ING Credit Update 3Q2019

Amsterdam ▪ 31 October 2019

thinkforward

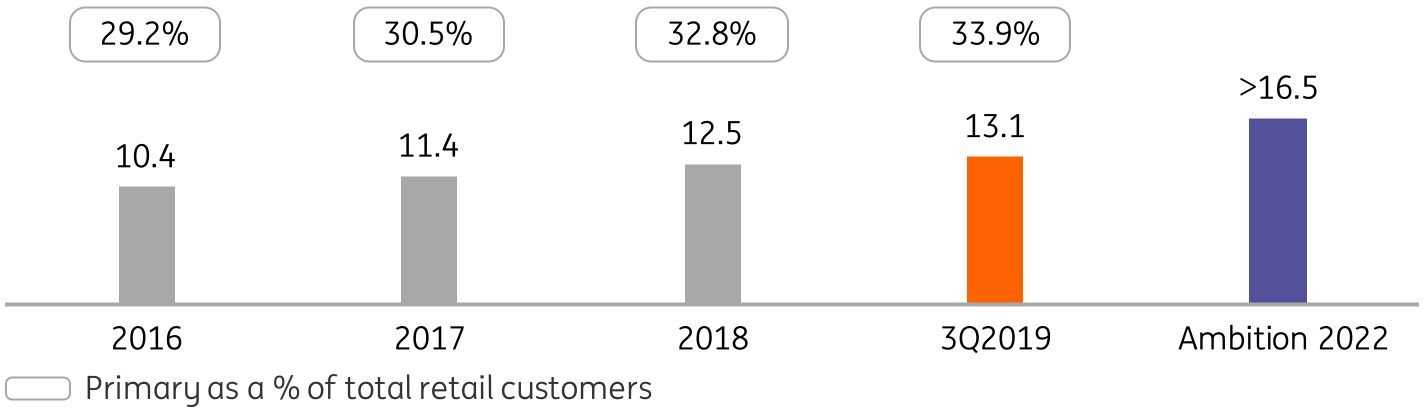
ING

Key points

- ING posted 3Q2019 net profit of €1,344 mln
- Primary customers increased by 165,000 to 13.1 mln, representing more than one-third of our Retail customer base
- Net core lending growth in Retail was €3.6 bln
- In Wholesale Banking net core lending decreased by €4.6 bln, with volumes affected by the oil price and incidental large repayments
- Overall net core lending declined by €1 bln
- Results were supported by resilient lending margins, especially in mortgages, and higher fee income, which partly countered margin pressure on customer deposits and higher costs related to KYC
- On a four-quarter rolling average basis, the underlying return on equity was 10.3%
- ING Group's CET1 ratio improved to 14.6%
- We do expect to see effects on capital from banking regulation and reviews in the coming quarters
- We continue to take steps to counter financial and economic crime by strengthening our global KYC organisation, as well as by using technology and our innovation skills

Commercial momentum remained strong in Retail

Target to reach >16.5 mln primary customers* by 2022



Net promoter scores (NPS)

3Q2019

#1 in **6** out of 13 retail countries

Core lending

3Q2019 net growth

€ **+3.6** bln
Retail Banking

€ **-4.6** bln
Wholesale Banking

Customer deposits

3Q2019 net growth

€ **+4.4** bln

* Definition: active payment customers with recurring income and at least one extra active product category

Countering financial and economic crime remains our priority

Continued focus on improving Know Your Customer (KYC)

- We made further progress in strengthening our global KYC organisation and governance structure throughout ING
- In Italy, we continue to take steps to improve processes and management of KYC as required by Banca d'Italia
- Five large Dutch banks, including ING, have announced they will investigate the possibilities to cooperate on transaction monitoring. This follows the plan of action to investigate data-sharing, as presented by the Dutch ministers of Justice and Finance in June 2019

We keep developing tools to increase accuracy and effectiveness in the management of our non-financial risks

- In the Netherlands, a tool was created to improve the file enhancement process for SME customers, by **digitalising the data needed for transaction analysis**
- In Turkey, we use an API (application programme interface) to integrate our banking systems with the country's trade registry, which gives us **quicker access to more accurate data on legal entities**
- We developed SparQ, a global platform that uses AI **to automate the process of turning regulation into policy**. It gives insight into applicable regulations, identifies changes, helps analyse documents and can link regulation directly to our policies

Strong mortgage growth at improved margins in Spain

We have introduced a new mortgage relationship model…

- A new call center platform, fully dedicated to mortgages, provides every applicant with a single point of contact throughout the application process
- The new model leads to a much improved conversion ratio, less incoming calls and higher customer satisfaction

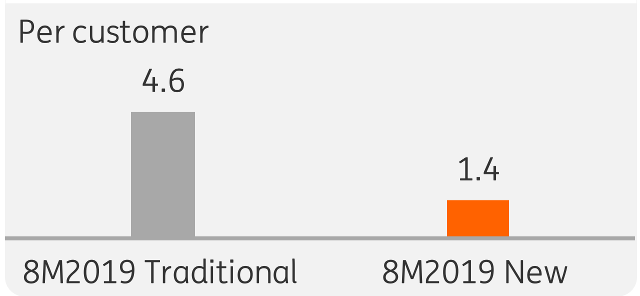
…and improved our risk acceptance process

- We introduced updated scoring models, using new generation scorecards which leverage more comprehensive data and advanced methodologies

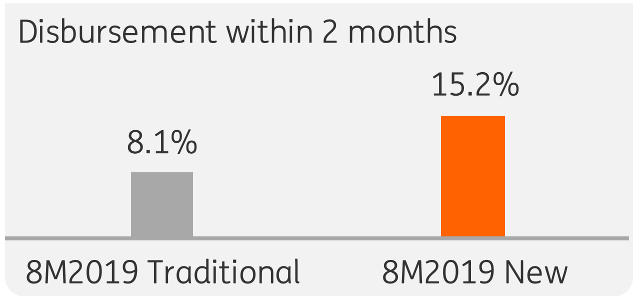
Improved customer experience and market share in 2019

Comparing traditional to new model ytd August 2019 except for market share

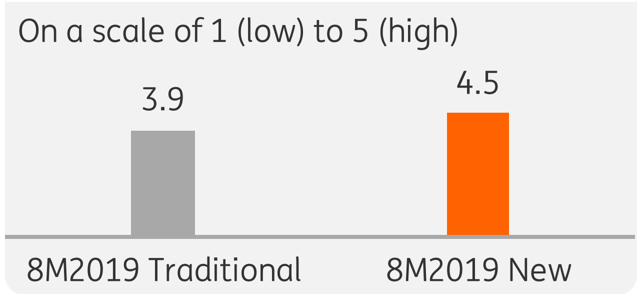
# of inbound calls*



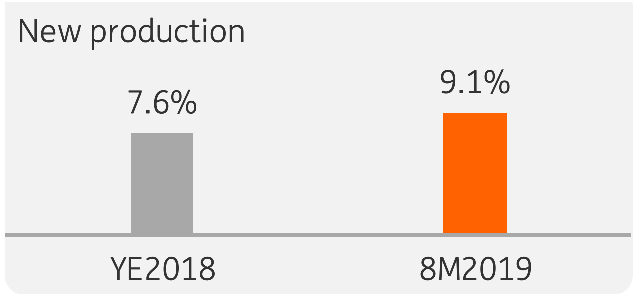
Conversion**



Customer satisfaction



Market share



* Per customer from positive initial risk scoring to disbursement
** Conversion of 'Ready to buy' customers (property already selected) from passing initial risk scoring to disbursement of the mortgage amount (within 2 months)

We continue to take action to combat climate change

Important milestones achieved in 3Q2019

- ING signed the UN-backed Principles for Responsible Banking as a founding member – one of 131 banks representing one-third of the world's banking assets
- ING and more than 30 banks turned the Principles for Responsible Banking into action by signing the Collective Commitment to Climate Action
- ING signed the Dutch Climate Agreement, which is the Dutch government's interpretation of the Paris Agreement
- ING released the first progress report on the Terra approach, our science-based approach to steer our lending portfolio towards meeting the Paris Agreement's two-degree goal. We are the first bank to publish specific climate alignment disclosures
- ING and the European Investment Bank (EIB) are making €400 mln available for large business customers in the Netherlands, Belgium and Luxembourg to invest in sustainable projects

Strong sustainability deal activity in 3Q2019

- We also help our customers reach their sustainability goals. In 3Q2019, ING has supported 11 sustainability improvement loans, plus 5 green loans and 12 sustainable bonds, several of them structured by ING

PORSCHE	€1 bln Green Schuldschein – 1st Green Schuldschein for a car manufacturer
e·on	€1.5 bln Green bond – 1st Green bond for the company
中粮国际 COFCO INTL	$2.3 bln Sustainability Improvement Loan – 1st Sustainability Improvement Loan for the company

ING

Business profile and strategy

Think Forward has been accelerated through structural changes

Think Forward strategy on a page

Purpose

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

Customer Promise

- Clear and Easy
- Anytime, Anywhere
- Empower
- Keep Getting Better

Strategic Priorities

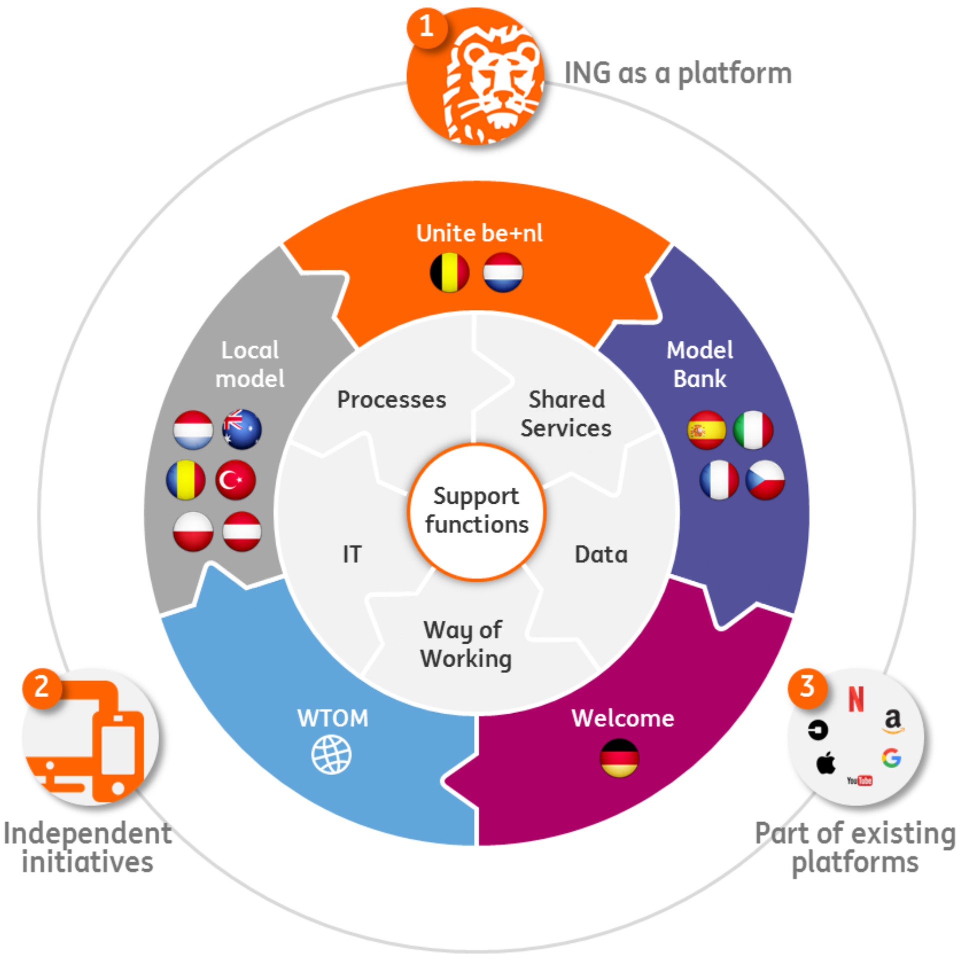
Creating a differentiating customer experience

1. Earn the primary relationship
2. Develop analytics skills to understand our customers better
3. Increase the pace of innovation to serve changing customer needs
4. Think beyond traditional banking to develop new services and business models

Enablers

Simplify & Streamline | Operational Excellence | Performance Culture | Lending Capabilities

Transformation and platform programmes



We are transforming into a dynamic digital player

	Classic bank	Dynamic digital player
Customers	• Mature, established	• Explorers, change-oriented
Products	• Owned	• Open architecture where relevant
Strategy	• Defensive, cost efficiency-focused	• Offensive, differentiation-focused
Time-to-volume	• Long	• Short
Footprint	• Regional	• Global
Resources	• Branches • Relationship managers • Tailored, country-specific, legacy systems	• Mobile/digital applications • Customer service teams • Modular, scalable, cutting-edge systems
Funding source	• Depositors	• Diversified, incl. directly from third parties
Fee model	• Multiple (high) fees (under threat)	• Relationship contribution fee
Cost drivers	• Personnel, loan loss provisions	• IT infrastructure
Where do we stand in such transition?	Single-market, branch-led, owned-products bank Wholesale Banking Retail Benelux	Retail Growth Markets Retail Challengers Cross-border digital scalable player

Digital DNA and experience creating cross-border scalability are advantages

20+ years of experience as **direct banking pioneer**

1st bank to implement **agile** way of working

200+ fintechs we founded, partnered with and invested in

<9 months to launch **mobile-only** bank in the **Philippines**

Cross-border scalability: reduction of

~600 branches and

~2,000 FTEs uniting BE & NL

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

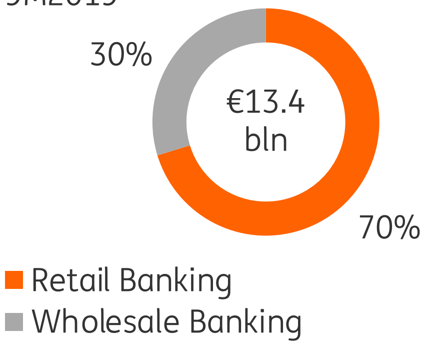
Wholesale Banking International Network

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

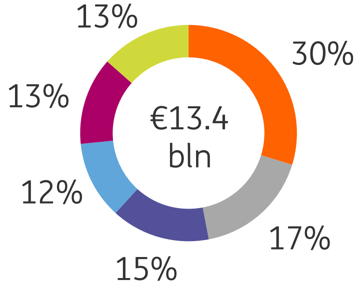
Underlying income*

9M2019



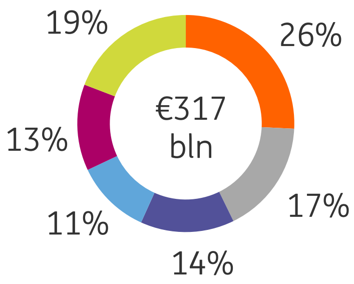
Underlying income*

9M2019



RWA (end of period)*

9M2019



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

* Segment "Other" not shown on the slide. For this segment (Corporate Line and Real Estate run-off portfolio), the underlying income was €497 mln for the 9M2019 period and RWA was €2.9 bln as per 30 September 2019

Consistent focus on creating operating leverage

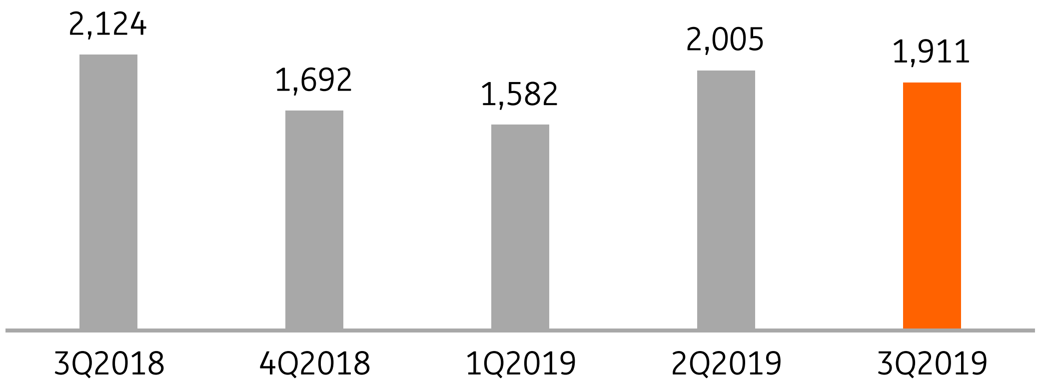
Roadmap from current market positions

	Retail Benelux	Retail Challengers & Growth Markets	Wholesale Banking	Financial ambitions
Income	↓	↑↑	↑	Focus on profitable lending and fee income
Costs	↓↓	↑	=	Cost discipline focus; some increases in markets that grow
Efficiency	↑	↑	↑	
	Scalability, Efficiency	Scalability, Growth	RWA optimisation and ROE focus	

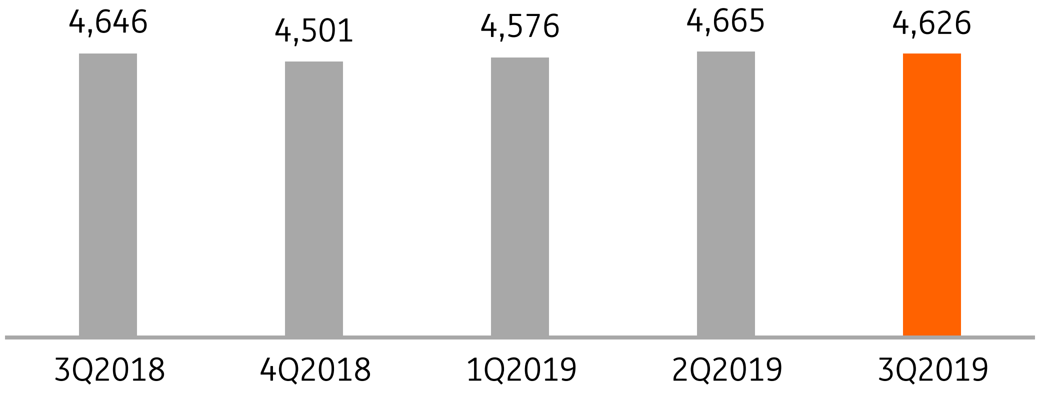
3Q2019 results

Income reflects robust lending margins and fee growth

Underlying pre-tax result (in € mln)



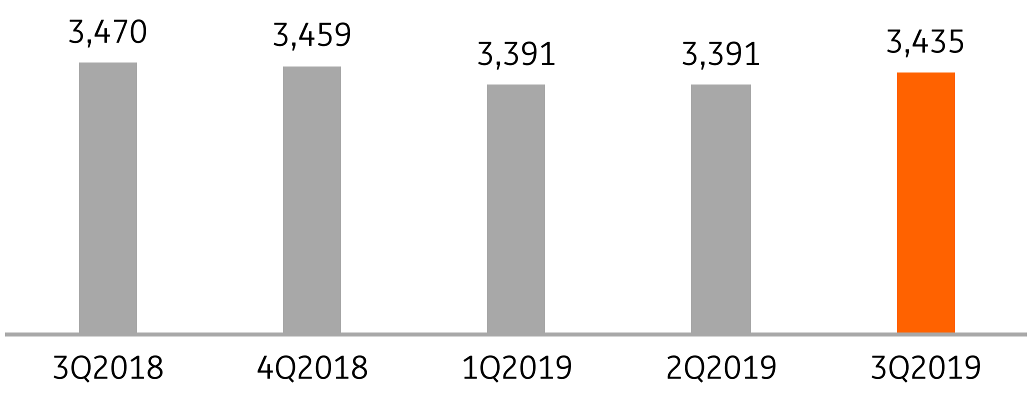
Total underlying income (in € mln)



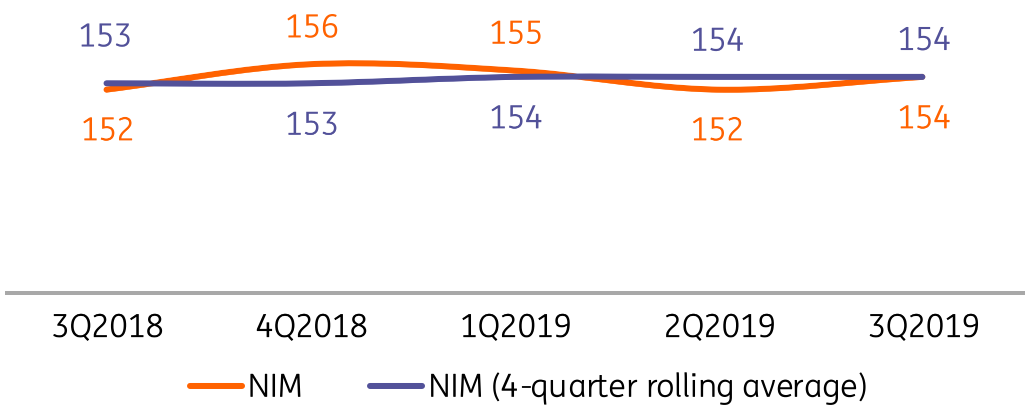
- 3Q2019 underlying result before tax was €1,911 mln, down 10.0% from a year ago, due to slightly lower income, higher expenses and higher (but still relatively low) risk costs
- Underlying income was €20 mln lower compared to 3Q2018 as improved margins on mortgages and higher fee income were offset by lower Treasury-related revenues and margin pressure on customer deposits
- Sequentially, the decrease in pre-tax result was almost fully caused by lower Treasury-related revenues and higher risk costs

NII improved quarter-on-quarter; 4-quarter rolling NIM at 154 bps

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



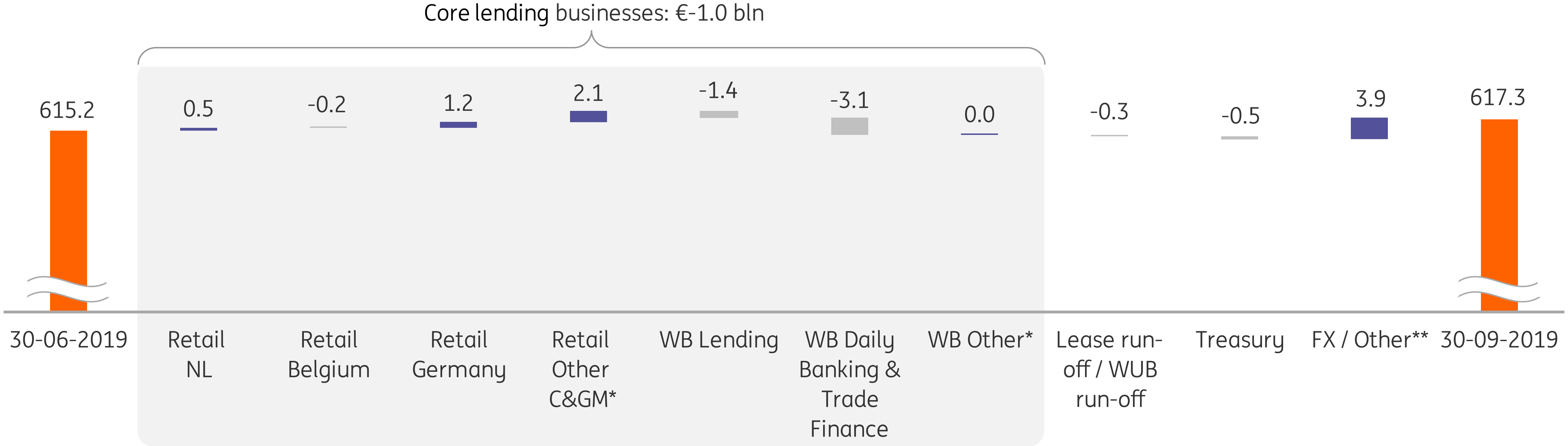
Higher NIM partially explained by FM (in bps)



- Net interest income, excluding Financial Markets, decreased 1.0% compared to 3Q2018, as higher volumes in customer lending and improved margins on mortgages were more than offset by lower interest margins on customer deposits and lower NII from Treasury-related activities
- NII increased quarter-on-quarter
- NIM was 154 bps, up two basis points on 2Q2019. This was mainly attributable to higher (volatile) interest results in Financial Markets, combined with higher interest income on Treasury and improved margins on mortgages. These factors compensated for lower interest margins on customer deposits

3Q2019 net core lending

Customer lending ING Group 3Q2019 (in € bln)

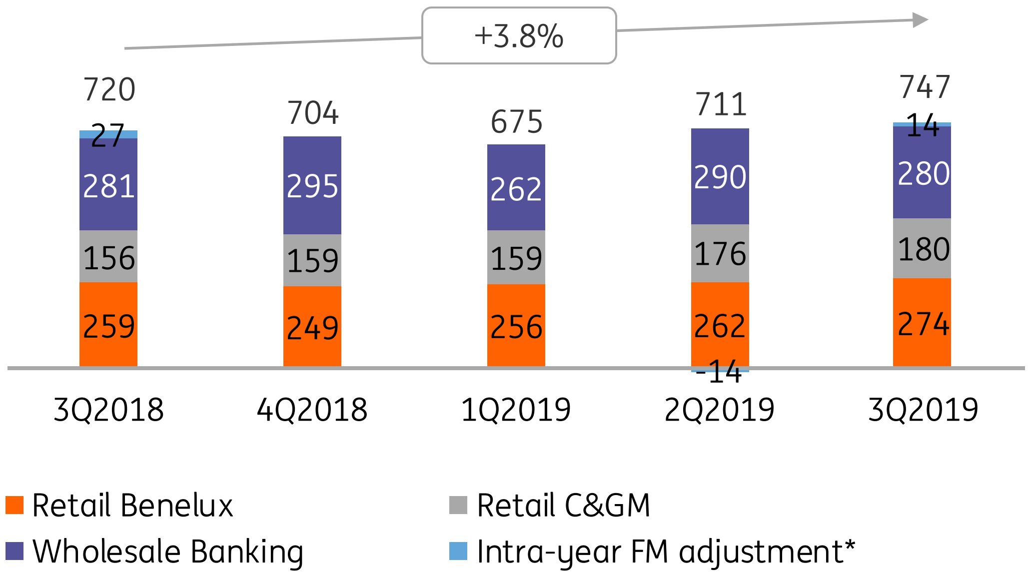


- Our net core lending declined by €1.0 bln in 3Q2019:
  - Retail Banking increased by €3.6 bln of which €3.4 bln was mortgage growth in most countries and €0.2 bln was other lending growth
  - Wholesale Banking reported a decrease of €4.6 bln, mainly in Daily Banking & Trade Finance, as the oil price impacted volumes, and in Diversified Lending due to repayments of some larger term loans

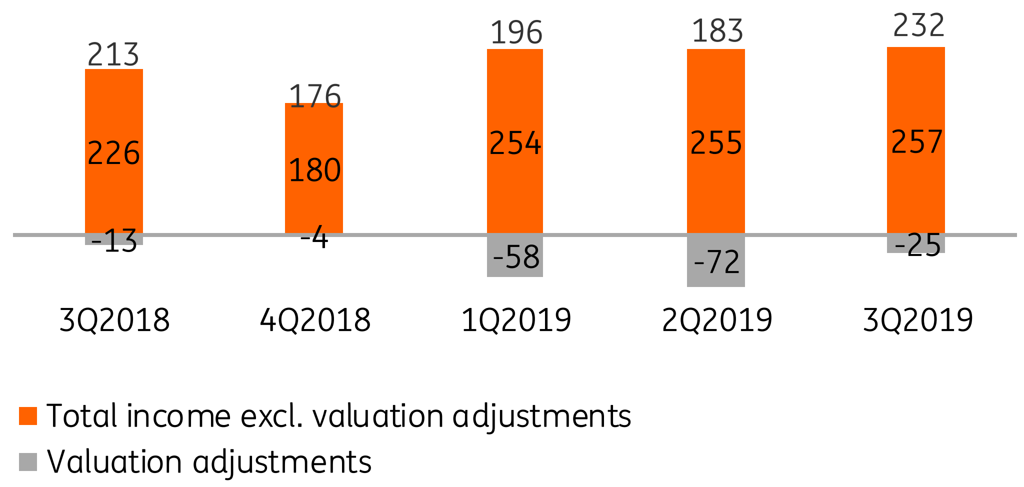
* C&GM is Challengers & Growth Markets; WB Other includes Financial Markets
** FX impact was €3.5 bln and Other €0.4 bln

Good fee income growth; higher FM with lower value adjustments

Net fee and commission income (in € mln)



Underlying income Financial Markets (in € mln)

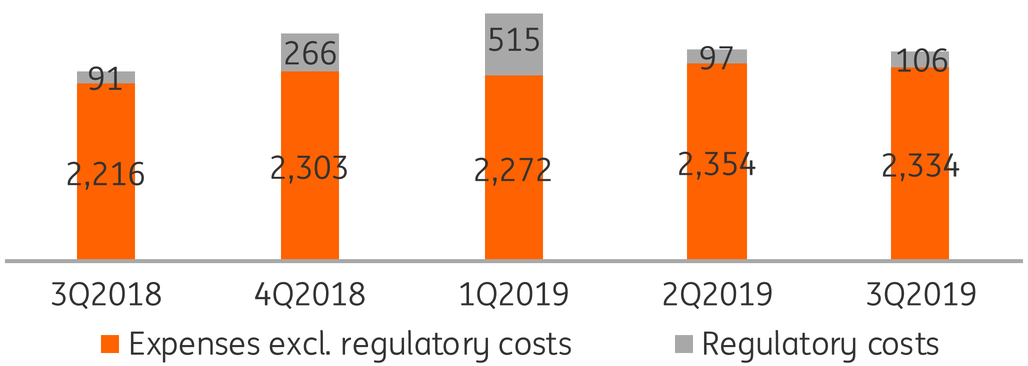


- Excluding FM adjustments, fee income rose by €40 mln YoY, or 5.8%, fully driven by higher fees in Retail Banking. Sequentially, adjusted fee income was €8 mln higher, reflecting the aforementioned growth in Retail Banking, partly offset by lower fee income in Wholesale Banking (mainly Corporate Finance and DB&TF).
- Financial Markets' total income increased by €19 mln compared to 3Q2018, primarily caused by higher income from Financing, Credit Trading and Global Capital Markets, which more than offset higher negative valuation adjustments. Sequentially, income was €49 mln higher, almost fully driven by lower negative valuation adjustments, while income in Rates increased slightly

* Increase in Wholesale Banking fees in 3Q2018 included €27 mln of income related to Global Capital Markets activities that was recorded under Other income in 1H18. In 3Q2019, an increase in fees of €14 mln in Wholesale Banking was caused by the reclassification of commissions paid in 2Q2019 to Other Income

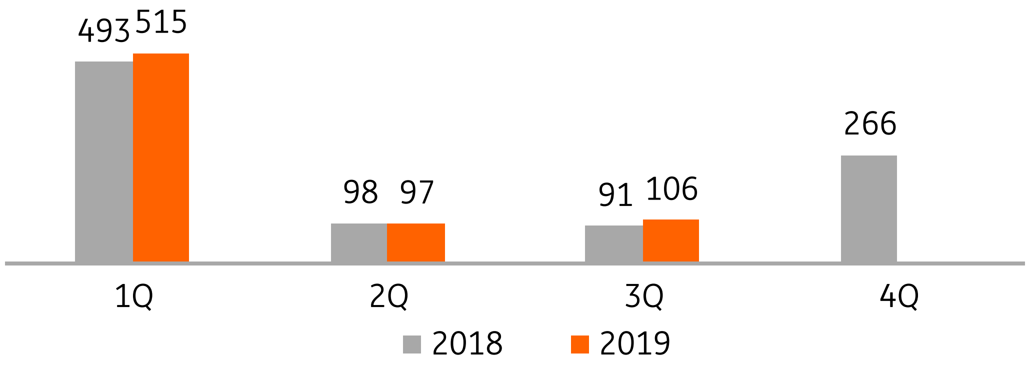
Expenses impacted by higher costs related to KYC

Underlying operating expenses (in € mln)

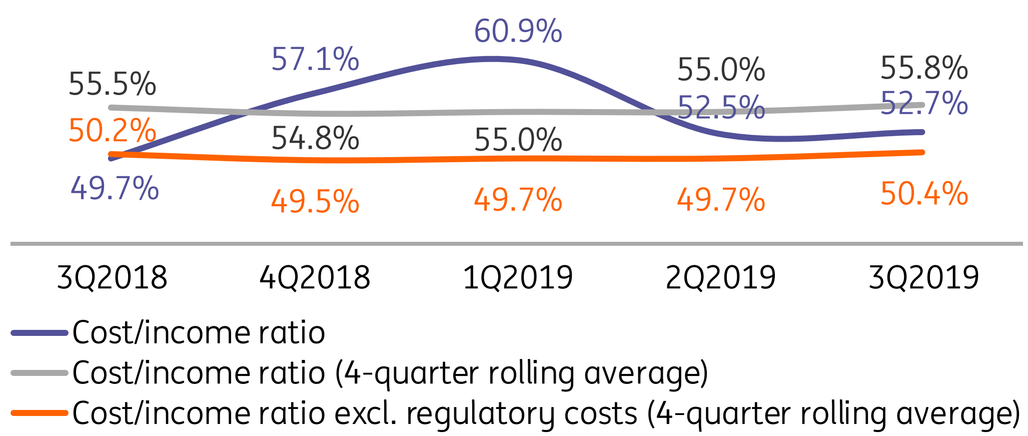


- Expenses excluding regulatory costs rose by €118 mln YoY. The increase was mainly due to approximately €50 mln of higher expenses related to KYC, €40 mln of legal provisions in C&GM, as well as higher expenses for business growth and salary increases, partly offset by a VAT refund in the Corporate Line
- Sequentially, expenses excl. regulatory costs decreased by €20 mln, as the VAT refund and 2Q2019 restructuring provision in Germany more than compensated for the legal provisions in Retail C&GM and almost €25m higher KYC-related expenses

Regulatory costs* (in € mln)



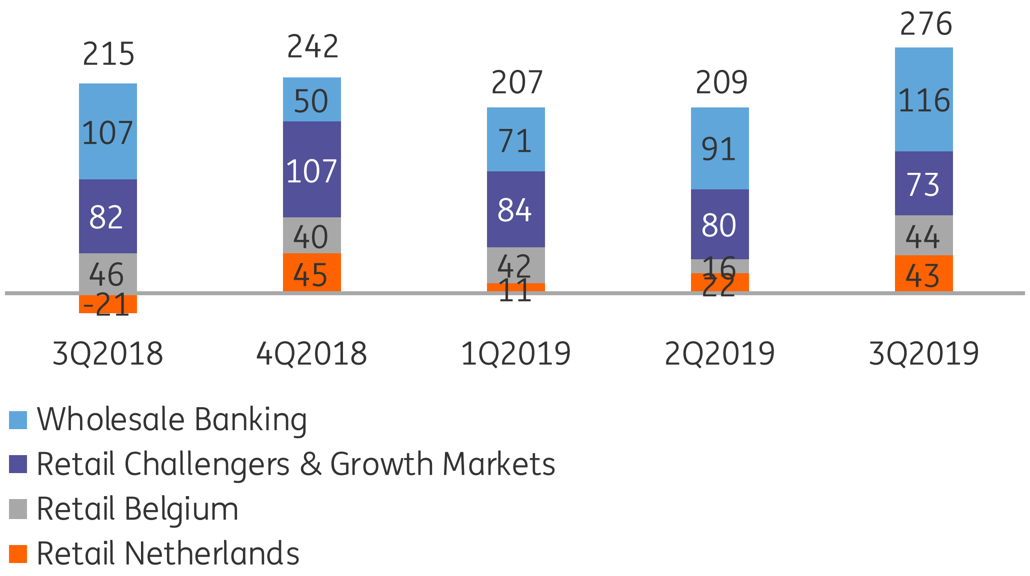
Underlying cost/income ratio



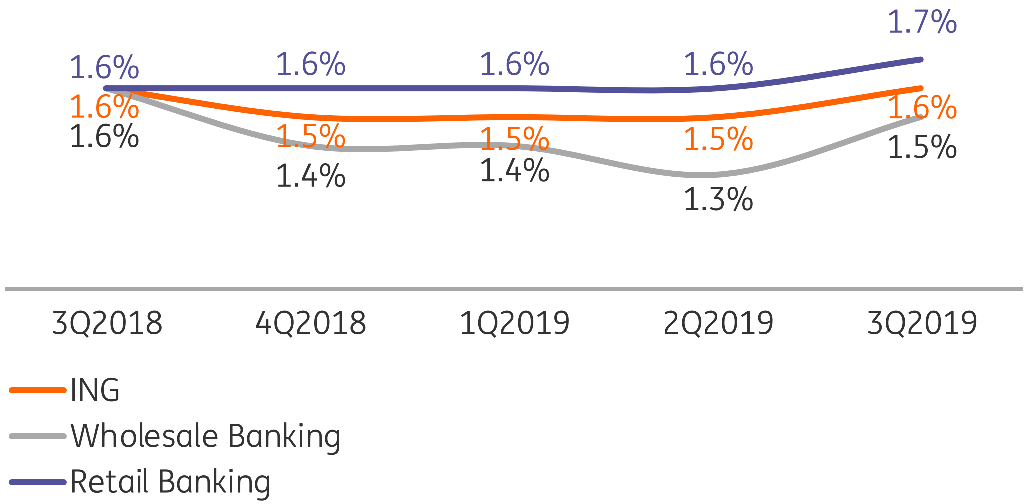
* Formal build-up phase of Deposit Guarantee Schemes (DGS) and Single Resolution Fund (SRF) should be completed by 2024

Risk costs up QoQ, asset quality remains strong

Risk costs (in € mln)



Stage 3 ratio



- 3Q2019 risk costs were €276 mln, or 18 bps of average customer lending, below the through-the-cycle average of approx. 25 bps. The bank's Stage 3 ratio increased slightly to 1.6%
- Retail Netherlands recorded higher risk costs of €43 mln, reflecting seasonality in other consumer lending and a change in house price index for Dutch mortgages. Retail Belgium risk costs higher at €44 mln, after very low risk costs on business lending in 2Q2019. Risk costs were lower in Retail C&GM at €73 mln, as the 2Q2019 net release in Germany was more than offset by lower 3Q2019 risk costs in Turkey and Poland
- WB risk costs increased to €116 mln, mainly due to some individual Stage 3 provisions in the Americas, Belgium and Poland

ING Group financial ambitions

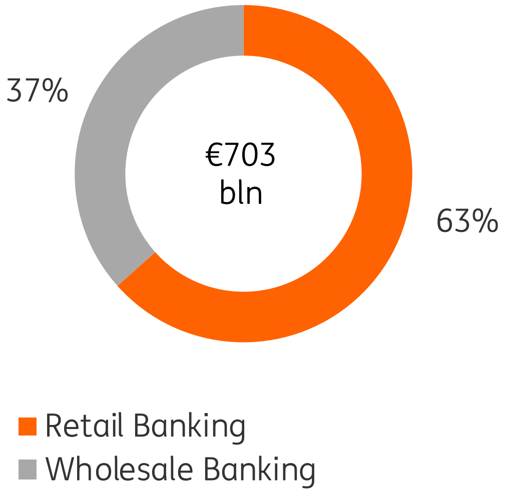
		Actual 2018	**Actual 3Q2019**	Financial ambitions
Capital	• CET1 ratio (%)	14.5%	**14.6%**	~13.5%* (Basel IV)
	• Leverage ratio (%)	4.4%	**4.4%**	>4%
Profitability	• Underlying ROE (%)** (IFRS-EU Equity)	11.2%	**10.3%**	10-12%
	• *Underlying C/I ratio (%)***	*54.8%*	***55.8%***	*50-52%*
Dividend	• Dividend (per share)	€0.68		Progressive dividend

* Implies management buffer (incl. Pillar 2 Guidance) of ~170 bps over prevailing fully loaded CET1 requirements (currently 11.83%, but is expected to rise to 11.96% in 2020 due to phasing-in of countercyclical buffers)
** 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 September 2019, interim profit not included in CET1 capital amounts to €1,711 mln, set aside for future dividend payments

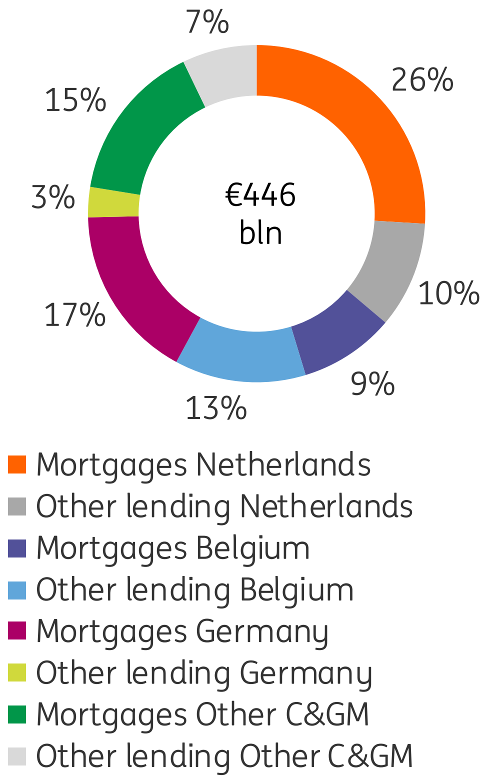
Asset quality

Well-diversified lending credit outstandings by activity

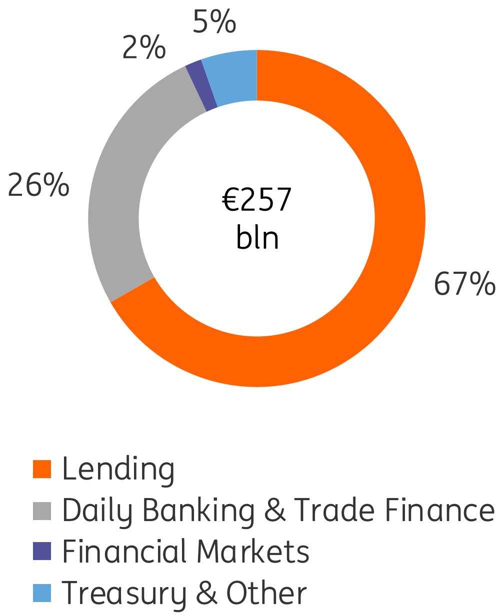
ING Group*



Retail Banking*



Wholesale Banking*



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

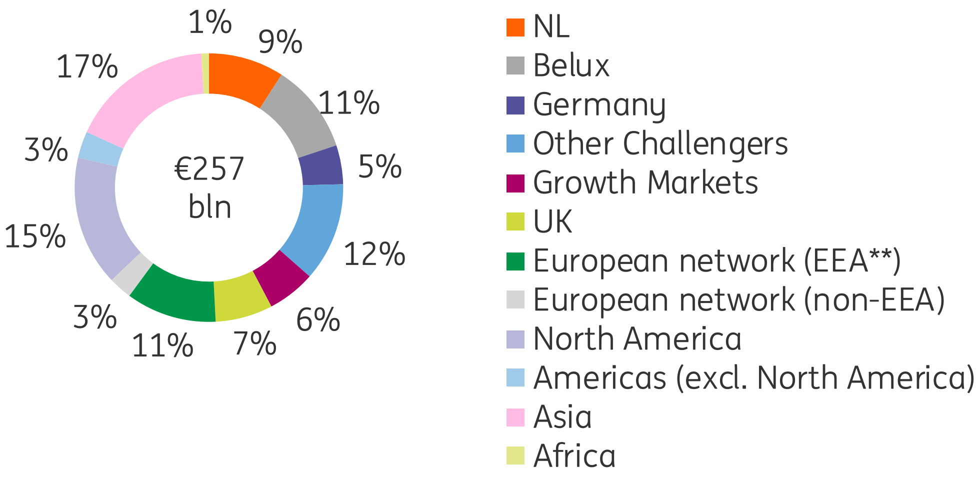
Note: percentages for Retail (Netherlands) and Wholesale Banking have changed versus 4Q2018 as Real Estate Finance portfolio related to Dutch domestic midcorporates was transferred to Retail Netherlands from Wholesale Banking as per 2Q2019

* 30 September 2019 lending and money market credit outstandings, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)

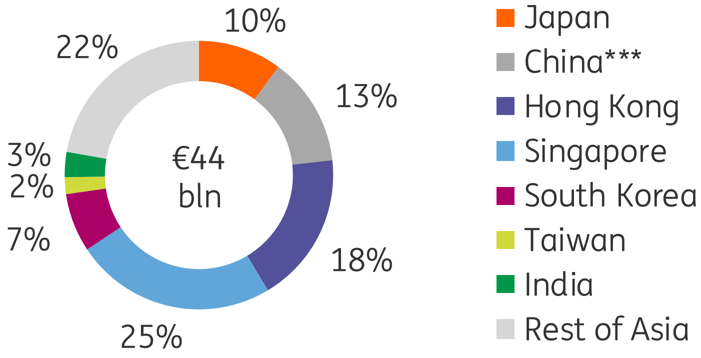
Granular Wholesale Banking lending credit outstandings by geography and sector

Loan portfolio is well diversified across geographies…

Lending Credit O/S Wholesale Banking (3Q2019)*

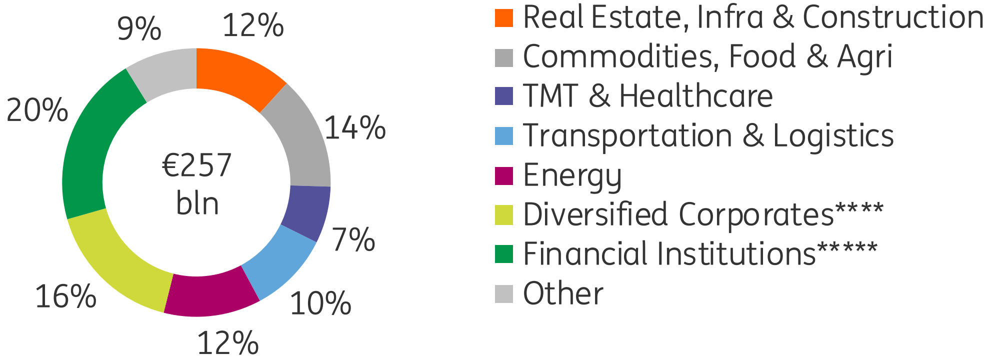


Lending Credit O/S Wholesale Banking Asia (3Q2019)*



…and sectors

Lending Credit O/S Wholesale Banking (3Q2019)*



Note: percentages for WB Netherlands are lower versus 4Q2018 as Real Estate Finance portfolio related to Dutch domestic midcorporates was transferred to Retail Netherlands from Wholesale Banking as from 2019
* Data is based on country/region of residence; Lending and money market credit O/S, including guarantees and letters of credit but excluding undrawn committed exposures (off-balance sheet positions)
** Member countries of the European Economic Area (EEA)
*** Excluding our stake in Bank of Beijing (€1.9 bln at 30 September 2019)
**** Large corporate clients active across multiple sectors
***** Including Financial sponsors

Detailed Stage 3 disclosure on selected portfolios

Selected portfolios (in € mln)

	Lending credit O/S 3Q2019	Stage 3 ratio 3Q2019	Lending credit O/S 2Q2019	Stage 3 ratio 2Q2019	Lending credit O/S 3Q2018	Stage 3 ratio 3Q2018
Wholesale Banking	**257,082**	**1.5%**	**251,034**	**1.3%**	**252,657**	**1.6%**
Lending	171,509	1.7%	157,162	1.5%	161,652	1.8%
Daily Banking & Trade Finance	67,594	1.1%	68,375	0.4%	71,660	0.3%
Selected industries						
Real Estate Finance*	34,028	0.9%	33,824	0.9%	33,536	1.5%
Oil & Gas related**	37,845	2.3%	38,607	1.7%	41,346	2.7%
Metals & Mining	16,323	2.7%	16,903	2.3%	15,994	3.1%
Shipping & Ports***	15,272	4.2%	14,931	3.3%	14,266	5.4%
Selected countries						
Turkey****	11,291	4.1%	11,437	3.6%	15,413	2.3%
Russia	5,533	0.1%	5,576	0.1%	4,688	2.7%
Ukraine	871	18.3%	833	23.7%	763	25.4%

* Includes both WB Real Estate Finance portfolio and Dutch domestic midcorporates portfolio which was transferred from Wholesale Banking to Retail Netherlands in 2Q2019
** Of which €3.0 bln (or 8% of Oil & Gas related exposures) are reserve-based lending activities
*** Shipping & Ports includes Coastal and Inland Water Freight which is booked within Retail Netherlands. Excluding this portfolio, Stage 3 ratio is 3.7%
**** Turkey includes Retail Banking activities (€4.4 bln)

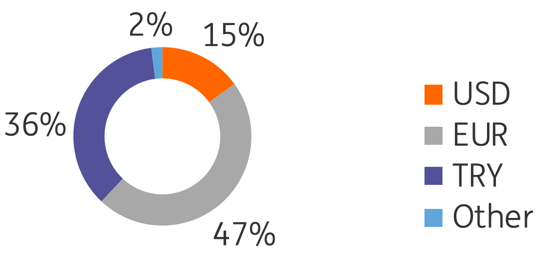
Overview Turkey exposure

Total exposure ING to Turkey* (in € mln)

	3Q2019	2Q2019	Change
Lending Credit O/S Retail Banking	**4,817**	**4,821**	**-0.1%**
Residential mortgages	537	525	+2.3%
Consumer lending	1,225	1,147	+6.8%
SME/Midcorp	3,054	3,149	-3.0%
Lending Credit O/S Wholesale Banking	**6,474**	**6,617**	**-2.2%**
Total Lending Credit O/S*	**11,291**	**11,437**	**-1.3%**

- Intra-group funding reduced from €2.5 bln at end-2Q2019 to €2.2 bln at end-3Q2019
- Outstandings reduced at a slower pace in 3Q2019 due to Turkish lira appreciation
- ING only provides FX lending to corporate customers with proven FX revenues; only limited rolling-over of FX lending facilities
- ECA-insured lending (Export Credit Agencies) is approx. €1.7 bln; approx. €0.8 bln of SME/Midcorp lending benefits from KGF cover (Turkish Credit Guarantee Fund)
- Quality of the portfolio remains relatively strong with a Stage 3 ratio of 4.1%

Lending Credit O/S by currency



Lending Credit O/S by remaining maturity

TRY**	~1 year
FX	~2 years

Stage 3 ratio and coverage ratio

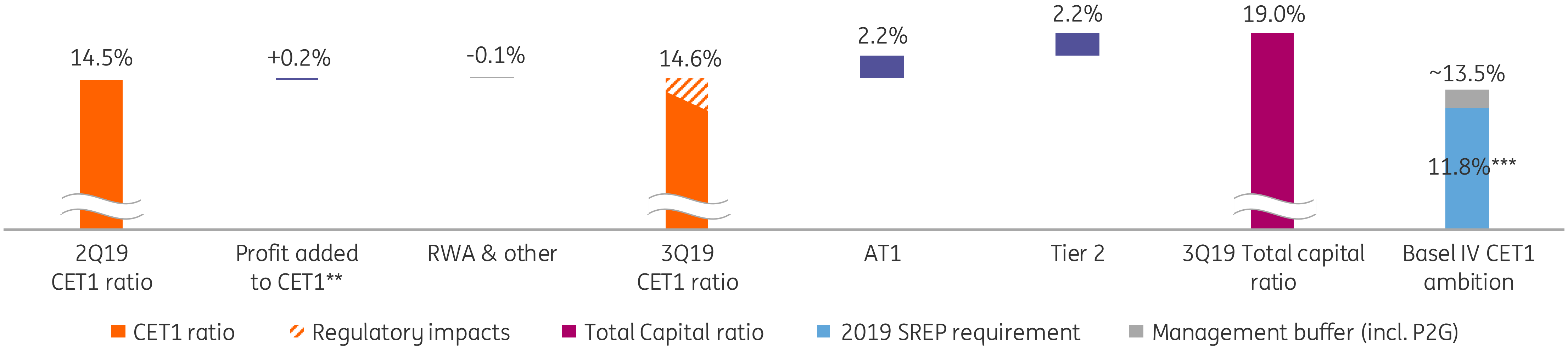
	3Q2019	2Q2019
Stage 3 ratio	4.1%	3.6%
Coverage ratio	49%	53%

* Data based on country of residence. Lending credit outstandings, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)
** Excludes residential mortgages, which have an average remaining maturity of ~6 years

Group capital, funding & liquidity

ING Group Total capital ratio up at 19.0% at the end of 3Q2019

ING Group Total capital ratio development*



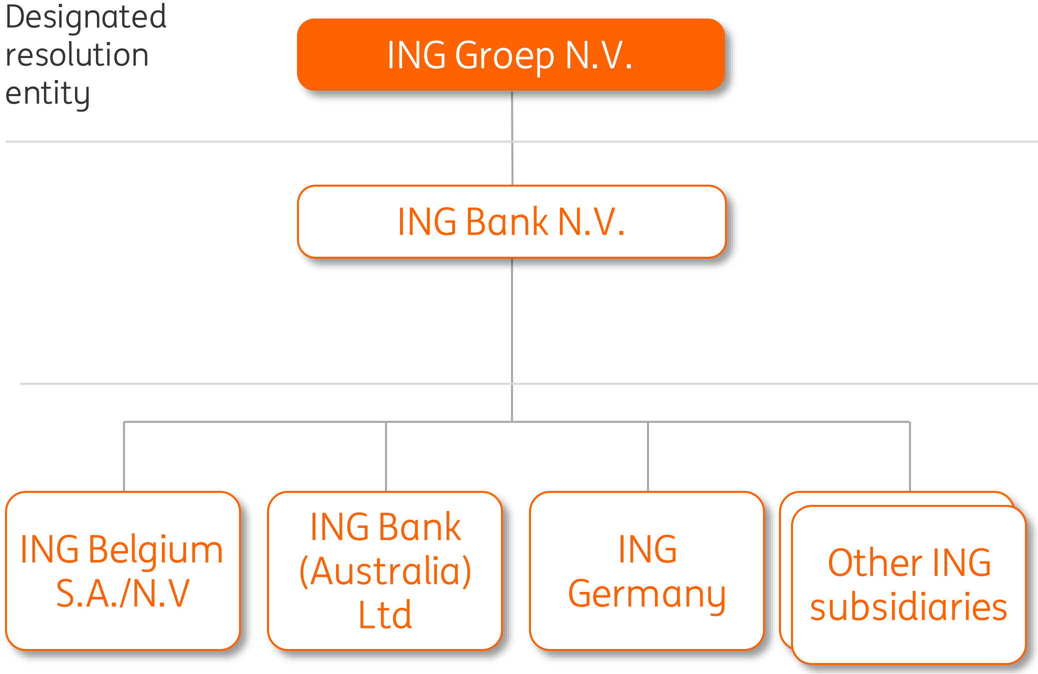
- 3Q2019 CET1 ratio increased to 14.6%, as the addition of quarterly net profit more than offset slightly higher RWAs. RWAs were up by €1.4 bln QoQ, mostly explained by higher Market and Credit RWAs, as model updates, lending growth and currency impacts were almost fully offset by positive risk migration. Operational RWA slightly decreased
- Approx. 80% of the Basel IV RWA impact is expected from revisions to internal models, effective as per January 2022. With a long implementation phase, management actions and the pending transposition of Basel IV into EU law, we are well positioned to achieve our CET1 ratio ambition of around 13.5%
- However, we expect other regulatory developments to potentially impact RWAs earlier (e.g. TRIM, DoD, other macro prudential add-ons) and to cause volatility in the coming quarters, though magnitude and timing of this regulatory impact remain uncertain

* Small differences in the graph due to rounding
** €462 mln which consists of 3Q2019 Group net profit of €1,344 mln minus €882 mln set aside for future dividend payments
*** Current SREP requirement is 11.83%, but is expected to rise to 11.96% in 2020 due to phasing-in of countercyclical buffers

Issuance entities under our approach to resolution

Issuance entities

Designated resolution entity



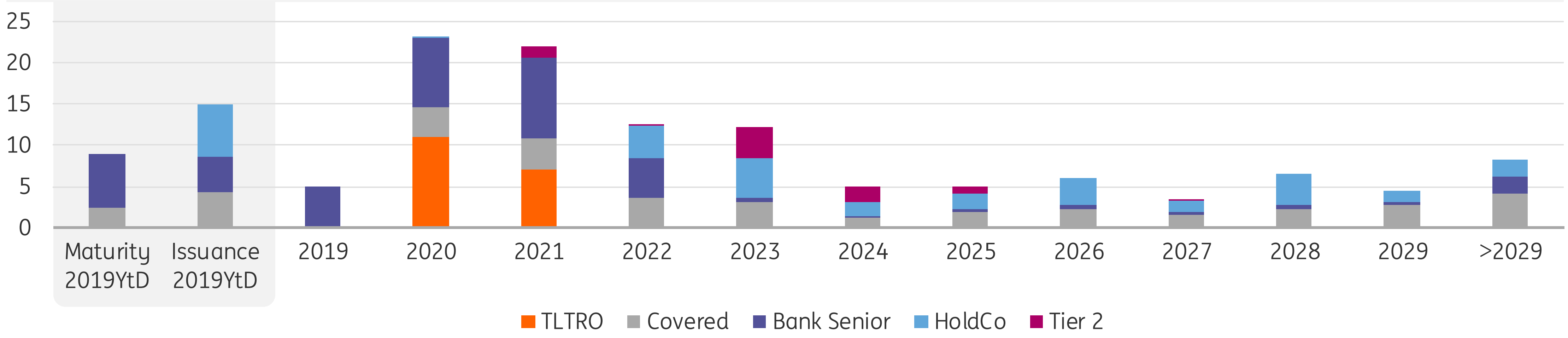
Eligible instruments for TLAC/MREL

	TLAC	Current MREL req.	Future MREL req.*
• Own funds (CET1 / AT1 / T2)	✓	✓	✓
• Senior unsecured debt (> 1 yr)**	✓	✓	✓
• Own funds	✓	✓	✓
• Senior unsecured debt (> 1 yr)	✗	✓	✗
• Secured funding	✗	✗	✗
• Operational funding needs (un)-secured debt	✗	✗	✗

* As per the SRB MREL policy from 16 January 2019
** As per the MREL/TLAC requirements, only debt with remaining maturity of >1yr is eligible

Long-term debt maturity ladder and issuance activity in 2019

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



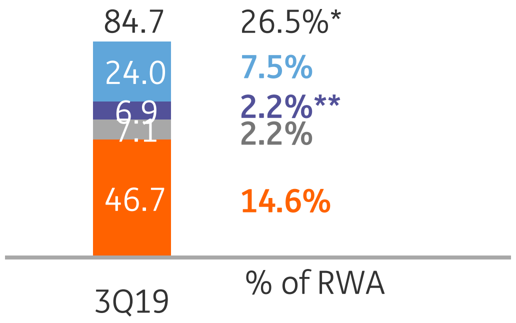
Issuance activity in 2019 year-to-date

- Total issuance YTD 2019 was ~€15 bln with ~€9 bln maturities over the same period**
- ~€2.5 bln of AT1 was issued in PerpNC5 and PerpNC7 formats
- ~€6.3 bln of HoldCo Senior debt was issued across various currencies (EUR, USD, JPY, AUD, and NOK)
- ~€3.4 bln of OpCo Senior Unsecured funding was raised through public and private channels
- ~€4.3 bln of covered bonds was issued through ING Bank N.V, ING Germany, ING Australia, and ING Bank Hipoteczny**
- ING Bank has ~€28 bln of Senior debt maturing from 2019 until 2022

* As per 30 September 2019. Tier 2 maturities based on 1st call date for callable bonds and contractual maturity for bullets. Excluding RMBS
** Including ING Bank Hipoteczny issuance from 10 Oct 2019

ING is on track with its 2019 issuance plan

ING Group instruments (in € bln)*



- HoldCo Senior unsecured
- Tier 2
- AT1
- CET1

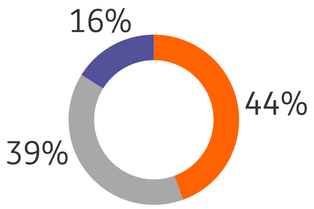
Key points

ING is currently meeting both MREL and TLAC requirements

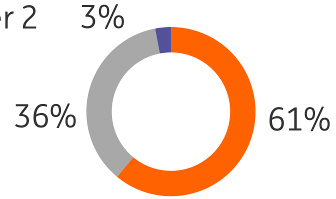
ING expects to receive a new consolidated requirement based on the latest rules by the SRB in 4Q2019/1Q2020 with a phase-in period

Currency split*

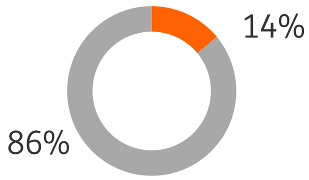
HoldCo Senior



Tier 2



AT1



EUR USD Other

Group / Bank issuance plan

Senior debt issuance

- ~€7-9 bln of HoldCo Senior was planned for 2019, tenors ≥ 5 yrs
  - 90% of the lower-end guidance has been issued already; further issuance, if any, will most likely be driven by balance sheet, funding and RWA developments
- Maturing OpCo Senior will be recycled as HoldCo Senior to the extent needed to further build the TLAC/MREL position following regulatory requirements
- OpCo Senior will be issued with tenors ≤ 4 yrs, for internal ratio management and general corporate funding purposes

Tier 2

- Outstanding Tier 2 of ~€8.1 bln translates into a Tier 2 ratio of 2.2%**
- We intend to refinance Bank Tier 2 with Group instruments
  - ~€5 bln is Group Tier 2 and ~€3 bln is Bank Tier 2

AT1

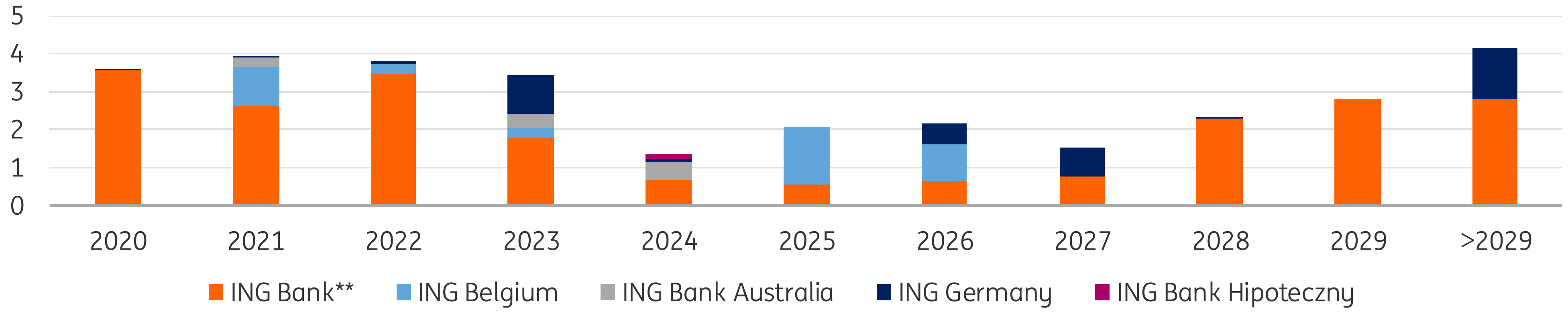
- Outstanding AT1 of €7.1 bln translates into an AT1 ratio of 2.2%
- ~€1.6 bln grandfathered until 31 Dec 2021 following the grandfathering rules*
- ~€5.5 bln CRD IV compliant

* TLAC requirements apply to ING Group at the consolidated level of the resolution group and are currently set at the higher of 16% of RWA or 6% TLAC leverage. Effective 1 January 2022, these requirements will increase to the higher of 18% of RWA or 6.75% of TLAC Leverage (to which the leverage ratio buffer requirement of 0.5% will then be added). The combined buffer requirement (5.58% of RWA as at 30 September 2019) will be added to the RWA-based TLAC requirement when CRDV has been incorporated into Dutch law.
** Including regulatory adjustments for Tier 2

Other subsidiaries remain active mainly through their covered bond programmes

	ING Bank N.V.	ING Belgium S.A./N.V	ING Bank (Australia) Ltd	ING Germany	ING Bank Hipoteczny
Instruments overview	• Secured funding • Senior unsecured	• Secured funding	• Secured funding	• Secured funding	• Secured funding
Outstanding	• Covered bond**: ~€22 bln • Senior unsecured: ~€33 bln	• Covered bond: ~€4 bln	• Covered bond: AUD$1.75 bln	• Covered bond: ~€4 bln	• Green Covered bond: PLN 400 mln
Covered Bond programme	• ING Bank Hard and Soft Bullet CB Programme • ING Bank Soft bullet CB Programme	• ING Belgium Residential Mortgage Pandbrieven Programme	• ING Australia Covered Bond Programme	• ING-DiBa Residential Mortgage Pfandbrief Programme	• ING Bank Hipoteczny Covered Bond Programme

Maturity profile covered bond (in € bln)*

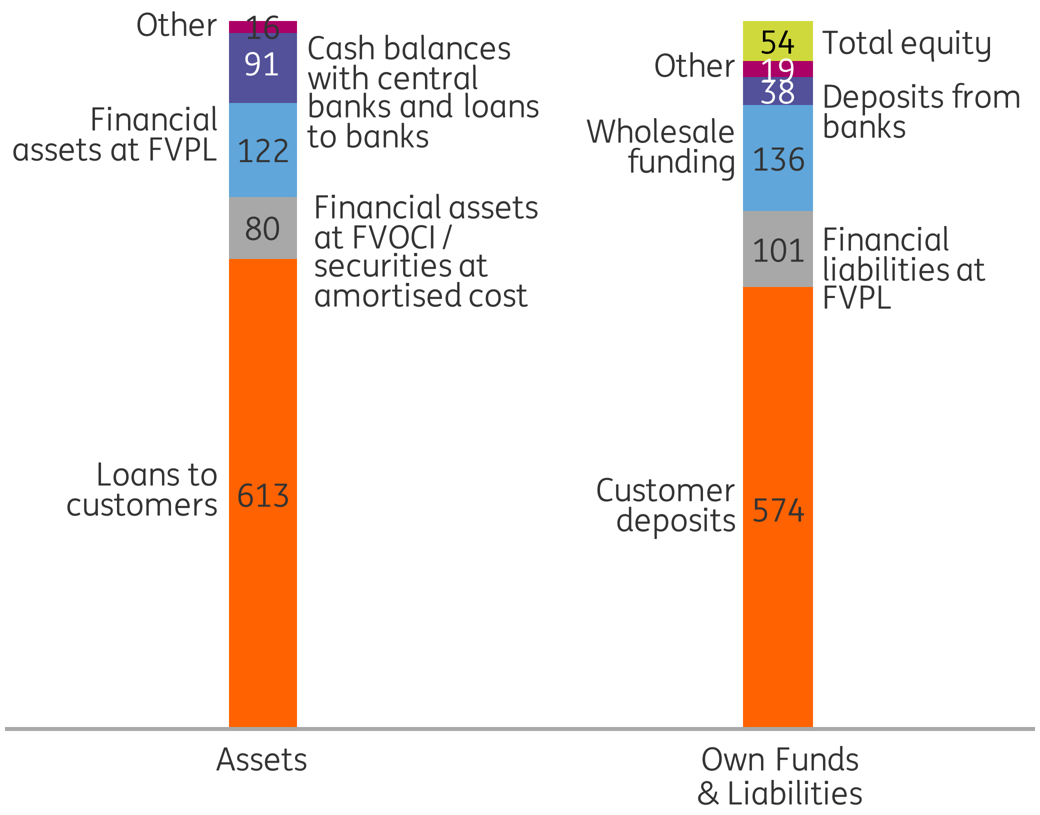


* As per 30 September 2019; Maturity ladder as per contractual maturity; Including ING Bank Hipoteczny issuance from 10 Oct 2019
** Outstanding for the ING Bank Hard and Soft Bullet CB Programme only

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 September 2019: €922 bln



High quality customer loan book

- See "Asset Quality" section of the presentation

Attractive funding profile

- 62% of the balance sheet is funded by customer deposits
- 89% of total customer deposits is Retail Banking based
- Attractive loan-to-deposit ratio of 107% as per 30 September 2019*

Conservative trading profile

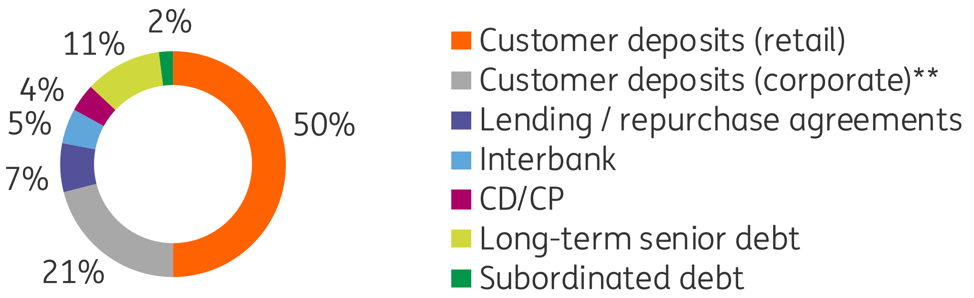
- Majority of our Financial Markets business is customer flow based where we largely hedge out positions, reflected in large but often offsetting assets and liabilities at FV positions
- Average VaR for ING's trading portfolio during 3Q2019 decreased to €5 mln from €6 mln in the previous quarter

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

Robust liquidity position

Funding mix*

30 September 2019



ING holds 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 126% in the third quarter of 2019
- 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
- ING currently does not have any Italian government, SSA or covered bonds in the investment portfolio

LCR 12-month moving average (in € bln)

	30 Sep. 19	30 Jun. 19
Level 1	127.1	127.4
Level 2A	4.3	4.2
Level 2B	4.3	5.0
Total HQLA	**135.7**	**136.5**
Outflow	**199.6**	**199.6**
Inflow	**92.3**	**91.5**
LCR	**126%**	**126%**

* Liabilities excluding trading securities and IFRS equity
** Includes SME/Midcorp from Retail Banking

Strong rating profile at both Group and Bank level

Main credit ratings of ING on 30 October 2019

	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	AA-
Outlook	Stable	Stable	Stable
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+
Outlook	Stable	Stable	Stable
AT1	BB	Ba1	BBB-
Tier 2	BBB	Baa2	A

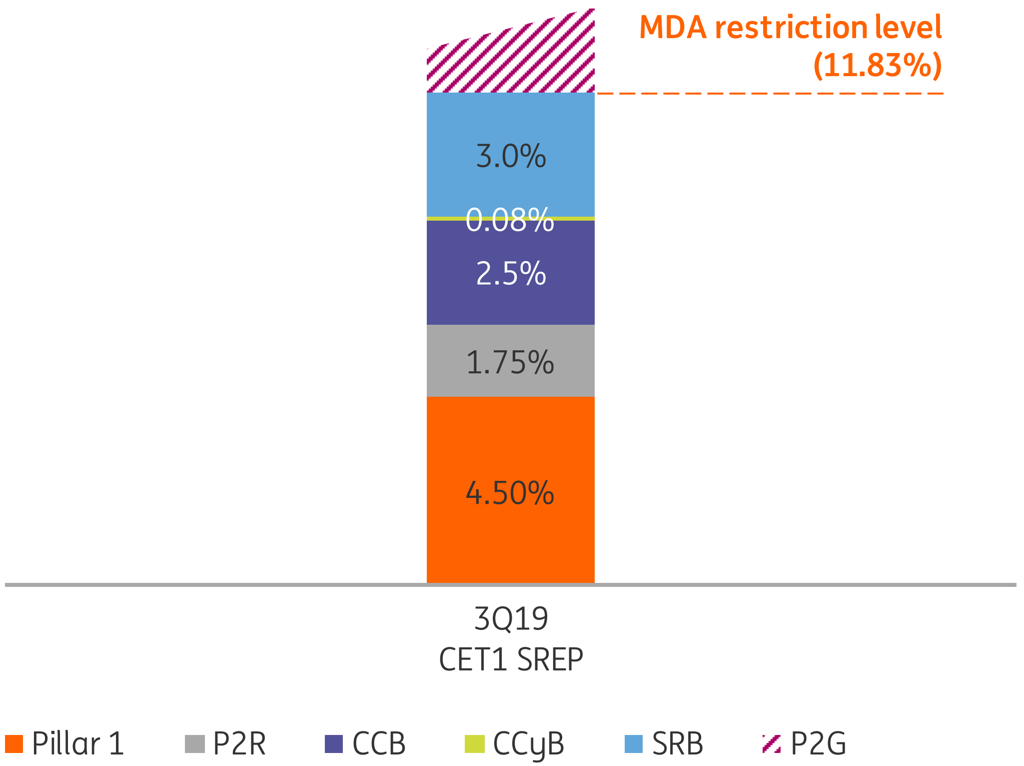
Latest ING rating actions

- Fitch: Feb-2019 ING Bank was upgraded to AA- from A+ with a stable outlook. The upgrade reflects the build-up of a significant and sustainable buffer of junior debt at the bank that could be made available to protect its senior third-party creditors from default
- 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 the 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

Managing our capital position above regulatory requirements

ING Group SREP*



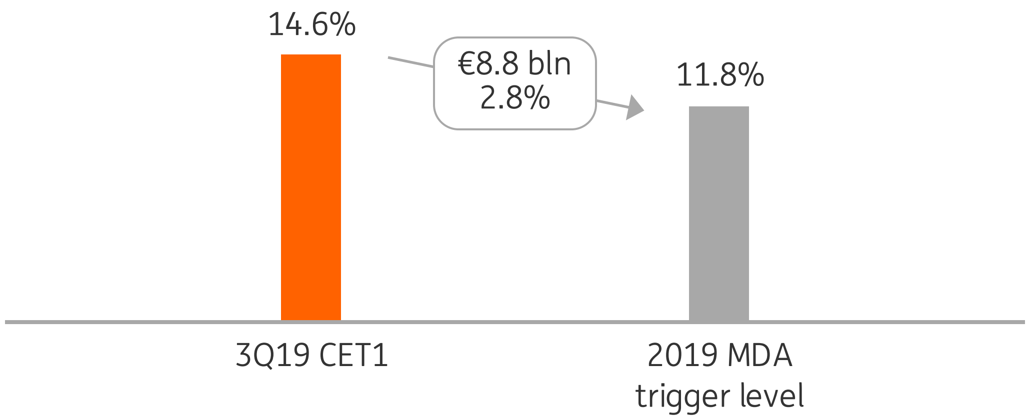
2019 SREP (Supervisory Review and Evaluation Process)

- Following the conclusion of the annual SREP process in February 2019, the European Central Bank has set ING Group's capital requirements for 2019
- A 11.83% CET1 ratio requirement applies as per 3Q2019, of which:
  - 4.50% Pillar 1 minimum (P1)
  - 1.75% Pillar 2 Requirement (P2R)
  - 2.50% Capital Conservation Buffer (CCB)
  - 3.00% Systemic Risk Buffer (SRB)
  - 0.08% Countercyclical Buffer (CCyB)
  - This excludes Pillar 2 Guidance (P2G)
- We have set a Basel IV CET1 ambition of around 13.5% implying a management buffer (including P2G) of ~1.7%

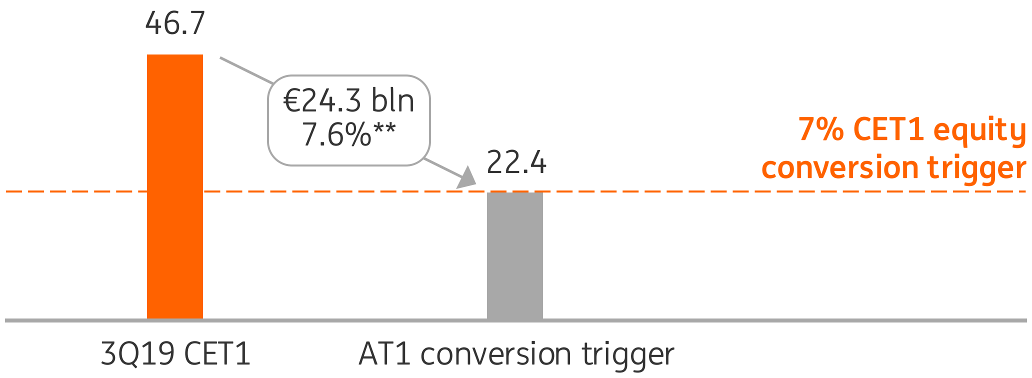
* Current SREP requirement is 11.83% but will increase to 11.96% in 2020 due to phasing-in of countercyclical buffers

Additional Tier 1: comfortable buffers to triggers

Buffer to MDA 3Q2019*



Buffer to Conversion Trigger 3Q2019 (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 11.83% as per 3Q2019 • ING's trigger level includes the 1.75% P2R and excludes P2G • As per 3Q2019, the buffer to the 2019 MDA restriction level is €8.8 bln or 2.8% of RWAs • This excludes €1,711 mln of profits that we have set aside for future dividend payments
Buffer to Conversion Trigger	• The ING Group capital buffer to conversion trigger (7% CET1) is high at €24.3 bln • This excludes €1,711 mln of profits that we have set aside for future dividend payments
Available Distributable Items	• AT1 discretionary distributions may only be paid out of distributable items • As per year-end 2018, ING Group had approx. €43 bln of available distributable items following the CRDIV definition

* Including Countercyclical buffer of 0.08% as per 3Q2019
** Difference between 14.6% ING Group phased-in CET1 ratio in 3Q2019 and 7% CET1 equity conversion trigger

Outstanding benchmark capital securities

(Additional) Tier 1 securities issued by Group

Currency	Issue date	First call date	Coupon	Issued	Outstanding**
USD (CRR/CRDIV compliant)	Sep-19	Nov-26	5.750%	1,500	1,500
USD (CRR/CRDIV compliant)	Feb-19	Apr-24	6.750%	1,250	1,250
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	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)	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

Most recent HoldCo Senior transactions

HoldCo Senior Unsecured, EUR issuances

ISIN	Issue date	Maturity	Tenor	Coupon	Currency	Issued	Spread
XS2049154078	Sep-19	Set-25	6yr	0.100%	EUR	1,000	m/s + 60
XS1933820372	Jan-19	Jan-26	7yr	2.125%	EUR	1,000	m/s + 170
XS1909186451	Nov-18	Nov-30	12yr	2.500%	EUR	1,500	m/s + 135
XS1882544973	Sep-18	Sep-28	10yr	2.000%	EUR	1,500	m/s + 110
XS1882544205	Sep-18	Sep-23	5yr	3mE + 85	EUR	1,000	3mE + 85
XS1882544627	Sep-18	Sep-23	5yr	1.000%	EUR	1,000	m/s + 80
XS1771838494	Feb-18	Feb-25	7yr	1.125%	EUR	1,000	m/s + 42

HoldCo Senior Unsecured, USD issuances*

ISIN	Issue date	Maturity	Tenor	Coupon	Currency	Issued	Spread
US456837AP87	Apr-19	Apr-24	5yr	3.55%	USD	1,000	T + 130
US456837AQ60	Apr-19	Apr-29	10yr	4.05%	USD	1,000	T + 158
US45685NAA46 (RegS/144a)	Nov-18	Jan-26	7yr	4.625	USD	1,250	T + 150
US456837AM56	Oct-18	Oct-28	10yr	4.550%	USD	1,250	T + 150
US456837AK90	Oct-18	Oct-23	5yr	4.100%	USD	1,500	T + 112.5
US456837AL73	Oct-18	Oct-23	5yr	3mL + 100	USD	500	3mL + 100

HoldCo Senior Unsecured, $AUD, JPY, GBP issuances

ISIN	Issue date	Maturity	Tenor	Coupon	Currency	Issued	Spread
JP552843AKE0	Feb-19	Feb-2029	10yr	1.074%	JPY	21,100	YSO + 77
JP552843BKE8	Feb-19	Feb-2024	5yr	0.810%	JPY	88,900	YSO + 88
XS1953146245	Feb-19	Feb-2026	7yr	3.000%	GBP	1,000	G + 210
JP552843AJQ6	Dec-18	Dec-23	5yr	0.848%	JPY	107,500	YSO + 75
JP552843BJQ4	Dec-18	Dec-28	10yr	1.169%	JPY	19,200	YSO + 90
XS1917902196	Dec-18	Jun-29	10.5yr	5.00%	AUD	175	ASW + 226
XS1917901974	Dec-18	Dec-22	4yr	3mBBSW+155	AUD	400	3mBBSW + 155

* HoldCo USD issues are SEC registered unless mentioned otherwise   Green bond

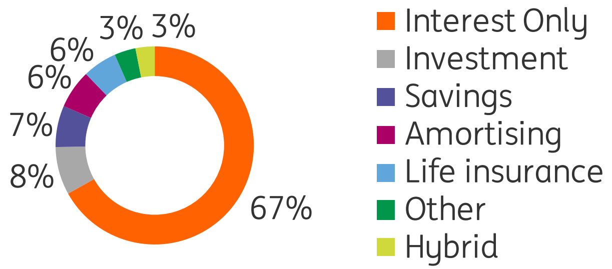
ING Bank's covered bond programme…

- 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 September 2019, 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 €2.0 bln 10 year covered bond in February 2019
- Latest investor reports are available on www.ing.com/ir

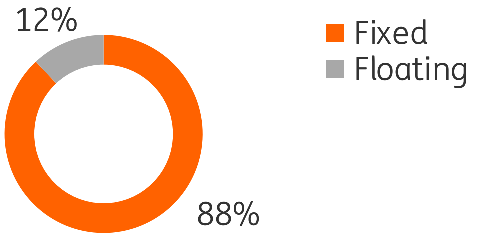
Portfolio characteristics (as per 30 September 2019)

Net principal balance	€26,114mln
Outstanding bonds	€21,289 mln
# of loans	157,570
Avg. principal balance (per borrower)	€165,793
WA current interest rate	2.82%
WA remaining maturity	16.77 years
WA remaining time to interest reset	5.50 years
WA seasoning	12.91 years
WA current indexed LTV	60.72%
Min. documented OC	2.89%
Nominal OC	22.71%

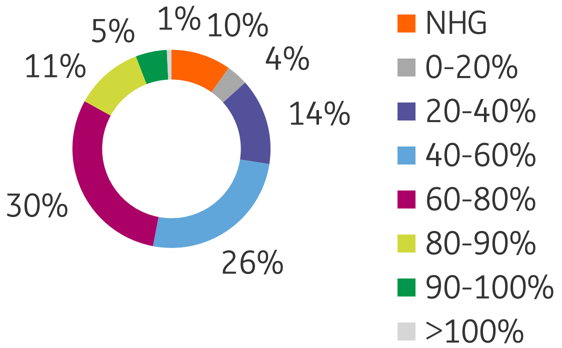
Repayment type



Interest rate type

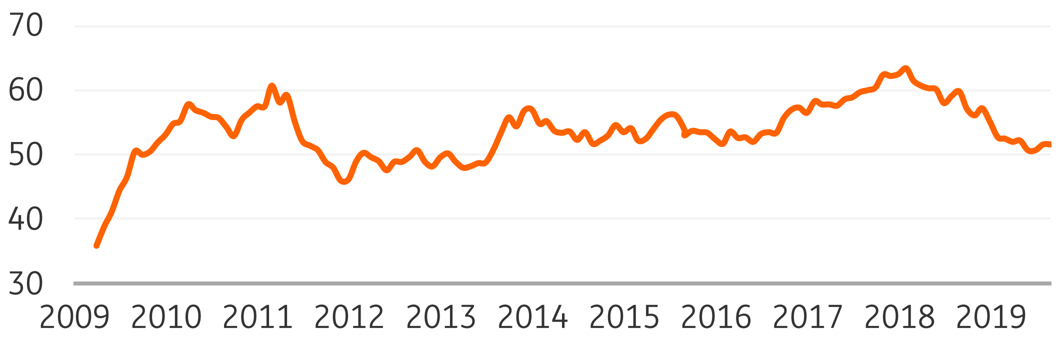


Current Indexed LTVs

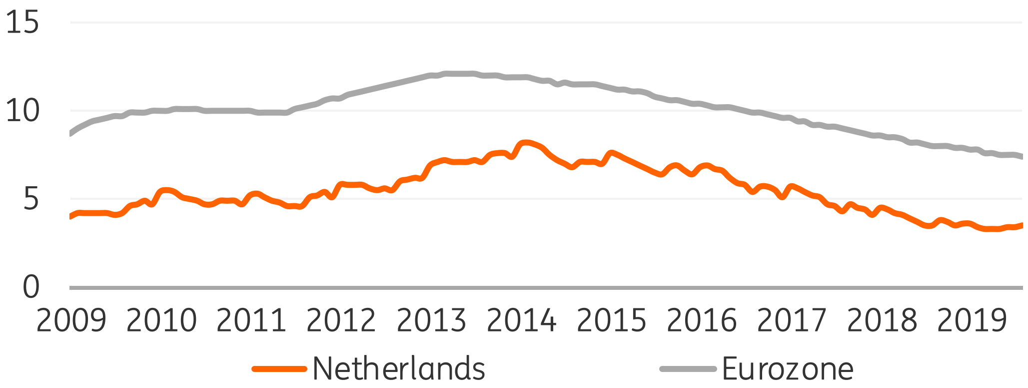


...benefiting from a continued strong Dutch economy and housing market

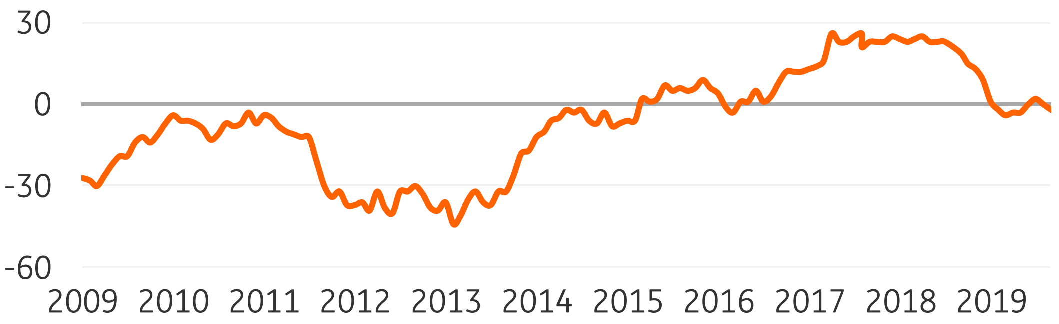
Dutch Purchasing Managers Index (PMI) was 51.6 as per end 3Q2019, which indicates positive industrial growth



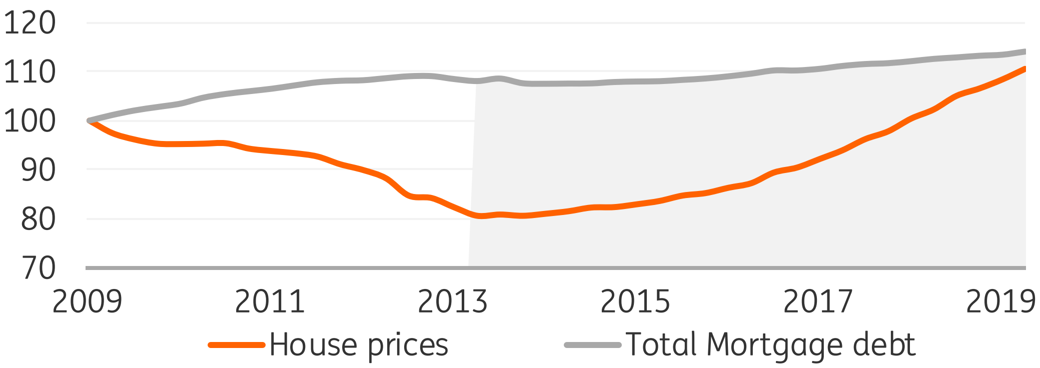
Dutch unemployment rate (%) is the lowest since 2007



Dutch consumer confidence remains low in 3Q2019



Dutch house price increases in the last five years are not credit-driven*



Source: Central Bureau for Statistics for all data besides Dutch PMI (IHS Markit) and Eurozone unemployment (Eurostat)
* Latest data 2Q2019

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 2018 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 the United Kingdom leaving the European Union or a break-up of the euro, (4) changes in the fiscal position and the future economic performance of the US including potential consequences of a downgrade of the sovereign credit rating of the US government, (5) potential consequences of a European sovereign debt crisis, (6) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, (7) changes in conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness, (8) changes affecting interest rate levels, (9) inflation and deflation in our principal markets, (10) changes affecting currency exchange rates, (11) changes in investor and customer behaviour, (12) changes in general competitive factors, (13) changes in or discontinuation of 'benchmark' indices, (14) changes in laws and regulations and the interpretation and application thereof, (15) changes in compliance obligations including, but not limited to, those posed by the implementation of DAC6, (16) geopolitical risks, political instabilities and policies and actions of governmental and regulatory authorities, (17) changes in standards and interpretations under International Financial Reporting Standards (IFRS) and the application thereof, (18) 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, (19) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (20) changes in credit ratings, (21) the outcome of current and future legal and regulatory proceedings, (22) operational 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, (23) risks and challenges related to cybercrime including the effects of cyber-attacks and changes in legislation and regulation related to cybersecurity and data privacy, (24) the inability to protect our intellectual property and infringement claims by third parties, (25) the inability to retain key personnel, (26) business, operational, regulatory, reputation and other risks in connection with climate change, (27) ING's ability to achieve its strategy, including projected operational synergies and cost-saving programmes and (28) the other risks and uncertainties detailed in this 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. (29) 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.

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