ING posts FY2023 net result of €7,287 mln

4Q2023 net result of €1,558 mln

Steven van Rijswijk, CEO of ING

1 February 2024

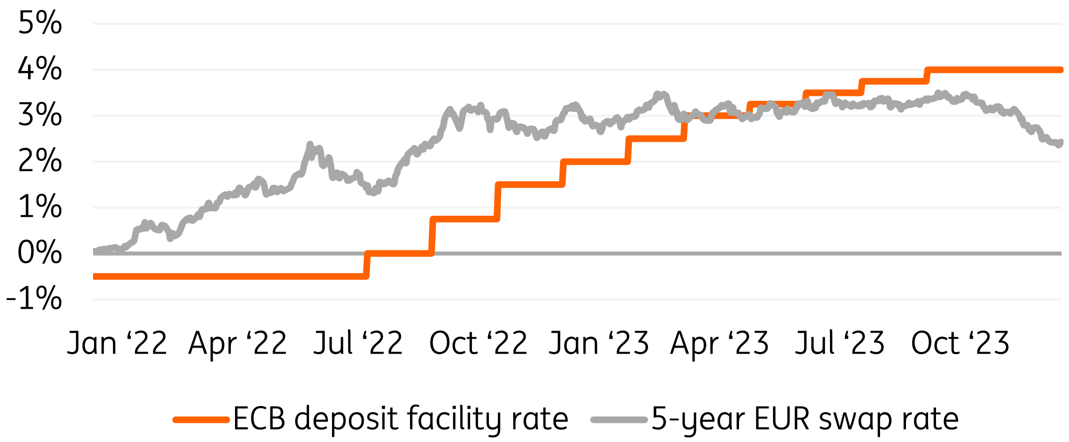
do your thing

The world around us continues to be volatile

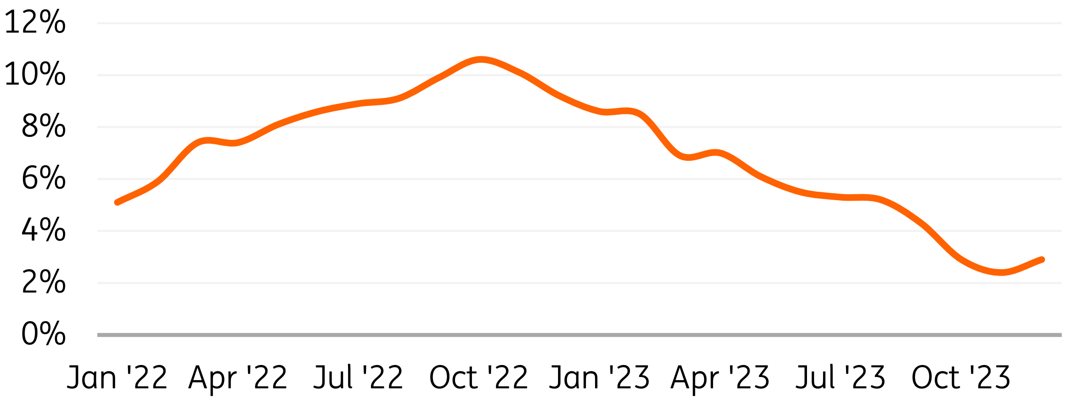
Macro developments

- Ongoing geopolitical tensions
- Inflation coming down from elevated level
- Strongly increased interest rates
- Economies have proven to be resilient
- Continued political and regulatory uncertainty
- Accelerating transition to a sustainable economy

Interest rates



Eurozone inflation



ING is well positioned to deliver value through the cycle

Strong business positioning…

- Growing pan-European **Retail Bank**, primarily exposed to mortgages in strong economies
- Well-diversified **Wholesale Bank**, offering global reach with local knowledge and strong sector expertise
- **Superior customer experience** through digital capabilities, resulting in growing primary customer base
- **ESG focus** that supports a future-proof ING and drives long-term value creation

…with healthy fundamentals

- Stable and highly insured **retail funding base** and strong liquidity ratios[1)]
- Senior and mostly collateralised **loan portfolio**, resulting in the lowest risk cost in our peer group
- **Strong capital position** with ample buffer to target ratios and regulatory requirements
- Excellent track record in **delivering value** to all our stakeholders, with strong capital generation and market-leading returns

[1)] ~70% of total deposits is from private individuals, of which ~85% is DGS-covered

Evidenced by the exceptional results in 2023

Strong business positioning…

Continued primary customer growth
+750,000
Versus +585,000 in 2022

Leading WB NPS
72
Versus 67 in 2022

Increasing share of mobile-only customers[1)]
62%
Versus 58% in 2022

Growing sustainable volume mobilised[2)]
€115 bln
Versus €101 bln in 2022

…with healthy fundamentals

Strong retail funding base
64%
Of our balance sheet funded by customer deposits[3)]

Continued low risk costs
8 bps
Over average customer lending

Attractive shareholder return
€6.4 bln
Cash distributed[4)]

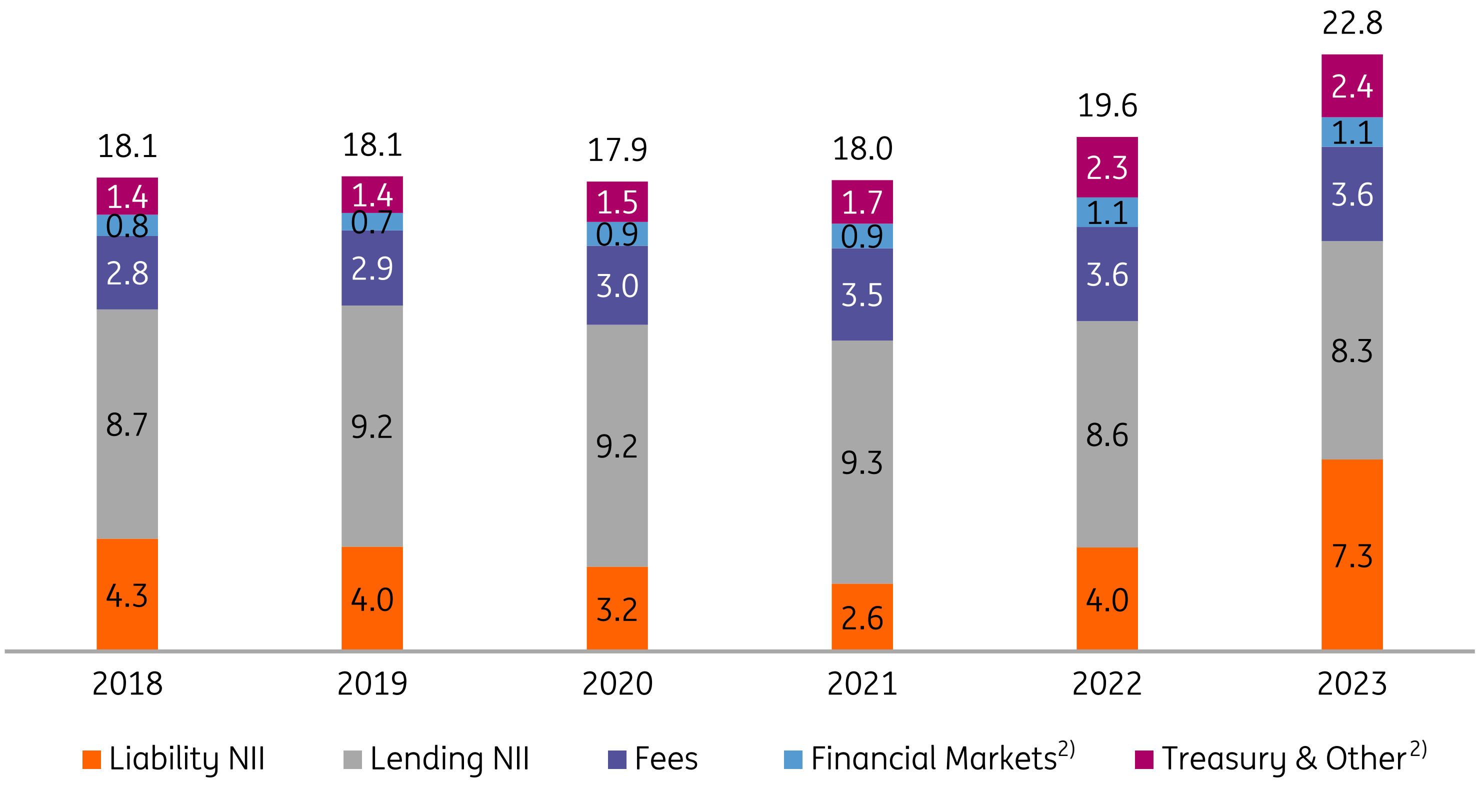
Delivering value
14.8%
Return on equity[5)]

1) 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
2) Volume mobilised for WB clients; includes loan products, capital markets, derivatives and advisory propositions that support clients by financing their sustainable activities and their transitions to more sustainable business models. In case of an ESG lead role the pro-rata share of the transaction is included, otherwise our final take is included
3) Excluding Treasury deposits
4) Based on payment date, including €297 mln dividend paid in January 2023, the final dividend over 2022 (€1,408 mln), the interim dividend over 2023 (€1,260 mln), the €1.5 bln completed share buyback and €1,982 mln of the share buyback announced in November 2023. Total distribution over 2023 of €7.8 bln, including total dividend of €3.8 bln and €4 bln of announced share buybacks
5) ING's return on equity is calculated using IFRS-EU shareholders' equity, after excluding 'reserved profit not included in CET1 capital'

FY2023 results

Total income structurally higher in a positive rate environment

Total income excluding incidental income items (in € bln)[1)]



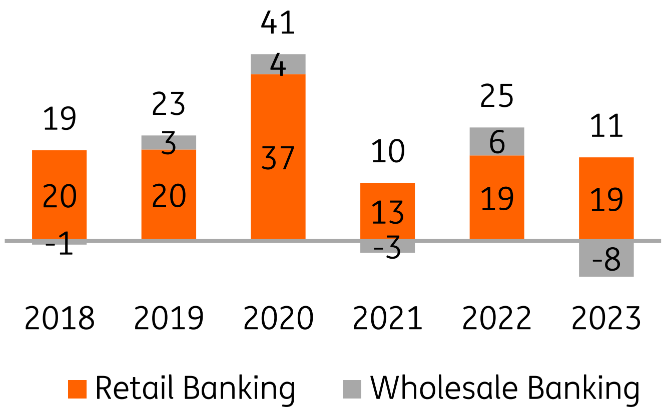
Key developments in 2023

- Total income structurally higher
- Liability NII increased, driven by positive interest rates and continued deposit growth
- Lending NII mostly impacted by subdued loan demand, while margin is below historical levels
  - First signs of recovery of loan demand are visible
- Fee income stable versus last year, but at a materially higher level than in the past
  - Fees impacted by subdued lending and trading volumes
- Financial Markets and Treasury benefited from favourable market conditions

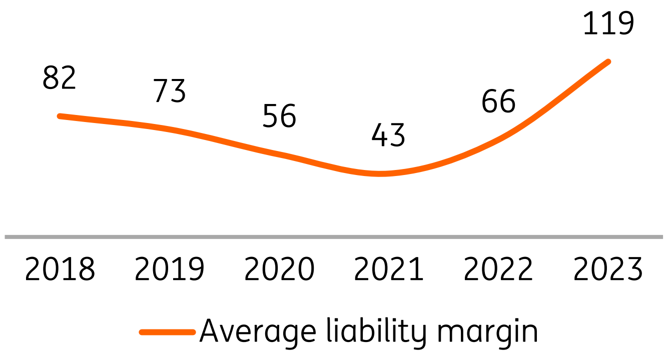
[1)] Excluding incidental income items: €28 mln in 2018; €198 mln in 2019; €-272 mln in 2020; €529 mln in 2021; €-1,047 mln in 2022; €-179 mln in 2023
[2)] Excluding fees

Liability margin exceptionally high, while lending margin stabilised

Net core deposit growth (in € bln)



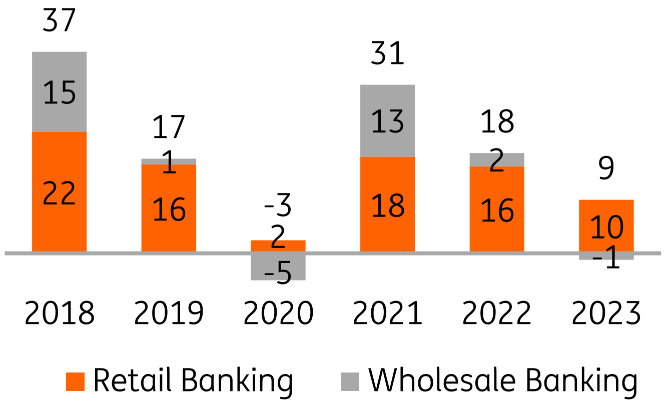
Liability margin (in bps)



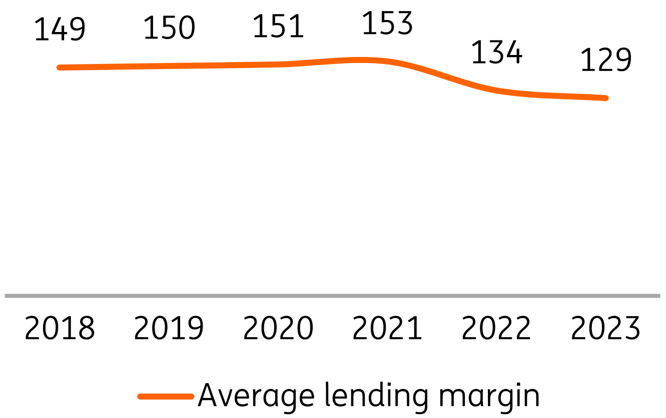
Key developments in 2023

- Our diversified customer deposit base was resilient
- Growth in core deposits, mostly reflecting a strong increase in Retail Germany, Spain and Poland
- Exceptional recovery of liability margin, expected to normalise to ~100 bps

Net core lending growth (in € bln)



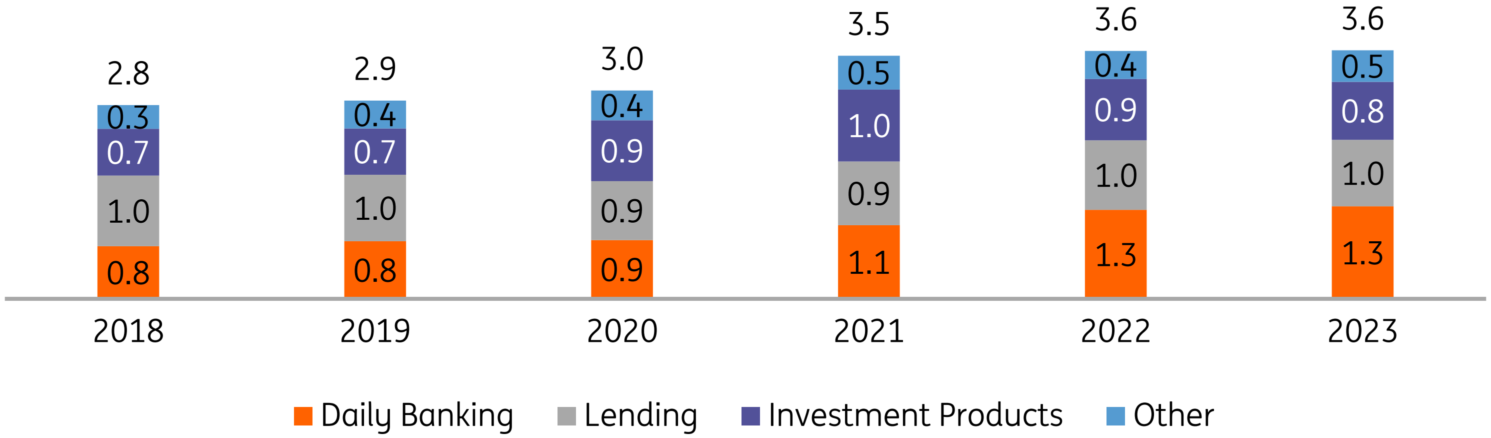
Lending margin (in bps)



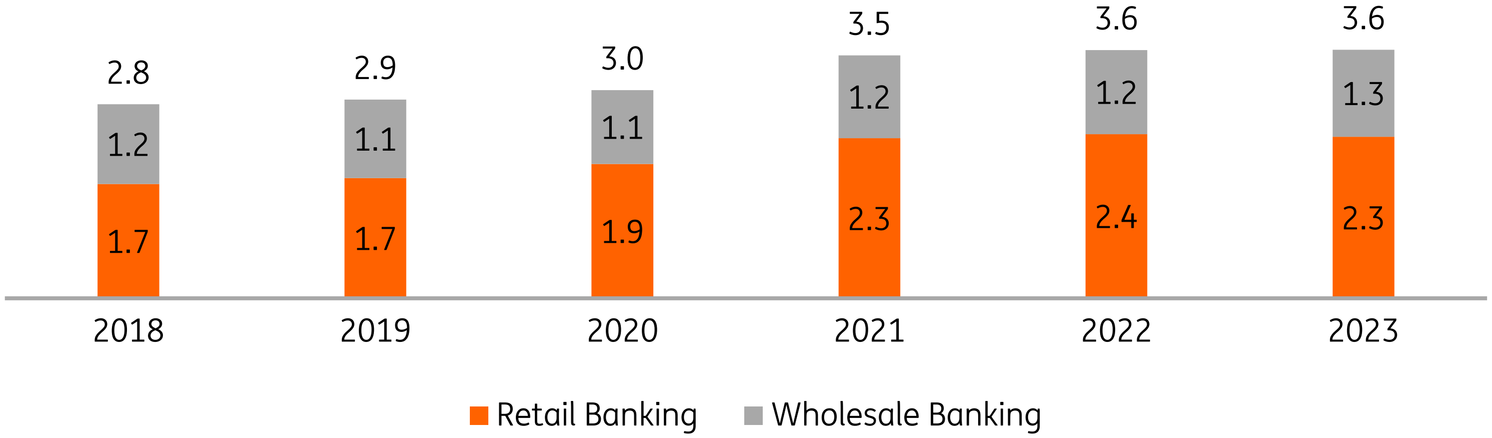
- Lending demand subdued, driven by higher interest rates and economic uncertainty
- Retail lending increased >2%, driven by €8.0 bln growth in mortgages
- First signs of recovery of loan demand are visible in both Retail and Wholesale Banking
- Lending margin below historical levels

Resilient fee and commission income despite macro headwinds

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



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

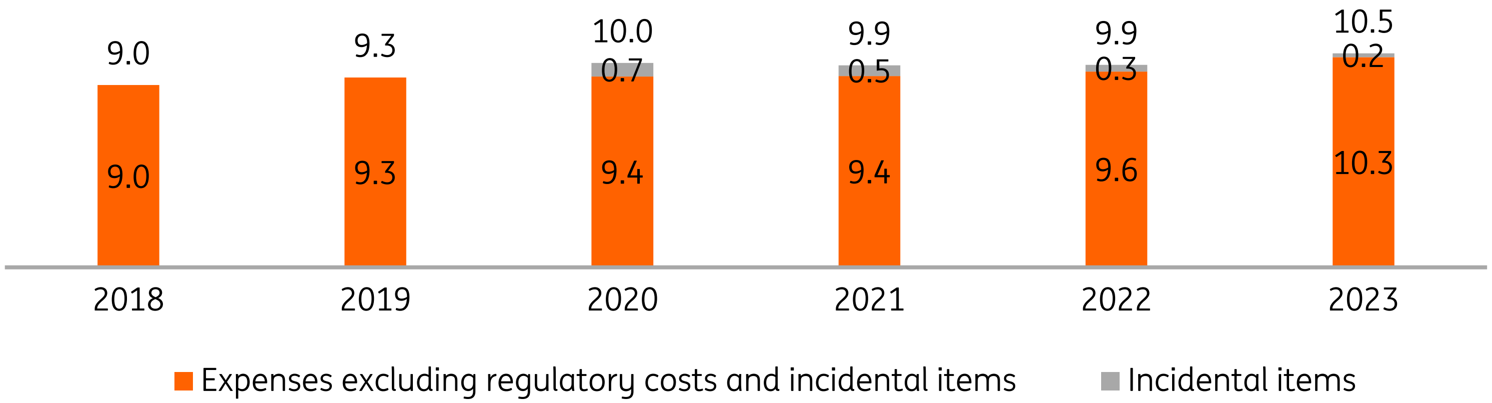


Key developments in 2023

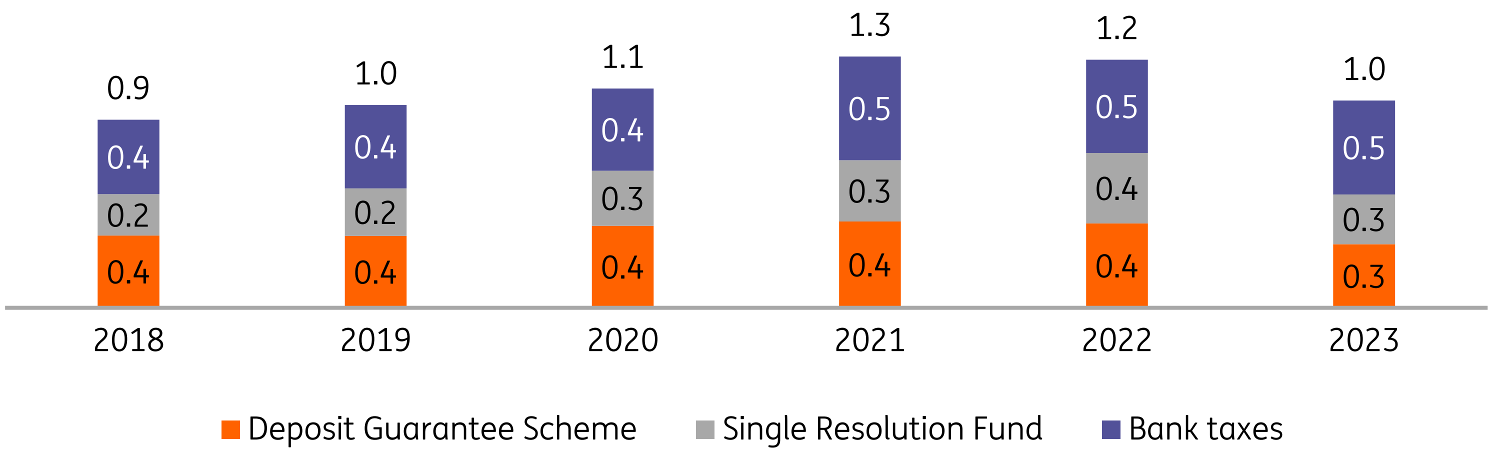
- Fee income has grown >5% on average since 2018 and is at a materially higher level
- Continued structural growth in Daily Banking fees, reflecting (primary) customer growth and pricing strategies
- Lending fees muted, mostly driven by subdued loan demand in Retail Banking
  - Fees from Interhyp were >50% lower versus 2021, driven by lower volumes
  - Mortgage demand expected to increase in 2024
- Fees from Investment Products decreased, driven by lower trading activity, despite continuous growth in Investment Product accounts
  - Focus on AUM growth and trading volumes expected to recover

Total expenses contained, despite inflationary pressure

Expenses excluding regulatory costs (in € bln)



Regulatory costs (in € bln)

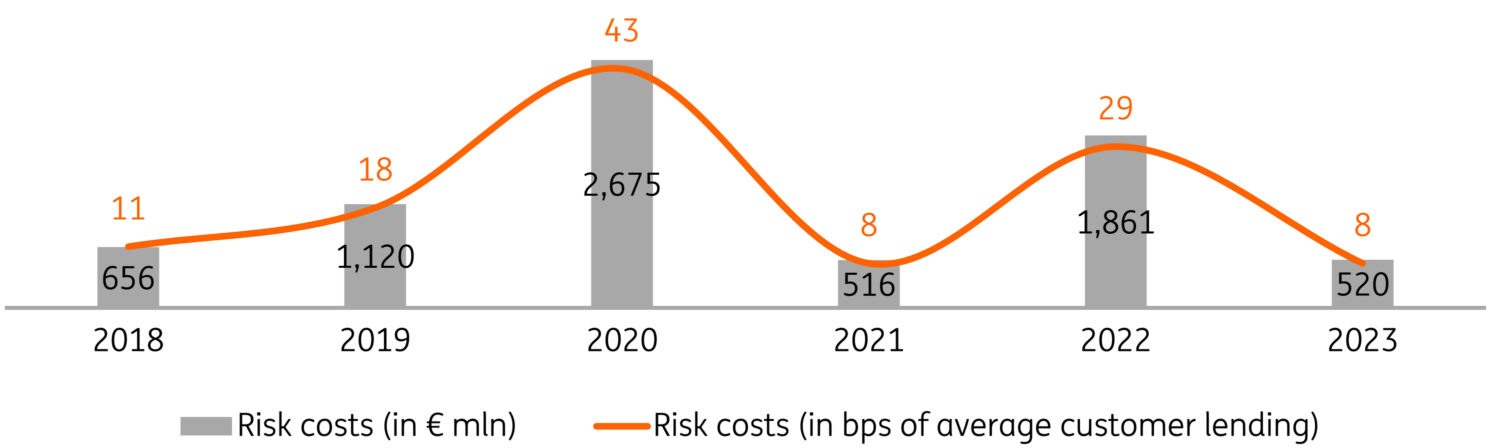


Key developments in 2023

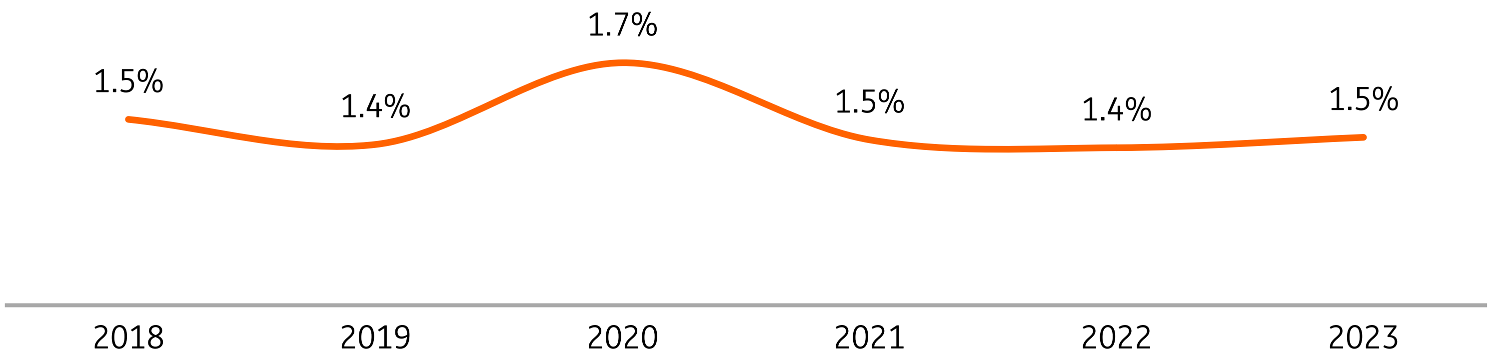
- Positive jaws, resulting in a 51% cost/income ratio
- Inflationary pressure, mostly reflected in CLA increases and indexation, was partly offset by focus on operational excellence
- Continued investments in marketing to support customer acquisition and in further improving our business
- Regulatory costs decreased by €0.2 bln, driven by lower contributions to DGS and SRF

Strong asset quality reflected in continued low risk costs

Risk cost (in € mln and in bps of average customer lending)



Stage 3 (in %)



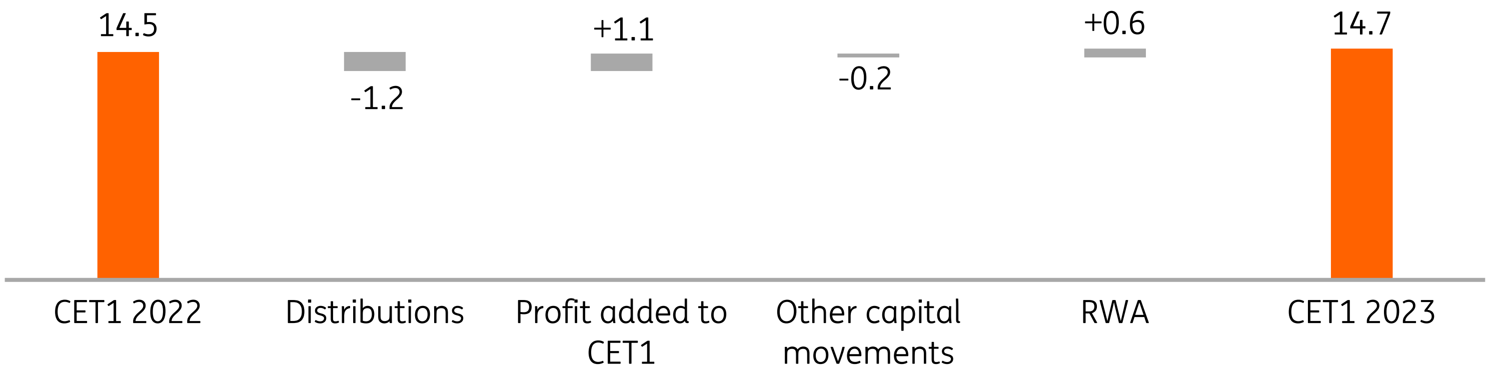
Key developments in 2023

- Continued strong asset quality with limited new defaults and effective recoveries resulting in low risk costs and stable, low Stage 3 ratio
- Significant reduction of Russia-related exposure to €1.3 bln[1)]
- We remain vigilant given the current geopolitical tensions and challenging economic environment

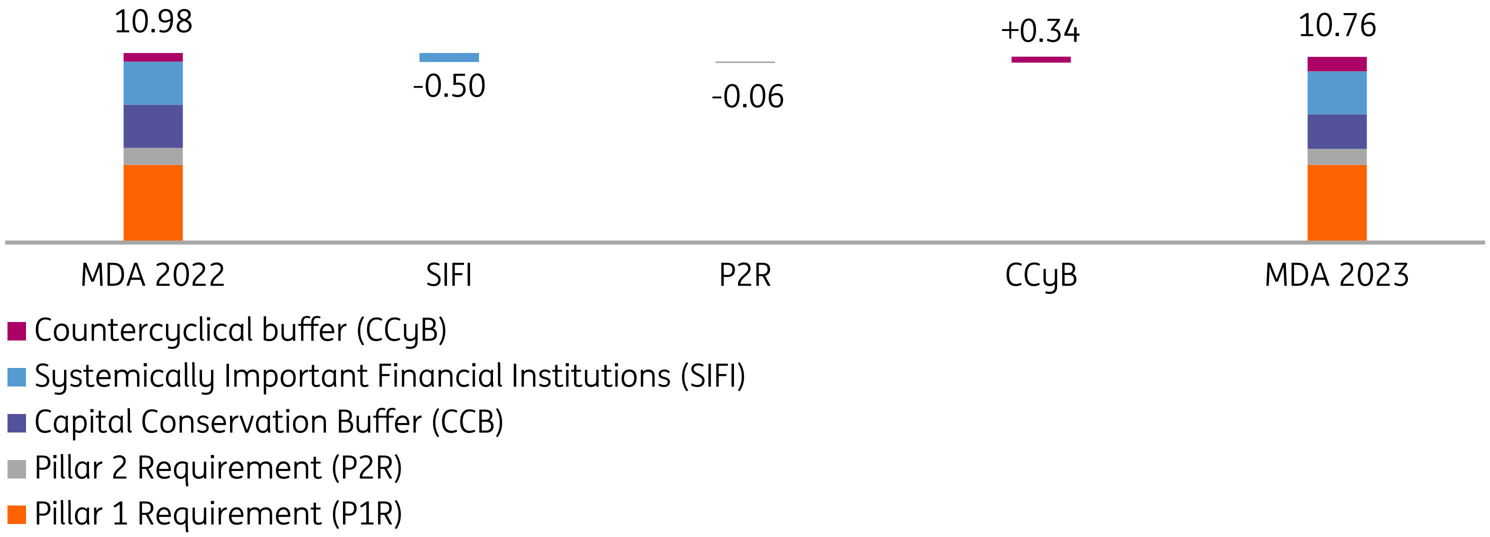
[1)] Offshore exposure; €5.3 bln in February 2022

CET1 ratio increased to 14.7% driven by strong capital generation

CET1 ratio (in %)



Fully loaded CET1 SREP requirements (in %)

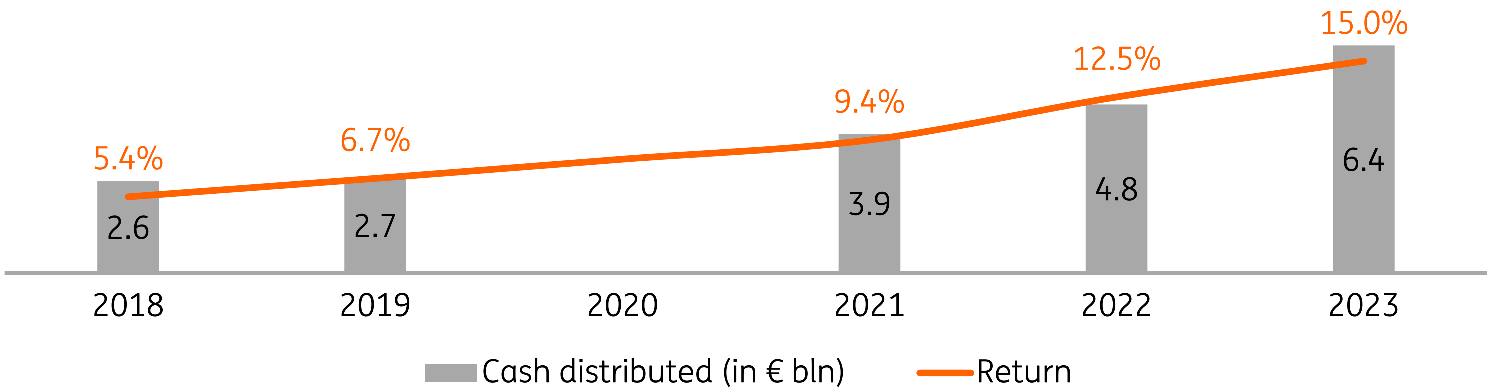


Key developments in 2023

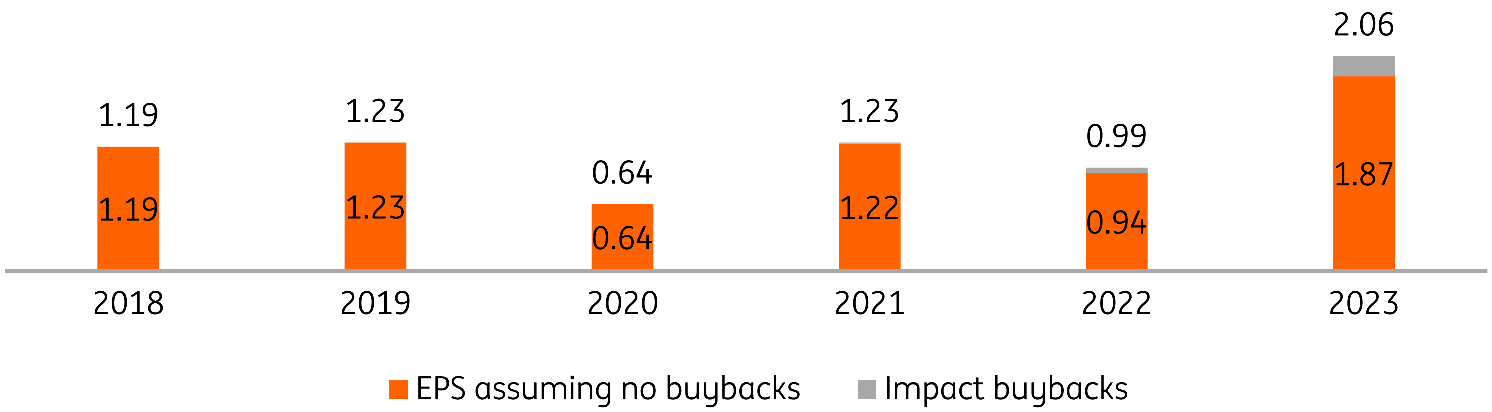
- CET1 ratio increased by 21 bps due to strong recurring capital generation and lower RWA
- CET1 capital decreased by €1.1 bln, driven by €4.0 bln of announced share buybacks
- RWA >€12 bln lower, driven by disciplined capital management and a better overall profile of the loan book, including strong de-risking of our Russia-related exposure
- Fully loaded SREP requirements decreased by 22 bps, with lower SIFI and P2R more than offsetting higher countercyclical buffers

Continued attractive shareholder return and increasing EPS

Attractive shareholder return (in € bln and %)[1]



Increasing earnings per share (EPS) (in €)



Key developments in 2023

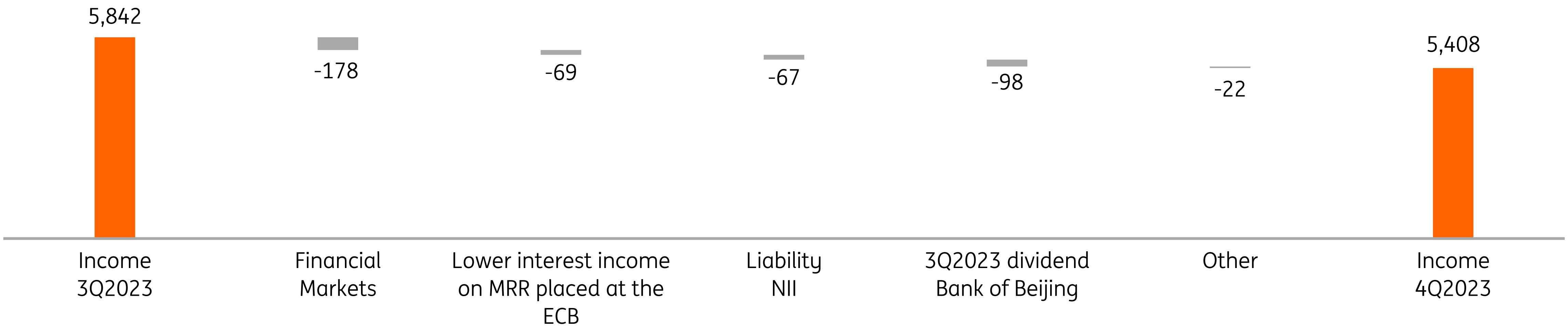
- Distribution of €6.4 bln of cash, resulting in an attractive 15% return to shareholders
- €4 bln of announced share buybacks, structurally increasing earnings and dividend per share
- We have capacity to continue providing an attractive shareholder return
- Target to converge towards the ~12.5% ratio by 2025
  - ~€7 bln CET1 capital in excess of our target at the end 2023

[1] Based on payment date and on average market value (share price * number of shares outstanding at the end of each quarter). Including €1,982 mln of the ongoing share buyback

4Q2023 results

Total income strong at a slightly lower level

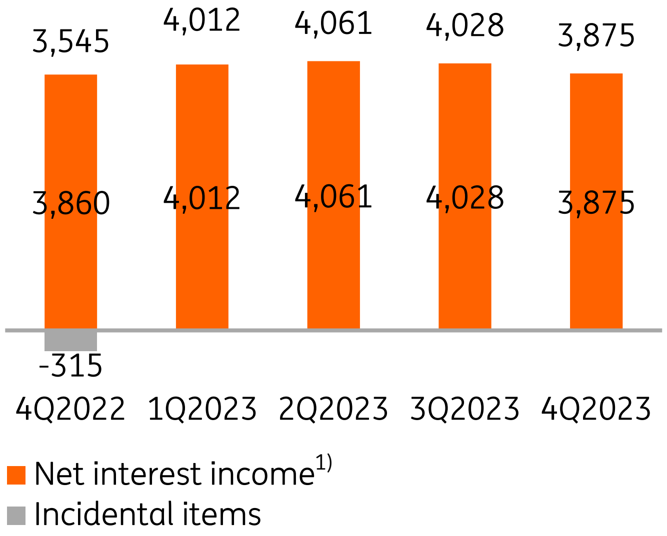
Total income development (in € mln)



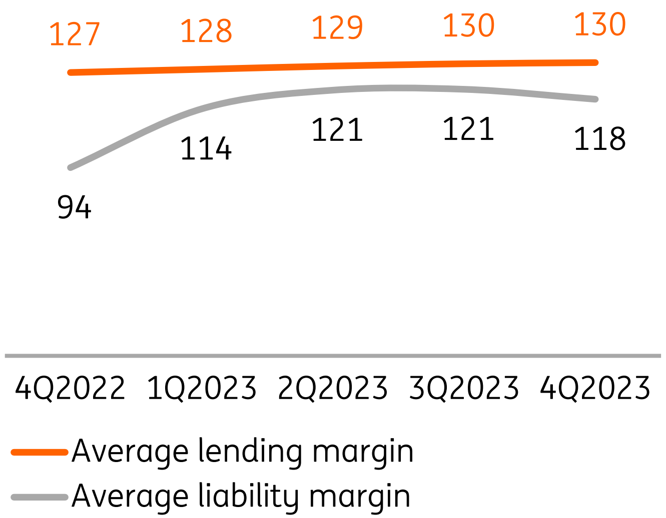
- Total income was again strong and increased 11.1% YoY, attributable to a better performance of both Retail Banking and Wholesale Banking
- Sequentially, the decrease of the liability NII was limited, as increases of our core savings rates in a few retail markets were partly compensated by higher replicating income. Total income was further impacted by lower income in Financial Markets and lower interest income on the minimum reserve requirement placed at the ECB
  - Financial Markets was impacted by lower trading results and by €60 mln additions to reserves this quarter, while 3Q2023 had included a €61 mln gain from the release of reserves

Continued high liability margin and stable lending margin

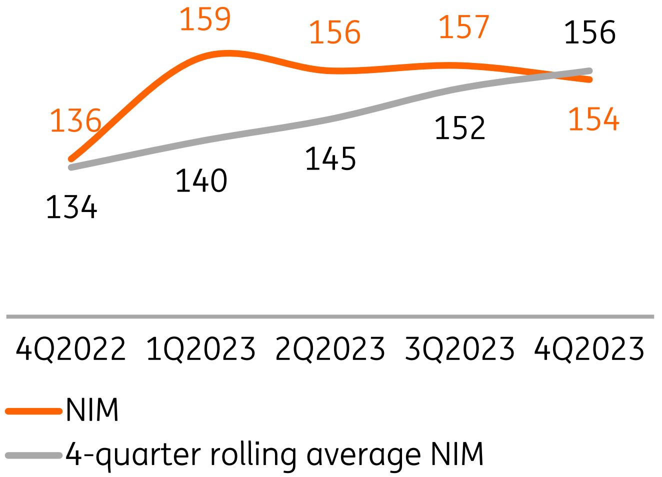
Net interest income (in € mln)



Lending and liability margin (in bps)



Net interest margin (in bps)

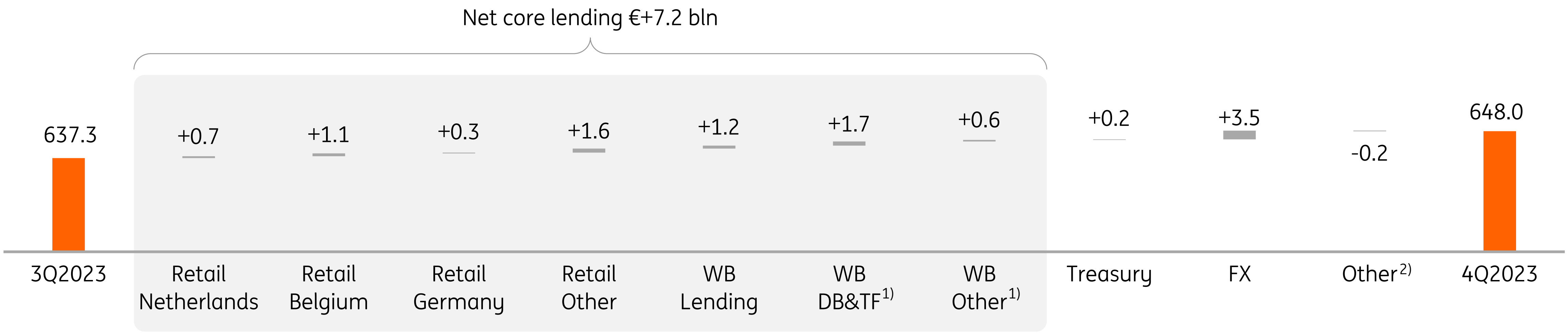


- NII (excluding TLTRO impact) increased 0.4% YoY, driven by a sharp recovery of the liability margin. This was partly offset by lower NII from Treasury and Financial Markets (which was more than compensated by an increase in other income[2)])
- Sequentially, NII decreased 3.8%. The interest received on the ECB minimum reserve requirement was nil compared with €69 mln last quarter. In addition, NII on liabilities was slightly lower, while lending NII slightly increased
- NIM decreased by 3 bps to 154 bps, mostly due to the lower ECB remuneration

[1)] Excluding the impact from incidental items; €-315 mln TLTRO impact in 4Q2022
[2)] More details on slide 31

Initial signs of loan demand returning

Customer lending (in € bln)

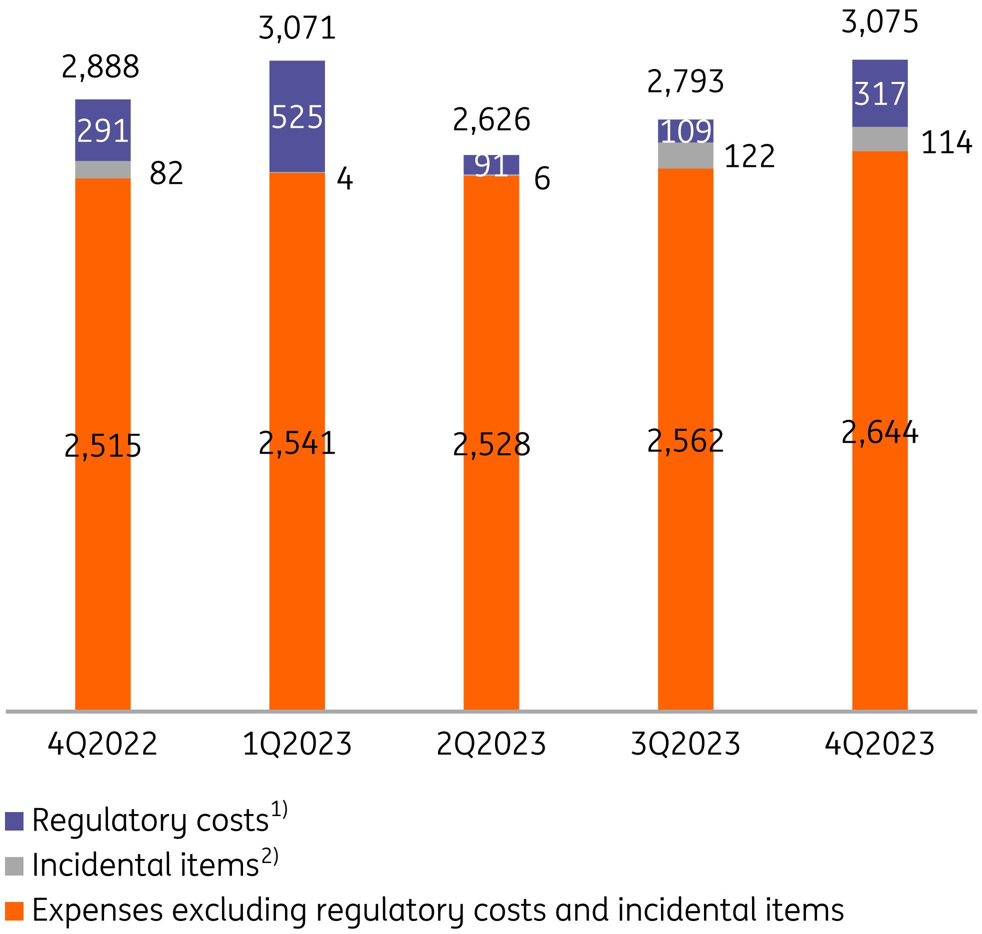


- Core lending increased by €7.2 bln
  - Retail Banking was €3.8 bln higher. Mortgages grew by €2.3 bln, primarily in Australia and the Netherlands. Other lending increased by €1.5 bln, driven by Business Banking in Belgium
  - Wholesale Banking grew by €3.5 bln, driven by Lending and TCF
- Core deposits decreased by €0.9 bln
  - Retail Banking increased by €2.5 bln, with growth in most markets. There was some outflow in Germany, following the end of successful promotional campaigns and a further shift from deposits to assets under management
  - Wholesale Banking was €3.5 bln lower, reflecting seasonal outflows, mainly related to Bank Mendes Gans

[1)] DB&TF is Daily Banking & Trade Finance; WB Other includes Financial Markets
[2)] Other includes run-off portfolios (Lease, WUB and Retail France)

Continued inflationary impact on operating expenses

Expenses (in € mln)

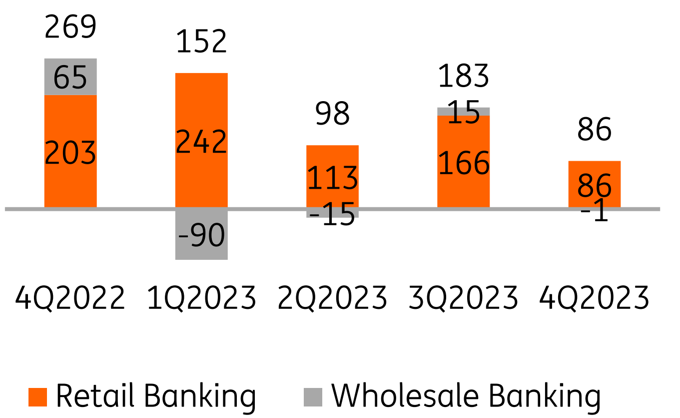


- Expenses excluding regulatory costs and incidental items were 5.1% higher YoY
  - Primarily attributable to the impact of high inflation on staff expenses
  - We continued investing in marketing to support customer acquisition and in further improving our business
  - These higher expenses were partly offset by savings from exiting the retail markets in France and the Philippines
- Sequentially, expenses excluding regulatory costs and incidental items were 3.2% higher, mainly due to higher staff and marketing expenses
- Regulatory costs increased slightly compared to 4Q2022, driven by higher bank taxes
- Incidental cost items in 4Q2023 amounted to €114 mln[2)]

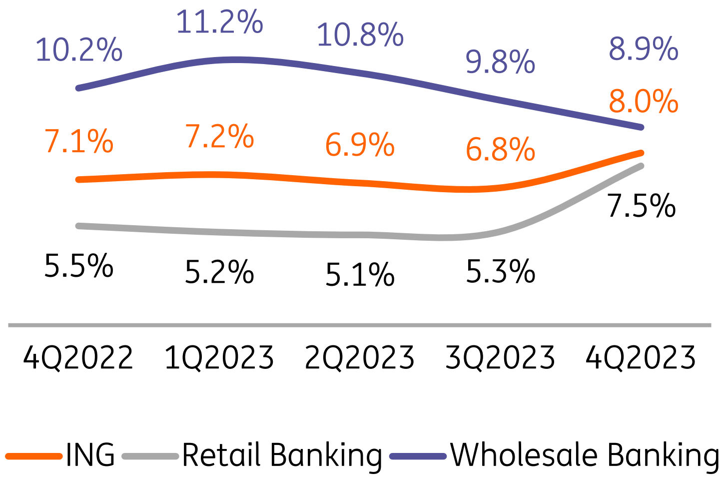
[1)] Formal build-up phases of several local DGS and SRF are scheduled to be completed by 2024
[2)] Incidental expenses as included in volatile items on slide 27

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

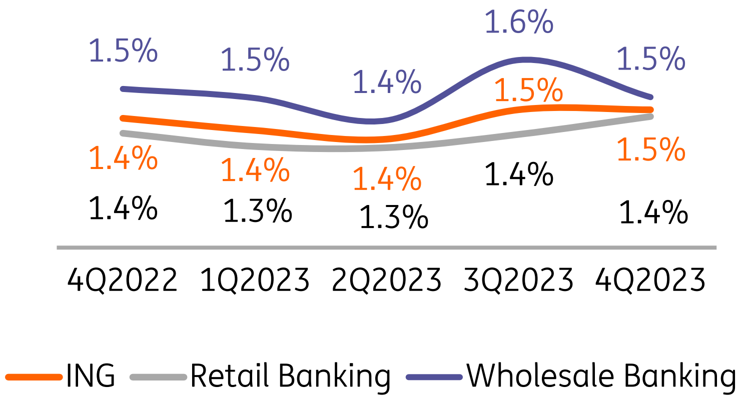
Risk costs per business line (in € mln)[1)]



Stage 2 ratio



Stage 3 ratio



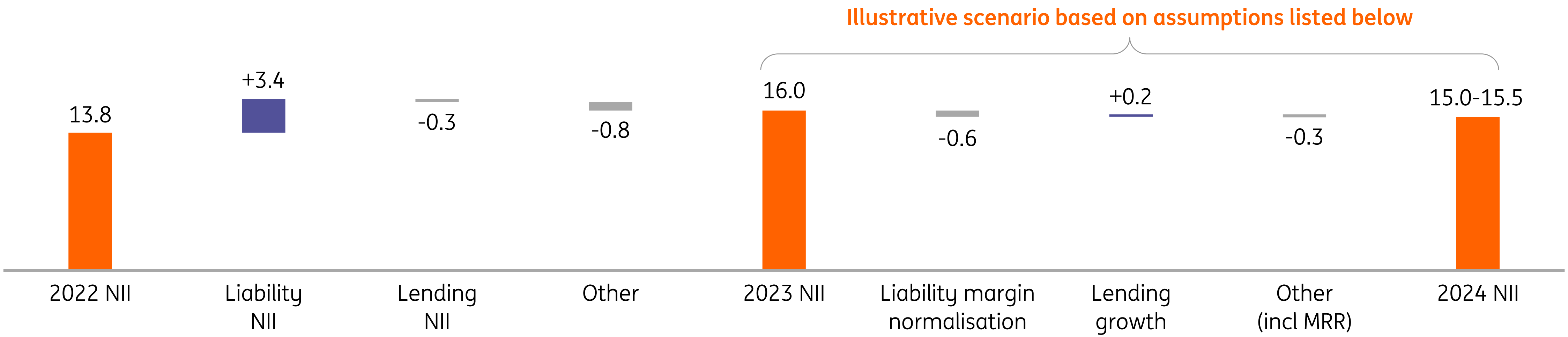
- Risk costs were €86 mln, or 5 bps of average customer lending, well below the through-the-cycle average of ~25 bps
- Wholesale Banking had limited risk costs in Stage 3 and a net release in Stage 1 and 2, which included the impact of improved macroeconomic forecasts and further reduction of our Russia-related exposure
- Retail Banking risk costs included lower than average net additions, primarily for business lending in Poland and Belgium and consumer lending in Germany, Poland and Spain. It further included a €21 mln addition for adjustments for CHF-indexed mortgages in Poland
- Stable Stage 3 ratio at 1.5%, with limited inflow of individual files and significant releases due to repayments and recoveries
- Stage 2 credit outstandings increased, primarily driven by the implementation of a new methodology for interest-only mortgages in the Netherlands, which had an impact of 1.1% on ING's Stage 2 ratio
  - Mortgage portfolio continues to perform very well, with payment arrears in bucket 0-90 days and 90+ days at 0.2% and 0.3% resp.

[1)] Totals including Corporate Line

2024 outlook

Income development may be affected by interest rates

NII illustrative scenario (in € bln)



Key assumptions for this scenario

- Liability margin is assumed to gradually converge towards the long-term average of ~100 bps by the end of 2024, from 119 bps in 2023
  - Based on the forward curve as per December 2023, eurozone replicating income 2024 will increase
- Loan growth of ~4% (in line with 4Q2023) and stable lending margins of ~130 bps
- Impact from accounting asymmetry assumed to be stable in 2024

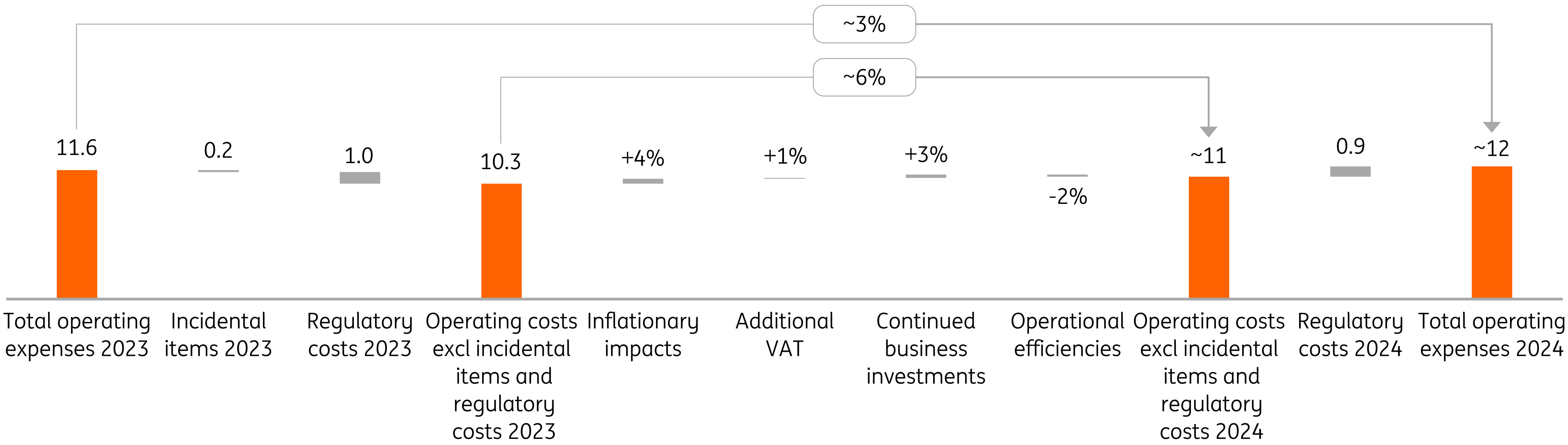
Aim to increase fee and commission income by 5-10% in 2024

Levers of fee income growth

Increased income from Investment Products	▪ Stronger focus on growing AUM with affluent and private banking segments ▪ Recovery of trading activity anticipated
Recovery of mortgage volumes in Retail Banking	▪ Mortgage demand expected to increase in 2024 from a very low level in 2023 ▪ Interhyp in Germany well positioned to benefit
Continued (primary) customer growth	▪ Investments in brand and marketing to support customer acquisition ▪ Ongoing pricing actions to better reflect the cost of having an account ▪ New independent agent network structure in Belgium
Increase of Lending fees in Wholesale Banking	▪ Continued focus on capital efficiency and increase of capital velocity ▪ Initial signs of loan demand returning

Sustained focus on costs, while making investments in the business

Outlook operating expenses (in € bln)[1)]



Drivers

- Regulatory costs to decrease by €0.1 bln, despite additional bank taxes of €0.1 bln
- Delayed impact of high inflation on staff expenses, reflected in CLA increases and indexation
- Implementation of the 'Danske Bank' ruling on VAT in the Netherlands will have an impact of ~€0.1 bln
- Continued investments in the business, further strengthening the core
- Focus on efficiency and structural savings to offset some of the pressure on costs

Investments in marketing to support client acquisition and growth in selected markets, enhancement of FM, improved payment infrastructure, a.o.

[1)] Actual increase may differ, depending on macro-economic and other developments

2024 outlook

	2023 achievements
Total income[1]	+16.1%
Fee income	+0.3%
Cost/income ratio	51.2%
CET1 ratio	14.7%
Return on equity	14.8%

2024 outlook[2]

- 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%[3]
- CET1 ratio to converge towards our ~12.5% target by 2025
  - We will update the market at the time of announcing the 1Q2024 results
- Return on equity of 12%

ING Capital Markets Day on 17 June 2024

[1] Total income excluding incidental income items (corresponding with 'other volatile income items' as presented on slide 27)
[2] The targets, outlook and trends discussed in this 2024 Outlook section 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.
[3] Excluding potential incidental items

Q&A

Appendix

4Q2023 results overview

In € mln	Reported P&L	Volatile items	P&L excluding volatile items
Net interest income	3,875	8	3,867
Net fee and commission income	879	2	877
Investment income	-24	-25	1
Other income	679	-28	707
Total income	**5,408**	**-44**	**5,452**
Expenses excl. regulatory costs	2,758	114	2,644
Regulatory costs	317	0	317
Operating expenses	**3,075**	**114**	**2,961**
Gross result	**2,333**	**-158**	**2,491**
Addition to loan loss provisions	86	2	84
Result before tax	**2,247**	**-160**	**2,407**
Taxation	620		
Non-controlling interests	68		
Net result	**1,558**		

Volatile income and expense items

Volatile items (in € mln)

	4Q2022	1Q2023	2Q2023	3Q2023	4Q2023
WB/FM – valuation adjustments	-2	-10	33	15	-52
Capital gains/losses	0	15	-0	0	-25
Hedge ineffectiveness	-71	35	-46	102	49
Other items income[1)]	-319	-69	-6	-88	-16
Total volatile items – income	**-392**	**-29**	**-21**	**29**	**-44**
Incidental items – expenses[2)]	-82	-4	-6	-122	-114
Impact total volatile items on gross result	**-473**	**-34**	**-27**	**-93**	**-158**

[1)] 4Q2022: €-315 mln net TLTRO III impact, €+14 mln from the transfer of our investment business in France and €-17 mln hyperinflation impact
1Q2023: €-69 mln hyperinflation impact
2Q2023: €-6 mln hyperinflation impact
3Q2023: €-88 mln hyperinflation impact
4Q2023: €-16 mln hyperinflation impact

[2)] 4Q2022: €43 mln restructuring costs, €30 mln energy allowances for employees and €9 mln hyperinflation impact
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

2023 results per country

Overview per country

	Netherlands	Germany	Belgium	Poland	Spain	Australia	Romania	Luxembourg	Italy	Türkiye
Total income (€ mln)	6,639	3,694	3,002	2,136	1,091	917	622	570	423	75
Total lending (€ bln)	179.0	133.3	103.5	35.7	32.7	44.8	7.7	7.2	14.0	2.8
o.w. mortgages	110.5	90.0	38.6	12.8	22.3	36.0	2.6	3.2	8.5	0.2
o.w. other retail lending	41.9	12.4	50.7	15.1	3.8	2.6	3.4	1.8	0.9	1.6
o.w. wholesale lending	26.6	30.9	14.1	7.8	6.6	6.1	1.7	2.3	4.7	1.0
Customer deposits (€ bln)	232.8	145.2	90.0	46.7	48.3	33.1	12.5	13.4	14.3	3.0
Risk-weighted assets (€ bln)	80.2	38.8	42.1	23.7	13.9	10.1	5.7	4.1	7.9	4.4
Operative customers (mln)	7.7	8.7	2.4	4.3	4.2	2.8	1.7	0.1	1.2	5.6
o.w. Primary (mln)	4.7	2.7	1.1	2.2	1.5	1.1	0.9	0.0	0.4	0.7
o.w. Primary (%)	62	31	46	51	36	38	53	47	36	12

[1] Total Bank results per country (Retail and Wholesale Banking combined) based on booking office; mortgages and other lending based on customer lending

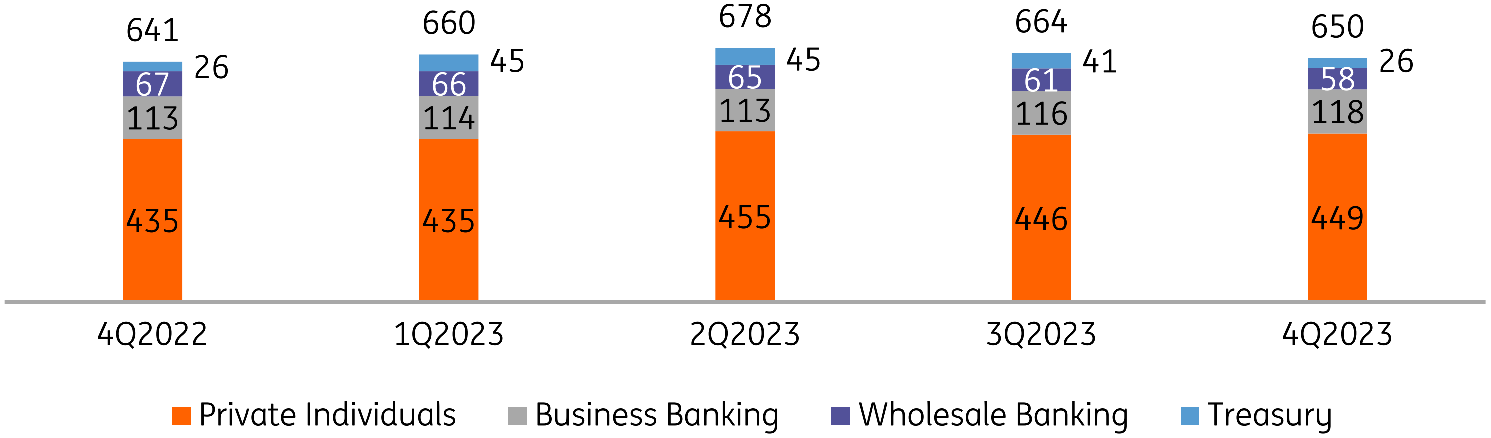
Key drivers of eurozone liability NII

Drivers of liability NII

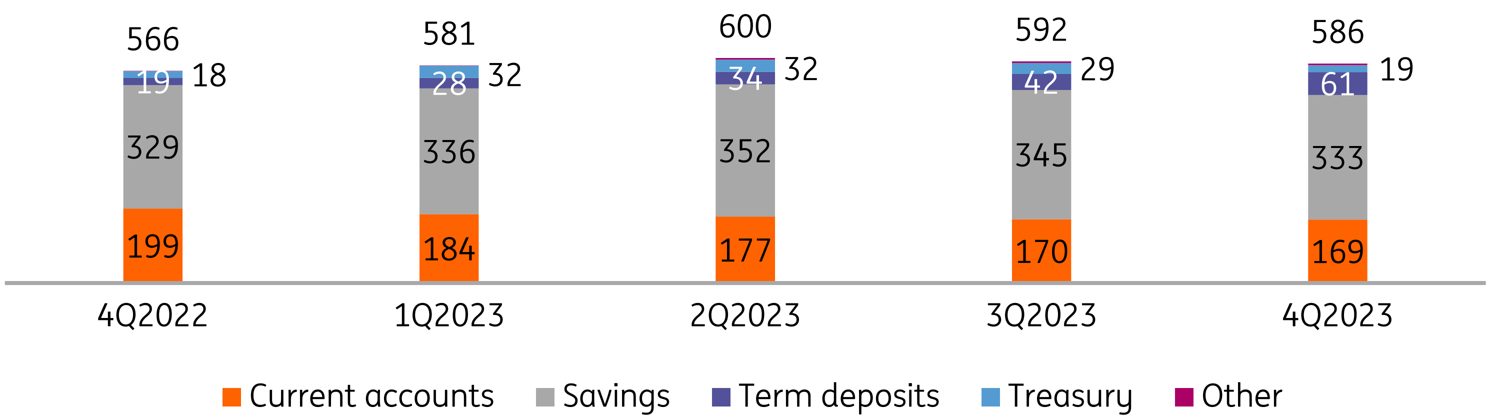
- Liability income is driven by our replicating portfolio, deposit pass-through and volumes
- Retail eurozone replicating portfolio of €~480 bln
  - ~50% matures within 1 year
  - ~50% matures between 1 and 15 years
- Weighted average remaining maturity of 2.4
- Pass-through dependent on market developments
  - Actual average pass-through during 4Q2023 was ~30% (~120 bps)
  - Actual average pass-through during 2023 was ~24% (~80 bps)
  - Every 10 bps of pass-through has a ~€-350 mln impact on NII

Granular customer deposit base

Total customer deposits per segment (in € bln)



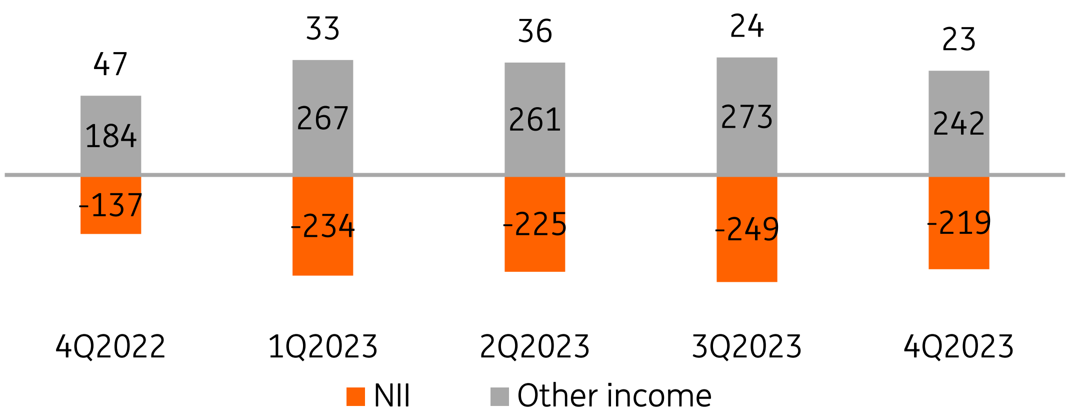
Retail deposits per product (in € bln)



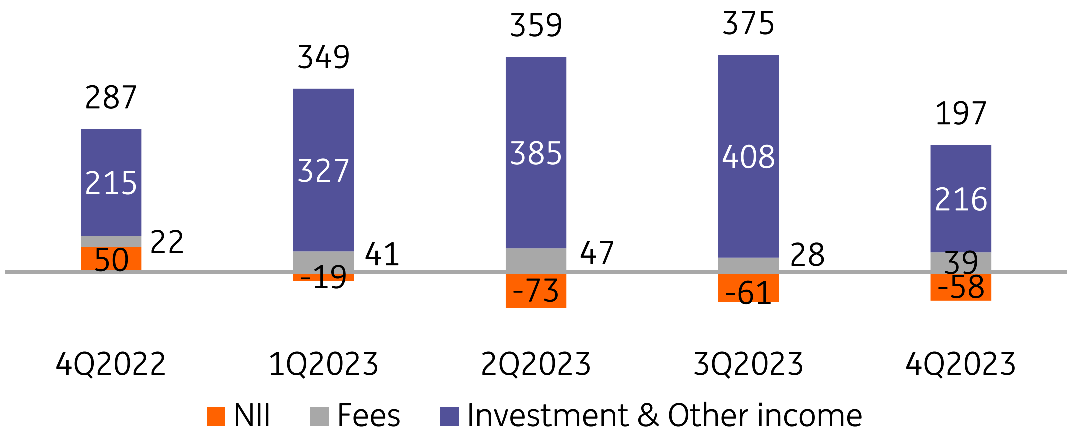
- Highly insured, granular and continuously growing customer deposits represent a strong funding base
  - ~70% of total deposits is from private individuals, of which ~85% is DGS-covered
- Strong focus on Retail Banking, diversified across >38 mln private individuals in 10 countries
  - Average private individual account balance of ~€15,000
- Strong increase in Term Deposits in 4Q2023 was driven by Germany

Accounting asymmetry impacting net interest income

Treasury interest rate differential (in € mln)



WB Financial Markets (in € mln)

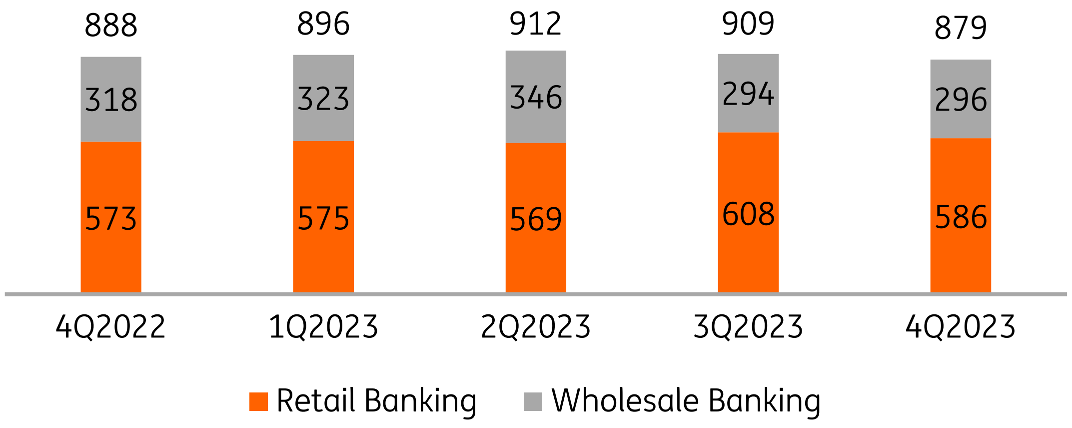


- Treasury benefited from favourable market opportunities through money market and FX transactions
- These activities had a negative impact on net interest income, which was more than offset by a positive impact in other income
- The magnitude of this accounting asymmetry depends on the volume of trades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

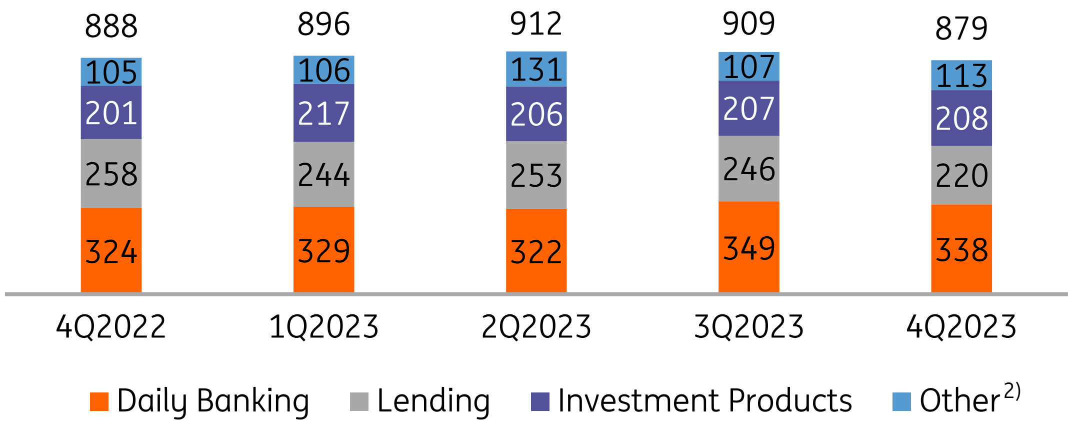
- Increasing interest rates led to higher funding costs, resulting in a reduction in net interest income, while other income, related to the opposite position, rose significantly
- This accounting asymmetry is more pronounced in a positive rate environment and is also influenced by product mix developments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

Fee income declined in challenging market

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



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

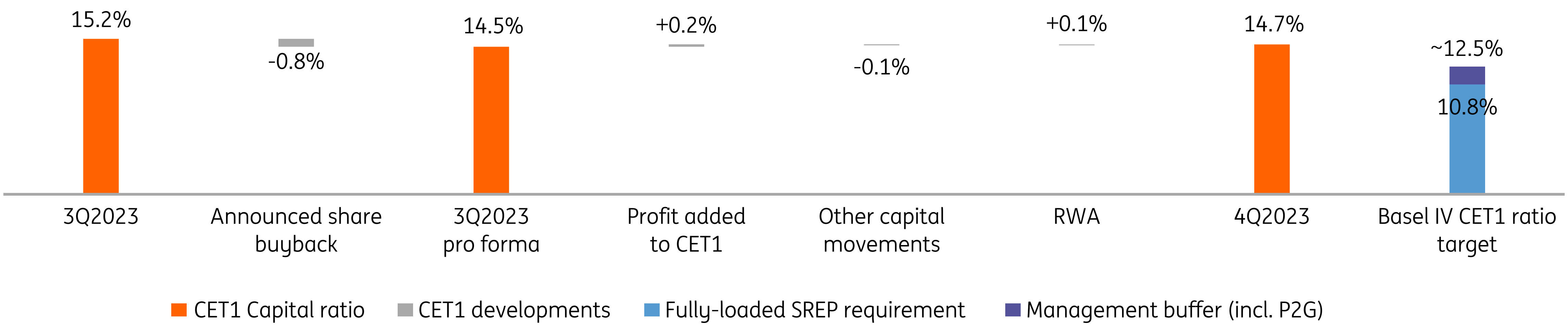


- Fee and commission income declined 1.0% YoY
  - Higher fees in Retail Banking, mostly driven by an increase in Daily Banking fees, reflecting strong growth in primary customers and updated pricing for payment packages
  - Fees in Wholesale Banking declined, as 4Q2022 had included several large Lending deals
- Sequentially, fee and commission income declined 3.3%
  - Seasonally lower travel-related fees in Retail Banking
  - Fees in Wholesale Banking increased due to higher deal flow in Global Capital Markets and Corporate Finance, partly offset with lower fees in Lending

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

CET1 ratio remained strong at 14.7%

CET1 capital ratio development (in %)



- CET1 ratio remained strong at 14.7%, again driven by strong capital generation and lower RWA
- CET1 capital was €2.0 bln lower, with the announced €2.5 bln buyback partly offset by the inclusion of 50% of the quarterly net profit
- RWA decreased by €1.6 bln, including €+1.0 bln of FX impacts
  - Credit RWA excluding FX impacts decreased by €3.5 bln, driven by a better overall profile of the loan book and model changes
  - The increase in operational RWA was €3.5 bln due to updated assumptions of the AMA model
  - Market RWA were €0.7 bln lower
- The proposed final cash dividend over 2023 is €0.756 per share, subject to AGM approval in April 2024

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 4Q2023 of €-32 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 €-32 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)

	3Q2023	4Q2023
Profit or loss		
Net interest income	15	8
Net fee and commission income	3	2
Investment income	0	0
Other income	-106	-25
Total income	**-88**	**-16**
Expenses excl. regulatory costs	26	12
Regulatory costs	0	0
Operating expenses	**26**	**12**
Gross result	**-114**	**-28**
Addition to loan loss provisions	3	2
Result before tax	**-117**	**-30**
Taxation	4	2
Net result	**-121**	**-32**

Development in our strategy enablers

Seamless digital experience

Scalable Tech & Operations

Safe & secure bank

Our people

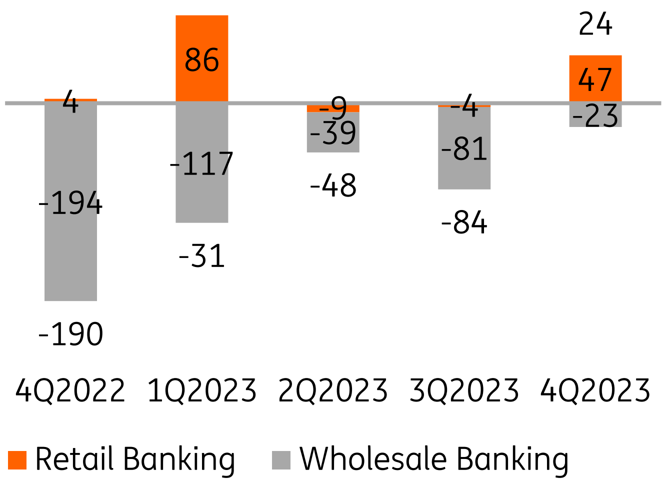
	4Q2022	4Q2023	2025 targets
Workload on (private) cloud	52%	63%	>70%
Customer online traffic using Touchpoint	61%	64%	>90%
Adoption of shared engineering platform (OnePipeline)	48%	63%	>90%
Digi index score[1)]	67%	71%	>75%
Inbound call reduction (versus 2021)	12%	18%	>30%
KYC workforce in hubs	49%	58%	~60%
Operations workforce in hubs	32%	34%	~50%
Women in senior management	29%	31%	>30%

[1)] Average of STP rates of 292 Retail customer journeys; STP rate is the percentage of a customer journey that is handled without manual intervention. The Digi-Index has been "re-baselined" to enhance the consistency and comparability of the Digi Index, including only global processes

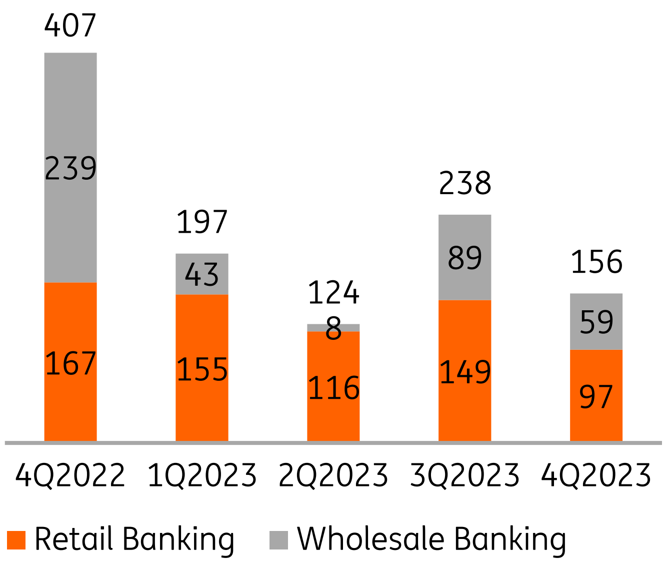
Addition to loan loss provisions per Stage

Stage 1 provisioning (in € mln)[1)]

Stage 2 provisioning (in € mln)[1,2)]



Stage 3 provisioning (in € mln)[1)]



Main drivers

- Stage 1 mainly driven by an update of the macro-economic forecast

Main drivers

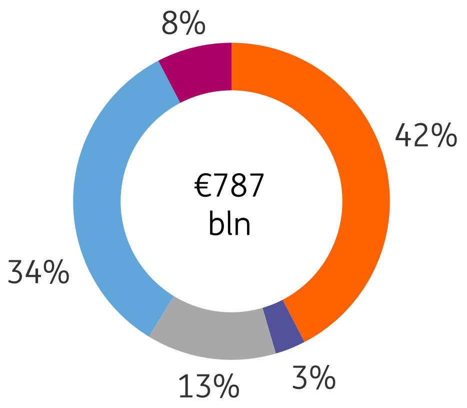
- Release on our Russia-related portfolio, mainly reflecting lower Russia-related exposure

Main drivers

- Limited additions to individual files in Wholesale Banking
- Collective Stage 3 provisions in various Retail Banking markets at lower quarterly levels

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

Our diversified lending book is senior and well-collateralised



- Residential mortgages
- Consumer lending
- Business lending
- Wholesale Banking
- Other [1]

Retail Banking

Residential mortgages
- €333 bln. Average LtV of 57% with Stage 3 ratio at 0.9%

Consumer lending
- €24 bln, largely home improvement and car related. Stage 3 ratio 4.6%

Business lending
- €104 bln, mainly in Belgium, the Netherlands and Poland. Stage 3 ratio at 3.0%

Wholesale Banking

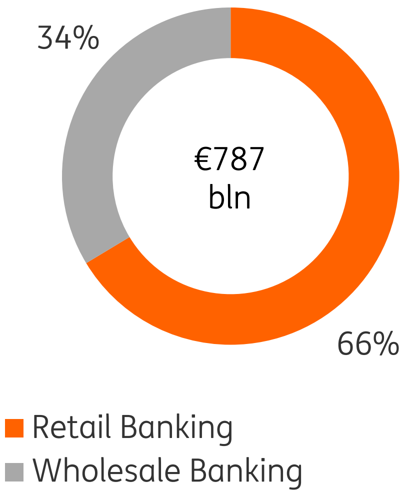
Russia
- €1.3 bln offshore exposure, of which €0.6 bln with ECA or CPRI cover
- Equity Russian subsidiary of €0.4 bln

Commercial Real Estate[1]
- €48 bln, of which US office €1.3 bln
- Stage 3 ratio at 2.0%

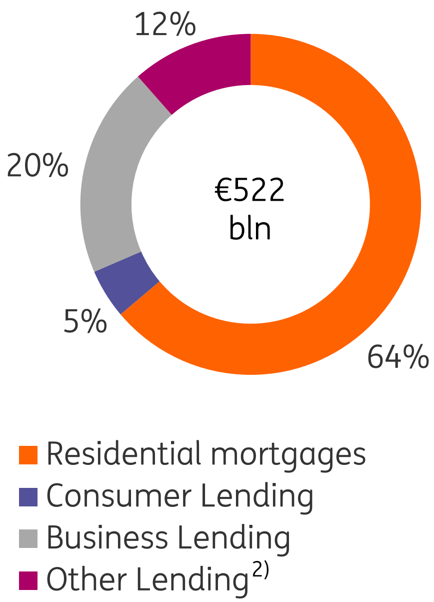
[1] Other includes €53 bln Retail-related Treasury lending and €7 bln Other Retail Lending

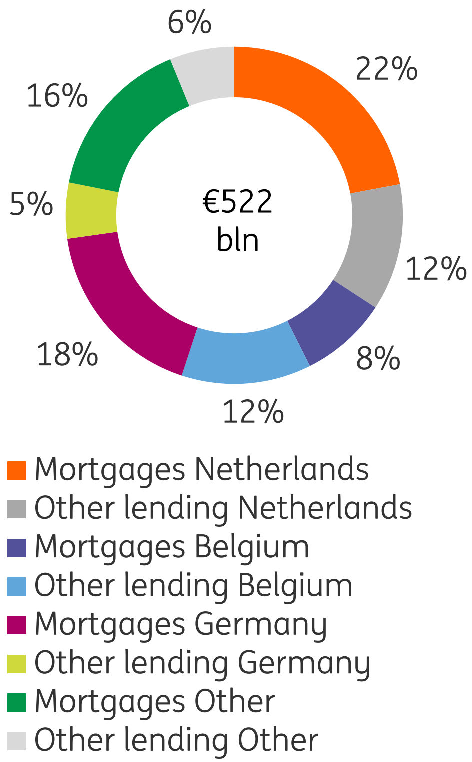
Well-diversified lending credit outstandings[1)] by activity

ING Group

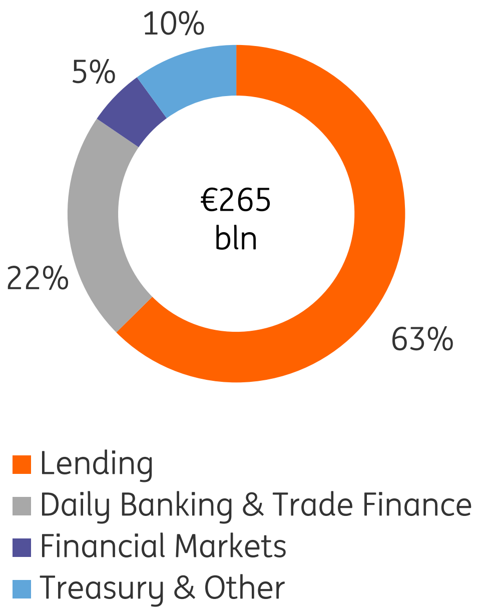


Retail Banking





Wholesale Banking



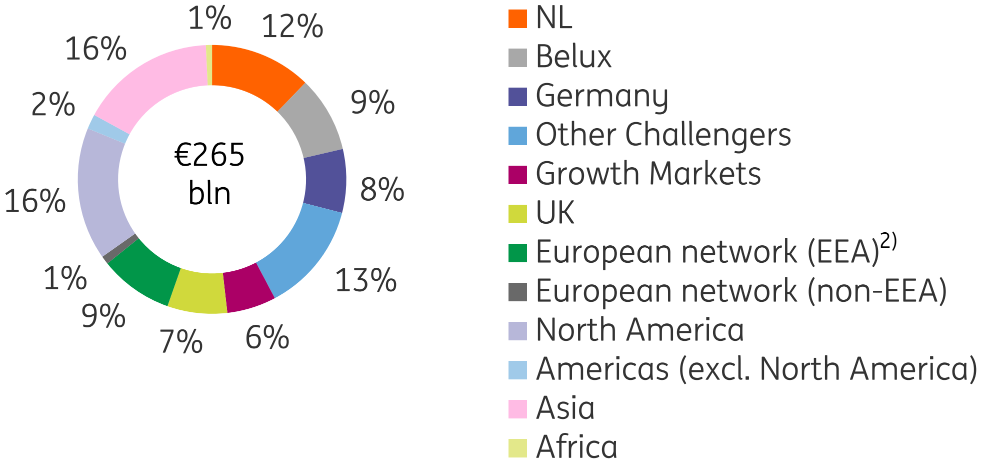
- ING has a well-diversified and well-collateralised loan book with a strong focus on own-originated mortgages and senior loans

[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

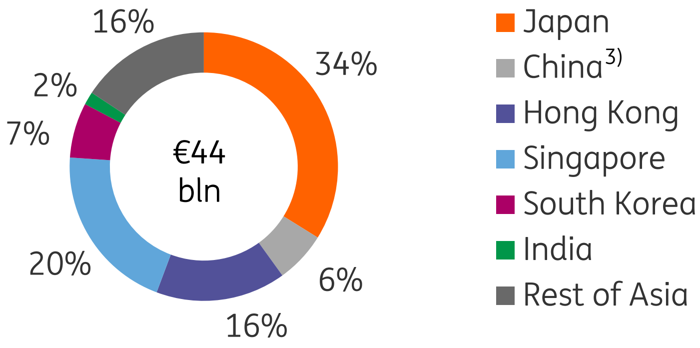
Wholesale Banking lending credit outstandings[1)]

Loan portfolio is well diversified across geographies…

Wholesale Banking

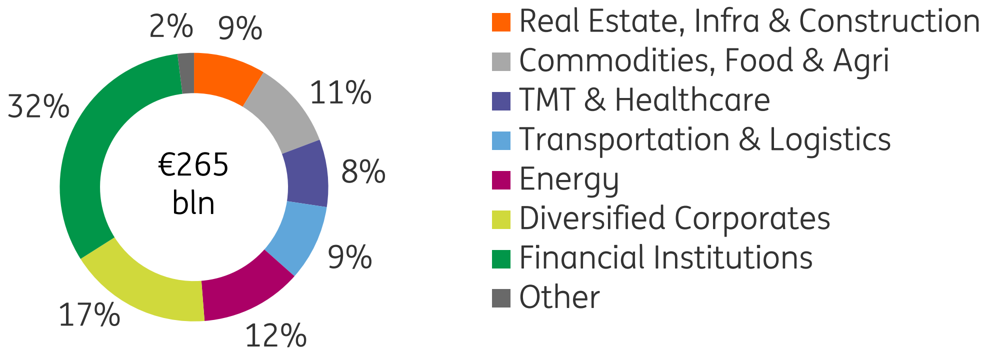


Wholesale Banking Asia



…and sectors

Wholesale Banking



[1)] Lending and money market credit outstandings, including guarantees and letters of credit, excluding undrawn committed exposures (off-balance sheet positions)
[2)] European Economic Area
[3)] Excluding our stake in Bank of Beijing (€1.6 bln at 31 December 2023)
[4)] 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 2022 ING Group consolidated annual accounts. The financial statements for 2023 are in progress and may be subject to adjustments from subsequent events. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein (including the statements contained in the section entitled '2024 Outlook' in this document) 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) ongoing and residual effects of the Covid-19 pandemic and related response measures on economic conditions in countries in which ING operates (3) changes affecting interest rate levels (4) any default of a major market participant and related market disruption (5) changes in performance of financial markets, including in Europe and developing markets (6) fiscal uncertainty in Europe and the United States (7) discontinuation of or changes in 'benchmark' indices (8) inflation and deflation in our principal markets (9) changes in conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness (10) failures of banks falling under the scope of state compensation schemes (11) non-compliance with or changes in laws and regulations, including those concerning financial services, financial economic crimes and tax laws, and the interpretation and application thereof (12) geopolitical risks, political instabilities and policies and actions of governmental and regulatory authorities, including in connection with the invasion of Russia into Ukraine and the related international response measures (13) legal and regulatory risks in certain countries with less developed legal and regulatory frameworks (14) prudential supervision and regulations, including in relation to stress tests and regulatory restrictions on dividends and distributions (also among members of the group) (15) ING's ability to meet minimum capital and other prudential regulatory requirements (16) changes in regulation of US commodities and derivatives businesses of ING and its customers (17) application of bank recovery and resolution regimes, including write down and conversion powers in relation to our securities (18) 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 (19) changes in tax laws and regulations and risks of non-compliance or investigation in connection with tax laws, including FATCA (20) 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 (21) risks and challenges related to cybercrime including the effects of cyberattacks and changes in legislation and regulation related to cybersecurity and data privacy (22) changes in general competitive factors, including ability to increase or maintain market share (23) inability to protect our intellectual property and infringement claims by third parties (24) inability of counterparties to meet financial obligations or ability to enforce rights against such counterparties (25) changes in credit ratings (26) business, operational, regulatory, reputation, transition and other risks and challenges in connection with climate change and ESG-related matters, including data gathering and reporting (27) inability to attract and retain key personnel (28) future liabilities under defined benefit retirement plans (29) failure to manage business risks, including in connection with use of models, use of derivatives, or maintaining appropriate policies and guidelines (30) 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 (31) the other risks and uncertainties detailed in the most recent annual report of ING Groep N.V. (including the Risk Factors contained therein) and ING's more recent disclosures, including press releases, which are available on www.ING.com.

This document may contain ESG-related material that has been prepared by ING on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. ING has not sought to independently verify information obtained from public and third-party sources and makes no representations or warranties as to accuracy, completeness, reasonableness or reliability of such information.

Materiality, as used in the context of ESG, is distinct from, and should not be confused with, such term as defined in the Market Abuse Regulation or as defined for Securities and Exchange Commission ('SEC') reporting purposes. Any issues identified as material for purposes of ESG in this document are therefore not necessarily material as defined in the Market Abuse Regulation or for SEC reporting purposes. In addition, there is currently no single, globally recognized set of accepted definitions in assessing whether activities are "green" or "sustainable." Without limiting any of the statements contained herein, we make no representation or warranty as to whether any of our securities constitutes a green or sustainable security or conforms to present or future investor expectations or objectives for green or sustainable investing. For information on characteristics of a security, use of proceeds, a description of applicable project(s) and/or any other relevant information, please reference the offering documents for such security.

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

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

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