ING Credit Update 2Q18

Amsterdam ▪ 2 August 2018

thinkforward

ING

Key points

- ING posted 2Q18 net profit of €1,429 mln, up 4.2% on 2Q17
- Result reflects well-diversified and disciplined loan growth at stable margins, strong fee income, and low risk costs
- Primary customers increased by 400,000 in 2Q18 to 12.0 mln, total retail customers reached 38.2 mln
- Important transformation milestones achieved including migration of Record Bank customers to ING in Belgium
- Group-wide cost control remains key focus as digital investment spend remain elevated
- On a four-quarter rolling average basis, ING Group's underlying return on equity was 10.4%
- Fully loaded CET1 ratio at 14.1% due to impact from continued profitable loan growth and a macro-prudential add-on in Belgium
- MREL requirement has been set at €91.24 bln, corresponding to 29.03% of ING Group's RWA at end-2016 and comes into effect immediately

Business profile and strategy

Well-diversified business mix with many profitable growth drivers

Retail Banking

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

Market Leaders
Netherlands, Belgium / Luxembourg

Challengers
Germany / Austria, Czech Republic, Spain, Italy, France and Australia

Growth Markets
Poland, Turkey, Romania and Asian bank stakes

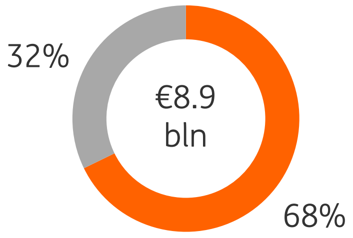
Wholesale Banking International Network

Wholesale Banking

- Our business model is similar throughout our global WB franchise of more than 40 countries
- With a sector and client-driven strategy, our global franchises serve corporates, multinational corporations, financial institutions, governments and supranational bodies

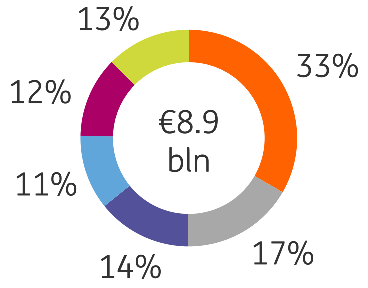
Underlying income*

1H18



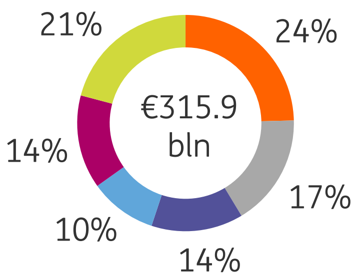
Underlying income**

1H18



RWA (end of period)**

1H18

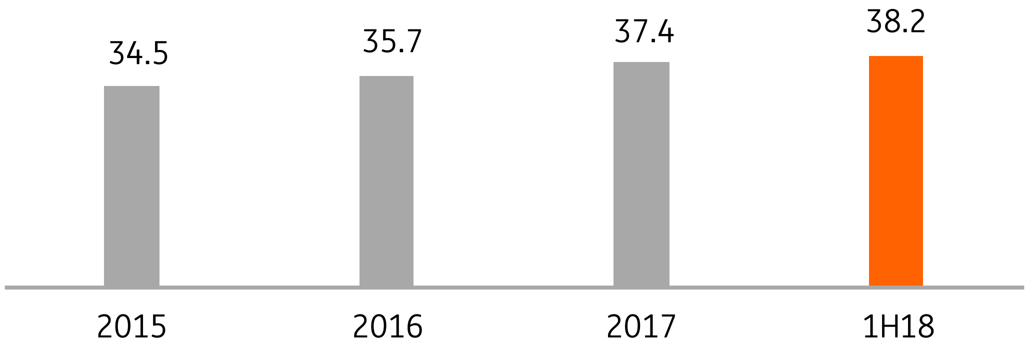


Netherlands Belgium Germany Other Challengers Growth Markets WB Rest of World

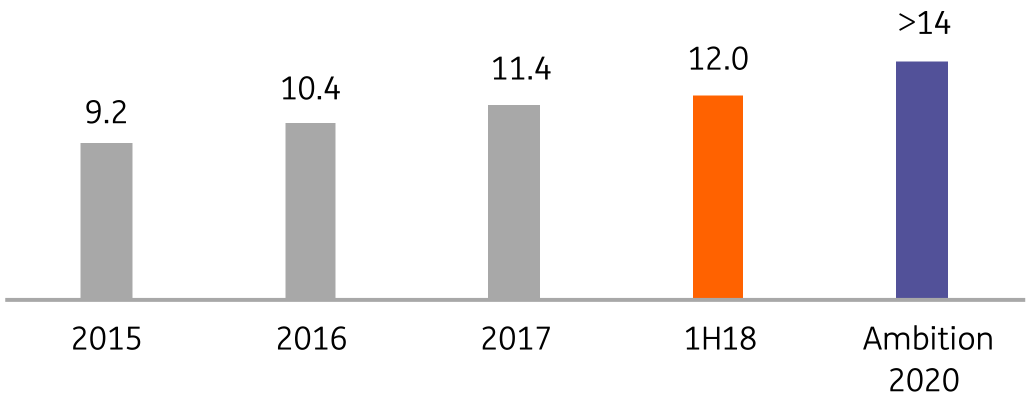
* As per business line split; segment “Corporate Line” not shown on slide. The underlying income for this segment was €54 mln in 1H18
** As per geographical split by booking location; segment "Other" not shown on slide. For this segment (Corporate Line and Real Estate run-off portfolio), the underlying income was €54 mln in 1H18 and RWA was approx. €2.8 bln as per 30 June 2018

Think Forward strategy delivers on commercial growth

ING currently serves > 38 mln retail customers* (in mln)



Targeting > 14 mln primary customers* by 2020 (in mln)



Core lending

1H18 net growth

+4.6%

€ +26.5 bln

Customer deposits

1H18 net growth

+1.5%

€ +8.2 bln

Net Promoter Scores (NPS)

As per 2Q18

#1 in 6 out of 13 retail countries

* In 2Q18, the Netherlands refined its measurement of customers to align with uniform definitions across ING's countries. Customer numbers were restated as of 2016. In addition, the merger of Record Bank into ING in Belgium was completed in 2Q18; customer numbers were consolidated accordingly as from 2Q18, resulting in an 80k increase in primary customers.

Orange Bridge: multiple transformation milestones reached

Preparing for an integrated banking platform in Belgium and the Netherlands

- **4Q17** Cross-border delivery organisation
- **4Q17** One identical Way of Working
- **1Q18** New retail distribution & client services model in BE
- **2Q18** Record Bank integration
- **2019-2021** Uniting IT platforms BE & NL

- Investments and use of external staff still at elevated level in the first half of 2018
- ING in Belgium and Record Bank have now joined forces: almost 600,000 Record Bank customers were successfully migrated to ING and introduced to the clear & easy ING customer experience
- Priorities going forward are to rationalise our product assortment and to unite the IT platforms of Belgium and the Netherlands

Becoming the go-to platform for all financial needs

Building insurance platform with AXA

- ING is **partnering with AXA** to create personalised, simple and modular insurance products and services for customers
- The **digital insurance platform** will offer property & casualty (P&C), health and protection insurance in **six of our Challenger markets** (Australia, Austria, France, Germany, Italy and Czech Republic), in a clear and easy way

Yolt expands to France and Italy

- Yolt, our money management platform in the UK, is expanding **to France and Italy**
- This is part of our ambition to **build a pan-European money platform**
- The smart money app, which provides customers a one-stop overview of their accounts, has attracted **400,000 registered users in the UK** since its launch in June 2017

New funding initiatives for SMEs

fundingoptions

FinCompare

- We partnered **with Funding Options** in the Netherlands and invested in **FinCompare** in Germany – two independent digital platforms that offer SMEs a wide choice of financing options

- In Poland, we launched **Invoice Financing** for SMEs, a digital microfactoring solution that we developed in-house

Playing a pivotal role in the energy transition

Financing linked to company's own sustainable KPIs

- We help clients stay ahead by encouraging sustainable business practices and supporting sustainable transitions
- We continue to pioneer sustainability-linked financing. After introducing loans linked to a sustainability rating, we now developed loans linked to a company's own key performance indicators (KPIs) on sustainability. 2Q18 deal examples include:

DSM

€1 bln syndicated facility

ING role: Sustainability coordinator

renewi

€550 mln green loan

ING role: Joint bookrunner & joint coordinator

Solutions to reduce carbon footprint of real estate

- In the Netherlands, we introduced the Energy Robot for real estate clients. It uses algorithms to compare data from smart energy meters to automatically identify where energy waste can be reduced
- First revolving credit facility (RCF) linked to the GRESB ESG* sustainability rating for real estate:

gecina

€150 mln RCF

ING role: Sustainability lender

Application of new Green Loan Principles

- First financial institution to issue a loan under the Green Loan principles which were co-developed by ING:

MACQUARIE

£500 mln green loan

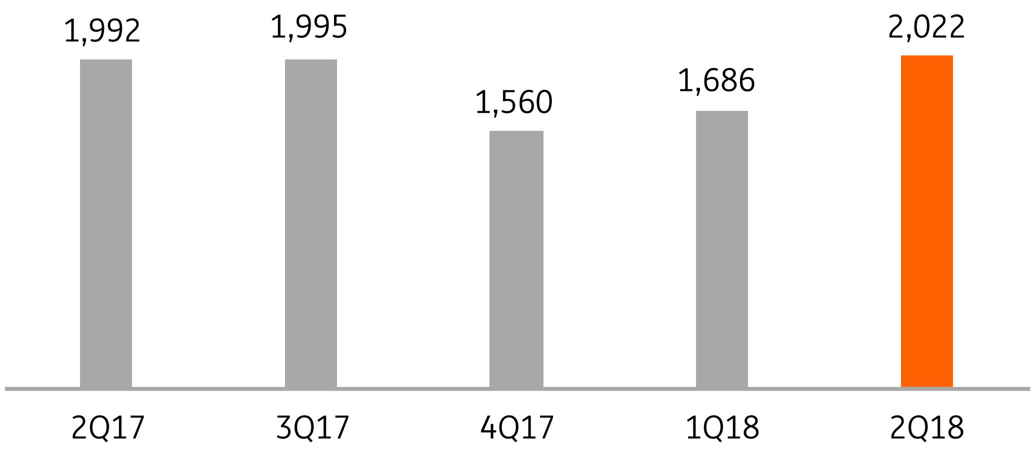
ING role: Green structuring advisor

* GRESB is an ESG (Environmental, Social and Governance) rating for real estate

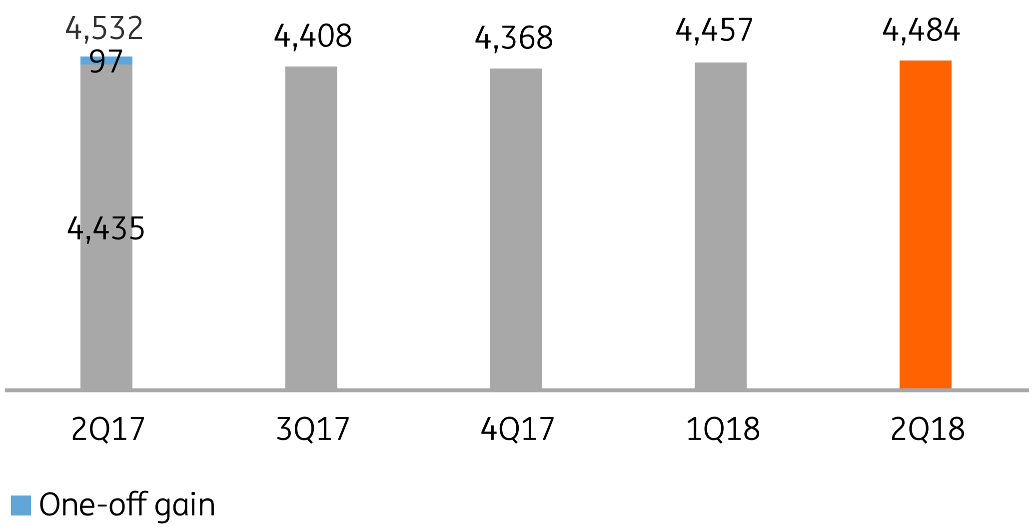
2Q18 results

Underlying pre-tax result up 1.5% year-on-year

Underlying pre-tax result (in € mln)



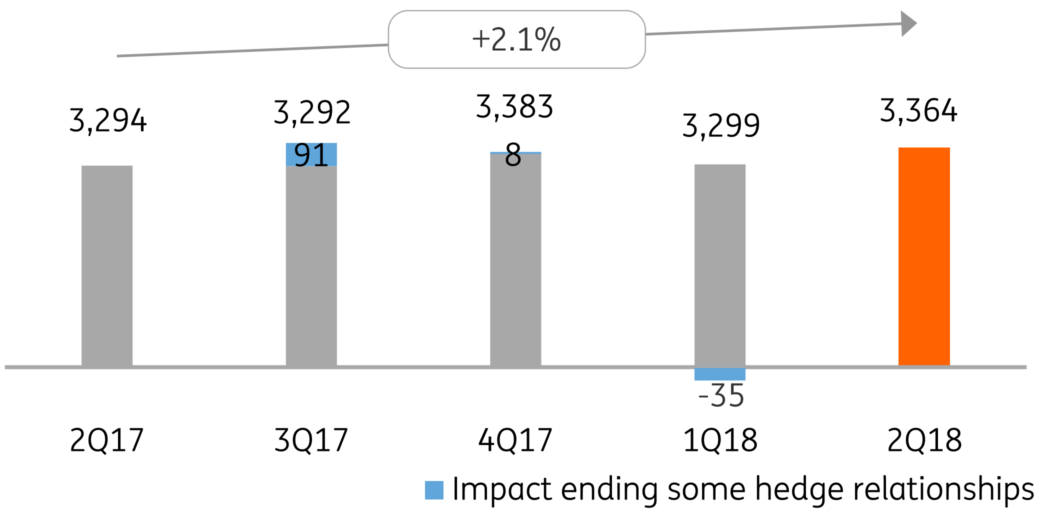
Underlying income (in € mln)



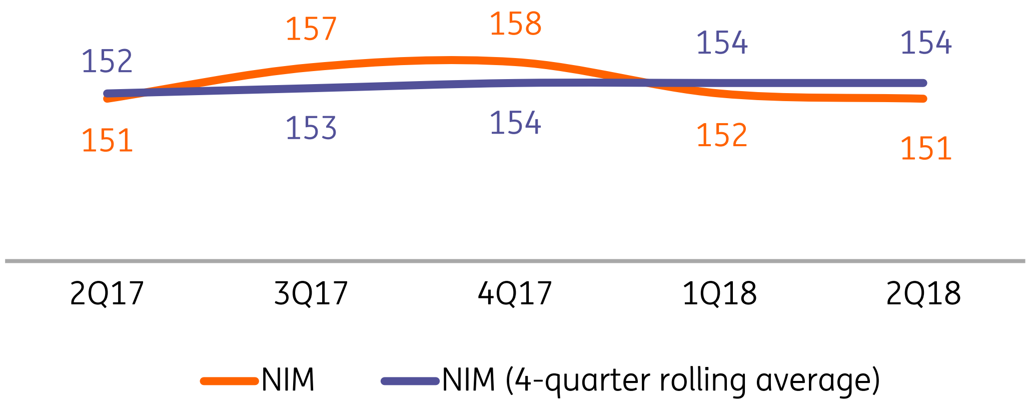
- Underlying result before tax of €2,022 mln was supported by continued loan growth and higher net fee and commission income, while risk costs remained low. On a four-quarter rolling average basis, the underlying ROE improved to 10.4% from 10.3% in 1Q18
- Underlying income was supported by higher income from continued business growth in Retail Challengers & Growth Markets and the Wholesale Banking lending activities, but declined slightly compared to the year-ago quarter
- This is largely explained by a €97 mln one-off gain on the sale of an equity stake in the real estate run-off portfolio in 2Q17, negative currency impacts and weak performance in Financial Markets in the current quarter

Healthy net income progression supported by resilient NIM

Net interest income excl. Financial Markets (in € mln)



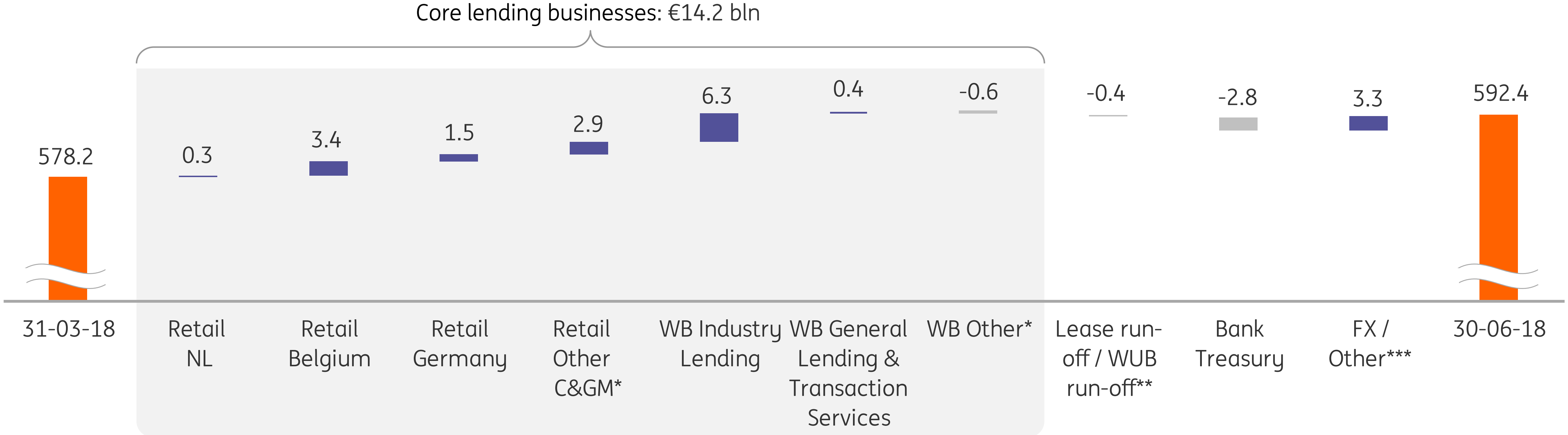
Net interest margin holds up well in the quarter (in bps)



- Net interest income excl. Financial Markets increased 2.1% versus 2Q17. The increase was mainly caused by a higher interest result in Retail Challengers & Growth Markets and Wholesale Banking
- Total NII on customer lending increased year-on-year due to the positive impact of loan volume growth at a higher overall margin, which was partly offset by a lower interest result on customer deposits (mostly as a result of lower reinvestment yields)
- The 2Q18 NIM was 151 bps, which is one basis point down on the previous quarter, due to lower interest results in Financial Markets, Bank Treasury and Corporate Line

Core lending growth in Retail Banking and Industry Lending

Customer lending ING Group 2Q18 (in € bln)

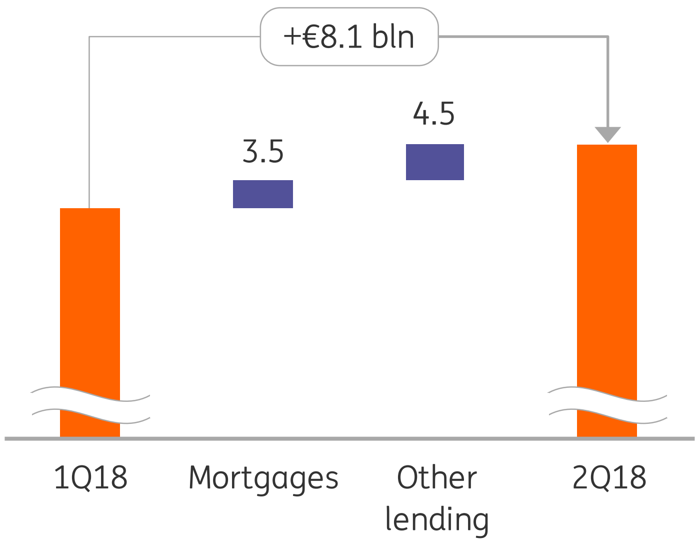


- Our core lending franchises grew by €14.2 bln in 2Q18, with growth again well diversified and at good returns:
  - Retail Banking increased by €8.1 bln with growth being recorded in all geographies (incl. Retail Netherlands)
  - Wholesale Banking increased by €6.1 bln, predominantly in various Industry Lending sectors

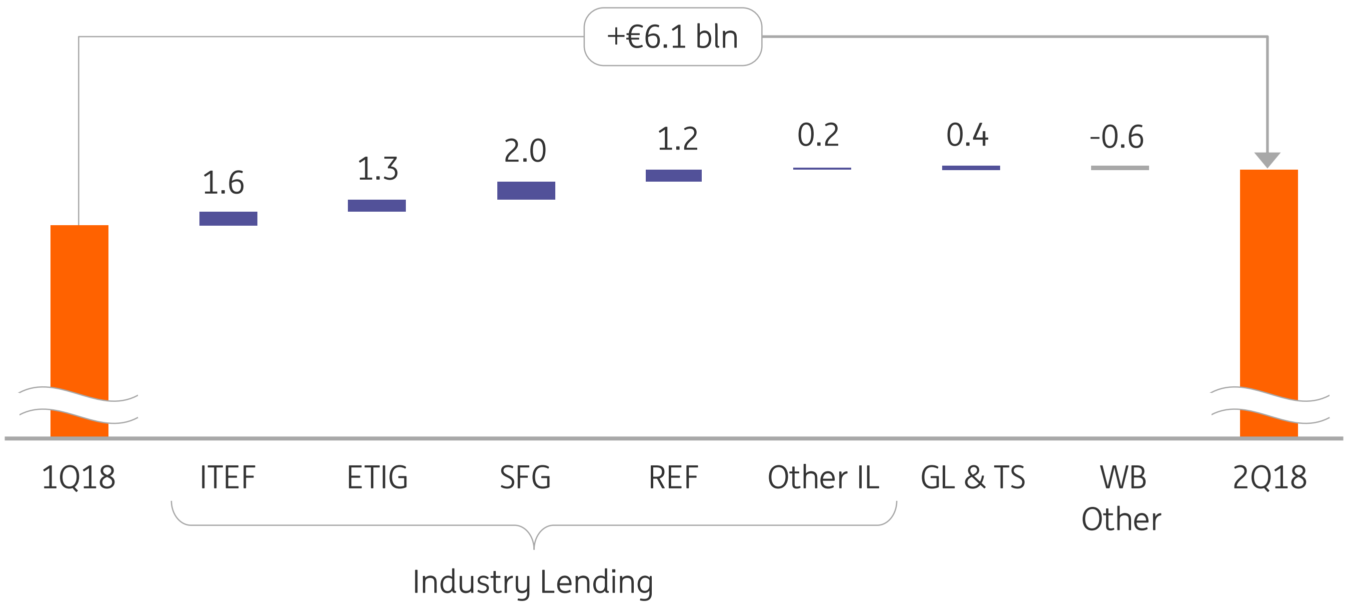
* C&GM is Challengers & Growth Markets; WB Other includes Financial Markets
** Lease run-off was €-0.1 bln, WUB run-off was €-0.3 bln
*** FX impact was €3.1 bln and Other €0.2 bln

Detailed split of net core lending growth

Retail Banking core loan growth split by product (in € bln)



Wholesale Banking* core loan growth split by product (in € bln)

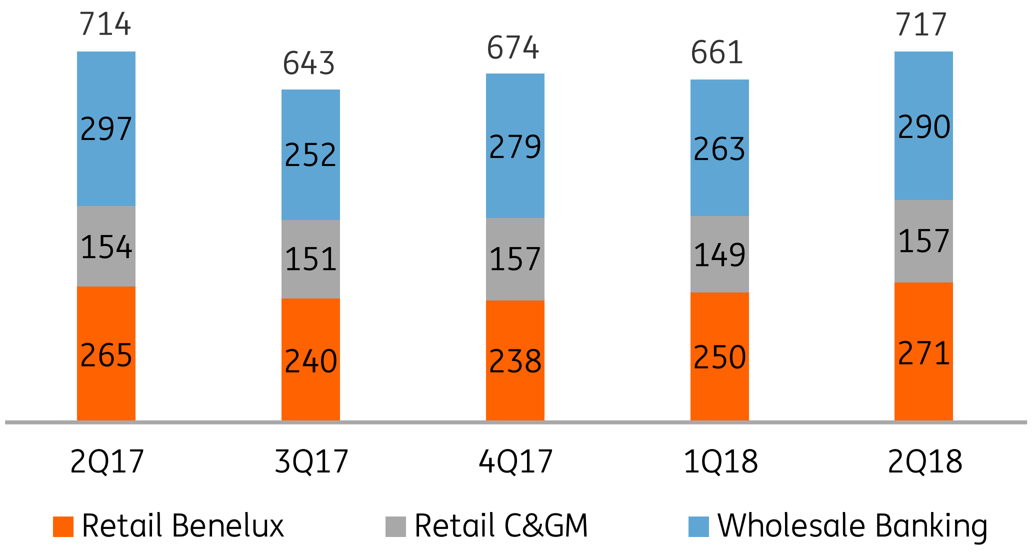


- 2Q18 core lending growth of €8.1 bln within Retail Banking was almost equally split between mortgages and higher-yielding non-mortgage lending
- In Wholesale Banking, the growth was well-spread across products, sectors and geographies with a skew towards longer-dated lending and strong activity in the shorter-dated Trade & Commodity Finance (part of ITEF) franchise

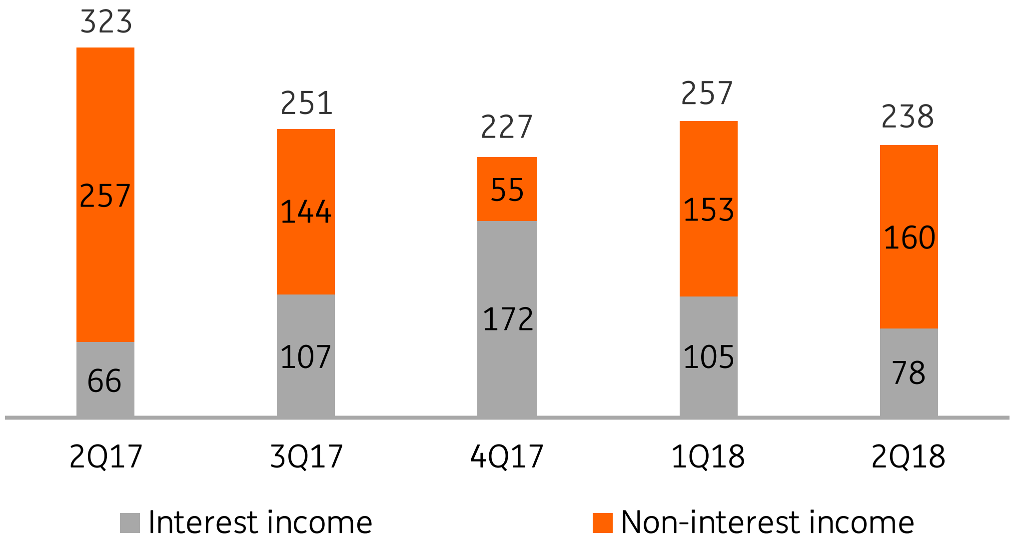
* ITEF is International Trade & Export Finance; ETIG is Energy, Transport & Infrastructure Group; SFG is Specialised Financing Group; REF is Real Estate Finance; GL & TS is General Lending & Transaction Services; WB Other includes Financial Markets

Broad-based fee income growth; FM impacted by client activity

Net fee and commission income (in € mln)



Underlying income Financial Markets* (in € mln)



- Fee income increased by 8.5% on the first quarter of 2018 to €717 mln. This was driven by increases in most retail countries and higher fee income in Industry Lending and General Lending & Transaction Services (partly supported by the inclusion of Payvision as of 2Q18), while fees were lower in Financial Markets
- Financial Markets' total income was down on both comparable quarters, as this quarter was again impacted by reduced client activity, low interest rates in Europe and tight credit spreads

* Excluding CVA/DVA

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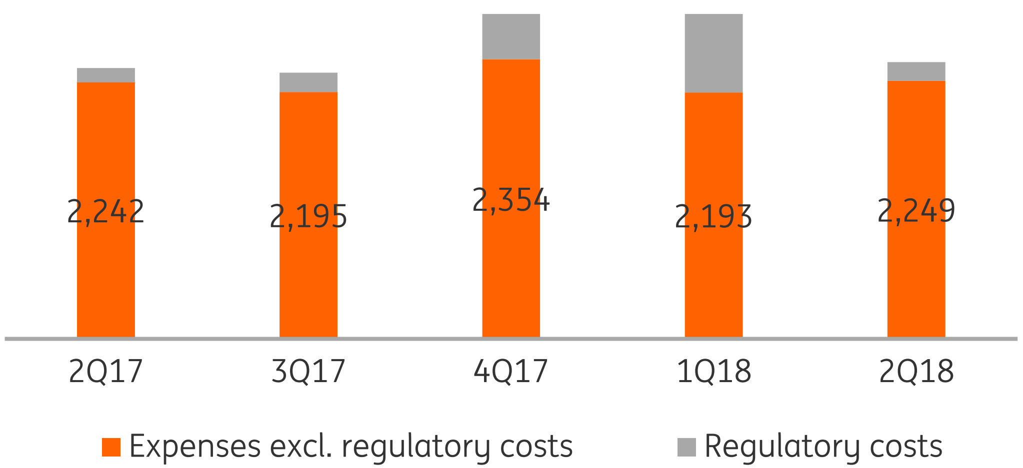
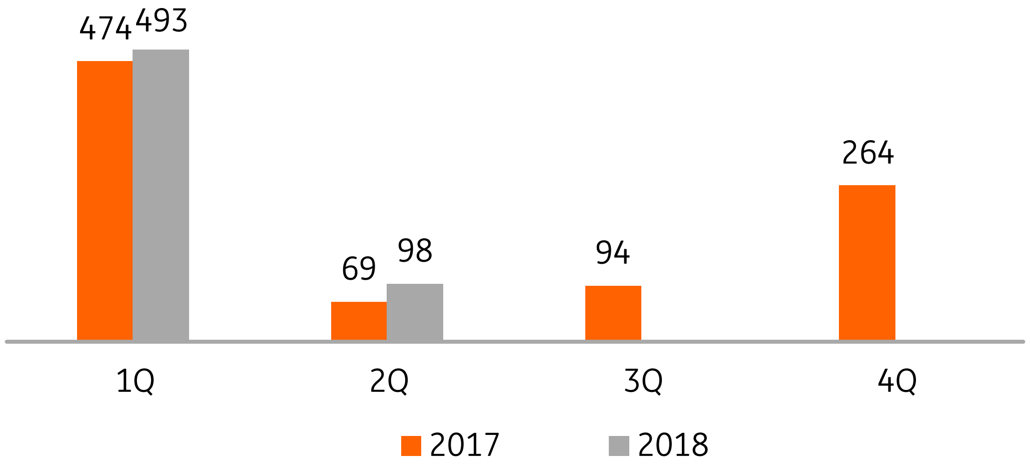
Cost control a key priority

Underlying operating expenses (in € mln)

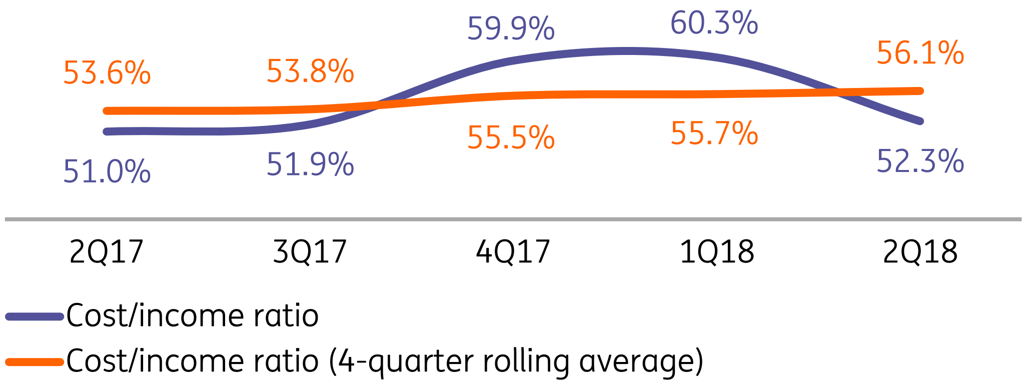


- Compared to 1Q18, which included a release of a legal provision, expenses excluding regulatory costs increased by €56 mln. This increase was also explained by the inclusion of Payvision and higher costs in Industry Lending
- Year-on-year, expenses excluding regulatory costs were broadly flat
- Total regulatory costs were slightly higher year-on-year as 2Q17 included a downward adjustment of the 2017 DGS contribution in Belgium

Regulatory costs (in € mln)



Cost/income ratio



ING Group financial ambitions

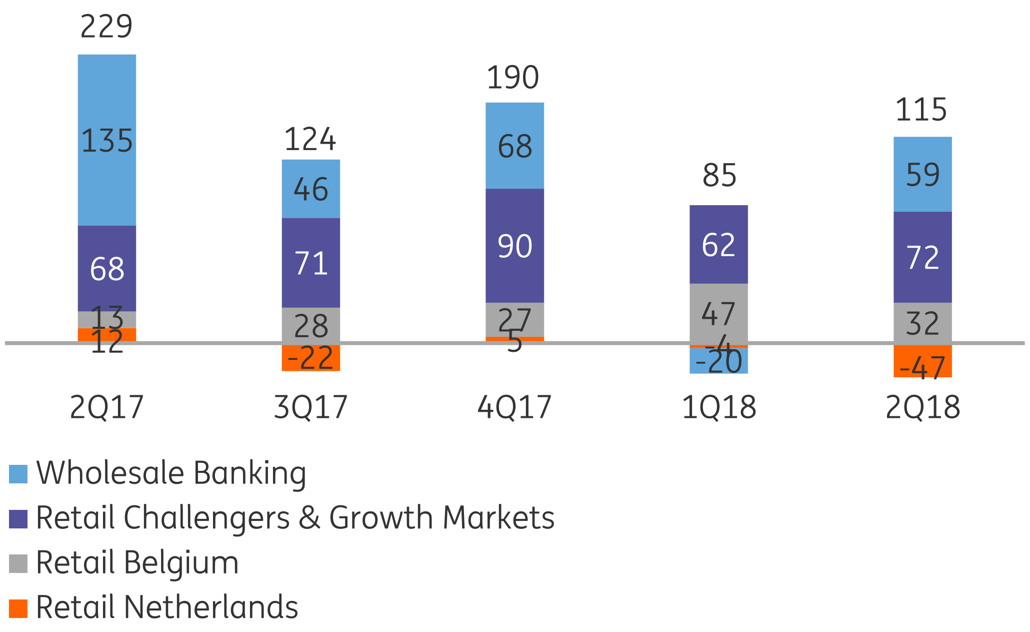
		Actual 2017	Actual 2Q18	Ambition 2020*
Capital	• CET1 ratio (%)	14.7%*	**14.1%***	~13.5%** (Basel IV)
	• Leverage ratio (%)	4.7%	**4.3%**	>4%
Profitability	• Underlying C/I ratio (%)***	55.5%	**56.1%**	50-52% (by 2020)
	• Underlying ROE (%)*** (IFRS-EU Equity)	10.2%	**10.4%**	10-12%
Dividend	• Dividend (per share)	€0.67		Progressive dividend
Of which interim		€0.24	**€0.24**	

* Basel III CET1 ratio of 14.5% as per 1 January 2018 due to IFRS 9 adoption; Estimated Basel IV impact on CET1 of around -2.0 %-point will dilute current Basel III CET1 ratio over time
** Implies management buffer (incl. Pillar 2 Guidance) of 170 bps over prevailing fully loaded CET1 requirements (currently 11.8%)
*** Based on 4-quarter rolling average; the ING Group ROE is calculated using IFRS-EU shareholders' equity after excluding 'interim profit not included in CET1 capital'. As at 30 June 2018, this comprised the 1H18 interim profits not included in CET1 capital of €1,735 mln

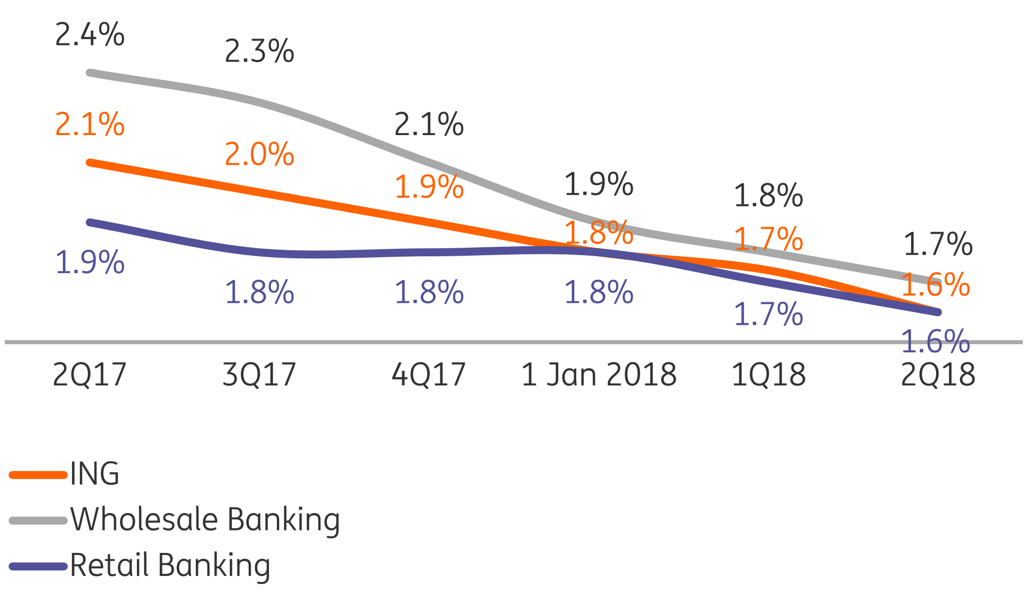
Asset quality

Risk costs remained low due to a continued benign credit environment in most regions

Risk costs (in € mln)



Stage 3 ratio*



- 2Q18 risk costs were €115 mln, or 15 bps of average RWA, well below the 40-45 bps through-the-cycle average
- Retail Netherlands recorded a net release (€-47 mln), which was caused by releases in various portfolios, reflecting the continued positive economic conditions in the Netherlands as well as some model updates
- Wholesale Banking risk costs of €59 mln were largely impacted by higher Stage 2 provisioning for a number of clients

* Prior to 1 January 2018, Stage 3 ratio was known as NPL ratio as per IAS 39 guidelines

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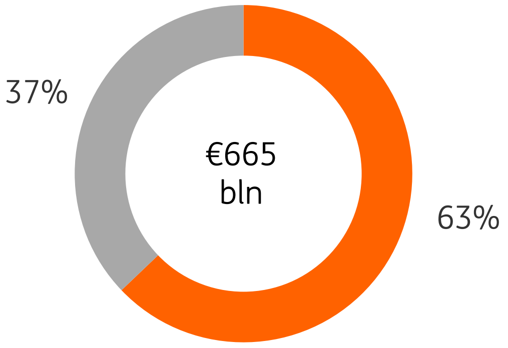
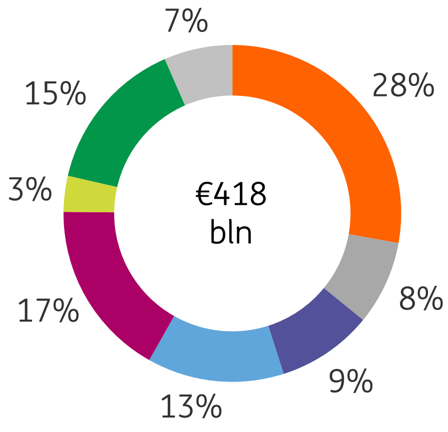
Well-diversified lending credit outstandings by activity

ING Group*



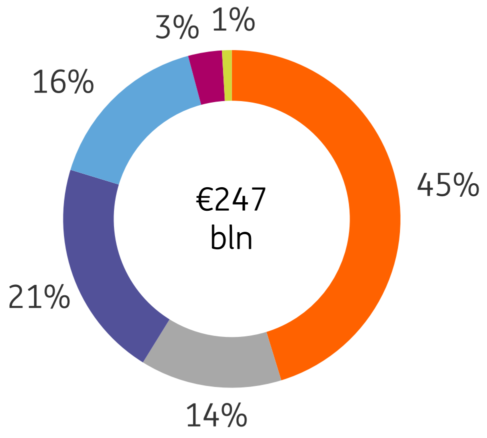
■ Retail Banking
■ Wholesale Banking

Retail Banking*



■ Mortgages Netherlands
■ Other lending Netherlands
■ Mortgages Belgium
■ Other lending Belgium
■ Mortgages Germany
■ Other lending Germany
■ Mortgages Other C&GM
■ Other lending Other C&GM

Wholesale Banking*



■ Project & Asset-based Finance
■ Real Estate Finance
■ General Lending
■ Transaction Services
■ FM, Bank Treasury & Other
■ General Lease run-off

- ING has a well-diversified and collateralised loan book with a strong focus on own-originated mortgages
- 63% of the portfolio is retail-based

* 30 June 2018 lending and money market credit outstandings, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)

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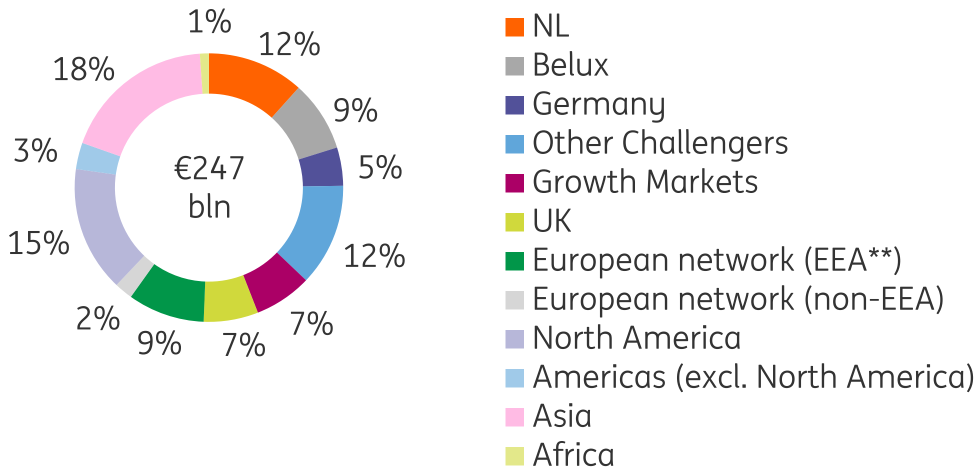
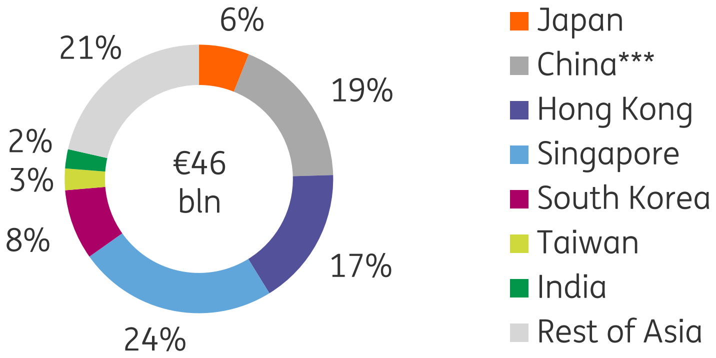
Granular Wholesale Banking lending credit outstandings by geography and sector

Loan portfolio is well diversified across geographies…

Lending Credit O/S Wholesale Banking (2Q18)*

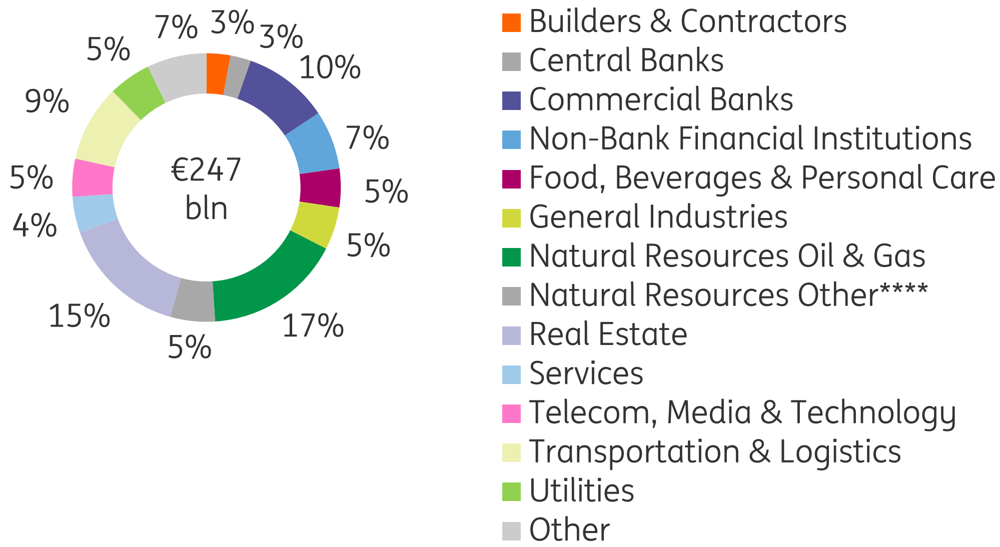


Lending Credit O/S Asia (2Q18)*



…and sectors

Lending Credit O/S Wholesale Banking (2Q18)*



* Data is based on country/region of residence; Lending Credit O/S include guarantees and letters of credit
** Member countries of the European Economic Area (EEA)
*** Excluding our stake in Bank of Beijing (€2.1 bln at 30 June 2018)
**** Mainly Metals & Mining

Detailed Stage 3 / NPL disclosure on selected lending portfolios

Selected lending portfolios (in € mln)

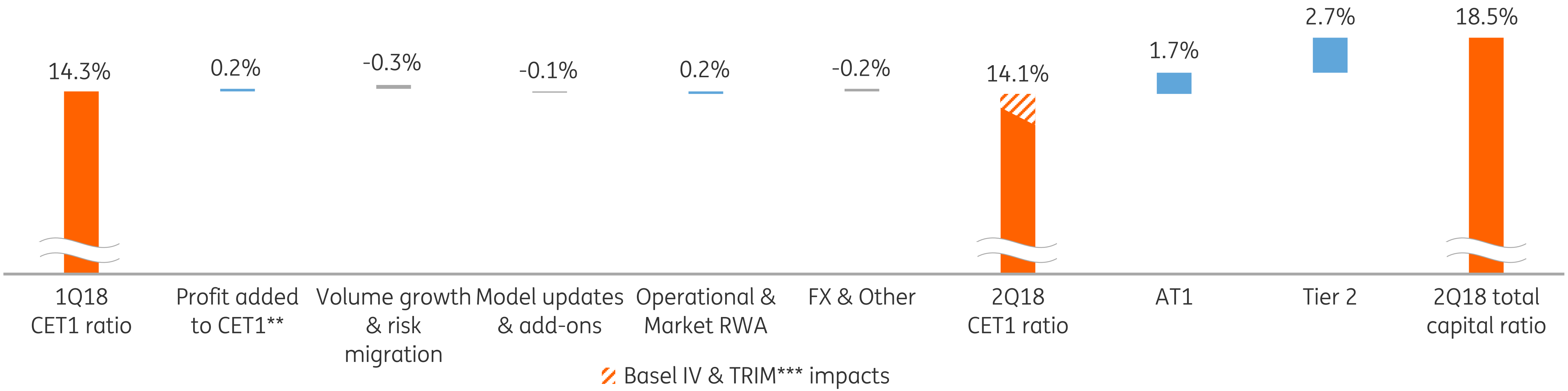
	Lending credit O/S 2Q18	Stage 3 ratio 2Q18	Lending credit O/S 1Q18	Stage 3 ratio 1Q18	Lending credit O/S 2Q17	NPL ratio 2Q17
Wholesale Banking	**246,961**	**1.7%**	**234,201**	**1.8%**	**225,556**	**2.4%**
Industry Lending	145,273	1.9%	133,242	2.0%	127,907	2.6%
Of which Project & Asset-based Finance	111,737	2.0%	101,136	2.1%	98,084	2.8%
Of which Real Estate Finance	33,536	1.5%	32,106	1.7%	29,823	1.9%
Selected industries*						
Oil & Gas related	41,346	2.7%	37,941	2.6%	34,287	3.6%
Metals & Mining**	15,994	3.1%	14,962	3.8%	14,529	5.0%
Shipping & Ports***	14,266	5.4%	13,175	5.7%	13,452	6.8%
Selected countries						
Turkey****	15,413	2.3%	15,627	2.4%	17,035	2.5%
Russia	4,688	2.7%	4,481	2.7%	4,946	3.0%
Ukraine	763	25.4%	798	41.6%	953	51,6%

* Includes WB Industry Lending, General Lending (CFIL) and Transaction Services
** Excluding Ukrainian and Russian Metals & Mining exposure, the Stage 3 ratio would be 1.9%
*** Shipping & Ports includes Coastal and Inland Water Freight which is booked within Retail Netherlands. Excluding this portfolio, Stage 3 ratio is 3.0%
**** Turkey includes Retail Banking activities (€7.5 bln)

Group capital

ING Group Total Capital Ratio at 18.5%

ING Group fully loaded Total Capital ratio development*

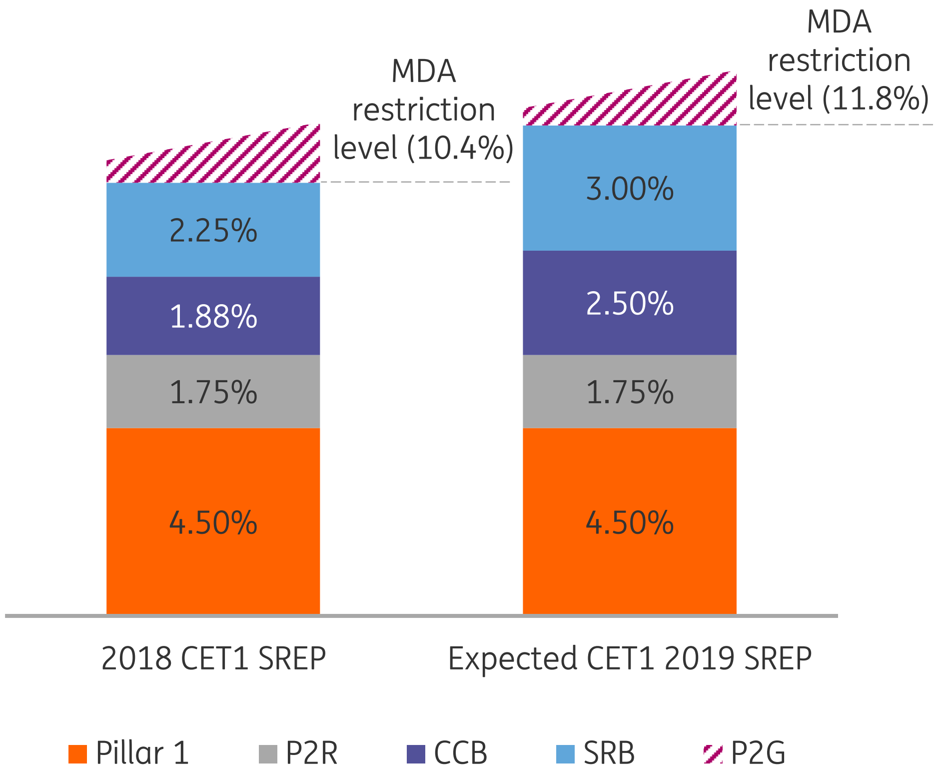


- ING Group's CET1 ratio was supported by the inclusion of €0.6 bln of interim profits, positive risk migration (mostly in Wholesale Banking) and lower Operational and Market RWA
- This was more than offset by the impact of higher volume growth and a macro-prudential add-on related to Belgian mortgages
- With a long implementation phase, management actions and the transposition into EU law still pending, we remain confident that we will meet future Basel IV requirements

* ING Group's 2Q18 fully loaded capital ratio is based on RWAs of €318.7 bln; small differences in the graph due to rounding
** 2Q18 Group net profit of €1,429 mln, of which €868 mln is set aside for dividends and the remainder (€562 mln) added to CET1 capital
*** ECB's Targeted Review of Internal Models

ING Group's CET1 capital requirements

ING Group SREP*



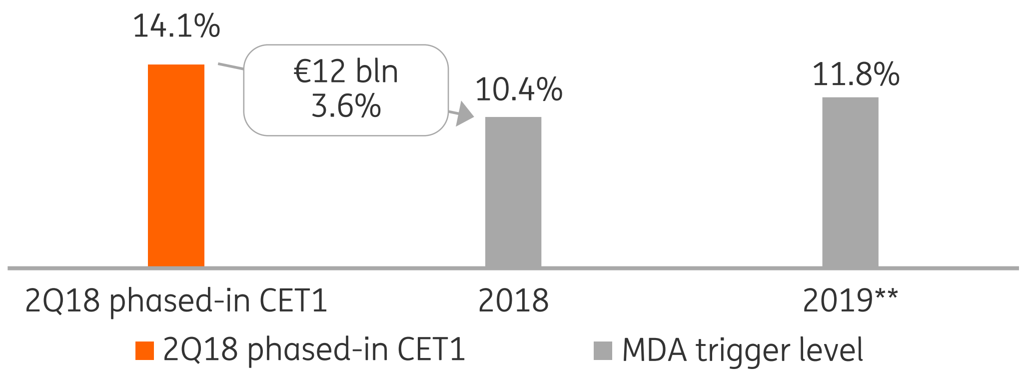
2017 SREP (Supervisory Review and Evaluation Process)

- In the 2017 SREP the European Central Bank has set the capital requirements for 2018
- A 10.4% phased-in CET1 ratio requirement applies for 2018, of which:
  - 4.50% Pillar 1 minimum (P1)
  - 1.75% Pillar 2 Requirement (P2R)
  - 1.875% Capital Conservation Buffer (CCB)
  - 2.25% Systemic Risk Buffer (SRB)
  - 0.06% Countercyclical Buffer (CCyB)
  - This excludes Pillar 2 Guidance (P2G)
- A fully-loaded 11.8% CET1 requirement is expected for 2019 as the CCB and SRB are scheduled to phase-in over the coming year to 2.5% and 3.0% respectively, and assuming no change in P2R
- We have set a Basel IV CET1 ambition of around 13.5% implying a management buffer (including P2G) of 1.7%

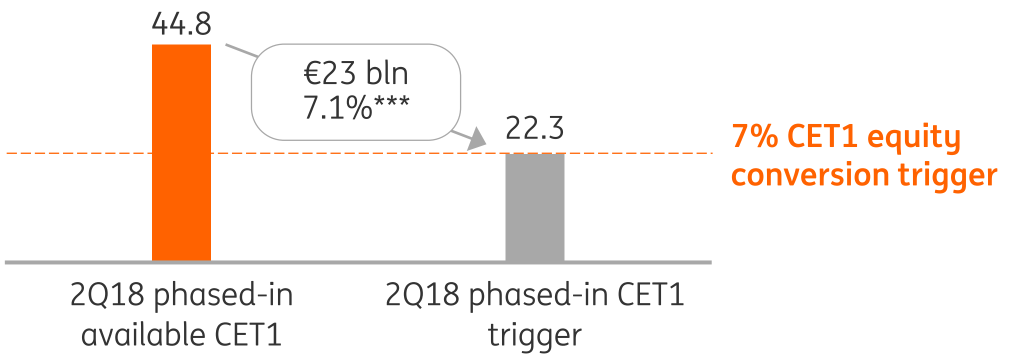
* Including Countercyclical buffer of 0.06% for 2018 and 0.07% for 2019

Additional Tier 1: comfortable buffers to triggers

Buffer to MDA 2Q18*



Buffer to Conversion Trigger 2Q18 (in € bln)



Buffer to MDA	• MDA restrictions will apply if ING Group breaches Combined Buffer Requirements (CBR) • Under the MDA framework, ING's trigger level is 10.4% in 2018 and is expected to rise to 11.8% in 2019***. This includes the 1.75% P2R and excludes P2G • As per 2Q18, the buffer to the 2018 MDA restriction level is €12 bln or 3.6% of RWAs • This excludes €1,735 mln of profits that we have set aside for dividend payment****
Buffer to Conversion Trigger	• The ING Group phased-in capital buffer to conversion trigger (7% CET1) is high at almost €23bln • This excludes €1,735 mln of profits that we have set aside for dividend payment****
Available Distributable Items	• AT1 discretionary distributions may only be paid out of distributable items • As per year-end 2017, ING Group had approx. €43 bln of available distributable items following the CRDIV definition

* Including Countercyclical buffer of 0.06% for 2018 and 0.07% for 2019
** Subject to SREP process, assumes no change in P2R
*** Difference between 14.1% ING Group phased-in CET1 ratio in 2Q18 and 7% CET1 equity conversion trigger
**** The 1H18 interim profit not included in CET1 amounts to €1,735 million, which is two-thirds of the dividend paid over 2017

HoldCo resolution strategy

Issuance entities under our approach to resolution

Issuance entities		Instruments
Designated resolution entity	ING Group	• Capital instruments • Senior unsecured debt (TLAC / MREL eligible)
	ING Bank	• Covered Bonds / secured funding • Senior unsecured debt (TLAC / MREL ineligible)
	Various ING subsidiaries	• Covered Bonds / secured funding • Senior unsecured debt (TLAC / MREL ineligible)

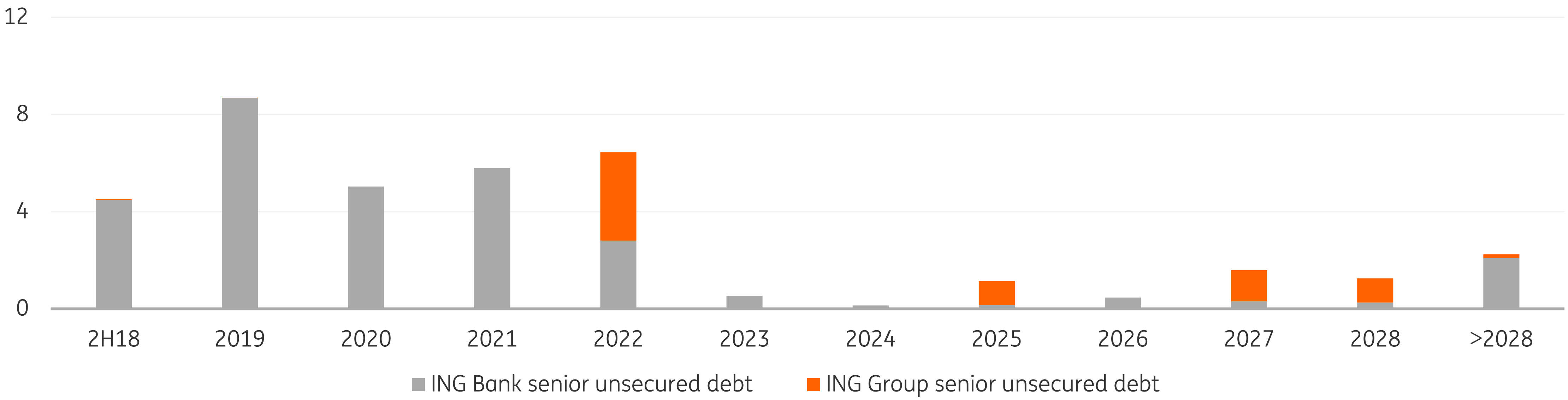
ING well positioned for TLAC/MREL issuance plans...

Strong current capital position....	...which provides flexibility for TLAC issuance plans
• ING maintains a strong CET1 ratio	• ING Group fully-loaded CET1 ratio at 14.1% as per 2Q18
• Steady state TLAC needs to be met by 2019/2022	• ING Group has a very manageable end-state TLAC shortfall
• ING amongst the highest rated HoldCo issuers	• HoldCo rated Baa1 / A- / A+
• Rating agencies recognise credibility of our TLAC issuance plan	• Recent positive rating actions on expectations that in the coming years ING will build up sizable buffer of bail-inable debt*
• Business model has limited exposure to volatile investment banking activities	• ING's Wholesale Banking portfolio consists mainly of Industry Lending, General Lending and Transaction Services
• MREL requirement has been set at €91.24 bln, corresponding to 29.03% of ING Group's RWA at end-2016 and comes into effect immediately	• Any potential shortfall related to MREL requirements, new regulatory initiatives and balance sheet growth will be largely met by additional Group senior issuance

* Full rating profile available in this presentation

…supported by a recycling strategy of ING Bank instruments

Maturity ladder outstanding long-term senior unsecured debt (in € bln)*



- ING Group has issued approx. €7.2 bln of Senior unsecured funding since the start of 2017 thus recycling ING Bank senior unsecured bonds
- Moreover, ING Bank has approx. €26.8 bln of long-term senior unsecured debt maturing from 2H18 until 2022, of which approx. €4.5 bln (1.4% of RWAs) maturing in the remainder of 2018
- Recycling maturing notes will give us ample flexibility to comply with remaining TLAC/MREL requirements

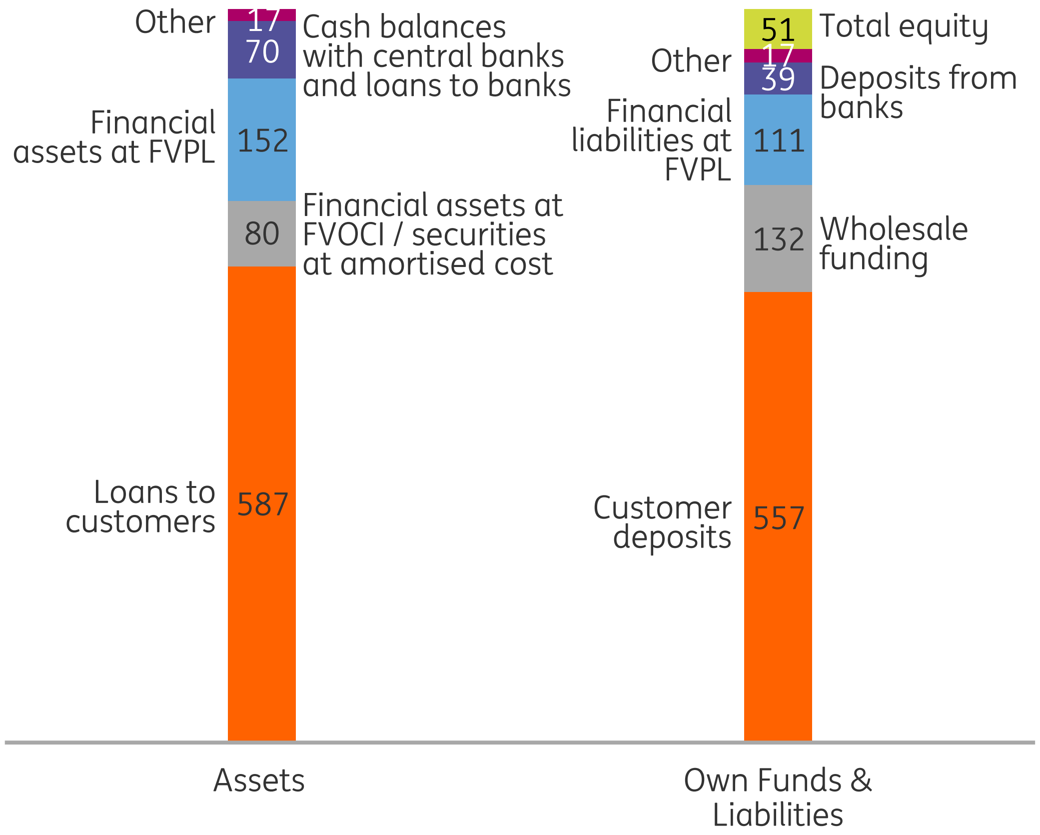
* As per 30 June 2018; ING consolidated figures shown include only issued senior bonds with a tenor ≥ 1 year

Liquidity and funding

ING balance sheet: strong and conservative with customer deposits as the primary source of funding

Balance sheet ING Group (in € bln)

Balance sheet size ING Group 30 June 2018: €906 bln



High quality customer loan book

- See “Asset Quality” section of the presentation

Attractive funding profile

- 61% of the balance sheet is funded by customer deposits
- 88% of total customer deposits is Retail Banking based
- Attractive loan-to-deposit ratio of 106% as per 30 June 2018*

Conservative trading profile

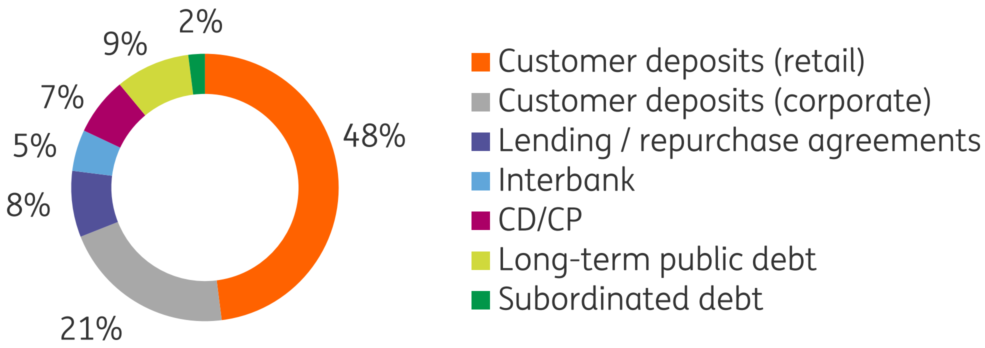
- Majority of our Financial Markets business is customer flow based where we largely hedge out positions, reflected in large but often offsetting assets and liabilities at FV positions
- Average VaR for ING’s trading portfolio during 2Q18 remained stable at €6 mln for the fourth consecutive quarter.

* Loan-to-deposit ratio is customer lending including provision for loan losses divided by customer deposits

Robust liquidity position

Funding mix*

30 June 2018



ING holds sizable liquidity buffer

- ING's funding consists mainly of retail deposits, corporate deposits and wholesale funding
- ING's 12-month moving average LCR increased from 115% to 116% in the second quarter of 2018
- Besides the HQLA buffer, ING maintains large pools of ECB-eligible assets, in the form of internal securitisations and credit claims

Liquidity buffer

- **Level 1**: mainly core European sovereign bonds, SSA, US Treasuries and core European and Nordic covered bonds
- **Level 2A**: mainly Canadian covered bonds
- **Level 2B**: mainly short-dated German Auto ABS and high-quality German corporate bonds

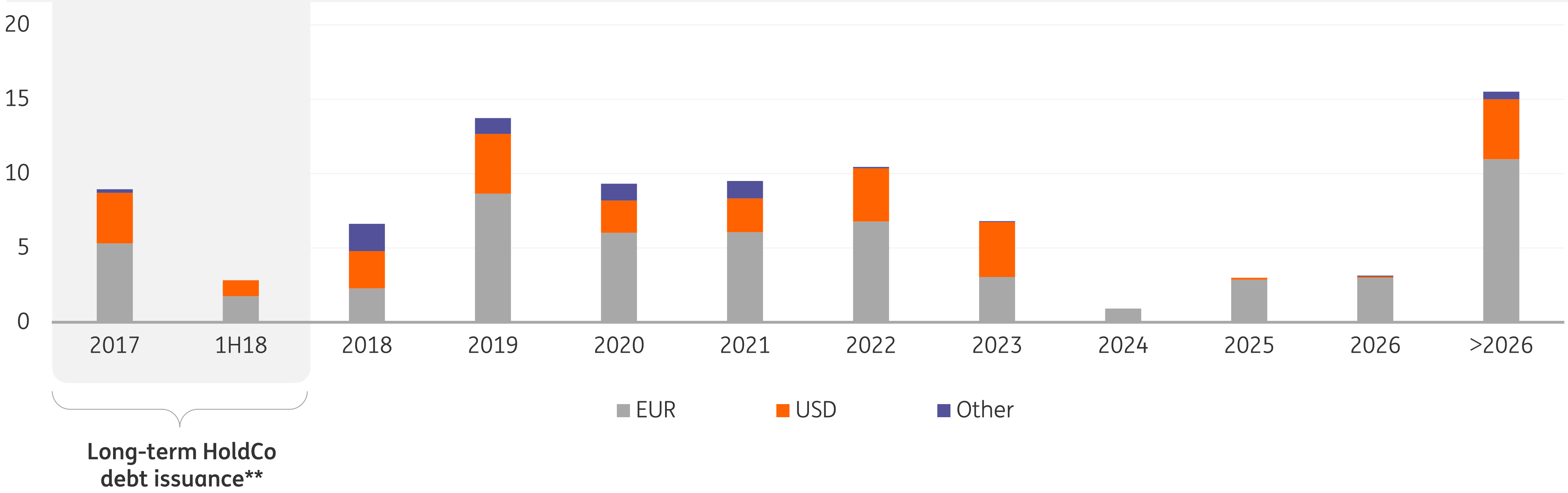
LCR 12-month moving average (in € bln)

	31 Mar. 18	30 Jun. 18
Level 1	112.8	115.6
Level 2A	4.3	4.7
Level 2B	9.0	8.6
Total HQLA	**126.2**	**129.0**
Outflow	**195.7**	**198.3**
Inflow	**86.0**	**87.2**
LCR	**115%**	**116%**

* Liabilities excluding trading securities and IFRS equity

Funding profile well diversified by currency

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



- ING Group issued approx. €8.9 bln of long-term debt in 2017 and approx. €2.8 bln in 1H18
- AT1 and Tier 2 ratios aimed to be kept at above 1.5% and 2% of RWA respectively
- Senior debt will be predominantly issued out of the Group in line with the announced recycling strategy

* Including all long-term debt instruments (i.e. Secured, Unsecured and Tier 2) while excluding AT1. As per 30 June 2018; ING consolidated figures shown include issued senior bonds only with a tenor ≥ 1 year. Data from 2018 onwards show the maturity profile of existing long term debt issued by ING Group and ING Bank
** 2017 and 1H18 data show long-term debt issued by ING Group only

Robust rating profile with strong trend over the last quarters

Main credit ratings of ING on 1 August 2018

	S&P	Moody's	Fitch
Stand-alone rating	a	baa1	a+
Government support	-	1 notch	-
Junior debt support	1 notch	N/A	-
Moody's LGF support	N/A	3 notches	N/A
ING Bank NV (OpCo)			
Bank senior LT rating	A+	Aa3	A+
Outlook	Stable	Stable	Positive
Bank senior ST rating	A-1	P-1	F1
Tier 2	BBB+	Baa2	A
ING Groep NV (HoldCo)			
Group senior LT rating	A-	Baa1	A+
AT1	BB	Ba1	BBB-
Tier 2	BBB	Baa2	A

Latest ING Bank rating actions

- Fitch: Jul-2018 Fitch revised the outlook for ING Bank N.V. to positive from stable
- Moody's: Sep-2017 ING Bank was upgraded to Aa3 from A1 with a stable outlook. The improvement was driven by resilient profitability, low asset risk, a strengthening capital position, as well as the expected build-up of loss-absorbing capital at ING Group
- S&P: Jul-2017 ING Bank was upgraded to 'A+' reflecting expectation that in the coming years ING will build a sizable buffer of bail-in-able debt, while maintaining strong capital adequacy metrics thanks to resilient financial performance, supportive internal capital generation, and a broadly similar risk profile

Appendix

Outstanding benchmark capital securities

(Additional) Tier 1 securities issued by Group

Currency	Issue date	First call date	Coupon	Issued	Outstanding**
USD (CRR/CRDIV compliant)	Nov-16	Apr-22	6.875%	1,000	1,000
USD (CRR/CRDIV compliant)*	Apr-15	Apr-20	6.000%	1,000	1,000
USD (CRR/CRDIV compliant)*	Apr-15	Apr-25	6.500%	1,250	1,250
USD	Jun-07	Jun-12	6.375%	1,045	1,045
USD	Sep-05	Jan-11	6.125%	700	700
EUR	Jun-04	Jun-14	10yr DSL +10	1,000	563
EUR	Jun-03	Jun-13	10yr DSL +50	750	432

Tier 2 securities issued by Group

Currency	Issue date	First call date	Maturity	Coupon	Outstanding**
USD (CRR/CRDIV compliant)	Mar-18	Mar-23	Mar-28	4.70%	1,250
EUR (CRR/CRDIV compliant)	Mar-18	Mar-25	Mar-30	2.00%	750
EUR (CRR/CRDIV compliant)	Sep-17	Sep-24	Sep-29	1,625%	1,000
EUR (CRR/CRDIV compliant)	Feb-17	Feb-24	Feb-29	2.50%	750
EUR (CRR/CRDIV compliant)	Apr-16***	Apr-23	Apr-28	3.00%	1,000

Tier 2 securities issued by Bank

Currency	Issue date	First call date	Maturity	Coupon	Outstanding**
EUR (CRR/CRDIV compliant)	Feb-14	Feb-21	Feb-26	3.63%	1,500
USD (CRR/CRDIV compliant)	Nov-13	Nov-18	Nov-23	4.125%	2,058
EUR (CRR/CRDIV compliant)	Nov-13	Nov-18	Nov-23	3.50%	1,057
USD (CRR/CRDIV compliant)	Sep-13	n/a	Sep-23	5.80%	2,000

* CRR/CRDIV compliant AT1 USD instruments issued in 2015 are SEC registered
** Amount outstanding in original currency
*** ING has exercised the option to replace the ING Bank €1 bln Tier 2 notes issued in April 2016 for ING Group Tier 2 notes in April 2017

Outstanding HoldCo Senior benchmarks

HoldCo Senior Unsecured*

ISIN	Issue date	Maturity	Tenor	Coupon	Currency	Issued	Spread
XS1771838494	Feb-18	Feb-25	7yr	1.125%	EUR	1,000	m/s + 42
XS1730885073	Dec-17	Jan-28	10yr	1.375%	EUR	1,000	m/s + 57
US456837AG8	Mar-17	Mar-22	5yr	3.15%	USD	1,500	T + 125
US456837AH6	Mar-17	Mar-27	10yr	3.95%	USD	1,500	T + 155
US456837AJ28	Mar-17	Mar-22	5yr	3mL + 115	USD	1,000	3mL + 115
XS1576220484	Mar-17	Mar-22	5yr	0.75%	EUR	1,500	m/s + 70

* HoldCo USD issues are SEC registered

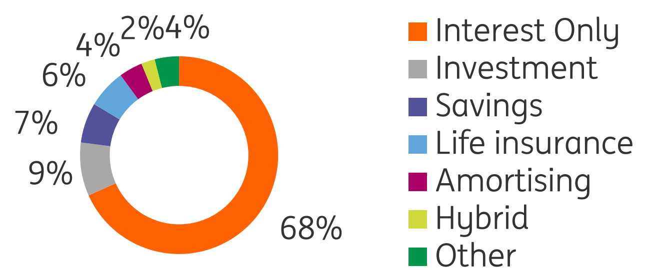
ING Bank's covered bond programme...

- 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)
  - Programme is used for external issuance purposes; separate €10 bln Soft Bullet Covered Bonds programme for internal transactions only
  - Cover pool consists of 100% prime Dutch residential mortgage loans, all owner occupied and in euro only. As per 30 June 2018, 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%
  - Successfully issued €1.75 bln 10 year covered bond in April 2018
- Latest investor reports are available on www.ing.com/IR

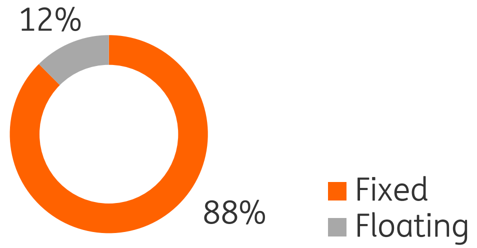
Portfolio characteristics (as per 30 June 2018)

Net principal balance	€26,961 mln
Outstanding bonds	€20,392 mln
# of loans	163,962
Avg. principal balance (per borrower)	€164,434
WA current interest rate	3.00%
WA remaining maturity	17.49 years
WA remaining time to interest reset	5.6 years
WA seasoning	12.18 years
WA current indexed LTV	67.0%
Min. documented OC	5.29%
Nominal OC	32.21%

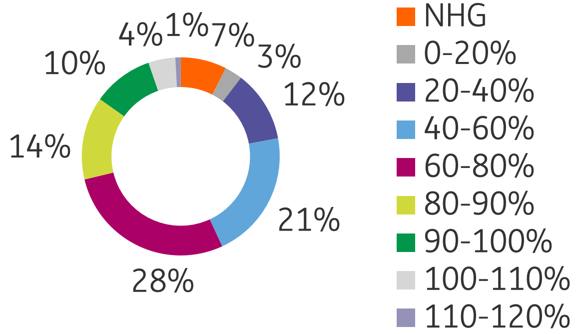
Repayment type



Interest rate type

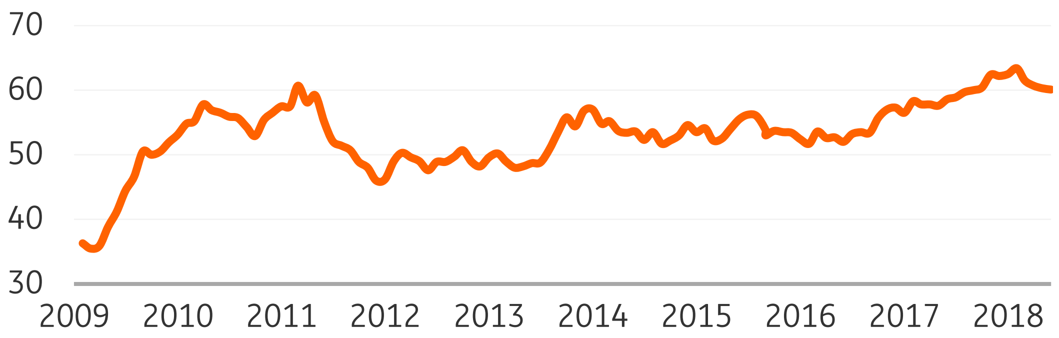


Current Indexed LTVs

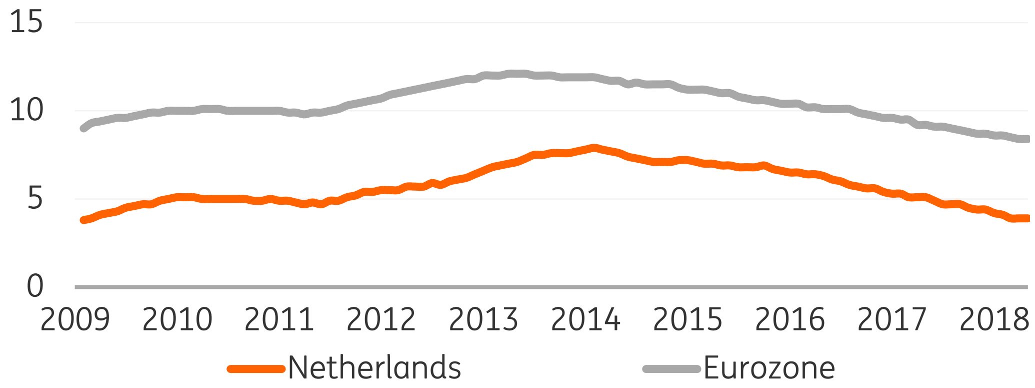


…benefiting from continued improvement of the Dutch economy and housing market

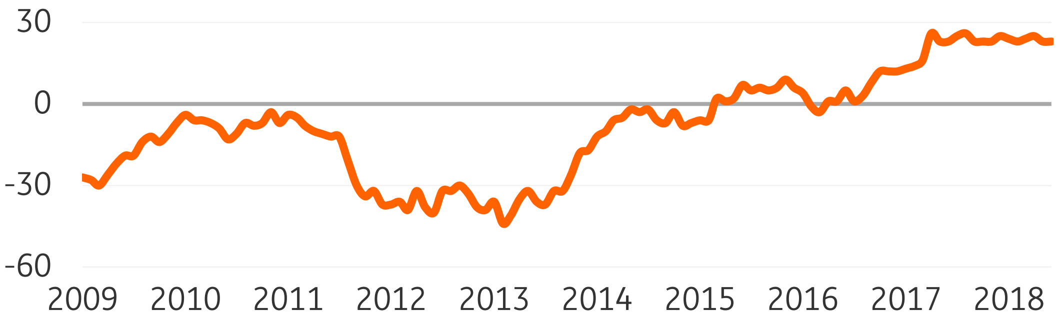
Dutch Purchasing Managers Index (PMI) was 60.1 as of June 2018, which indicates positive growth in industry



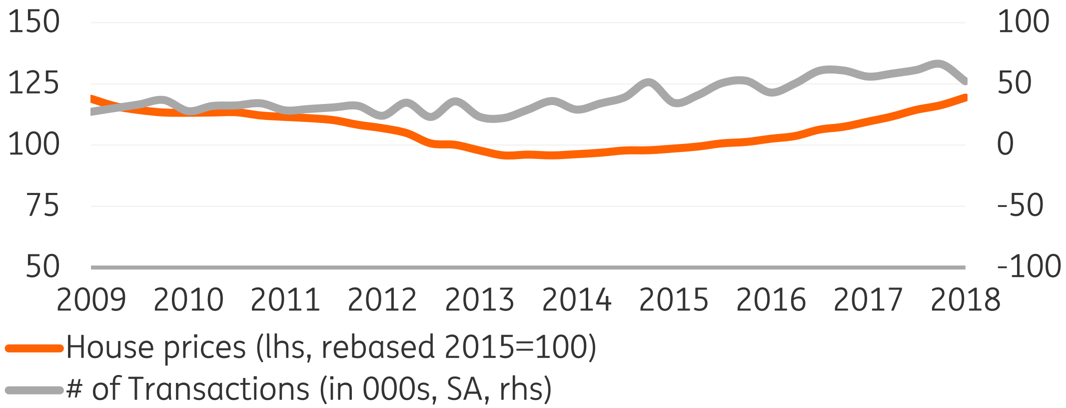
Dutch unemployment rate (%) continues to decline



Dutch consumer confidence continues to hover at a high level since beginning of 2017



Dutch house prices and market turnover underlining healthy state of the housing market*



Source: Central Bureau for Statistics for all data besides Dutch PMI (IHS Markit) and Eurozone unemployment (Eurostat)
* Latest data 1Q18

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 2017 ING Group consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to a number of factors, including, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) potential consequences of European Union countries leaving the European Union or a break-up of the euro, (4) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness, (5) changes affecting interest rate levels, (6) changes affecting currency exchange rates, (7) changes in investor and customer behaviour, (8) changes in general competitive factors, (9) changes in laws and regulations and the interpretation and application thereof, (10) geopolitical risks and policies and actions of governmental and regulatory authorities, (11) changes in standards and interpretations under International Financial Reporting Standards (IFRS) and the application thereof, (12) conclusions with regard to purchase accounting assumptions and methodologies, and other changes in accounting assumptions and methodologies including changes in valuation of issued securities and credit market exposure, (13) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (14) changes in credit ratings, (15) the outcome of current and future legal and regulatory proceedings, (16) operational risks, such as system disruptions or failures, breaches of security, cyberattacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (17) the inability to protect our intellectual property and infringement claims by third parties, (18) the inability to retain key personnel, (19) business, operational, regulatory, reputation and other risks in connection with climate change, (20) ING's ability to achieve its strategy, including projected operational synergies and cost-saving programmes and (21) the other risks and uncertainties detailed in the 2017 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. Many of those factors are beyond ING's control.

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