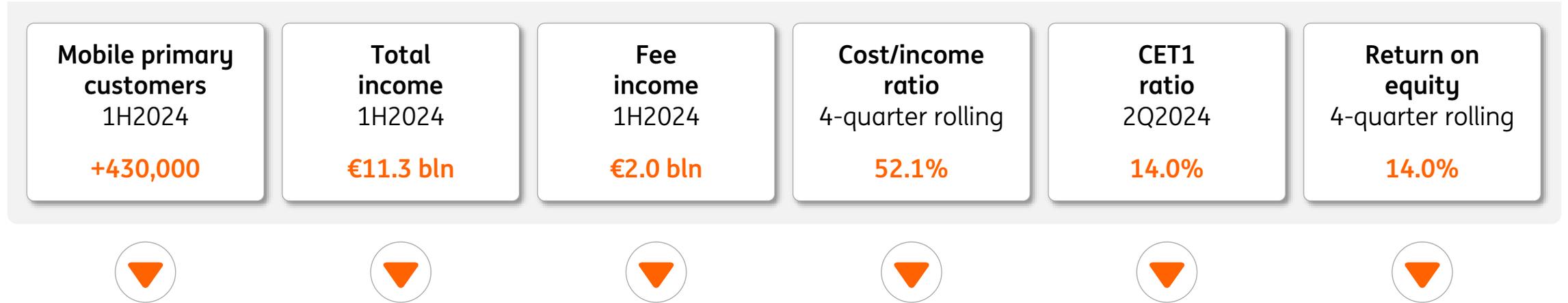
- Risk costs were €300 mln, or 18 bps of average customer lending, below the through-the-cycle average of ~20 bps
- Retail Banking risk costs positively impacted by continued strong asset quality, a partial release of management overlays<sup>2)</sup> and a strong improvement in the macroeconomic outlook for house prices
- Wholesale Banking risk costs mainly included additions for a few unrelated existing files in Stage 3 and the impact of a partial transfer of Russia-related lending exposures from Stage 2 to Stage 3 reflecting the worsened economic outlook
- Stage 2 ratio decreased, mainly due to repayments and the transfer of exposures to Stage 3, also impacting Stage 3 ratio slightly

<sup>1)</sup> Totals including Corporate Line

<sup>2)</sup> Total stock of management overlays of €415 mln in 2Q2024

# Strong performance on all targets

## Results 1H2024



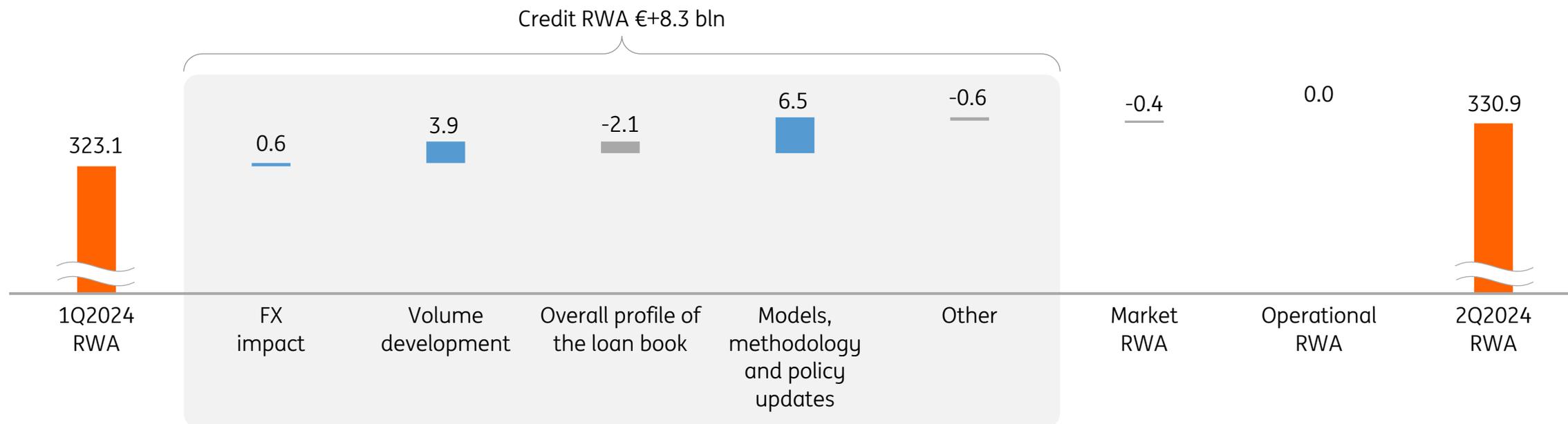
## Outlook 2024



**Capital**

# Risk-weighted assets increased due to business growth and a temporary increase from model changes

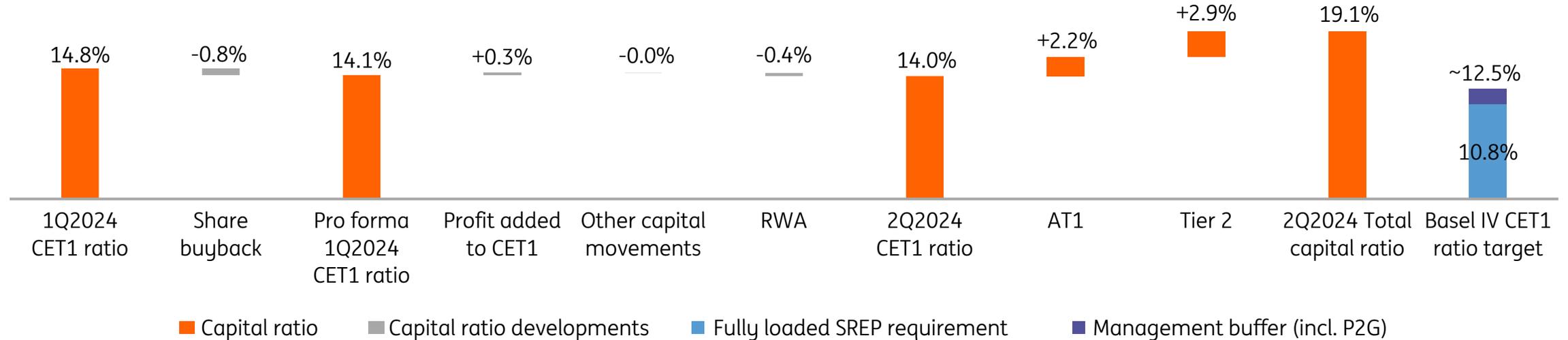
## Risk-weighted assets development (in € bln)



- RWA increased by €7.9 bln to €330.9 bln, including €+0.6 bln of FX impact on credit RWA
- Credit RWA excluding FX impacts increased by €7.7 bln. More than half of the growth is explained by significant business growth (€+3.9 bln), which was partly offset by changes in the profile of the loan book (€-2.1 bln). Credit RWA furthermore included a temporary increase from quarterly model updates of €6.5 bln, of which the majority will be reversed before year-end, with no implications for capital outlook
- Market RWA decreased by €0.4 bln. Operational RWA remained stable

# CET1 ratio decreased to 14.0% due to the ongoing share buyback

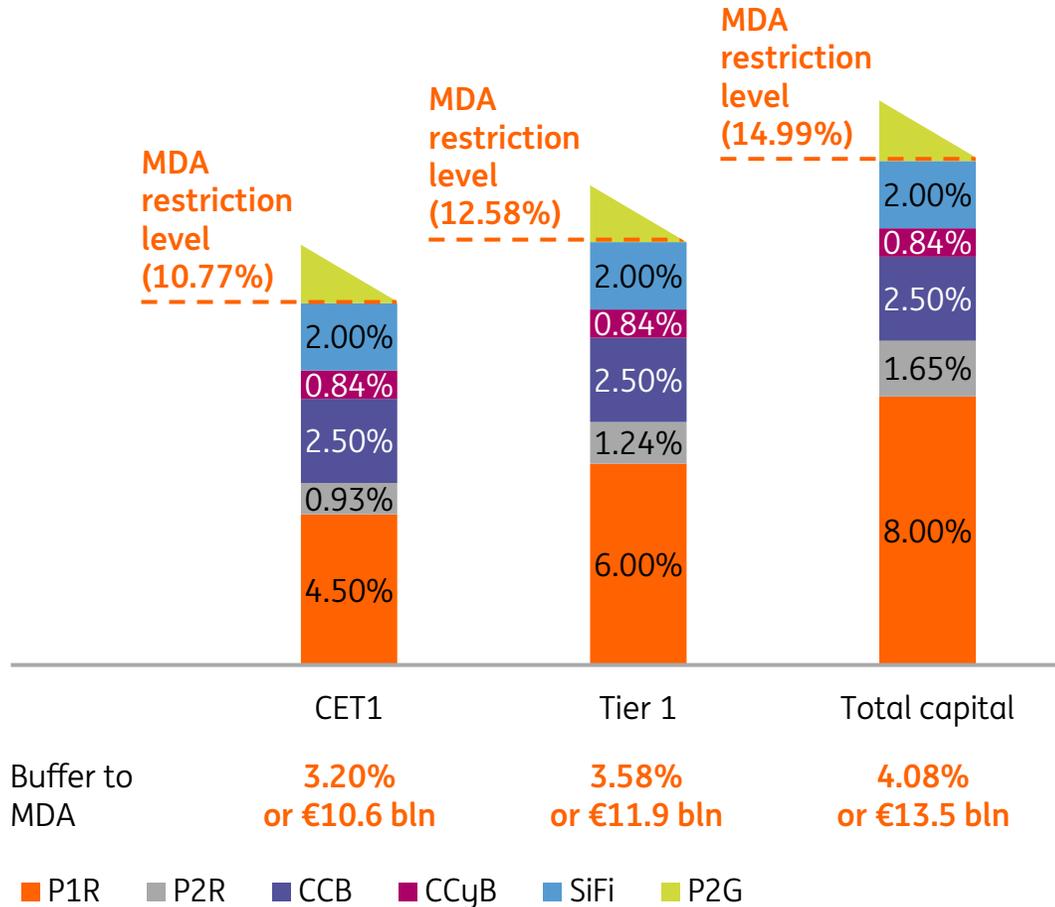
## Total capital ratio development (in %)



- The CET1 ratio decreased to 14.0%, driven by the €2.5 bln share buyback announced on 2 May
- At the end of 2Q2024, there was €1,729 mln reserved outside of CET1 capital for future distribution
- An interim cash dividend over 1H2024 of €0.35 per share will be paid on 12 August 2024
- The AT1 ratio remained stable at 2.2%, while the Tier 2 ratio increased from 2.6% to 2.9% as a result of a €1.25 bln Tier 2 bond issued in May 2024

# Buffer to MDA remains strong

## ING Group fully loaded SREP requirements



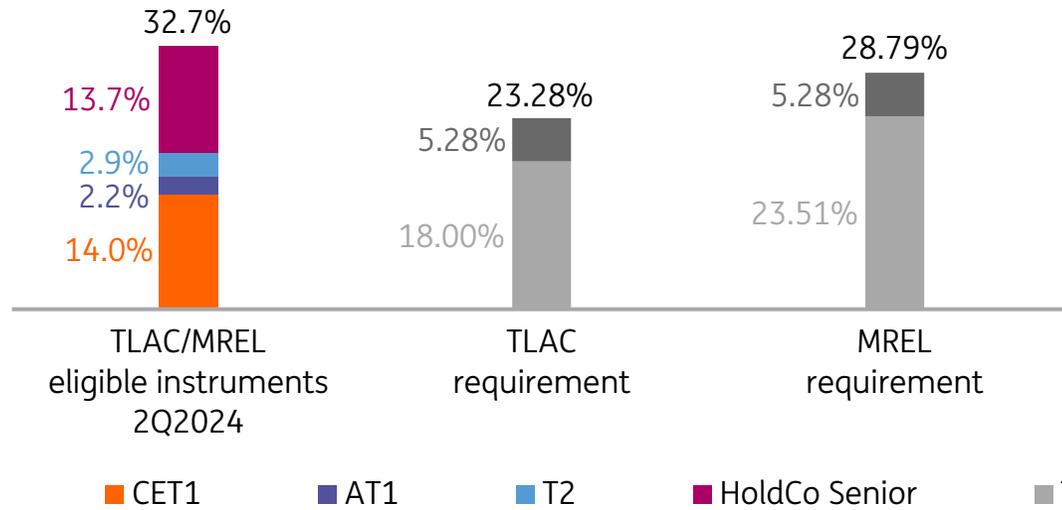
- Fully loaded CET1 requirement is 10.77%
  - 4.50% Pillar 1 Requirement (P1R)
  - 0.93% Pillar 2 Requirement (P2R)
  - 2.50% Capital Conservation Buffer (CCB)
  - 0.84% Countercyclical Buffer (CCyB)<sup>1)</sup>
  - 2.00% Systemically Important Financial Institutions Buffer (SiFi)
- Fully loaded Tier 1 requirement is 12.58%
  - 0.31%-point of P2R can be filled with AT1
- Fully loaded Total Capital requirement is 14.99%
  - 0.41%-point of P2R can be filled with Tier 2

<sup>1)</sup> CCyB requirement of 0.84% on a fully loaded basis and 0.78% as per 2Q2024

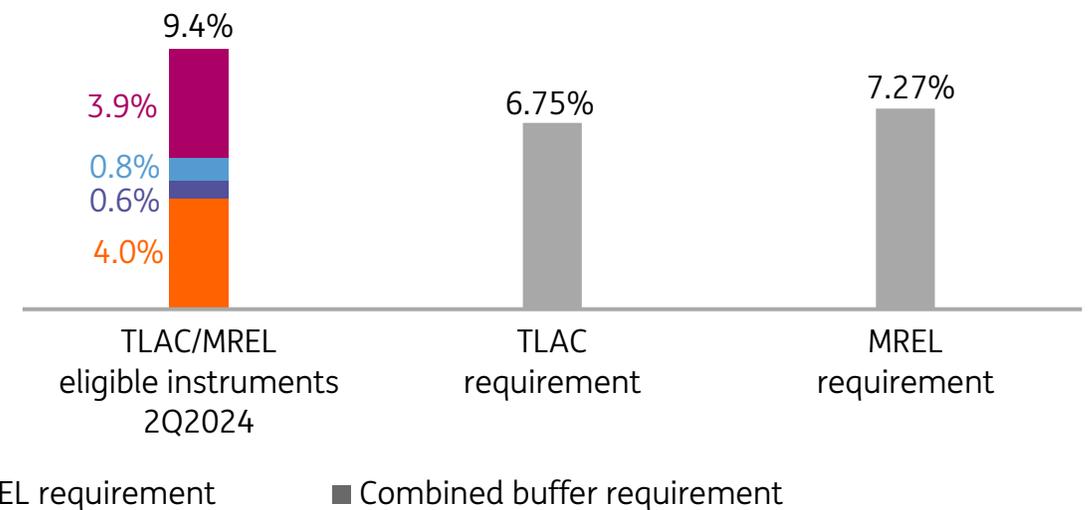
# Funding & liquidity

# Comfortably meeting TLAC and MREL requirements

TLAC/MREL as percentage of RWA



TLAC/MREL as percentage 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 N.V.
- RWA-based MREL is the most constraining requirement for ING. As per 2Q2024, ING amply meets the TLAC and MREL requirements with a ratio of 32.7% of RWA and 9.4% of leverage exposure (LR)

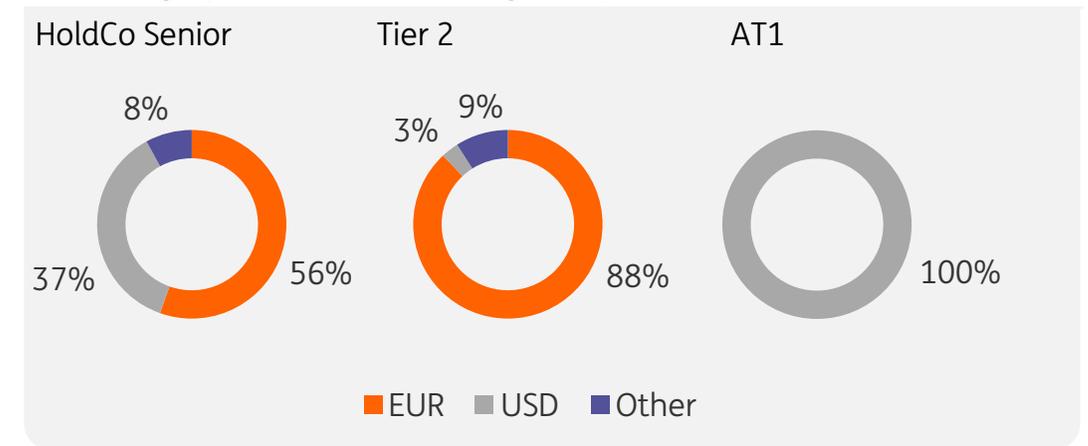
# Long-term debt maturity ladder and issuance guidance

## Issuance guidance 2024

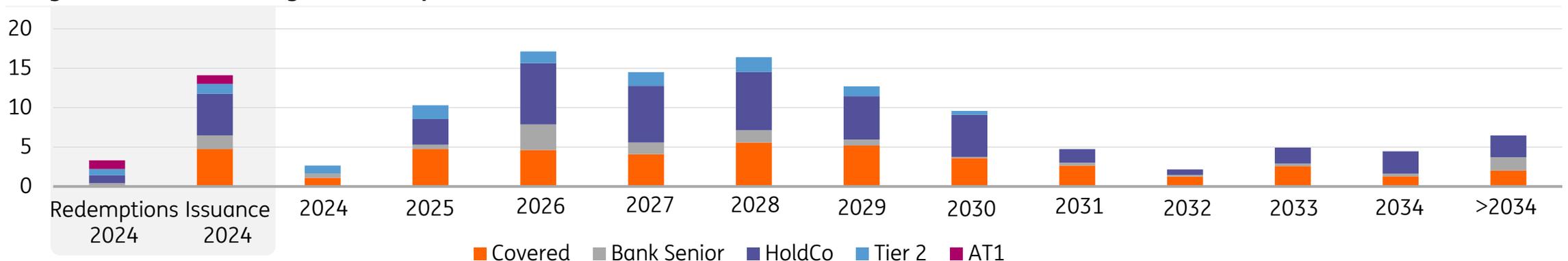
Guidance for 2024 issuance is:

- ~€6-8 bln in HoldCo Senior, of which ~€5.3 bln has been issued in 2024
- ~€7-9 bln of Secured issuance (including RMBS) from various entities, of which ~€5.6 bln has been issued in Secured format (including RMBS) in 1H2024
- OpCo Senior could be issued opportunistically for internal ratio management and general corporate funding purposes
- This is all subject to balance sheet developments throughout the year

## Currency split of outstandings as per 30 June 2024



## Long-term debt maturity ladder as per 30 June 2024 (in € bln)<sup>1)</sup>

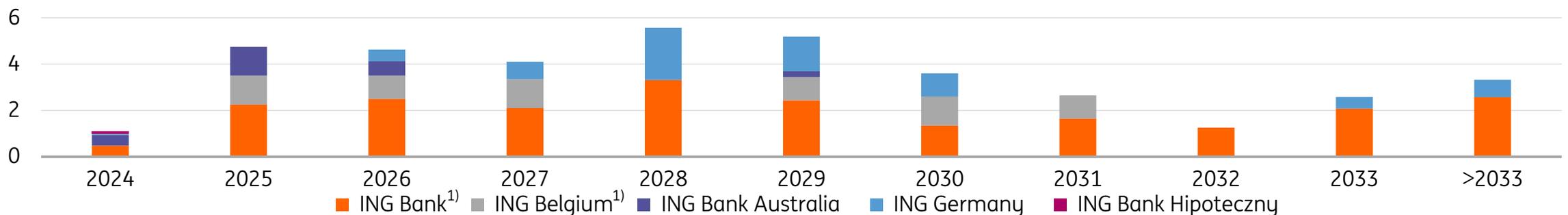


<sup>1)</sup> Tier 2 maturities are based on the 1st call date instead of contractual maturity. All HoldCo Senior bonds are based on contractual maturity. Excluding RMBS

# Issuance programmes of main ING subsidiaries

|                                   | ING Bank N.V.   | ING Belgium S.A./N.V.   | ING DiBa AG   | ING Bank (Australia) Ltd  | ING Bank Hipoteczny (Poland)   |
|-----------------------------------|---|---|---|---|--|
| <b>Instruments overview</b>       | <ul style="list-style-type: none"> <li>Secured funding</li> <li>Senior unsecured</li> </ul>   | <ul style="list-style-type: none"> <li>Secured funding</li> </ul>         | <ul style="list-style-type: none"> <li>Secured funding</li> </ul>         | <ul style="list-style-type: none"> <li>Secured funding</li> <li>Senior unsecured</li> </ul>                       | <ul style="list-style-type: none"> <li>Secured funding</li> </ul>                |
| <b>Outstanding<sup>1)</sup></b>   | <ul style="list-style-type: none"> <li>Covered bond: ~€22.0 bln</li> <li>Senior Unsecured: ~€11.4 bln<sup>3)</sup></li> </ul>                 | <ul style="list-style-type: none"> <li>Covered bond: €6.75 bln</li> </ul> | <ul style="list-style-type: none"> <li>Covered bond: €7.3 bln</li> </ul>  | <ul style="list-style-type: none"> <li>Covered bond: A\$4.2 bln</li> <li>Senior Unsecured: A\$1.25 bln</li> </ul> | <ul style="list-style-type: none"> <li>Green covered bond: PLN400 mln</li> </ul> |
| <b>2024 Issuance<sup>1)</sup></b> | <ul style="list-style-type: none"> <li>€3.75 bln (Covered Bond)</li> </ul>  | <ul style="list-style-type: none"> <li>€1.0 bln (Covered Bond)</li> </ul> | <ul style="list-style-type: none"> <li>None</li> </ul>                    | <ul style="list-style-type: none"> <li>A\$1.25 bln (Senior Unsecured)</li> </ul>                                  | <ul style="list-style-type: none"> <li>None</li> </ul>                           |
| <b>Underlying Collateral</b>      | <ul style="list-style-type: none"> <li>Residential mortgages</li> </ul>   | <ul style="list-style-type: none"> <li>Residential mortgages</li> </ul>   | <ul style="list-style-type: none"> <li>Residential mortgages</li> </ul>   | <ul style="list-style-type: none"> <li>Residential mortgages</li> </ul>   | <ul style="list-style-type: none"> <li>Residential mortgages</li> </ul>          |
| <b>Covered Bond programme</b>     | <ul style="list-style-type: none"> <li>ING Bank Hard and Soft Bullet</li> <li>ING Bank Soft Bullet</li> <li>ING Bank Soft Bullet 2</li> </ul> | <ul style="list-style-type: none"> <li>ING Belgium Pandbrieven</li> </ul> | <ul style="list-style-type: none"> <li>ING-DiBa AG Pfandbriefe</li> </ul> | <ul style="list-style-type: none"> <li>ING Bank (Australia) Ltd</li> </ul>  | <ul style="list-style-type: none"> <li>ING Bank Hipoteczny</li> </ul>            |

**Covered bond maturity ladder as per 30 June 2024 (in € bln)<sup>2)</sup>**



<sup>1)</sup> Externally placed bonds (excluding securitisation transactions)

<sup>2)</sup> Maturity ladder as per contractual maturity for outstanding Covered Bonds only

<sup>3)</sup> Structured notes and senior unsecured instruments

# ING is dedicated to its Green Bond franchise

## Green Bond issuance objectives and added value

- Support meeting our sustainability objectives
- Fund growth in our Eligible Green Loan portfolio
- Continued leadership in the Green Bond market
- Support development of the Global Green Bond market
- Financing of new projects and channel investments to assets that have demonstrated climate benefits
- Funding diversification and de-risking benefits compared to conventional debt instruments

## External consultants & providers

**ISS ESG** 

  
CARBON  
TRUST

 **CFP**  
GREEN BUILDINGS

**DREES &  
SOMMER**

- **Second party Opinion provider**
- **Renewable energy consultant**
- **Green buildings consultant**

## Recent Green Bond transactions

| Year of Issuance | 2021           | 2021           | 2021         | 2022           | 2022           | 2022         | 2023                | 2023         | 2024           | 2024 <sup>2)</sup>  |
|------------------|----------------|----------------|--------------|----------------|----------------|--------------|---------------------|--------------|----------------|---------------------|
| Issuer           | ING Groep N.V. | ING Groep N.V. | ING-DiBa AG  | ING Groep N.V. | ING Groep N.V. | ING-DiBa AG  | Green Lion 2023-1   | ING-DiBa AG  | ING Groep N.V. | Green Lion 2024-1   |
| Size / Currency  | £800 mln       | €500 mln       | €1.25 bln    | €1.5 bln       | €1 bln         | €1 bln       | €850 mln            | €1 bln       | €1.25 bln      | €1 bln              |
| Tenor            | 8NC7           | 11NC6          | 7yr          | 4NC3           | 11NC6          | 8yr          | 4.9yr <sup>1)</sup> | 4.25yr       | 11NC10         | 4.8yr <sup>1)</sup> |
| Asset class      | HoldCo Senior  | Tier 2         | Covered Bond | HoldCo Senior  | Tier 2         | Covered Bond | RMBS                | Covered Bond | Holdco Senior  | RMBS                |

<sup>1)</sup> Until the first optional redemption date

<sup>2)</sup> The Green Lion settled in, and is included as outstanding debt as per 3Q24

For the above specified bonds, a prospectus is available. For more information and the prospectus, please visit [Debt securities ING Groep N.V. | ING](https://www.ing.com/debt-securities)

# ING Green Bond Framework

- [Our Green Bond Framework](#)<sup>1</sup> was updated in 2022 and has been assessed by a [Second Party Opinion \(SPO\)](#) and is aligned with the ICMA Green Bond Principles 2021. The framework is presented through below four pillars:

## 1 Use of proceeds

- ING will finance and/or refinance, in part or in whole, an Eligible Green Loan Portfolio in accordance with the Eligibility Criteria
- Net proceeds will be allocated to Eligible Green Loan Portfolio, including:



Residential  
Real Estate

Netherlands & Germany



Commercial  
Real Estate

Netherlands



Renewable Energy  
(wind & solar)

Global

## 2 Project Evaluation and Selection

- Projects financed and/or refinanced through Green proceeds are evaluated and selected based on compliance with the Eligibility Criteria
- Governance of the Green Bond Framework is in place
- ING's Environmental & Social Risk policies and transaction approval process ensures that loans comply with ING [environmental and social policies](#)

## 3 Management of proceeds

- The proceeds are managed in a portfolio approach. Where relevant, a bond-by-bond approach is also applied (e.g. Green RMBS)
- Level of allocation matches or exceeds the balance of net proceeds. The proceeds from Green Finance Instruments are allocated to an Eligible Green Loan Portfolio
- Unallocated net proceeds will be held in ING's treasury liquidity portfolio at ING's own discretion

## 4 Reporting

- Aggregated (between multiple Green Funding Instruments)
- Allocation and impact are reported. Additional reported items can be found in the Green Funding Framework
- Limited assurance of the Green Bond Allocation Report provided by an external auditor on an annual basis
- Second party opinion by ISS ESG

<sup>1</sup>The Green Bond Framework will be updated to the Global Green Funding Framework in 2024. Publication is expected in 3Q2024

# Project selection and management of proceeds

- Projects financed and/or refinanced through Green Bond proceeds are evaluated and selected based on compliance with the Eligibility Criteria

## 1 Compliance with the Eligibility Criteria

- ICMA Green Bond Principles categories
- EU Taxonomy Technical Screening Criteria
- Apply on a best-effort basis as long as there are feasible practical applications in the geographies where ING's assets are located (in terms of local regulation)

## 2 Governance of Green Bond Framework

- ING has established a Sustainable ALM SteerCo to:
  - Review and update the Framework
  - Define and evaluate the Eligibility Criteria
  - Oversee other governance processes

## 3 Environmental and Social Risk Management Policy (ESR)

- ING ensures that all eligible loans comply with official national and international environmental and social standards and local laws and regulations on a best-effort basis
- ING's Environmental & Social Risk policies and transaction approval process ensure that loans comply with [environmental and social policies](#)

## 💡 Management of proceeds

- Eligible Green Loan Portfolio allocation in FY2023:

### Single pool of eligible green loans<sup>1</sup> (in € bln)

|  |             |
|--|-------------|
| Renewable energy                           | 6.3         |
| Green buildings (residential)              | 41.9        |
| Green buildings (commercial)               | 4.0         |
| <b>Total Eligible Green Loan Portfolio</b> | <b>52.2</b> |
| Of which: allocated amount                 | 12.8        |
| Of which: unallocated amount               | 39.4        |



<sup>1</sup>) As per ING Green Bond Allocation Report 2023

# External recognition of ING's commitment to ESG

## ESG ratings ING Groep N.V.

---



- Evaluation: ING's management of ESG material risk is 'Strong'
- Position: in the 21st percentile of 339 banks
- Updated: December 2023



- Rating AA
- Updated: July 2023

## Sustainability Index Products

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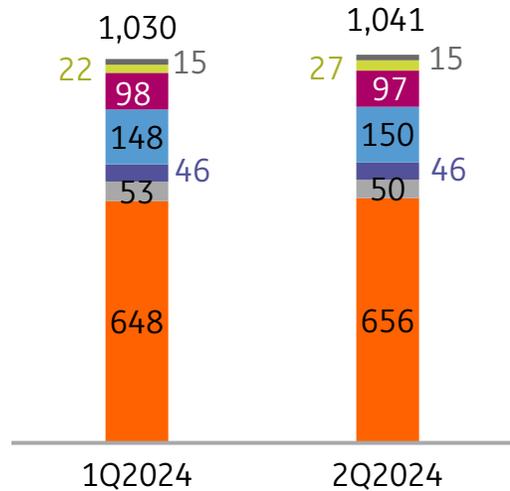
ING is regularly included in ESG and sustainability-focused indices, such as:



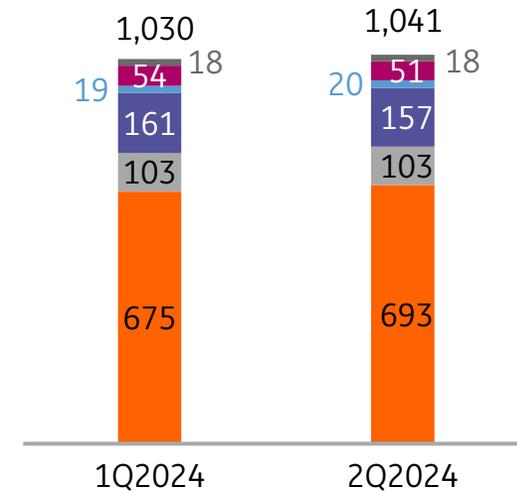
# Strong balance sheet with customer deposits as the primary source of funding

## Balance sheet ING Group (in € bln)

### Assets



### Liabilities



- Other
- Loans to banks
- Cash with central banks
- Financial assets at FVPL
- Financial assets at FVOCI
- Securities at amortised cost
- Loans to customers

- Other
- Total equity
- 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

- 67% of the balance sheet is funded by customer deposits
- 89% of total customer deposits is in Retail Banking
- Well-balanced loan-to-deposit ratio of 0.95<sup>1)</sup>

## Conservative trading profile

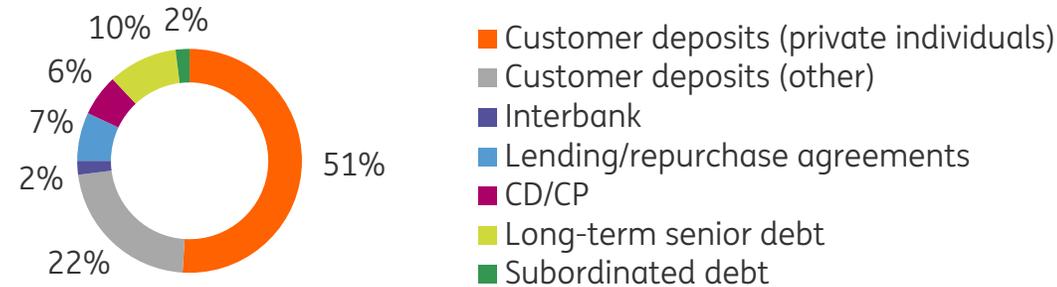
- Majority of our Financial Markets business is customer flow based where we largely hedge our positions, reflected in offsetting positions in assets and liabilities at fair value
- The average Value-at-Risk for the trading portfolio is stable at a low level

<sup>1)</sup> 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 146%

## Funding mix<sup>1)</sup>

30 June 2024



## Liquidity buffer

- Level 1: mainly cash with central banks, 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 and shares on major stock indices

## 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 stable at 146%
- Besides the HQLA buffer, ING maintains large pools of ECB-eligible assets, in the form of internal securitisations and credit claims. Total available liquidity resources were €317 bln as per the end of 2Q2024

## LCR 12-month moving average (in € bln)

|                         | 30 June 2024 | 31 March 2024 |
|-------------------------|--------------|---------------|
| Level 1                 | 184.9        | 186.8         |
| Level 2A                | 3.1          | 3.0           |
| Level 2B                | 5.7          | 5.2           |
| <b>Total HQLA</b>       | <b>193.7</b> | <b>195.0</b>  |
| <b>Stressed outflow</b> | <b>233.6</b> | <b>235.3</b>  |
| <b>Stressed inflow</b>  | <b>101.0</b> | <b>101.9</b>  |
| <b>LCR</b>              | <b>146%</b>  | <b>146%</b>   |

<sup>1)</sup> Liabilities excluding trading securities and IFRS-EU equity

# Strong rating profile at both Group and Bank levels

## Main credit ratings of ING on 31 July 2024

|                                | 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    |
| <b>ING Groep N.V. (HoldCo)</b> |         |                        |        |
| Long-term issuer rating        | A-      | n/a                    | A+     |
| Short-term issuer rating       | A-2     | n/a                    | F1     |
| Outlook                        | Stable  | Positive <sup>1)</sup> | Stable |
| Senior unsecured rating        | A-      | Baa1                   | A+     |
| AT1                            | BB      | Ba1                    | BBB    |
| Tier 2                         | BBB     | Baa2                   | A-     |
| <b>ING Bank N.V. (OpCo)</b>    |         |                        |        |
| Long-term issuer rating        | A+      | A1                     | AA-    |
| Short-term issuer rating       | A-1     | P-1                    | F1+    |
| Outlook                        | Stable  | Positive               | Stable |
| Senior unsecured rating        | A+      | A1                     | AA-    |
| Tier 2                         | BBB+    | Baa2                   | A-     |

<sup>1)</sup> Outlook refers to the senior unsecured rating

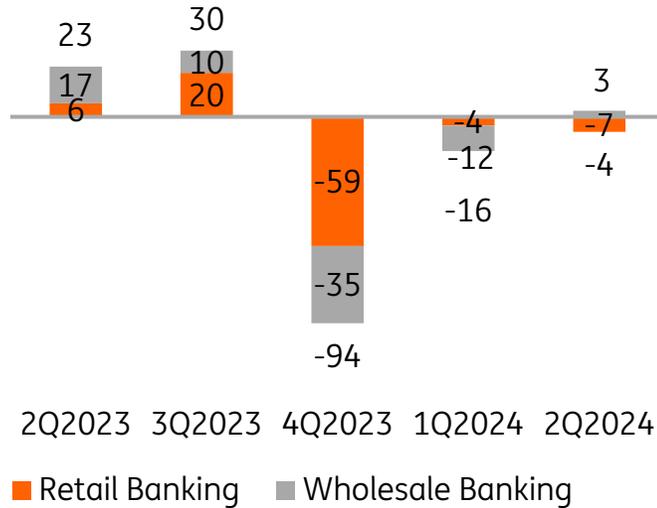
## Latest rating actions on ING Group and Bank

- S&P: upgraded ING Bank to A+ in July 2017. In June 2024, S&P affirmed ING's rating and outlook, reflecting S&P's view that ING's ratings remain justified also when capitalisation is reduced in line with ING's CET1 ratio target
- Moody's: affirmed ING Bank's long-term issuer rating in June 2024 at A1, with an improved outlook for senior unsecured (Group and Bank) from Stable to Positive. Moody's expects ING's capital metrics to remain strong despite the expected lower capitalisation
- Fitch: upgraded ING Bank to AA- in February 2019 and affirmed in October 2023. This reflects Fitch's view that ING has a strong franchise in RB and WB in the Benelux region, good geographic diversification in selected European countries and moderate risk appetite, resulting in sound through-the-cycle asset quality and earnings. Ratings are also underpinned by solid capital ratios and a well-balanced funding profile

# Asset quality

# Addition to loan loss provisions per Stage

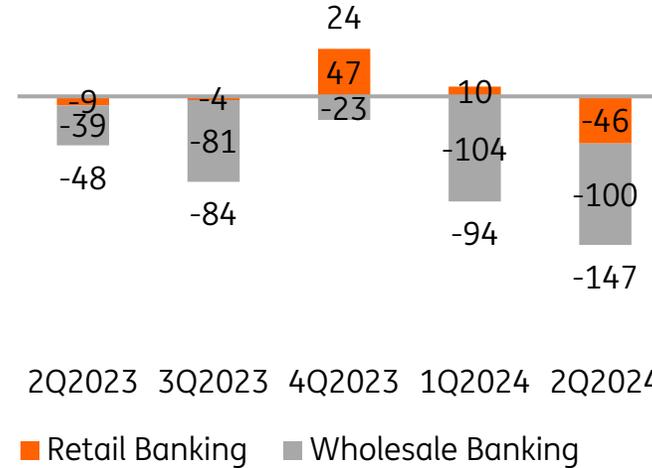
Stage 1 provisioning (in € mln)<sup>1)</sup>



## Main drivers

- An update of the macroeconomic forecasts

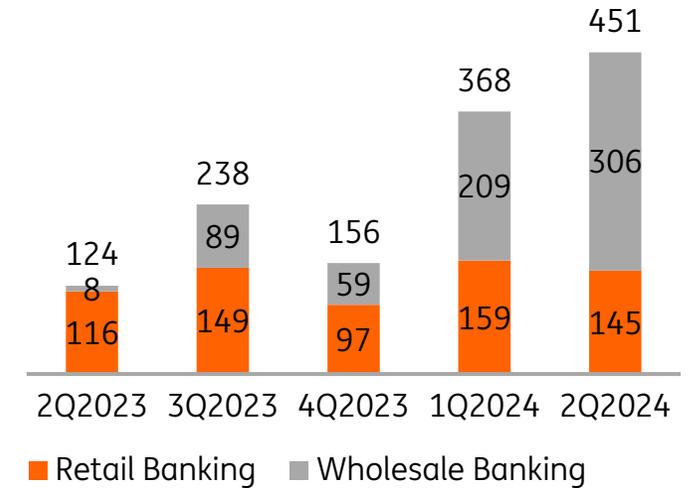
Stage 2 provisioning (in € mln)<sup>1,2)</sup>



## Main drivers

- An update of the macroeconomic forecasts
- Partial releases of overlays
- Transfer of some individual files to Stage 3

Stage 3 provisioning (in € mln)<sup>1)</sup>



## Main drivers

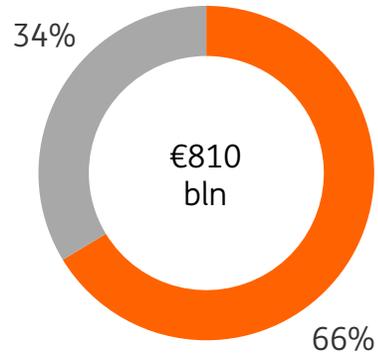
- Additions for a few unrelated existing files in Wholesale Banking
- Transfer of some individual files from Stage 2

<sup>1)</sup> Wholesale Banking provisioning includes Corporate Line

<sup>2)</sup> Stage 2 includes modifications

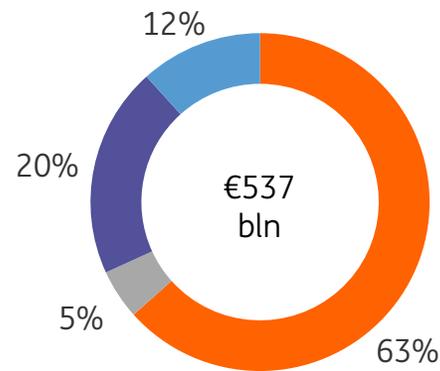
# Well-diversified lending credit outstandings<sup>1)</sup> by activity

## ING Group

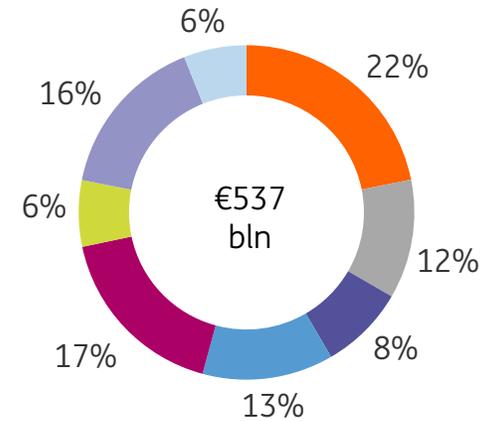


- Retail Banking
- Wholesale Banking

## Retail Banking

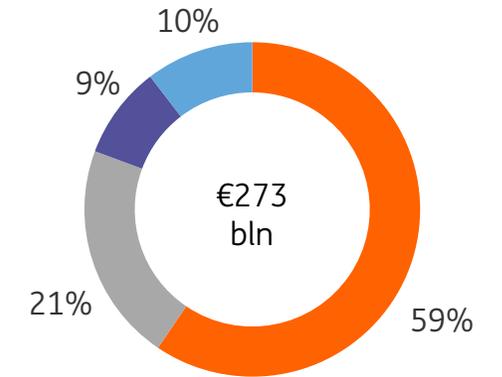


- Residential mortgages
- Consumer lending
- Business lending
- Other lending<sup>2)</sup>



- Mortgages Netherlands
- Other lending Netherlands
- Mortgages Belgium
- Other lending Belgium
- Mortgages Germany
- Other lending Germany
- Mortgages Other
- Other lending Other

## Wholesale Banking



- 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

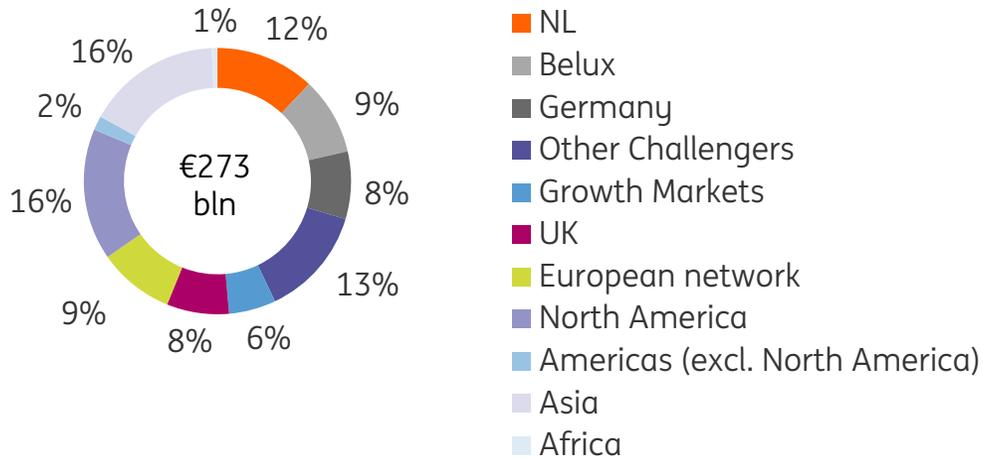
<sup>1)</sup> Lending and money market credit outstandings, including guarantees and letters of credit, excluding undrawn committed exposures (off-balance sheet positions)

<sup>2)</sup> Other includes €57 bln Retail-related Treasury lending and €6 bln Other Retail Lending

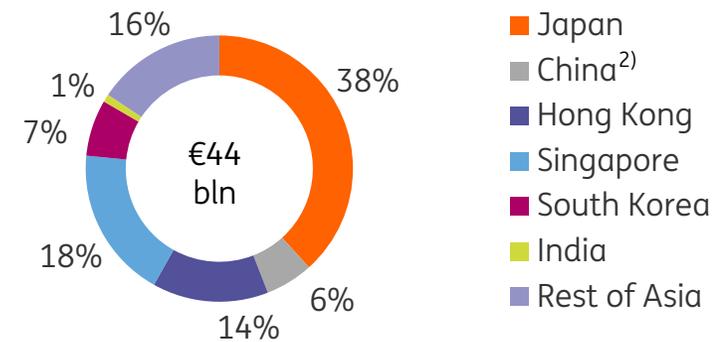
# Wholesale Banking lending credit outstandings<sup>1)</sup>

## Loan portfolio is well diversified across geographies...

Wholesale Banking

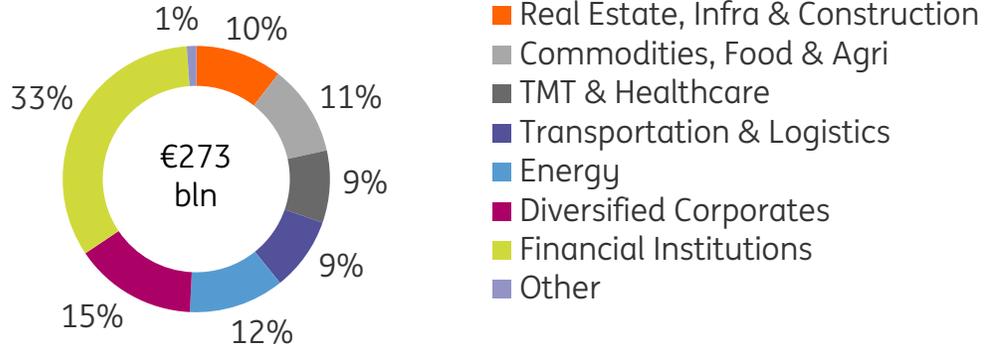


Wholesale Banking Asia



## ...and sectors

Wholesale Banking



## Selected countries/sectors

Russia

- €1.2 bln offshore exposure<sup>3)</sup>, of which >€0.5 bln with ECA or CPRI cover
- Equity Russian subsidiary €0.4 bln

<sup>1)</sup> Lending and money market credit outstandings, including guarantees and letters of credit, excluding undrawn committed exposures (off-balance sheet positions)

<sup>2)</sup> Excluding our stake in Bank of Beijing (€2.1 bln at 30 June 2024)

<sup>3)</sup> Lending credit outstandings, money market, investment and pre-settlement, including guarantees and letters of credit, excluding undrawn committed exposures (off balance positions)

# Appendix

# Issuance entities under our approach to resolution

## Issuance entities

Designated  
resolution  
entity



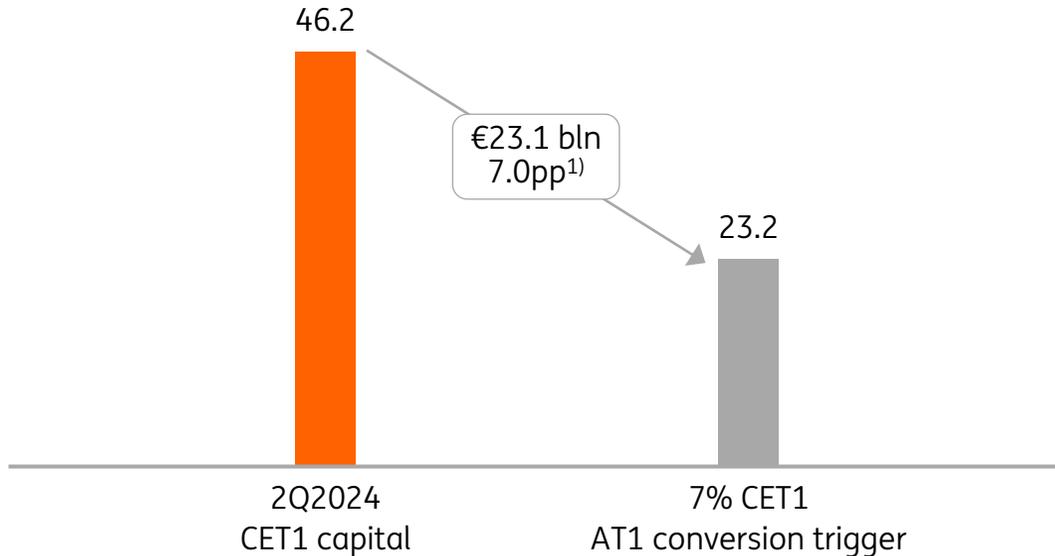
## Eligible instruments for TLAC/MREL

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

# Comfortable buffer to Additional Tier 1 trigger

## Buffer to AT1 trigger (in € bln)

30 June 2024



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

|   | 2023          | 2022          |
|---|---------------|---------------|
| Share premium   | 17,116        | 17,116        |
| Other reserves  | 29,167        | 30,859        |
| Legal and statutory reserves                                  | -770          | -984          |
| Non-distributable   | -6,727        | -8,408        |
| <b>Total</b>  | <b>38,787</b> | <b>38,583</b> |
| Accrued interest expenses on own fund instruments at year-end | 193           | 169           |
| <b>Distributable items excluding result for the year</b>      | <b>38,981</b> | <b>38,752</b> |
| Unappropriated result for the year                            | 5,691         | 2,880         |
| <b>Total available distributable items</b>                    | <b>44,672</b> | <b>41,632</b> |

- ING Group capital buffer to conversion trigger (7% CET1) is high at €23.2 bln, or 7.0% of RWA

<sup>1)</sup> Difference between 14.0% ING Group CET1 ratio in 2Q2024 and 7% CET1 equity conversion trigger

# Outstanding benchmark capital securities per 2Q2024

## (Additional) Tier 1 securities

| Currency          | Issue date | First call date | Coupon | Outstanding (mln) <sup>2)</sup> | Reset spread  |
|-------------------|------------|-----------------|--------|---------------------------------|---------------|
| USD               | Feb-24     | May-30          | 8.000% | 1,250                           | SOFR MS+436   |
| USD               | Feb-23     | May-28          | 7.500% | 1,000                           | UST + 371bps  |
| USD <sup>1)</sup> | Sep-21     | May-27          | 3.875% | 1,000                           | UST + 286bps  |
| USD <sup>1)</sup> | Sep-21     | May-31          | 4.250% | 1,000                           | UST + 286bps  |
| USD               | Feb-20     | May-29          | 4.875% | 750                             | UST + 351bps  |
| USD <sup>1)</sup> | Sep-19     | Nov-26          | 5.750% | 1,500                           | UST + 434bps  |
| USD <sup>1)</sup> | Apr-15     | Apr-25          | 6.500% | 1,250                           | USSW + 445bps |

## Tier 2 securities

| Currency  | Issue date | First call date | Coupon | Outstanding (mln) <sup>2)</sup> | Maturity |
|---|------------|-----------------|--------|---------------------------------|----------|
| EUR   | May-24     | May-29          | 4.375% | 1,250                           | Aug-34   |
| GBP   | Feb-23     | Feb-28          | 6.25%  | 750                             | May-33   |
| EUR   | Feb-23     | Nov-29          | 5.00%  | 500                             | Feb-35   |
| EUR    | Aug-22     | Aug-28          | 4.125% | 1,000                           | Aug-33   |
| EUR   | Nov-21     | Aug-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   |
| EUR   | Mar-18     | Mar-25          | 2.00%  | 750                             | Mar-30   |
| EUR   | Sep-17     | Sep-24          | 1.625% | 1,000                           | Sep-29   |

<sup>1)</sup> SEC registered

<sup>2)</sup> Amount outstanding in original currency

 Green bond

# HoldCo Senior transactions in past 12 months

| ISIN   | Issue date | First call date | Maturity | Tenor    | Coupon | Issued (mln) <sup>1)</sup> | Reset spread |
|--|------------|-----------------|----------|----------|--------|----------------------------|--------------|
| <b>EUR</b>   |            |                 |          |          |        |                            |              |
| XS2764264607   | Feb-24     | Aug-28          | Aug-29   | 5.5nc4.5 | 3.87%  | 1,250                      | 3mE+125      |
| XS2764264789  | Feb-24     | Feb-34          | Feb-35   | 11nc10   | 4.00%  | 1,250                      | 3mE+140      |
| <b>USD</b>   |            |                 |          |          |        |                            |              |
| US456837BL64   | Mar-24     | Mar-29          | Mar-30   | 6nc5     | 5.34%  | 1,500                      | SOFR+144     |
| US456837BM48   | Mar-24     | Mar-34          | Mar-35   | 11nc10   | 5.55%  | 1,500                      | SOFR+177     |
| US456837BF96   | Sep-23     | Sep-26          | Sep-27   | 4NC3     | 6.08%  | 1,250                      | SOFR+156     |
| US456837BJ19   | Sep-23     | Sep-26          | Sep-27   | 4NC3     | FRN    | 500                        | SOFR+156     |
| US456837BH52   | Sep-23     | Sep-33          | Sep-34   | 11NC10   | 6.11%  | 1,000                      | SOFR+209     |
| <b>JPY</b>   |            |                 |          |          |        |                            |              |
| XS2729201413   | Dec-23     | Dec-28          | Dec-29   | 6NC5     | 1.50%  | 24,690                     | TONA + 105   |
| XS2729201504   | Dec-23     | Dec-32          | Dec-33   | 10NC9    | 1.88%  | 15,800                     | TONA + 110   |

HoldCo USD issues are SEC registered unless mentioned otherwise

<sup>1)</sup> Original currency

 Green bond

# ING Bank's covered bond programme...

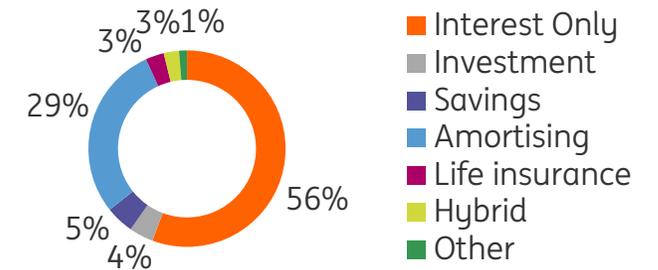
- ING Bank NV €30 bln Hard and Soft Bullet Covered Bonds programme
  - UCITS, CRR and ECBC Label compliant. Rated Aaa/AAA/AAA (Moody's/S&P/Fitch)
  - This programme is used for external issuance purposes. There is a separate €15 bln Soft Bullet Covered Bonds programme for internal transactions only and it is not detailed on this slide
  - Cover pool consists of 100% prime Dutch residential mortgage loans, all owner-occupied and in euro only. As per 30 June 2024, 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](http://www.ing.com/ir)

## Portfolio characteristics<sup>1)</sup>

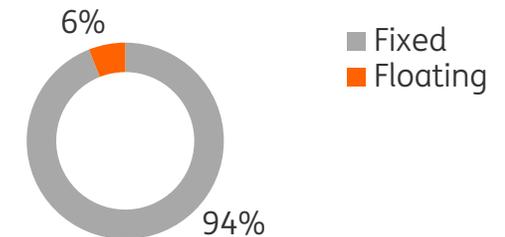
|                                       |             |
|---------------------------------------|-------------|
| Net principal balance                 | €27,222 mln |
| Outstanding bonds                     | €22,144 mln |
| # of loans                            | 137,704     |
| Avg. principal balance (per borrower) | €197,684    |
| WA current interest rate              | 2.62%       |
| WA remaining maturity                 | 17.54 years |
| WA remaining time to interest reset   | 6.75 years  |
| WA seasoning                          | 12.23 years |
| WA current indexed LTV                | 50.37%      |
| Available statutory CRR OC            | 124.48%     |

<sup>1)</sup> As per 30 June 2024

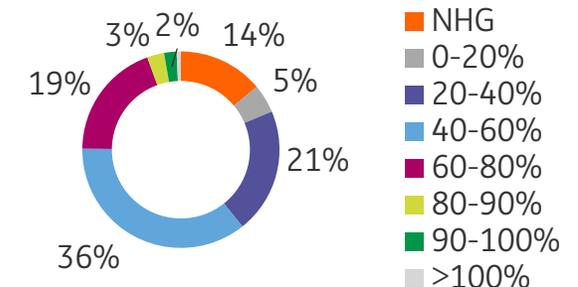
## Redemption type<sup>1)</sup>



## Interest rate type<sup>1)</sup>

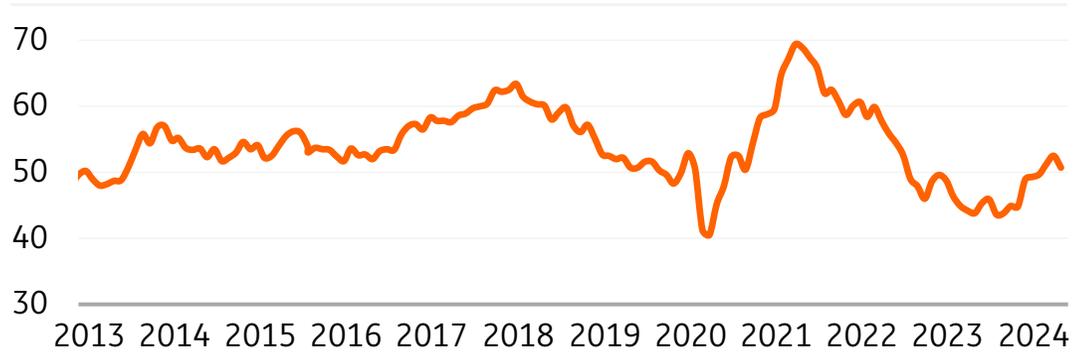


## Current Indexed LTVs<sup>1)</sup>

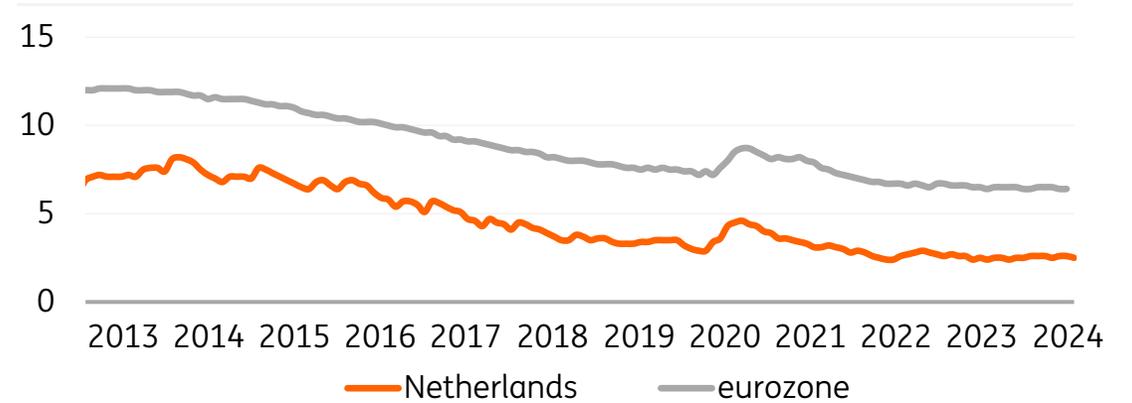


# ...benefits from a continued strong Dutch housing market

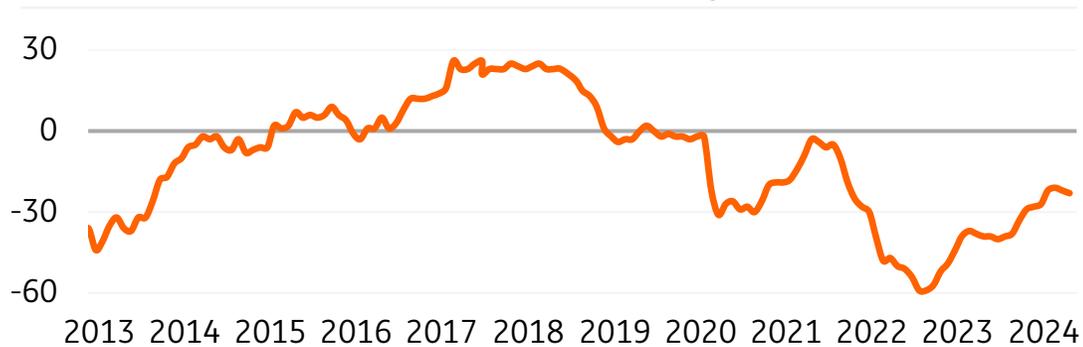
**Dutch Purchasing Managers Index (PMI) showing initial signs of recovery**



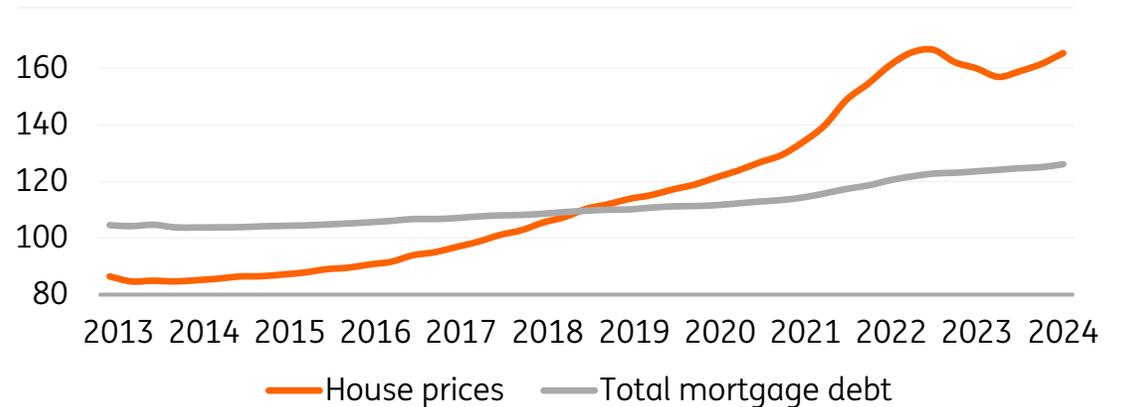
**Dutch unemployment rate (%) stable at a low level**



**Dutch consumer confidence is recovering**



**Dutch house price increases in the last six years are not credit driven<sup>1)</sup>**



Source: Central Bureau for Statistics for all data except for the Dutch PMI (IHS Markit) and eurozone unemployment (Eurostat)

<sup>1)</sup> Reflects latest available data as of 1Q2024

# 2Q2024 results overview

| In € mln                         | Reported P&L | Volatile items | P&L excluding volatile items |
|----------------------------------|--------------|----------------|------------------------------|
| Net interest income              | 3,830        | 41             | 3,789                        |
| Net fee and commission income    | 999          | 1              | 999                          |
| Investment income                | 16           | 4              | 12                           |
| Other income                     | 871          | 21             | 850                          |
| <b>Total income</b>              | <b>5,716</b> | <b>67</b>      | <b>5,649</b>                 |
| Expenses excl. regulatory costs  | 2,760        | 41             | 2,719                        |
| Regulatory costs                 | 88           | 0              | 88                           |
| <b>Operating expenses</b>        | <b>2,848</b> | <b>41</b>      | <b>2,806</b>                 |
| <b>Gross result</b>              | <b>2,868</b> | <b>25</b>      | <b>2,843</b>                 |
| Addition to loan loss provisions | 300          | 0              | 300                          |
| <b>Result before tax</b>         | <b>2,568</b> | <b>25</b>      | <b>2,543</b>                 |
| Taxation                         | 731          |                |                              |
| Non-controlling interests        | 57           |                |                              |
| <b>Net result</b>                | <b>1,780</b> |                |                              |

# Retail Banking countries contributing to strong returns

## Retail Banking

|  |       |  |  |  |  |  |  |  |  |  |
|--|-------|---|--|---|---|---|---|---|---|---|
|  | Total | Netherlands   | Belgium <sup>1)</sup>  | Germany   | Spain   | Italy   | Australia   | Poland  | Romania   | Türkiye   |
| <b>Scale (2Q2024)</b>                    |       |   |  |   |   |   |   |   |   |   |
| Customers (mln)                          | 39.2  | 7.7   | 2.4  | 8.9   | 4.3   | 1.3   | 2.9   | 4.3   | 1.7   | 5.6   |
| o.w. primary (mln)                       | 15.6  | 4.8   | 1.1  | 2.8   | 1.6   | 0.5   | 1.1   | 2.2   | 0.9   | 0.6   |
| o.w. mobile primary (mln)                | 13.7  | 4.1   | 0.9  | 2.4   | 1.5   | 0.4   | 1.0   | 2.0   | 0.9   | 0.6   |
| Customer lending (€ bln)                 | 472.2 | 155.8   | 97.3   | 104.9   | 27.2  | 9.9   | 40.2  | 29.1  | 6.3   | 1.6   |
| Customer deposits (€ bln)                | 613.8 | 210.1   | 93.2   | 154.0   | 49.7  | 14.8  | 33.8  | 43.6  | 11.8  | 2.7   |
| Risk-weighted assets (€ bln)             | 159.4 | 51.9  | 34.5   | 25.2  | 9.3   | 4.6   | 7.8   | 19.3  | 4.3   | 2.4   |
| <b>Commercial performance (YoY)</b>      |       |   |  |   |   |   |   |   |   |   |
| Mobile primary growth (in k)             | 912   | 166   | 32   | 283   | 122   | 39  | 72  | 133   | 76  | -10   |
| Net core lending growth (€ bln)          | 16.7  | 4.8   | 3.1  | 2.7   | 1.9   | 1.0   | 1.8   | 0.9   | 0.5   | 0.1   |
| Net core deposit growth (€ bln)          | 16.1  | 0.7   | 0.1  | 1.6   | 3.4   | 1.7   | 1.8   | 4.9   | 1.4   | 0.4   |
| <b>Profitability (4-quarter rolling)</b> |       |   |  |   |   |   |   |   |   |   |
| Return on equity <sup>2)</sup>           | 25.1% | 33.3%   | 12.7%  | 34.2%   | 20.3%   | Non-material  | 23.7%   | 27.5%   | 47.1%   | Non-material  |
| Cost/income ratio                        | 51.9% | 43.0%   | 68.0%  | 40.7%   | 54.2%   | 89.7%   | 57.4%   | 49.8%   | 48.8%   | >100% <sup>3)</sup>   |

For comparability, country profitability figures are adjusted for interest rate differentials, with capital returns based on eurozone interest rates

<sup>1)</sup> Including Luxembourg

<sup>2)</sup> Equity based on 12.5% of RWA

<sup>3)</sup> Cost/income ratio in Türkiye affected by hyperinflation and market conditions

# Volatile income and expense items

## Volatile items (in € mln)

|  | 2Q2023     | 3Q2023     | 4Q2023      | 1Q2024     | 2Q2024    |
|--|------------|------------|-------------|------------|-----------|
| <b>WB/FM – valuation adjustments</b>               | 33         | 15         | -52         | 16         | 19        |
| <b>Capital gains/losses</b>                        | -0         | 0          | -25         | 7          | 4         |
| <b>Hedge ineffectiveness</b>                       | -46        | 102        | 49          | -60        | 39        |
| <b>Other items income<sup>1)</sup></b>             | -6         | -88        | -16         | 4          | 5         |
| <b>Total volatile items – income</b>               | <b>-21</b> | <b>29</b>  | <b>-44</b>  | <b>-32</b> | <b>67</b> |
| <b>Incidental items – expenses<sup>2)</sup></b>    | -6         | -122       | -114        | -4         | -41       |
| <b>Impact total volatile items on gross result</b> | <b>-27</b> | <b>-93</b> | <b>-158</b> | <b>-37</b> | <b>25</b> |

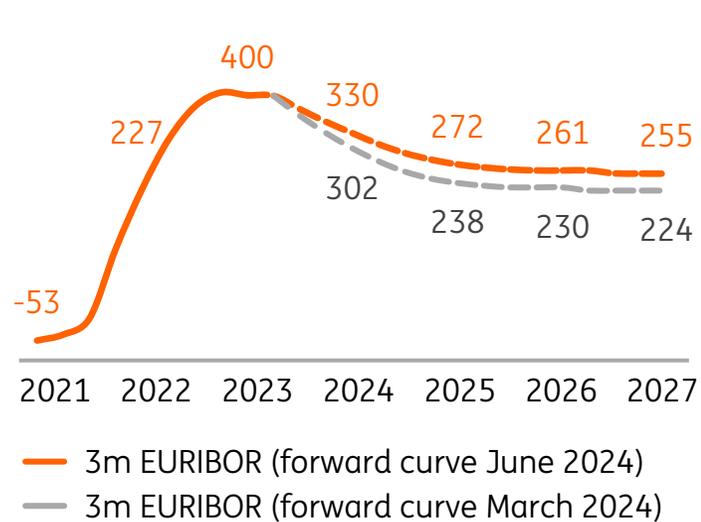
<sup>1)</sup> 2Q2023: €-6 mln hyperinflation impact  
 3Q2023: €-88 mln hyperinflation impact  
 4Q2023: €-16 mln hyperinflation impact  
 1Q2024: €-49 mln hyperinflation impact, €+53 mln receivable related to a prior insolvency of a financial institution in the Netherlands  
 2Q2024: €-26 mln hyperinflation impact, €-39 mln impact from Polish mortgage moratorium, €70 mln one-off income in Wholesale banking

<sup>2)</sup> 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  
 2Q2024: €34 mln restructuring costs, €7 mln hyperinflation impact

# NII sensitivity on Retail eurozone customer deposits

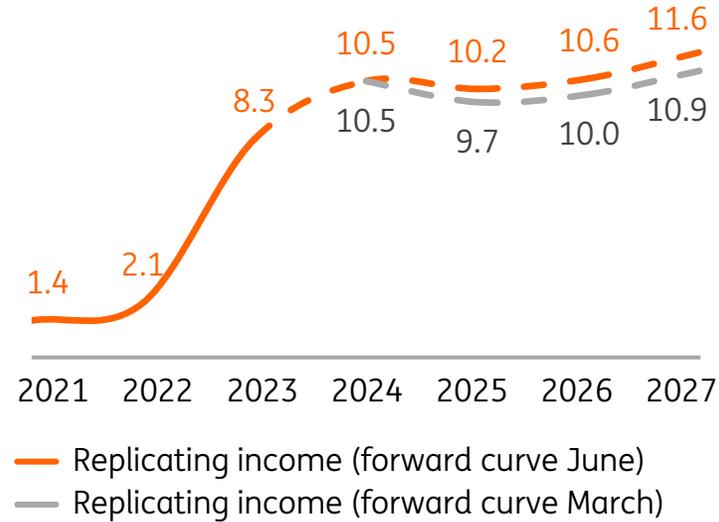
## 3-month EURIBOR forward curves

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



## Replicating income on Retail eurozone customer deposits

Interest income in € bln<sup>1)</sup>



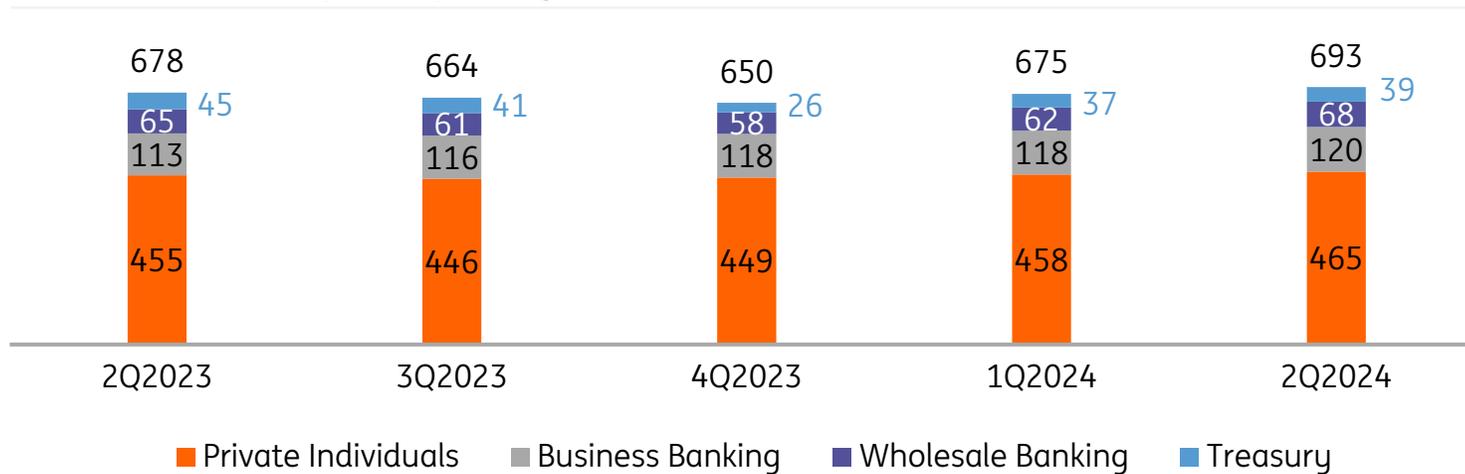
## Drivers of liability NII

- Replicating income represents the gross investment return on customer deposits, without taking into account deposit costs. Actual contribution to net interest income will depend on among others pass-through, volumes and behavioural maturity
- Pass-through dependent on market developments
  - Actual average pass-through during 2Q2024 was ~33% (~128 bps total deposit costs)
  - Every 10 bps of pass-through on savings and term deposits has an impact of ~€-0.4 bln on NII
- Retail eurozone replicating portfolio of ~€490 bln
- Weighted average remaining maturity of 2.4 years in 2023

<sup>1)</sup> The illustrative scenario assumes 3-4% of annual deposit growth

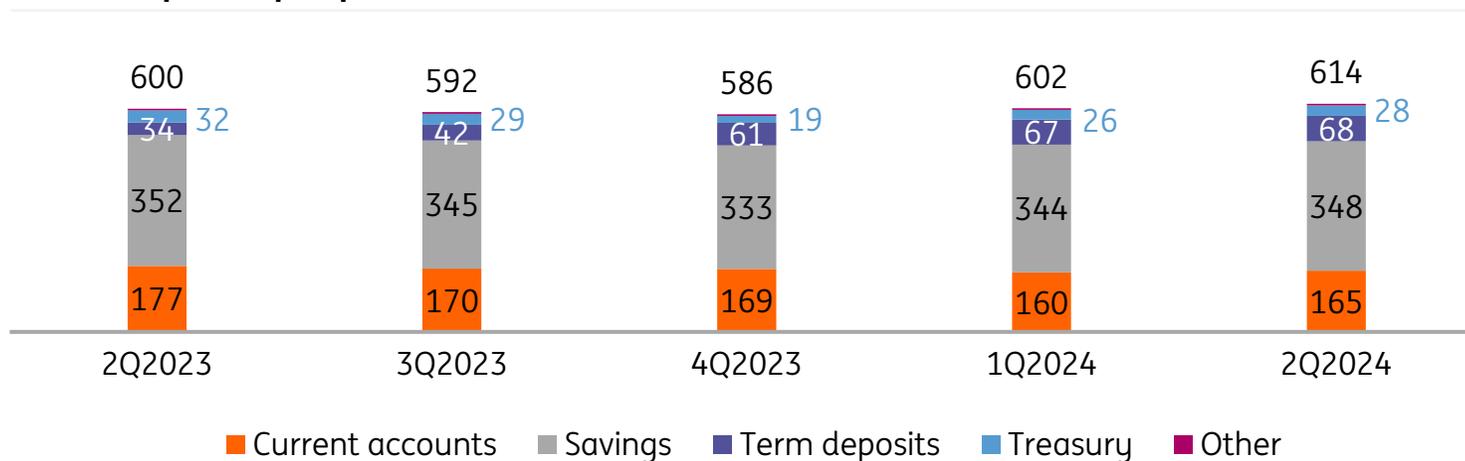
# Granular customer deposit base

Total customer deposits per segment (in € bln)



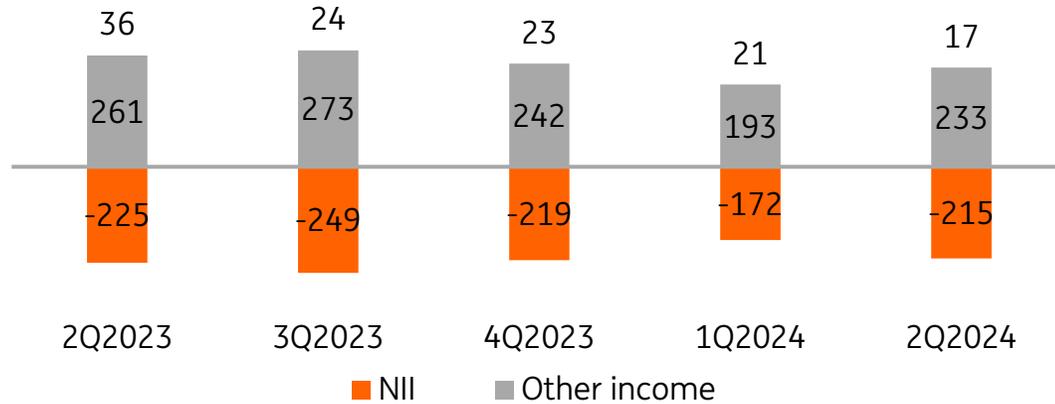
- Highly insured, granular and continuously growing customer deposits represent a strong funding base
  - ~70% of total deposits is from private individuals, of which ~85% is DGS-covered
- Strong focus on Retail Banking, diversified across >39 mln private individuals in 10 countries
  - Average private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

Retail deposits per product (in € bln)



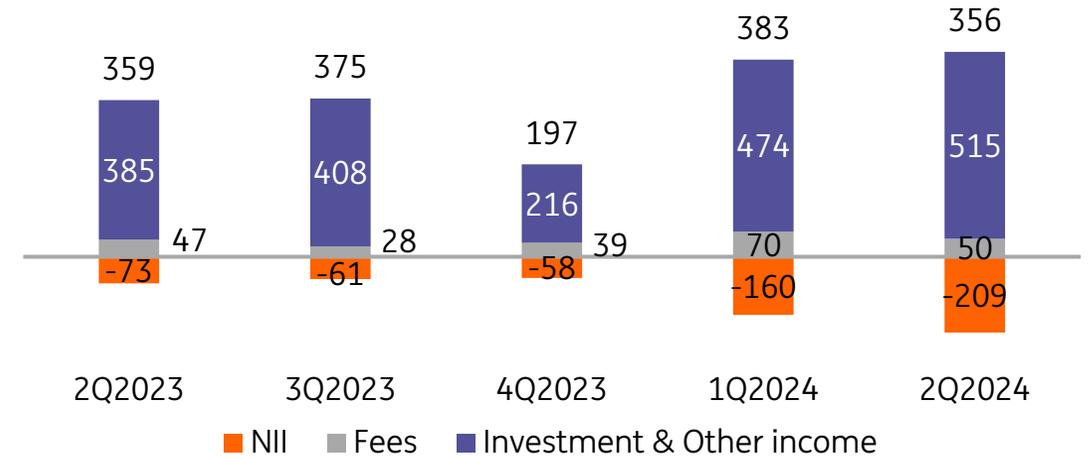
# Accounting asymmetry impacting net interest income

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)

Wholesale Banking 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 volume and product mix developments

# 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 2Q2024 of €-37 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 €-37 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)

|                                  | 1Q2024     | 2Q2024     |
|----------------------------------|------------|------------|
| <b>Profit or loss</b>            |            |            |
| Net interest income              | 3          | 10         |
| Net fee and commission income    | 0          | 1          |
| Investment income                | 0          | 0          |
| Other income                     | -52        | -36        |
| <b>Total income</b>              | <b>-49</b> | <b>-26</b> |
| Expenses excl. regulatory costs  | 4          | 7          |
| Regulatory costs                 | 0          | 0          |
| <b>Operating expenses</b>        | <b>4</b>   | <b>7</b>   |
| <b>Gross result</b>              | <b>-53</b> | <b>-33</b> |
| Addition to loan loss provisions | 0          | 0          |
| <b>Result before tax</b>         | <b>-53</b> | <b>-33</b> |
| Taxation                         | -1         | 3          |
| <b>Net result</b>                | <b>-51</b> | <b>-37</b> |

# 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.

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