ING Credit Update 1Q2021

ING Investor Relations

6 May 2021

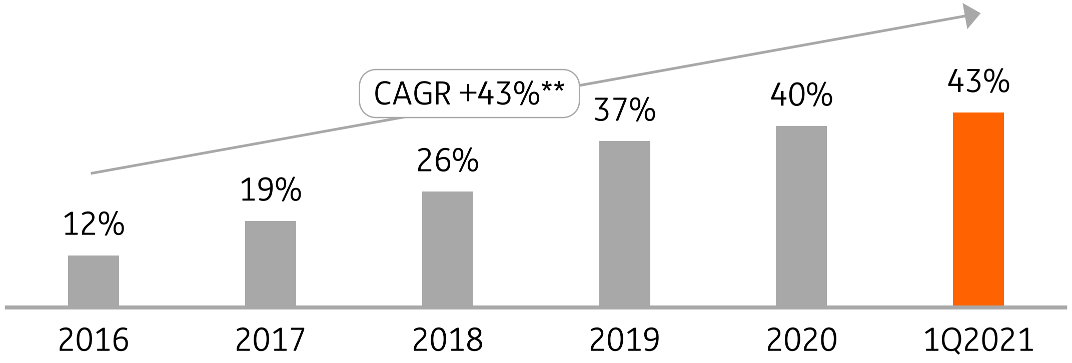
do your thing

Key points

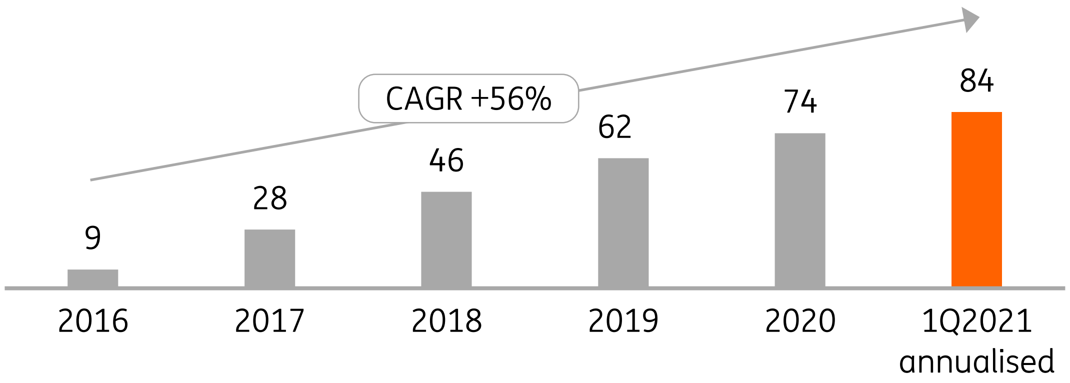
- We continue to provide support to customers, employees and society in coping with the effects of the Covid-19 pandemic. With vaccination programmes progressing globally, we look forward to return to more normal circumstances in the near future
- At the same time, we continue our efforts to build a future proof company for the long term, which is reflected in our focus on continued digitalisation and ESG
- Our geographical and product diversification enables us to have stability in income and allows us to capture areas of growth as economies recover. Combined with the ongoing optimisation of our business, we are well positioned to return to an ROE in line with our 10-12% ambition
- Pre-provision result was resilient, supported by the inclusion of the TLTRO III benefit in NII, continued strong fee growth and cost control, despite margin pressure on customer deposits
- After a net decrease in 2020, net core lending grew by €17.8 bln, mainly reflecting TLTRO III eligible lending, while net deposit inflow continued to be high at €8.1 bln
- Fee growth was strong, as higher fees on investment products and daily banking packages more than compensated for the impact of the Covid-19 pandemic on fees related to payments and lending
- Risk costs were €223 mln. The Stage 3 ratio declined to 1.6% and we are confident about the quality of our loan book
- 1Q2021 CET1 ratio was stable at 15.5%, with 50% of 1Q2021 resilient net profit reserved outside of CET1 capital for distribution

We continue with our modular approach to support our digital-only, mobile-first strategy

% of mobile-only active customers*



Annual mobile non-deposit sales per 1,000 active customers



* Definition: Retail customers who used the channel at least once in the last quarter
** CAGR for number of mobile-only customers among active customers who contact us

Our Touch Point (TP) technology platform enables the shift from local to scalable business propositions

- TP technology offers services and modular components, that enable us to easily build and re-use propositions across ING, including
  - Unified design and user experience
  - One solution for customer authentication, consent and security
  - API & stream management solutions
  - Unified access to customer agreements and permissions
- Through this we build a scalable tech foundation, to be rolled out globally, which enables local value propositions to become global solutions
- Next step is to accelerate the implementation of the TP technology by our countries
- As we continue to make progress, we will benefit through
  - Shorter time to market, as more services are provided through TP
  - Shorter time to volume, as more apps and customers are connected

Our ESG focus supports a future proof ING and drives long-term value creation

A strong governance structure

drives the right behaviour, delivers on evolving regulatory requirements and protects our employees, customers and society

- Behavioural Risk Management
- KYC Enhancement Program
- Orange Code

A diverse and engaged workforce

makes us more adaptive and inventive, and enables us to better serve our diverse customer base

- 70% principle for teams
- Workplace Pride Founder & Ambassador
- OHI* survey

A focused approach to the environmental and social transition

enables us to capture opportunities and manage risks related to climate change and human rights

- Terra approach
- Sustainable Finance
- Environmental & Social Risk policy (ESR)

A sustainable and trusted company

attracts talent, clients and a long-term focused investor base

* Organisational Health Index

Future proofing the business drives performance at ING in Poland

A strong digital proposition…

Our **Moje ING app** is amongst the highest rated apps in the banking sector

4.9 iOS

4.8 Google

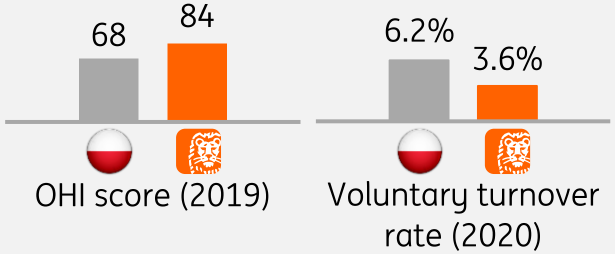
Visible in a continuous increase of the share of **mobile-only active customers***

And also reflected by a **decreasing number of branches**

And scoring well on ESG factors…

A diverse organisation with a high % of women (2020)

With **engaged employees,** reflected by a high OHI scores and a low voluntary turnover rate compared to the sector



And focus on **sustainable finance**

11
Sustainable finance deals in 2020

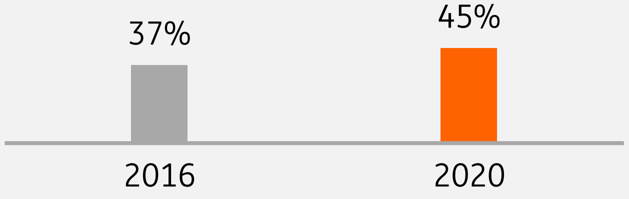
PLN 0.4 bln
green covered bond issued in 2019

Leading to excellent results

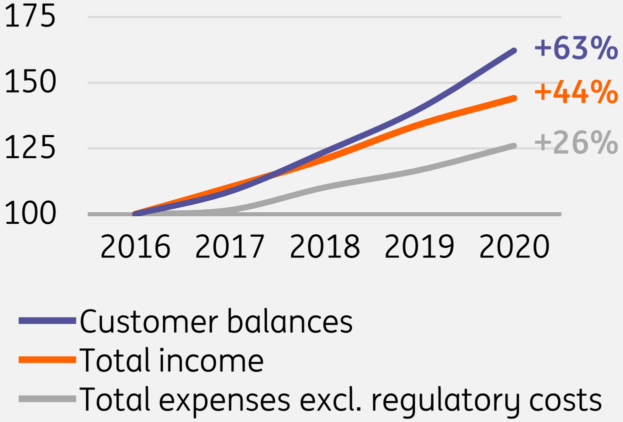
Satisfied customers with a continuous improvement of the NPS score

#1 NPS position

Reflected by a growing share of **primary customers**



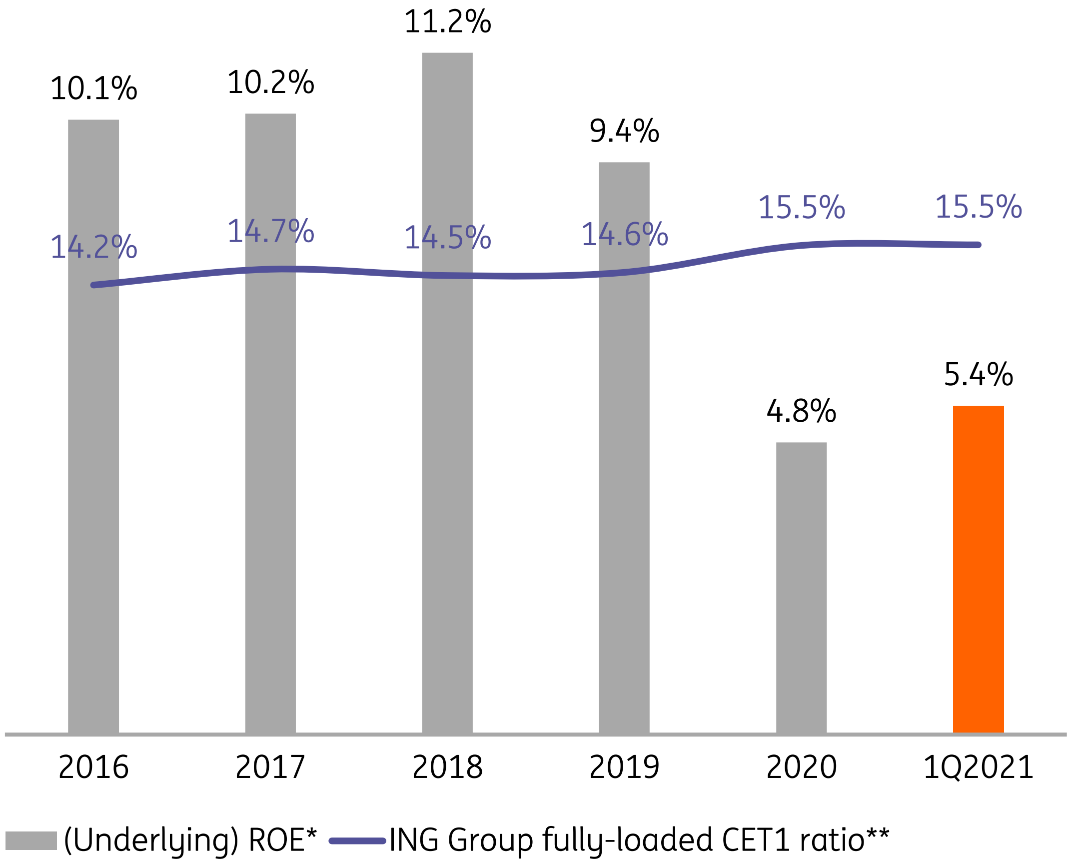
And **operating efficiency** improvements***



* Retail customers who used the channel at least once in the last quarter
** Based on ING Bank Slaski Management Board per 1 January 2021
*** Indexed numbers for the period 2016-2020; customer balances is the sum of customer lending and customer deposits (incl. AuM)

Our 10-12% ROE ambition

Return on Equity and CET1 ratio



* Four-quarter rolling average; for 2016-2018 underlying ROE is shown; ROE is calculated using ING Group's IFRS-EU shareholders' equity after excluding 'reserved profit not included in CET1 capital' as from end-1Q2017 onwards
** Basel III CET1 ratio of 14.5% as per 1 January 2018 due to IFRS 9 adoption

- We run ING with a long term focus and a through-the-cycle ROE ambition of 10-12%
- 2020 ROE was affected by several factors, including sizeable incidental expenses and IFRS 9 provisioning
- This quarter had lower risk costs and limited incidental expenses, driving the improvement of four-quarter rolling average ROE in 1Q2021
- Additionally, we have the intention to over time align our capital with our CET1 ratio ambition of ~12.5%
- A return to loan growth, continued fee growth and increased charging for (actual) operating costs will also support ROE recovery from the income side
- Furthermore, we optimise our business through the ongoing business review, with new announcements in 1Q2021
  - Discontinuation of retail banking activities in the Czech Republic and Austria
  - A restructuring of the branch network and the retail advice organisation in the Netherlands
- Going forward, we will continue to critically review our businesses applying four lenses, being the general attractiveness of a business or market, scale, profitability and benefits to the group

Business profile

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
Australia, Austria*, Czech Republic*, France, Germany, Italy, Spain

Growth Markets
Philippines, Poland, Romania, Turkey, Asian bank stakes

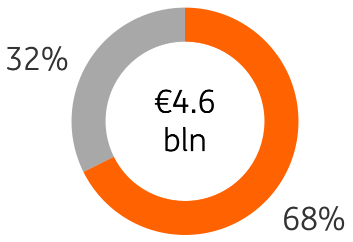
Wholesale Banking International Network

Wholesale Banking

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

Total income**

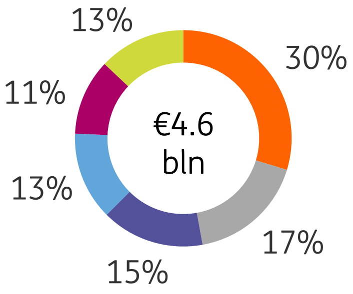
1Q2021



Retail Banking
Wholesale Banking

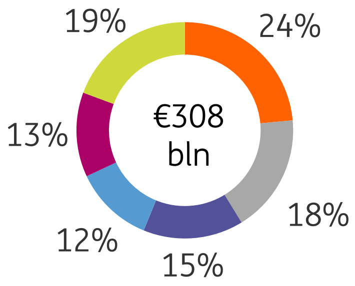
Total income**

1Q2021



RWA (end of period)**

1Q2021



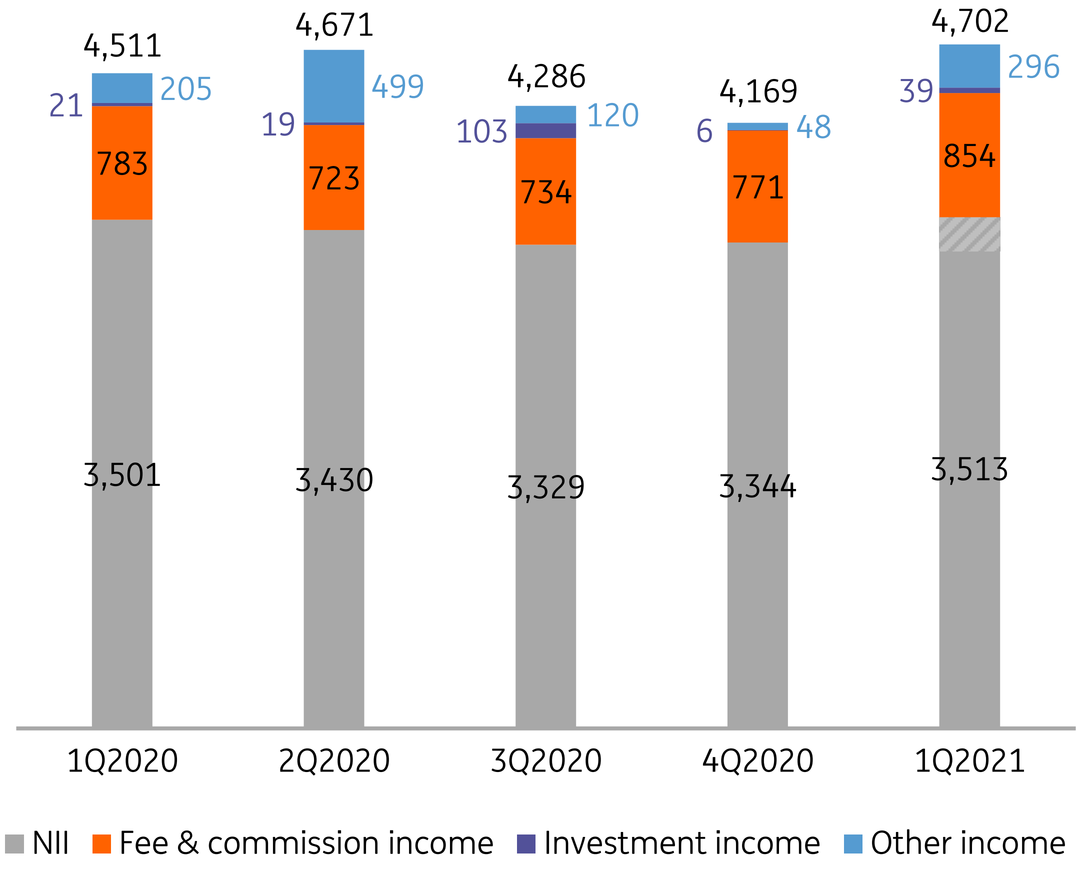
Netherlands · Belgium · Germany · Other Challengers · Growth Markets · WB Rest of World

* Discontinuation of retail banking activities has been announced
** Segment “Other" is not shown on the slide. For this segment (Corporate Line and Real Estate run-off portfolio), total income was €75 mln in 1Q2021 and RWA was €2.7 bln as per 31 March 2021

1Q2021 results

Income supported by strong fee income

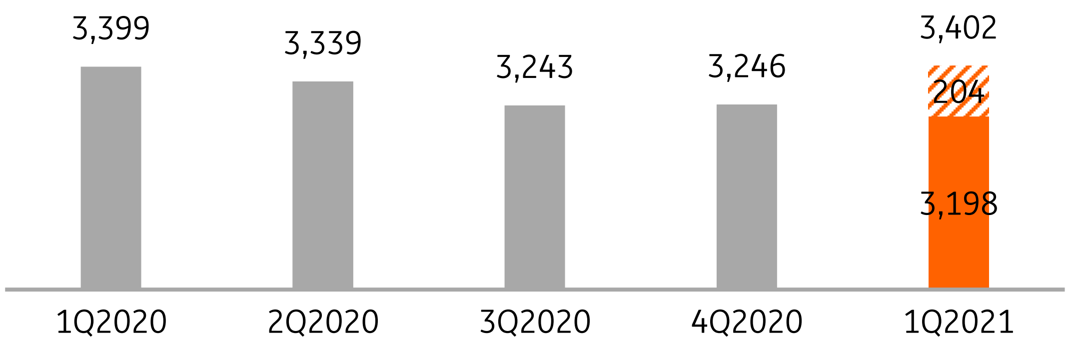
Income (in € mln)



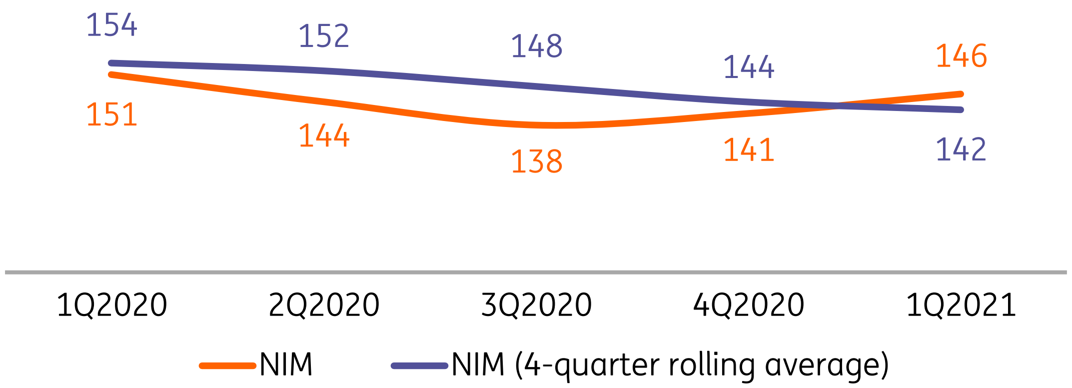
- Higher total income YoY primarily reflected another strong quarter for fee income, mainly driven by investment products
  - NII included a €233 mln TLTRO III benefit as the eligible loan growth target was met
  - Other income was higher due to positive valuation adjustments and improved trading results, while 1Q2020 was affected by market volatility due to uncertainty caused by the Covid-19 pandemic
- Sequentially, total income was higher, with increases visible in both NII, which included the TLTRO benefit, and fees
  - Higher fees were driven by continued growth in investment products and higher lending fees
  - Other income was higher due to positive valuation adjustments and improved trading results, while 4Q2020 included a €58 mln negative impact from an indemnity receivable in Australia, as well as negative valuation adjustments and hedge ineffectiveness

TLTRO III target met; 4-quarter rolling average NIM at 142 bps

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



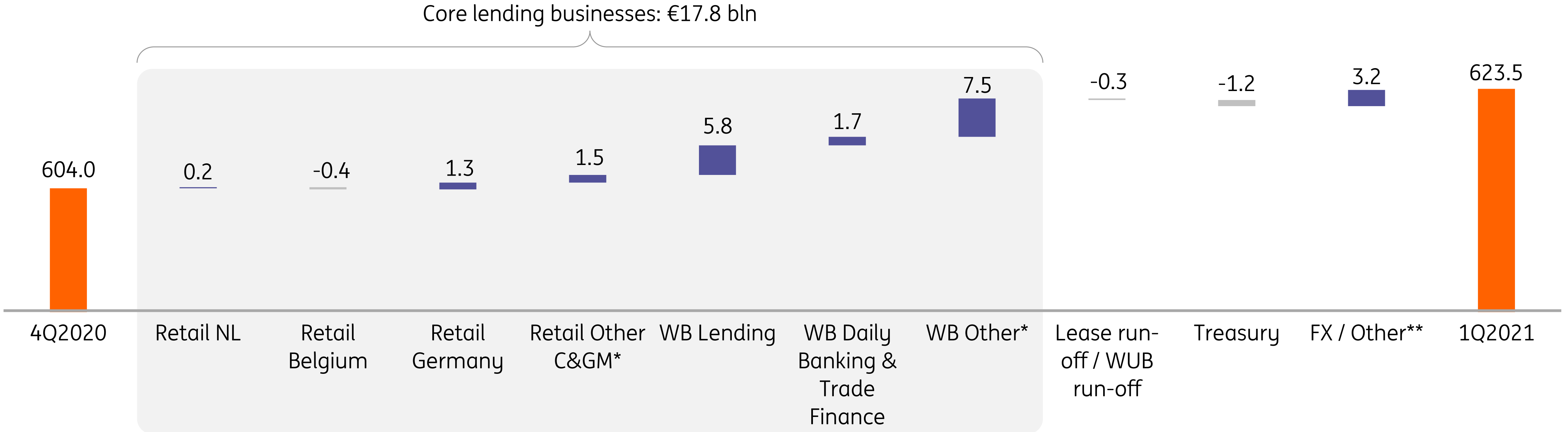
Net Interest Margin (in bps)



- NII excluding FM was stable compared to 1Q2020, supported by €204 mln of TLTRO III benefit (€29 mln was booked in NII FM) as at 31 March the eligible loan growth target was met. Excluding this benefit, NII was affected by pressure on customer deposit margins, while customer deposits continued to increase. At stable lending margins, lending NII reflected lower average lending volumes. Furthermore, FX had a significant impact YoY
- Sequentially, NII excluding FM and the TLTRO benefit was mainly impacted by the aforementioned pressure from customer deposits. Lending NII was affected by day-count impacts, higher levels of mortgage refinancings and prepayments during 2020, and lower average lending volumes. The latter mainly reflected a lower need for working capital
- 1Q2021 NIM was 146 bps, up five basis points from 4Q2020. This was fully driven by the inclusion of the TLTRO III benefit, resulting in a 10 basis points increase, which compensated for an increase in the average balance sheet and liability margin pressure

Net core lending largely reflects TLTRO III eligible lending

Customer lending ING Group 1Q2021 (in € bln)

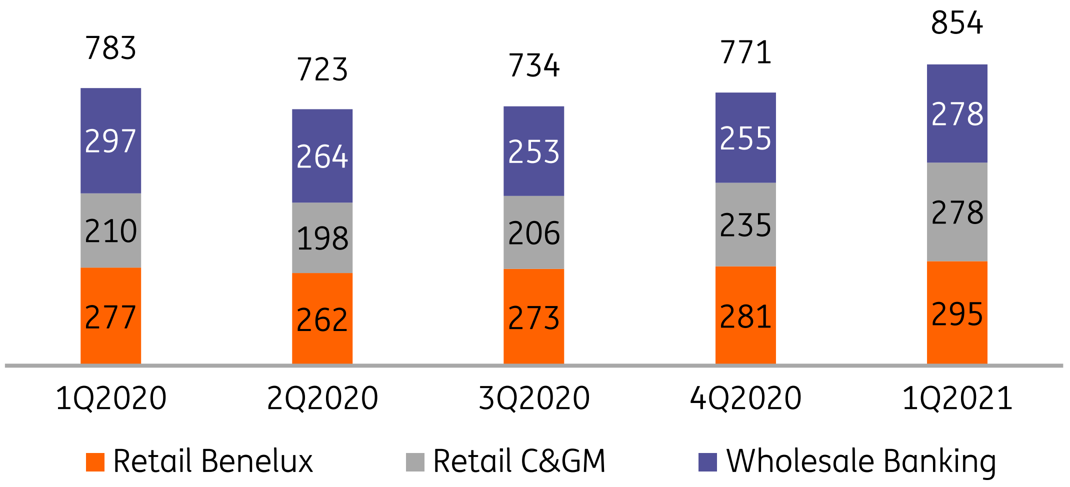


- Net core lending increased by €17.8 bln in 1Q2021
  - Retail Banking was €2.7 bln higher. Mortgages grew by €2.8 bln, due to continued growth in Challengers & Growth Markets (primarily in Germany, Poland and Spain), whereas other retail lending declined by €0.1 bln
  - Wholesale Banking increased by €15.1 bln, mainly in Financial Markets (€7.5 bln) and Lending, which included TLTRO III eligible lending
- Net customer deposits increased by €8.1 bln

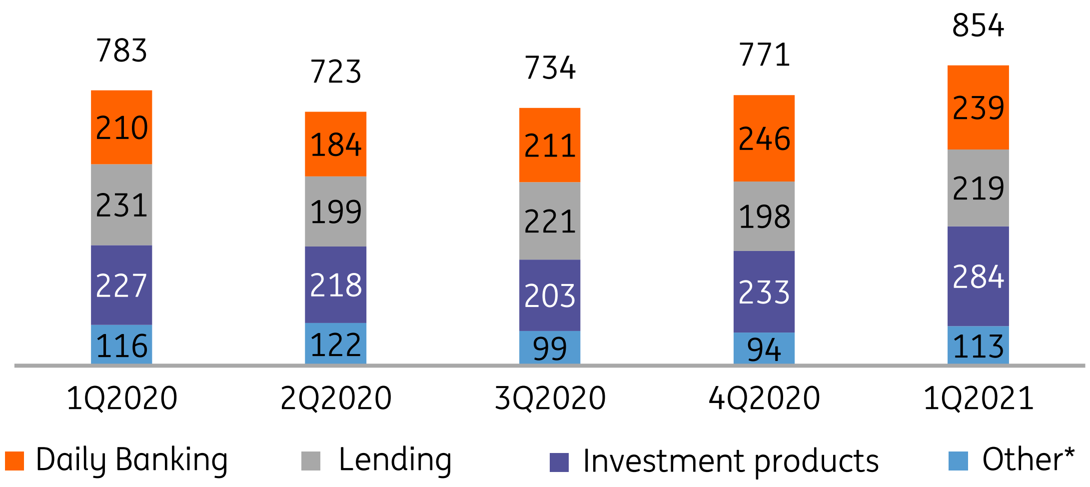
* C&GM is Challengers & Growth Markets; WB Other includes Financial Markets
** FX impact was €4.0 bln and Other €-0.8 bln

Continued strong fee growth in Retail Banking

Net fee and commission income per business line (in € mln)



Fee & commission income per product category (in € mln)

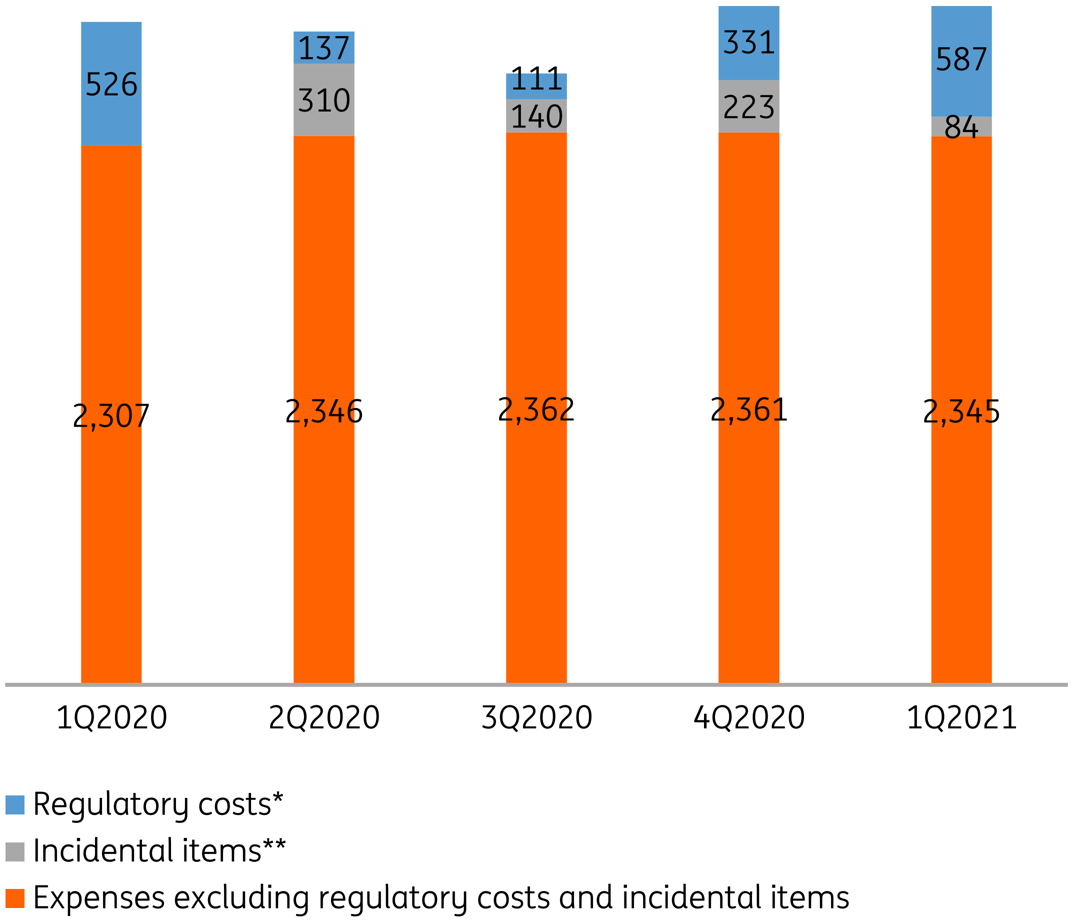


- Compared to 1Q2020, overall fee growth was 9%
  - In Retail Banking, fee growth was 18%, driven by investment products as assets under management and the number of new accounts and trades increased. Daily banking fees benefitted from higher package fees, while the number of payment transactions remained subdued due to the Covid-19 pandemic
  - Fees in Wholesale Banking were down, driven by lower lending fees with less activity in syndicated deals, which was partly compensated by TCF and higher fees in FM
- Sequentially, fees grew by 11%. In Retail this was in line with year-on-year developments and despite a full quarter of stricter lockdown measures. In WB fees increased driven by higher fees in FM

* Other includes insurance products and Financial Markets

Operating expenses under control

Expenses (in € mln)

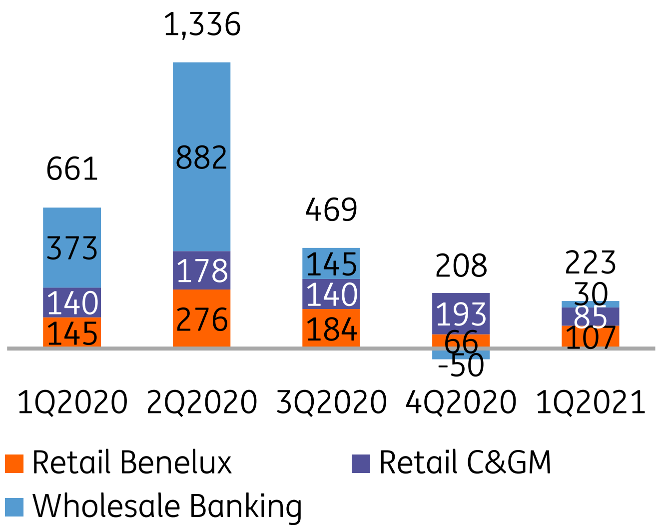


- Expenses excluding regulatory costs were up YoY, mainly driven by €84 mln of incidental items, reflecting redundancy and restructuring costs related to the announced measures in the Netherlands and the Czech Republic
- Excluding incidental items, expenses were 1.6% higher as cost savings and lower costs for 3rd party staff only partly compensated for CLA-related salary increases and higher IT expenses, while 1Q2020 included a significant VAT refund
- Sequentially, when excluding regulatory costs and incidental items, expenses were 0.7% lower, mainly driven by lower expenses for IT, advisory and marketing, while 4Q2020 included a significant VAT refund
- Regulatory costs were €61 mln higher YoY, reflecting a higher SRF contribution. QoQ regulatory costs were €256 mln higher, as the annual contributions to the SRF and Belgian DGS are fully paid in the first quarter of each year. This also applies to the annual Belgian bank tax, while 4Q2020 included the annual Dutch bank tax

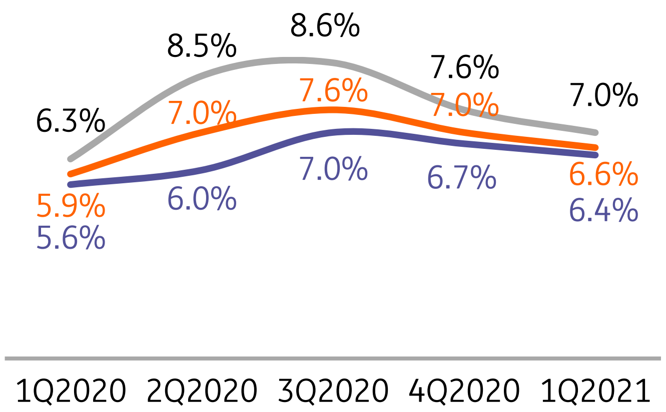
* Formal build-up phase of Deposit Guarantee Schemes (DGS) and Single Resolution Fund (SRF) should be completed by 2024
** Incidental expenses as included in volatile items on slide 19

Risk costs remain below the through-the-cycle average

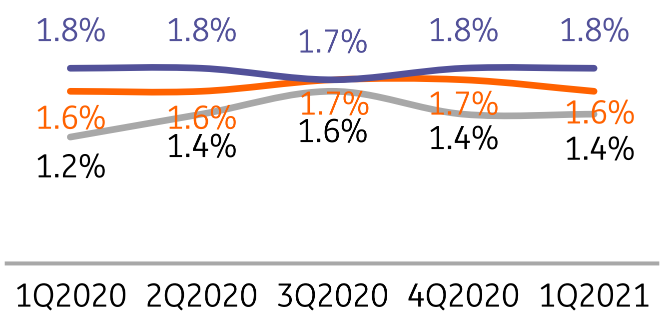
Risk costs per business line (in € mln)



Stage 2 ratio



Stage 3 ratio



- 1Q2021 risk costs were €223 mln, or 15 bps of average customer lending, below the through-the-cycle average of ~25 bps. This included a €593 mln management overlay, reflecting uncertainty related to the Covid-19 pandemic and an expected delay in credit losses. The overlay fully offset €537 mln of releases driven by a macro-economic model update. The resulting €56 mln impact on risk costs was allocated to the segments with Retail Benelux €104 mln, Retail C&GM €11 mln and WB €-59 mln
- In Retail Benelux, risk costs were further driven by business lending, reflecting an increase in the watchlist (Stage 2) and additions to some individual files in Stage 3. Risk costs in Retail C&GM reflected collective provisions, mainly in Poland, Spain and Romania. Risk costs in WB included a few individual additions, primarily in the Netherlands and Germany
- The Stage 2 ratio declined to 6.6%, mainly driven by a macro-economic model update. The Stage 3 ratio decreased to 1.6%, due to lower Stage 3 lending credit outstandings in Wholesale Banking

ING Group financial ambitions

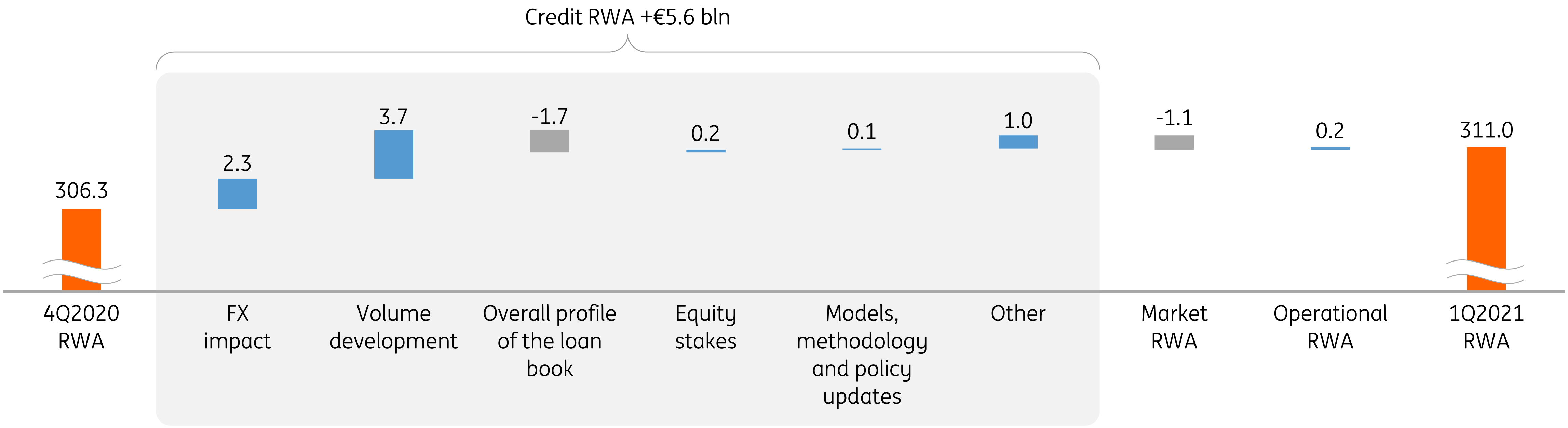
		Actual 2020	**Actual 1Q2021**	Financial ambitions
Capital	▪ CET1 ratio (%)	15.5%	**15.5%**	~12.5%* (Basel IV)
	▪ Leverage ratio (%)	4.8%	**4.6%**	>4%
Profitability	▪ ROE (%)** (IFRS-EU Equity)	4.8%	**5.4%**	10-12%
	▪ *C/I ratio (%)***	*63.2%*	***63.6%***	*50-52%*
Dividend	▪ Dividend (per share)	€0.12***		50% pay-out ratio****

* Implies management buffer (incl. Pillar 2 Guidance) of ~200 bps over fully-loaded CET1 requirement of 10.51%
** Based on 4-quarter rolling average. ING Group ROE is calculated using IFRS-EU shareholders' equity after excluding 'reserved profit not included in CET1 capital'.
As at 31 March 2021, this amounted to €3,301 mln, reflecting an initial reservation for the 2019 final dividend payment, the remaining amount originally reserved for the 2020 distribution and a 50% reservation of the 1Q2021 resilient net profit
*** Final dividend
**** Of resilient net profit

Capital

Total risk-weighted assets increased in 1Q2021, mainly as a result of increased volume and reflecting FX impacts

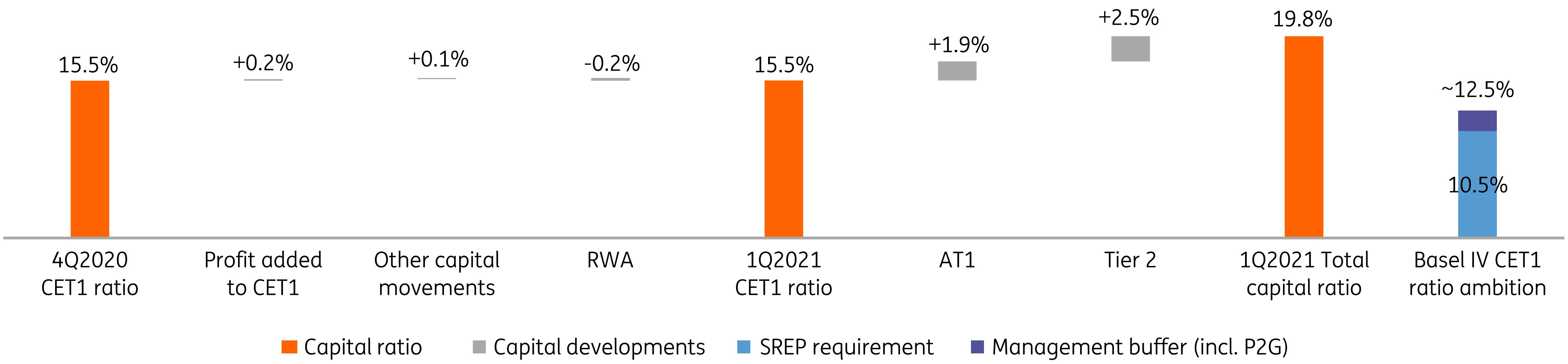
ING Group risk-weighted assets development (in € bln)



- In 1Q2021, RWA increased by €4.7 bln to €311.0 bln, due to an increase in credit RWA which grew by €5.6 bln mainly as a result of higher volumes and FX movements. These factors were partly offset by further improvement of the overall profile of the loan book
- Market RWA decreased by €1.1 bln, mainly driven by reduced exposure
- Operational RWA increased by €0.2 bln due to a regular update of the data sources for internal and external losses
- We are confident that at the current strong level of capital, we can comfortably absorb the remaining expected regulatory RWA inflation

Stable ING Group capital ratio at 15.5%, excluding €3,301 mln profit reserved for distribution

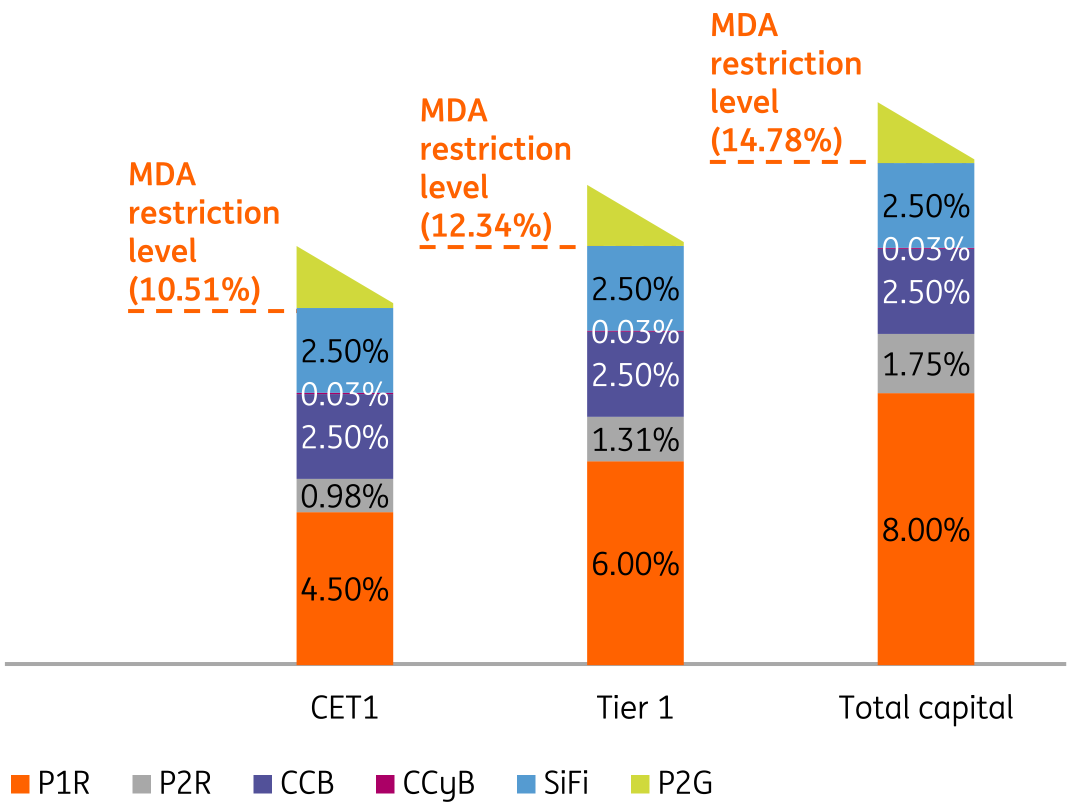
ING Group Total capital ratio development (in %)



- The 1Q2021 CET1 ratio remained stable at 15.5%, as higher CET1 capital was fully offset by higher RWA
- CET1 capital increased by €0.8 bln to €48.1 bln, mainly due to the inclusion of €0.5 bln of interim profits and €0.3 bln of positive FX impacts
- At the end of 1Q2021, there was €3,301 mln of reserved profits not included in CET1 capital
- With an AT1 ratio of 1.9% and a Tier 2 ratio of 2.5%, we benefit fully from the CET1 capital relief provided by article 104(a) CRD V

Buffer to Maximum Distributable Amount remained strong at ~5%

ING Group fully-loaded SREP



Distance to MDA	4.96% or €15.4 bln	5.01% or €15.6 bln	5.05% or €15.7 bln

- ING Group's fully-loaded CET1 requirement is 10.51%
  - 4.50% Pillar 1 Requirement (P1R)
  - 0.98% Pillar 2 Requirement (P2R)
  - 2.50% Capital Conservation Buffer (CCB)
  - 0.03% Countercyclical Buffer (CCyB)*
  - 2.50% Systemically Important Financial Institutions Buffer (SiFi)
- Fully-loaded Tier 1 requirement is 12.34%
  - 0.33%-point of P2R can be filled with AT1
- Fully-loaded Total Capital requirement is 14.78%
  - 0.44%-point of P2R can be filled with Tier 2

* Fully-loaded CCyB is expected to be 0.03%; 1Q2021 CCyB was 0.03%

ING's distribution plans in 2021 and beyond

ING's Distribution Policy

- Pay-out ratio of 50% of resilient net profit
  - Net profit adjusted for significant items not linked to the normal course of business
  - To be paid out in cash or a combination of cash and share repurchases, with the majority in cash
  - Cash-only interim dividend*
- Additional return of structural excess capital
  - To be considered periodically, taking into account alternative opportunities as well as macro-economic circumstances and the outcome of our capital planning

- ING will adhere to the prevailing ECB recommendation to limit distributions, which will remain valid until 30 September 2021. At that time, the ECB intends to repeal the recommendation 'in the absence of materially adverse developments'

Distribution in 2021 and beyond

1. The €0.12 dividend per ordinary share**, paid in February 2021, has formally been declared the final dividend over 2020 by the AGM on 26 April 2021
2. We intend to make an additional distribution of the amounts reserved over 2019 (€1,754 million) and 2020 (€1,044 million) after 30 September 2021, subject to any ECB recommendation that prevails at that time
   - This could be in the form of cash and/or share buyback
4. 50% of the resilient net profit in 2021 will be reserved for distribution, in line with our policy
   - Payment of interim dividend over 2021 to be delayed until after 30 September 2021, subject to any ECB recommendation that prevails at that time
5. Over the coming years we intend to gradually reduce our CET1 ratio towards our ambition of ~12.5%

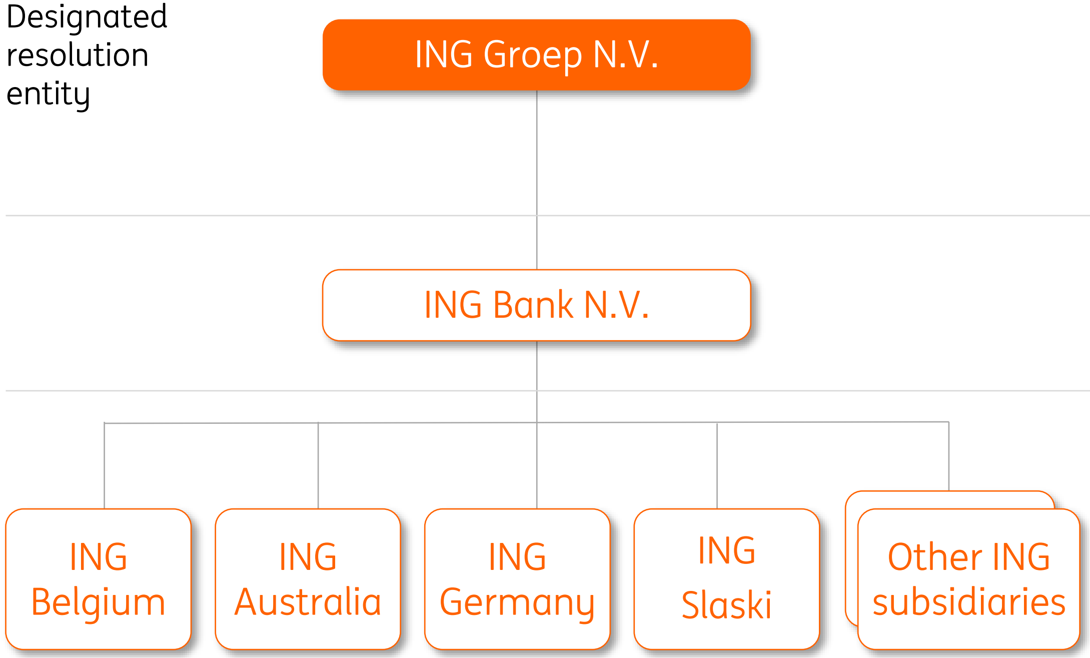
* ~1/3 of 1H resilient net profit, to be paid out with our half year results
** Equivalent to 15% of adjusted net profit as defined by the ECB

Funding & liquidity

Issuance entities under our approach to resolution

Issuance entities

Designated resolution entity

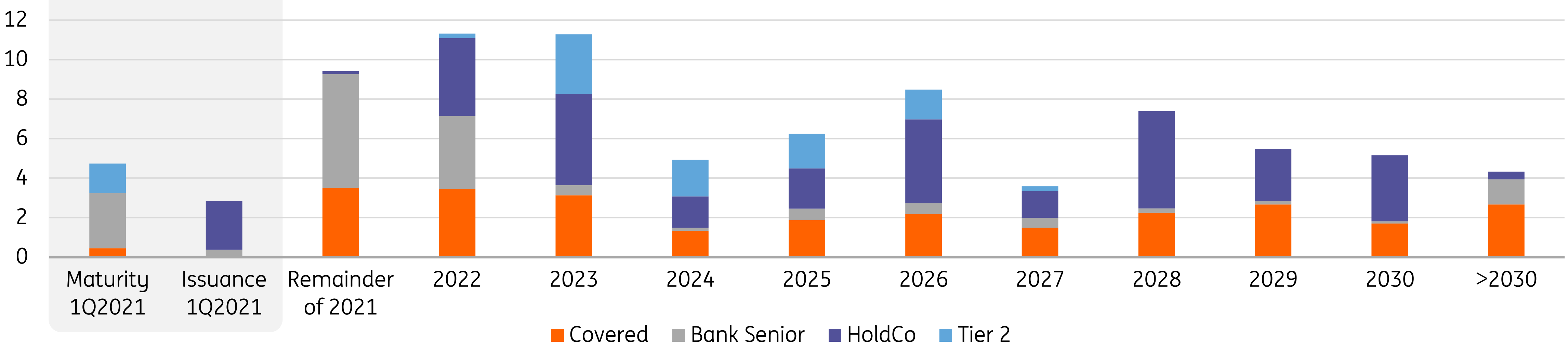


Eligible instruments for TLAC/MREL

	TLAC	Current MREL req.
▪ Own funds (CET1 / AT1 / Tier 2)	✓	✓
▪ Senior unsecured debt (> 1 year)	✓	✓
▪ Own funds	✓	✓
▪ Senior unsecured debt (> 1 year)	✗	✗
▪ Secured funding	✗	✗
▪ Operational funding needs (un)-secured debt	✗	✗

Long-term debt maturity ladder and issuance activity in 1Q2021

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



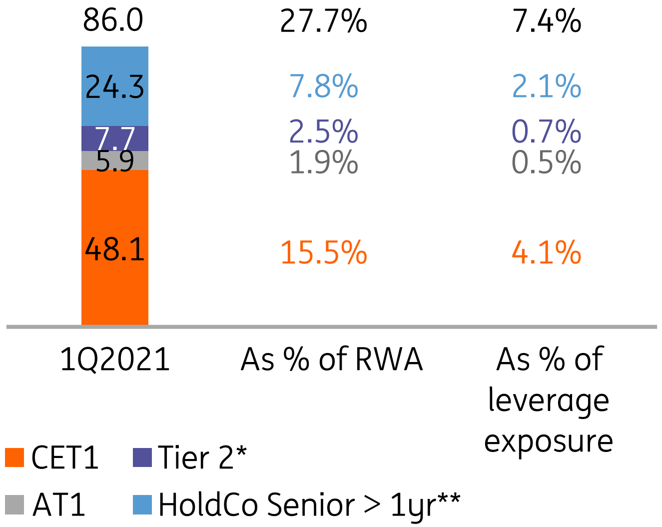
Issuance activity in 2021*

- Total issuance in 1Q2021 was ~€2.8 bln with ~€3.6 bln maturities/calls
  - €1.5 bln HoldCo Senior was issued in long 9NC8 format
  - £0.8 bln Green HoldCo Senior was issued in 7NC6 format
  - ~€0.4 bln of Bank Senior funding was raised**
- In February, ING called a €1.5 bln ING Bank NV Tier 2 instrument at the first call date
- ~€9.8 bln of Bank Senior debt is maturing in the period until the end of 2023
- On 1 April, US$2.25 bln HoldCo Senior was issued in a triple tranche SEC registered format, which will be reported in 2Q2021

* As per 31 March 2021; Tier 2 maturities are based on the 1st call date for callable bonds and contractual maturity for bullets. Excluding RMBS and excluding perpetual instruments
** Structured notes

ING's debt issuance programme in 2021

ING Group instruments (in € bln)



Key points

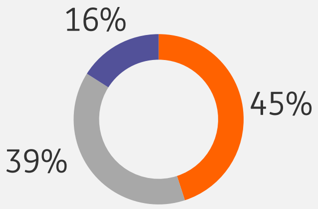
ING is currently meeting the TLAC requirements. In 2021, European banks will receive a new MREL requirement, including intermediate targets, which will be based on RWA and Leverage Ratio. ING is expecting to receive its new MREL requirement in 2Q2021

* Including regulatory adjustments for Tier 2
** HoldCo Senior figure does not include US$2.25 bln issued on 1 April 2021
*** Regulatory treatment after 1 January 2022 is under evaluation following the recent EBA opinion on the treatment of legacy instruments

Currency split

Group / Bank issuance plan

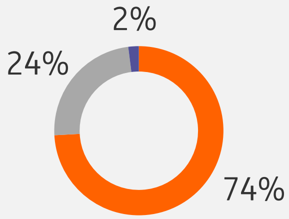
HoldCo Senior



Senior debt issuance

- Previous guidance from February 2021 remains unchanged, subject to balance sheet developments and Covid-19 related impacts
  - ~€4.3bln of Senior HoldCo has been issued in 2021 so far
- OpCo Senior could be issued for internal ratio management and general corporate funding purposes

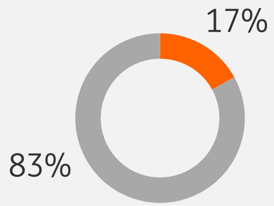
Tier 2



Tier 2

- Outstanding Tier 2 of ~€7.7 bln, of which ~€0.8 bln is Bank Tier 2, translating into a Tier 2 ratio of 2.5%
- ING has redeemed a €1.5 bln Bank Tier 2 instrument in February 2021 at the first call date
- The remaining Bank Tier 2 benchmark instrument has a final maturity date in September 2023

AT1



AT1

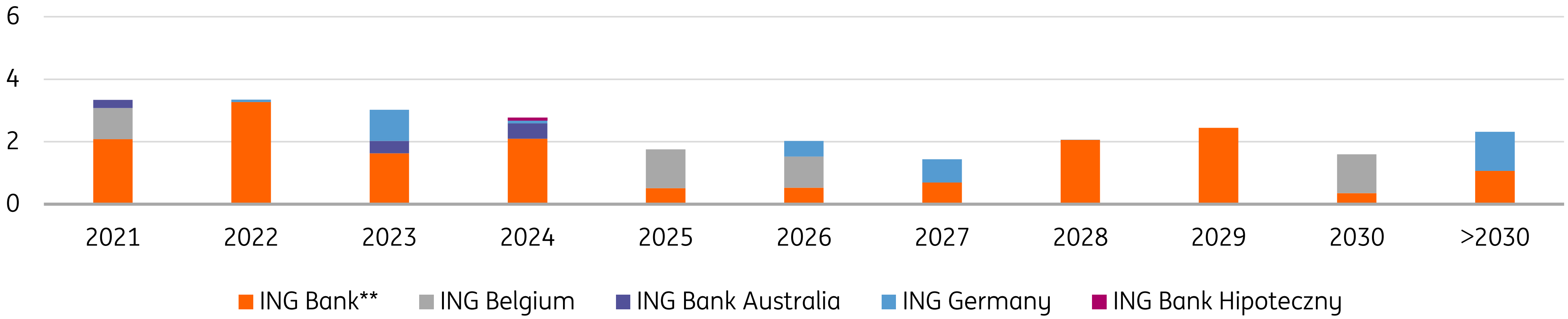
- Outstanding AT1 of ~€5.9 bln translates into an AT1 ratio of 1.9%
- ~€1 bln of grandfathered securities until 31 December 2021 following the grandfathering rules***
- ~€4.9 bln of CRR compliant securities all US$ denominated

EUR USD Other

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*: €16.7 bln ▪ Senior unsecured: ~€13 bln	▪ Covered bond: €4.5 bln	▪ Covered bond: AUD$1.75 bln	▪ Covered bond: €3.7 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 Bank Soft Bullet 2 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)**



* Outstanding for the ING Bank Hard and Soft Bullet CB programme only
** As per 31 March 2021; maturity ladder as per contractual maturity

We aim to meet green funding needs to support the growth of our sustainable finance portfolio

ING's Green Bond Programme

- ING's Green Bond Framework is aligned with the ICMA Green Bond Principles and a Second Party Opinion (SPO) has been obtained from ISS-ESG
- ING allocates the net proceeds of the green bonds issued to an Eligible Green Loan Portfolio (EGLP), which includes renewable energy projects, green buildings, clean transportation, pollution prevention and control, and sustainable water management
- Our total EGLP equals ~€8.5 bln*, with ~€4.4 bln of outstanding green funding issued under the Debt Issuance Program in senior unsecured format as of 31 March 2021
- We intend to issue Green Bonds on a regular basis going forward

Green Covered Bonds

- As part of our Green Bond Programme, we aim to issue covered bonds in green format to support meeting our sustainability objectives
  - ING Bank Hipoteczny issued a PLN 400 mln Green Covered Bond in 2019 under its Green Bond Framework, which also has an SPO from ISS-ESG
  - Under the ING Green Bond Framework, other ING subsidiaries have the ability and intention to issue Green Covered Bonds

Sustainability Ratings ING Groep N.V.

SUSTAINALYTICS

- Ranked: #1 in our market cap group
- Position: 10th percentile of 374 banks
- Updated: July 2020

MSCI

- Rating: AA
- Updated: December 2020

S&P Global

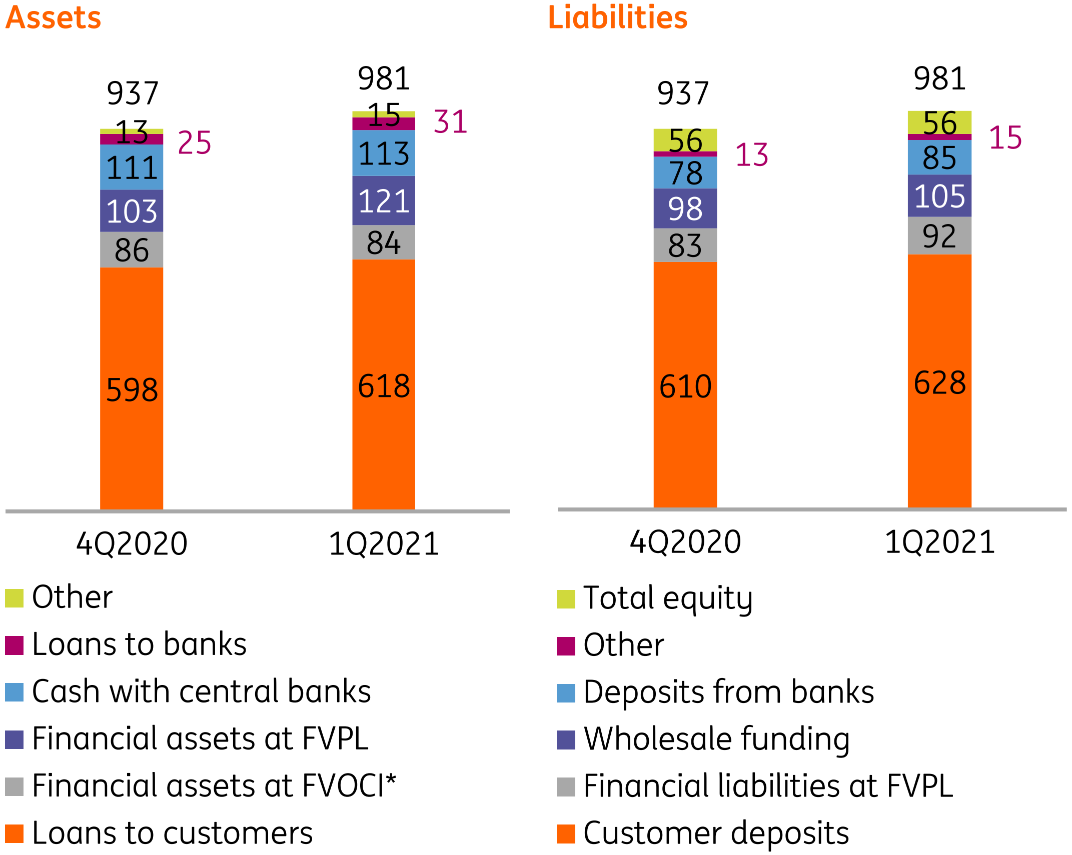
- ESG evaluation: Strong
- Score: 83/100
- Updated: January 2021

* As of latest allocation and impact report (FY2020)
See website for more details: https://www.ing.com/Sustainability.htm

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

Balance sheet ING Group (in € bln)

- Balance sheet ING Group increased to €981 bln in 1Q2021



Well-diversified customer loan book

- See "Asset Quality" section of this presentation

Stable funding profile

- Increase in balance sheet mainly due to an increase in the loan portfolio in Wholesale Banking
- 64% of the balance sheet is funded by customer deposits
- 89% of total customer deposits is in Retail Banking
- Well-balanced loan-to-deposit ratio of 98% as per 31 March 2021**

Conservative trading profile

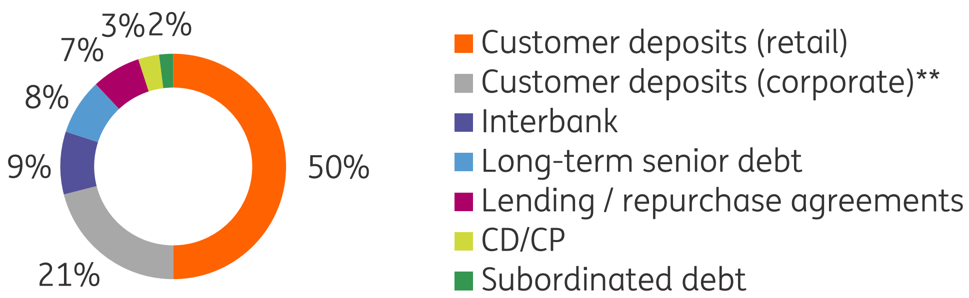
- Majority of our Financial Markets business is customer flow based where we largely hedge our positions, reflected in large, but often offsetting, positions in assets and liabilities at Fair Value
- Average VaR for ING's trading portfolio during 1Q2021 decreased to €21 mln from €25 mln in the previous quarter, mainly due to a further decrease in xVA hedges

* Including securities at amortised cost
** Loan-to-deposit ratio is calculated as customer lending including provisions for loan losses divided by customer deposits

Robust liquidity position

Funding mix*

31 March 2021



ING maintains a sizeable liquidity buffer

- ING's funding consists mainly of retail deposits, corporate deposits and public debt
- ING's 12-month moving average LCR increased to 140%, reflecting continued customer deposits inflows as well as TLTRO III participation in combination with subdued loan demand in the 12-month measurement period
- 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 and US Treasuries
- Level 1B: core European and Nordic covered bonds
- Level 2A: mainly Canadian covered bonds
- Level 2B: mainly short-dated German Auto ABS

LCR 12-month moving average (in € bln)

	31 March 2021	31 December 2020
Level 1	145.6	140.5
Level 2A	4.9	5.0
Level 2B	3.5	3.6
Total HQLA	**153.9**	**149.1**
Stressed outflow	**194.4**	**195.8**
Stressed inflow	**84.6**	**87.1**
LCR	**140%**	**137%**

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

Strong rating profile at both Group and Bank levels

Main credit ratings of ING entities as of 5 May 2021

	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	Negative
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	Negative	Stable	Negative
AT1	BB	Ba1	BBB
Tier 2	BBB	Baa2	A-

Latest rating actions on ING entities

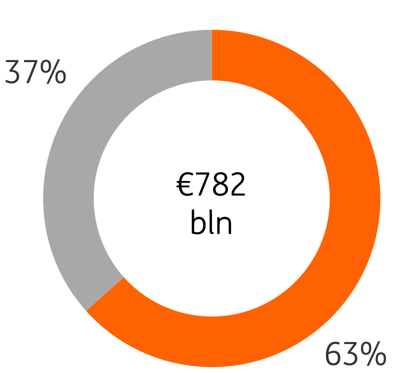
- Fitch: ING Bank was upgraded to AA- in February 2019. In October 2020, Fitch affirmed ING Group's and ING Bank's ratings and assigned negative outlooks to both long-term IDRs. The affirmation and removal from Rating Watch Negative reflect Fitch's view that ING's ratings have sufficient headroom to absorb pressure on asset quality, earnings and capitalisation, which is expected under their baseline scenario
- Moody's: ING Bank was upgraded to Aa3 from A1 with a stable outlook in September 2017. Both ING Group's and ING Bank's ratings and outlooks were affirmed in October 2020, reflecting Moody's view that ING's solvency and liquidity are robust and will remain resilient over the outlook horizon, despite a likely deterioration in asset quality and profitability due to the Covid-19 pandemic
- S&P: ING Bank was upgraded to A+ in July 2017, reflecting the expectation that 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. In April 2020, S&P changed ING Group's outlook to negative, as a result of the impact of the Covid-19 pandemic on the Dutch economy and banking sector

Asset quality

Well-diversified lending credit outstandings by activity

ING Group*

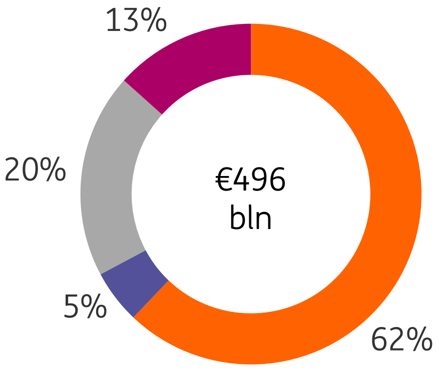
1Q2021



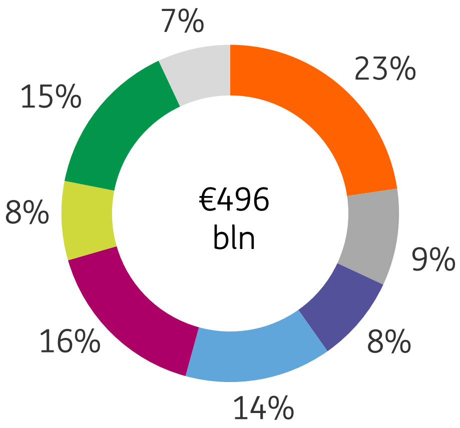
- Retail Banking
- Wholesale Banking

Retail Banking*

1Q2021



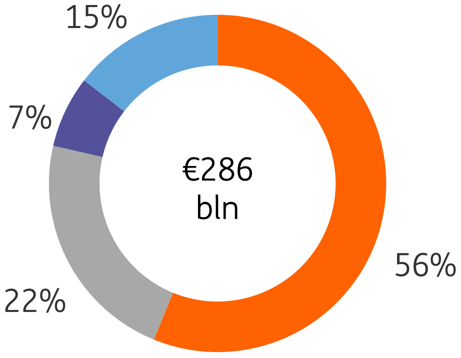
- Residential mortgages
- Consumer Lending
- Business Lending
- Other Lending**



- 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*

1Q2021

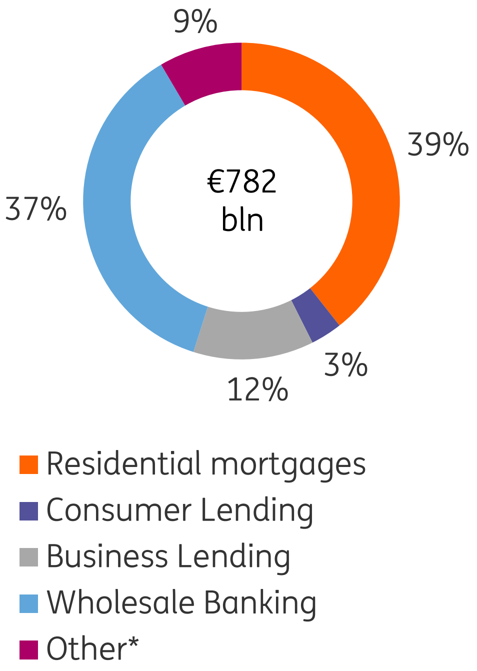


- Lending
- Daily Banking & Trade Finance
- Financial Markets
- Treasury & Other

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

* 31 March 2021 lending and money market credit outstandings, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)
** Other includes €56 bln Retail-related Treasury lending and €10 bln Other Retail Lending

Our lending book is senior and well-collateralised



Residential Mortgages
€308 bln

- Average LTV of 58% with low Stage 3 ratio at 1.3%
- Risk metrics remained strong, also supported by government schemes

Consumer Lending
€25 bln

- Relatively small book, risk metrics slightly deteriorated

Business Lending
€96 bln**

- Limited exposure to sectors most at risk:
  - Agriculture: €5.7 bln (0.7% of loan book), Stage 3 ratio at 6.2%
  - Non-food Retail: €3.0 bln (0.4% of loan book), Stage 3 ratio at 4.3%
  - Hospitality + Leisure: €4.2 bln (0.5% of loan book), Stage 3 ratio at 6.5%

Wholesale Banking
€286 bln

- Limited exposure to sectors most at risk:
  - Leveraged Finance: €8.0 bln (capped at €10.1 bln), well-diversified over sectors
  - Oil & Gas: €16.6 bln of which €3.6 bln with direct exposure to oil price risk (0.5% of loan book; Reserve Based Lending (€2.7 bln) and Offshore business (€0.9 bln)), Stage 3 at 6.2%
  - Aviation: €4.5 bln (0.6% of loan book), Stage 3% at 5.7%
  - Hospitality + Leisure: €1.5 bln (0.2% of loan book), Stage 3% at 8.9%

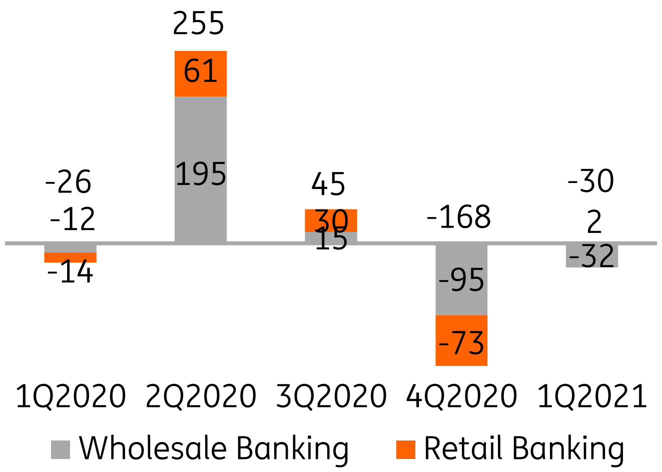
Commercial Real Estate (RB + WB)

- Total €49.3 bln (6.3% of loan book), booked in RB and WB
- Well-diversified capped loan book
- LtV at 50% and low Stage 3% at 1.0%

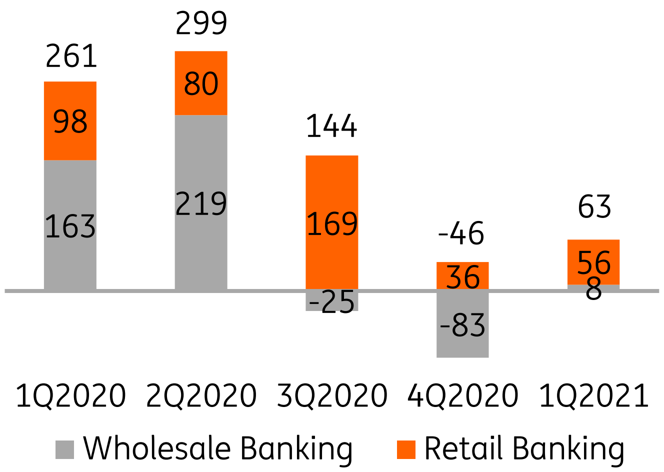
* Other includes €56 bln Retail-related Treasury lending and €10 bln Other Retail Lending
** In 4Q2020, the Real Estate Finance portfolio booked in Retail Banking (€11 bln) was transferred from Other Retail Lending to Business Lending

Provisioning per Stage

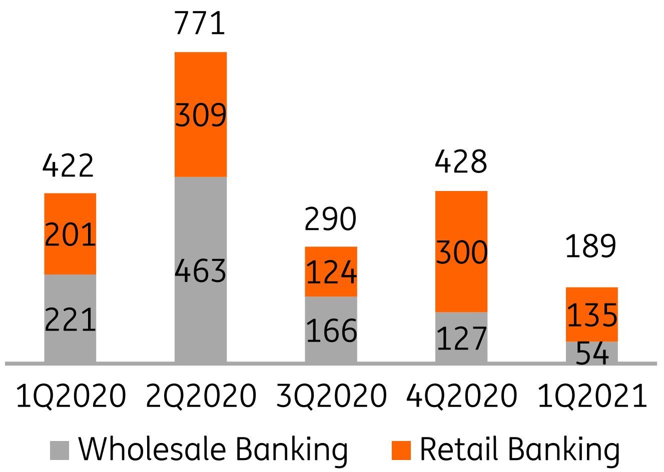
Stage 1 provisioning (in € mln)



Stage 2 provisioning (in € mln)



Stage 3 provisioning (in € mln)



Main drivers 1Q2021

- Releases triggered by a macro-economic model update, partly compensated by a management overlay reflecting a delay in expected credit losses as lockdown restrictions were tightened and uncertainty remains

Main drivers 1Q2021

- Releases triggered by a macro-economic model update, more than compensated by a management overlay reflecting a delay in expected credit losses as lockdown restrictions were tightened and uncertainty remains

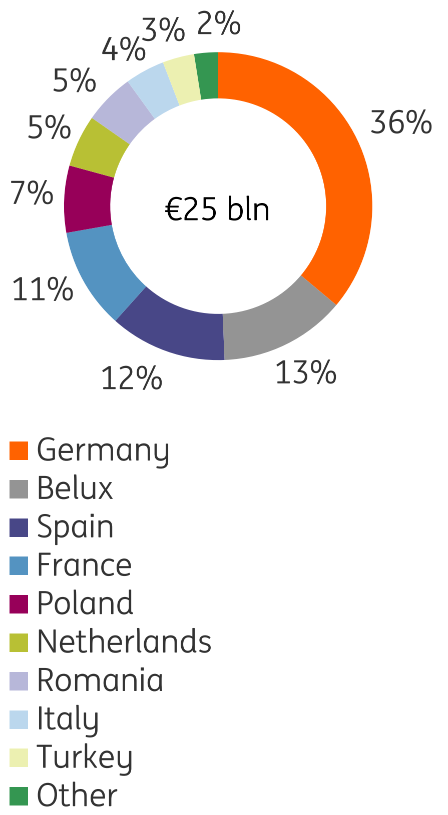
Main drivers 1Q2021

- Additions to some new individual files in WB
- Collective provisioning in C&GM, mainly related to consumer and business lending

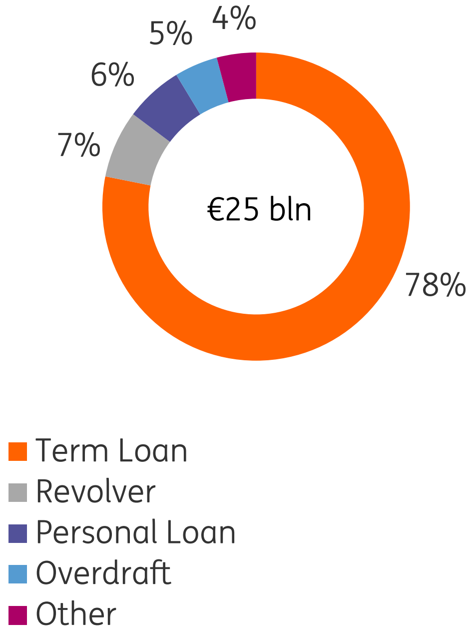
Retail Consumer Lending and Business Lending

Consumer Lending – 1Q2021 Lending Credit Outstandings

By geography

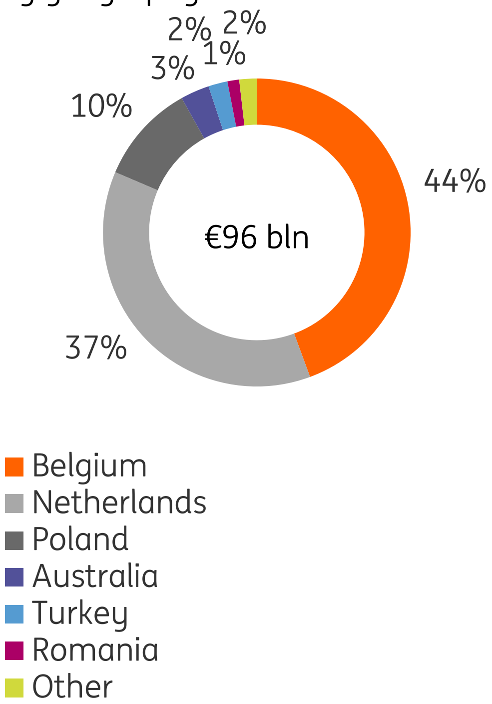


By product

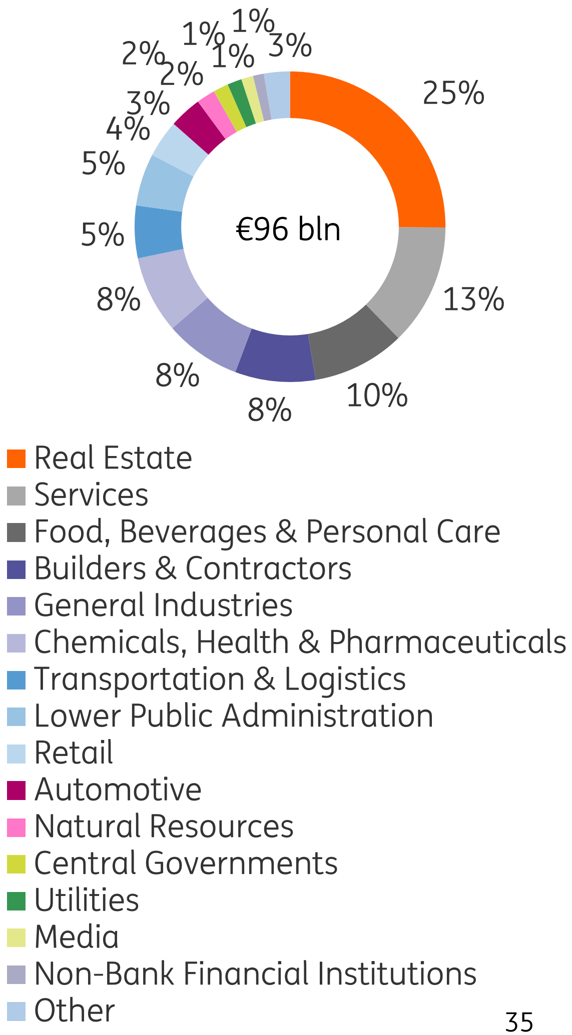


Business Lending – 1Q2021 Lending Credit Outstandings*

By geography



By sector

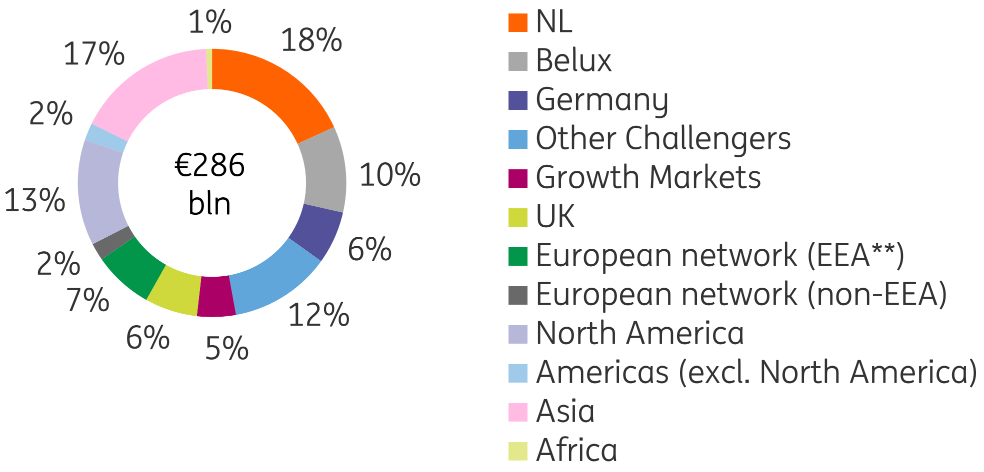


* In 4Q2020, the Real Estate Finance portfolio booked in Retail Banking (€11 bln) was transferred from Other Retail Lending to Business Lending

Wholesale Banking lending

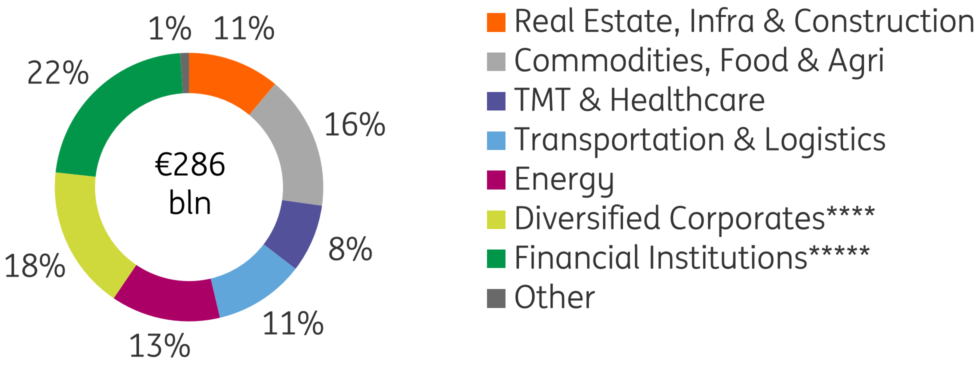
Loan portfolio is well diversified across geographies…

Lending Credit O/S Wholesale Banking (1Q2021)*

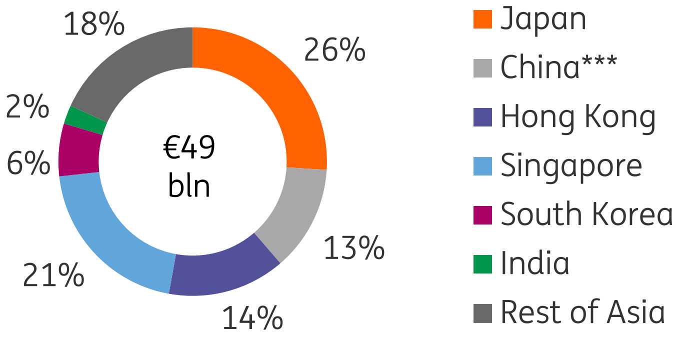


…and sectors

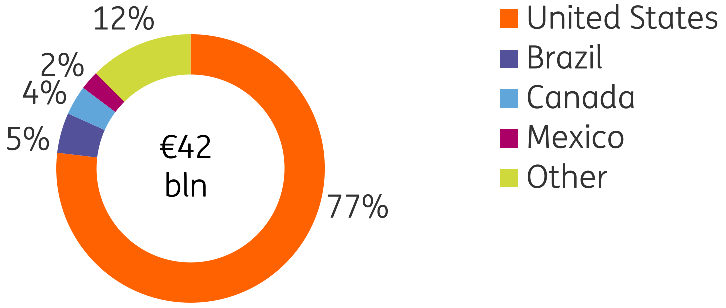
Lending Credit O/S Wholesale Banking (1Q2021)*



Lending Credit O/S Wholesale Banking Asia (1Q2021)*



Lending Credit O/S Wholesale Banking Americas (1Q2021)*



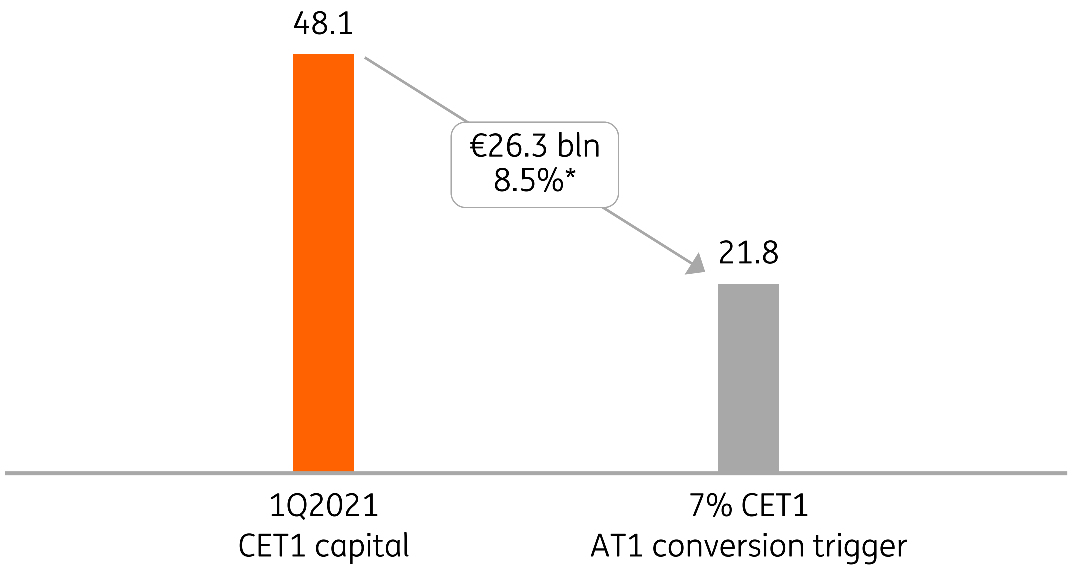
* Data is based on country/region of residence; Lending and money market credit O/S, including guarantees and letters of credit but excluding undrawn committed exposures (off-balance sheet positions); ** Member countries of the European Economic Area (EEA); *** Excluding our stake in Bank of Beijing (€1.7 bln at 31 March 2021); **** Large corporate clients active across multiple sectors; ***** Including Financial sponsors

Appendix

Comfortable buffer to Additional Tier 1 trigger

Buffer to AT1 trigger (in € bln)

31 March 2021



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

	2020
Share premium	17,089
Other reserves	32,784
Legal and statutory reserves	2,334
Non-distributable	-9,831
Total	**42,376**
Accrued interest expenses on own fund instruments at year-end	145
Distributable items excluding result for the year	**42,520**
Unappropriated result for the year	2,391
Total available distributable items	**44,911**

- ING Group capital buffer to conversion trigger (7% CET1) is high at €26.3 bln, or 8.5% of RWA
- This excludes €3,301 mln of net profits that we set aside for distribution to shareholders
- AT1 discretionary distributions may only be paid out of distributable items
- As per year-end 2020, ING Group had ~€44.9 bln of available distributable items following the CRD IV definition

* Difference between 15.5% ING Group CET1 ratio in 1Q2021 and 7% CET1 equity conversion trigger
** According to the CRR/CRD IV

Outstanding benchmark capital securities

(Additional) Tier 1 securities issued by Group

Currency	Issue date	First call date	Coupon	Outstanding**	Issued	Reset spread
USD*	Feb-20	May-29	4.875%	750	750	UST + 351bps
USD*	Sep-19	Nov-26	5.750%	1,500	1,500	UST + 434bps
USD	Feb-19	Apr-24	6.750%	1,250	1,250	USSW + 420bps
USD	Nov-16	Apr-22	6.875%	1,000	1,000	USSW + 512bps
USD*	Apr-15	Apr-25	6.500%	1,250	1,250	USSW + 445bps
EUR***	Jun-04	Jun-14	10yr DSL +10	563	1,000	10yr DSL +10
EUR***	Jun-03	Jun-13	10yr DSL +50	432	750	10yr DSL +50

Tier 2 securities issued by Group

Currency	Issue date	First call date	Coupon	Outstanding**	Maturity
EUR	May-20	Feb-26	2.125%	1,500	May-31
EUR	Nov-19	Nov-25	1.00%	1,000	Nov-30
USD	Mar-18	Mar-23	4.70%	1,250	Mar-28
EUR	Mar-18	Mar-25	2.00%	750	Mar-30
EUR	Sep-17	Sep-24	1,625%	1,000	Sep-29
EUR	Feb-17	Feb-24	2.50%	750	Feb-29
EUR	Apr-16	Apr-23	3.00%	1,000	Apr-28

Tier 2 securities issued by Bank

Currency	Issue date	First call date	Coupon	Outstanding**	Maturity
USD	Sep-13	n/a	5.80%	811*****	Sep-23

* SEC registered
** Amount outstanding in original currency
*** Grandfathered instruments

Most recent HoldCo Senior transactions

HoldCo Senior Unsecured, EUR issuances

ISIN	Issue date	First call date	Maturity	Tenor	Coupon	Currency	Issued	Spread
XS2281155254	Jan-21	Feb-29	Feb-30	9NC8	0.25%	EUR	1,500	m/s + 70
XS2258452478	Nov-20	Nov-28	Feb-29	8NC7	0.25%	EUR	1,250	m/s + 68
XS2049154078	Sep-19	Sep-24	Sep-25	6NC5	0.10%	EUR	1,000	m/s + 60
XS1933820372	Jan-19	n/a	Jan-26	7yr	2.13%	EUR	1,000	m/s + 170
XS1909186451	Nov-18	n/a	Nov-30	12yr	2.50%	EUR	1,500	m/s + 135
XS1882544973	Sep-18	n/a	Sep-28	10yr	2.00%	EUR	1,500	m/s + 110
XS1882544205	Sep-18	n/a	Sep-23	5yr	3mE + 85	EUR	1,000	3mE + 85

HoldCo Senior Unsecured, USD issuances*

ISIN	Issue date	First call date	Maturity	Tenor	Coupon	Currency	Issued	Spread
US456837AV55	Apr-21	Apr-26	Apr-27	6NC5	1.73%	USD	1,100	T + 92
US456837AX12	Apr-21	Apr-26	Apr-27	6NC5	SOFR+101	USD	400	SOFR + 101
US456837AW39	Apr-21	Apr-31	Apr-32	11NC10	2.73%	USD	750	T + 112
US456837AU72 (RegS/144a)	Jul-20	Jul-25	Jul-26	6NC5	1.40%	USD	1,000	T + 110
US456837AP87	Apr-19	n/a	Apr-24	5yr	3.55%	USD	1,000	T + 130
US456837AQ60	Apr-19	n/a	Apr-29	10yr	4.05%	USD	1,000	T + 158
US45685NAA46 (RegS/144a)	Nov-18	n/a	Jan-26	7yr	4.63%	USD	1,250	T + 150

HoldCo Senior Unsecured, $AUD, JPY, GBP issuances

ISIN	Issue date	First call date	Maturity	Tenor	Coupon	Currency	Issued	Spread
XS2305598216	Feb-21	Dec-27	Dec-28	7NC6	1.13%	GBP	800	G + 95
JP552843BKE8	Feb-19	n/a	Feb-29	10yr	1.07%	JPY	21,100	YSO + 88
JP552843AKE0	Feb-19	n/a	Feb-24	5yr	0.81%	JPY	88,900	YSO + 77
XS1953146245	Feb-19	n/a	Feb-26	7yr	3.00%	GBP	1,000	G + 210
JP552843AJQ6	Dec-18	n/a	Dec-23	5yr	0.85%	JPY	107,500	YSO + 75
JP552843BJQ4	Dec-18	n/a	Dec-28	10yr	1.17%	JPY	19,200	YSO + 90
XS1917902196	Dec-18	n/a	Jun-29	10.5yr	5.00%	AUD	175	ASW + 226

ING has a limited repository of public securities and private placements referring to IBOR with a maturity date beyond the respective IBOR cessation date. The majority of the documentation pertaining to these instruments contain appropriate discontinuation language. Discontinuation language refers to the appointment of an Independent Advisor to determine an appropriate Successor Rate, failing which an Alternative Rate, and in either case, an Adjustment Spread (if any) and any Benchmark Amendments.

For more information: see the paragraph titled "Benchmark Discontinuation" on page 74 of the Debt Issuance Programme dated 26 March 2021

* HoldCo USD issues are SEC registered unless mentioned otherwise

Green bond

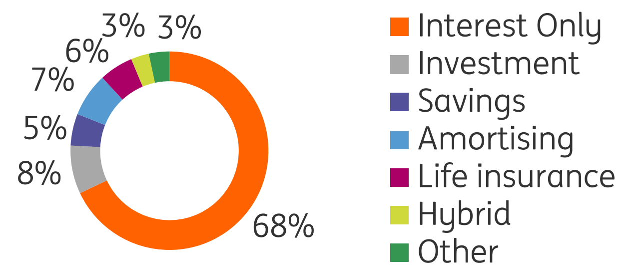
ING Bank's covered bond programme…

- 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 31 March 2021, no arrears > 90 days in the cover pool
  - Strong Dutch legislation with minimum legally required over collateralisation (OC) of 5% and LTV cut-off rate of 80%
- Latest investor reports are available on www.ing.com/ir

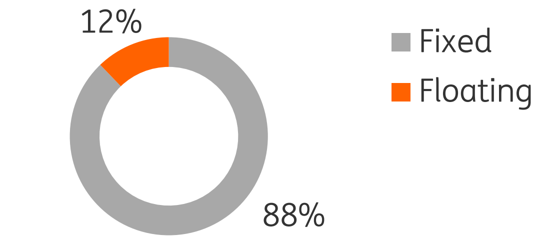
Portfolio characteristics*

Net principal balance	€20,630 mln
Outstanding bonds	€16,715 mln
# of loans	125,260
Avg. principal balance (per borrower)	€164,694
WA current interest rate	2.47%
WA remaining maturity	15.57 years
WA remaining time to interest reset	5.83 years
WA seasoning	14.24 years
WA current indexed LTV	53.72%
Min. documented OC	2.50%
Nominal OC	23.42%

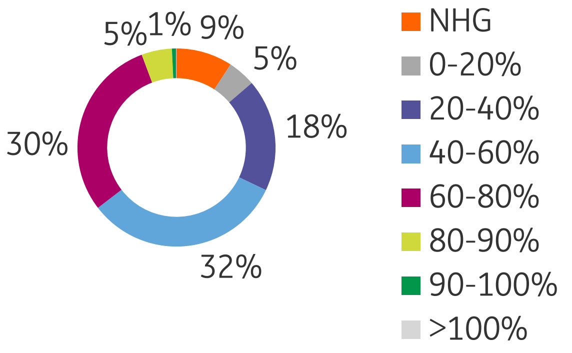
Redemption type*



Interest rate type*



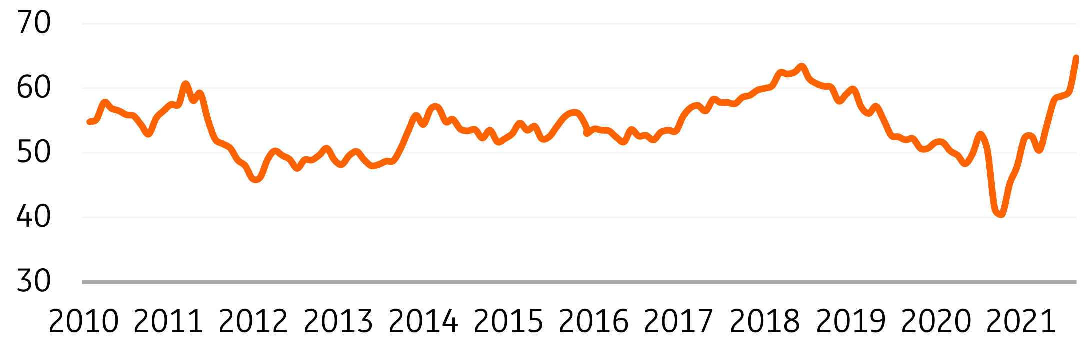
Current Indexed LTVs*



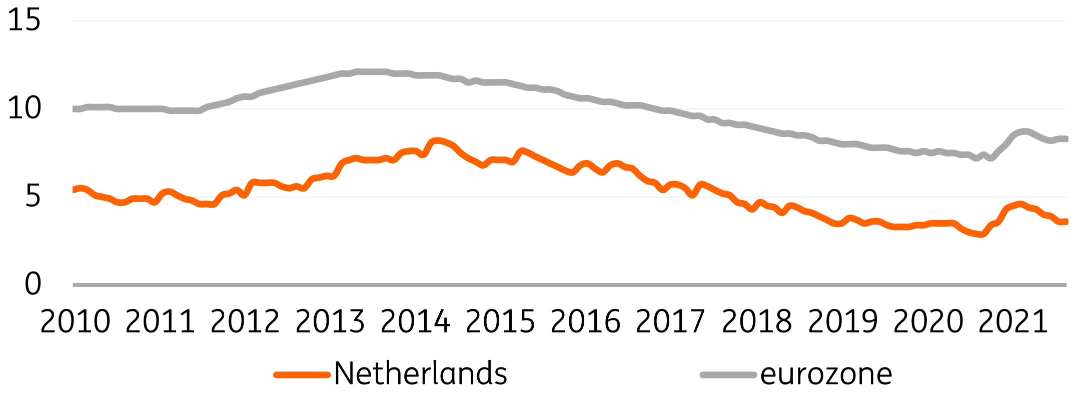
* As per 31 March 2021

...benefits from a continued strong Dutch housing market, which seems unaffected by the economic uncertainty in the last year

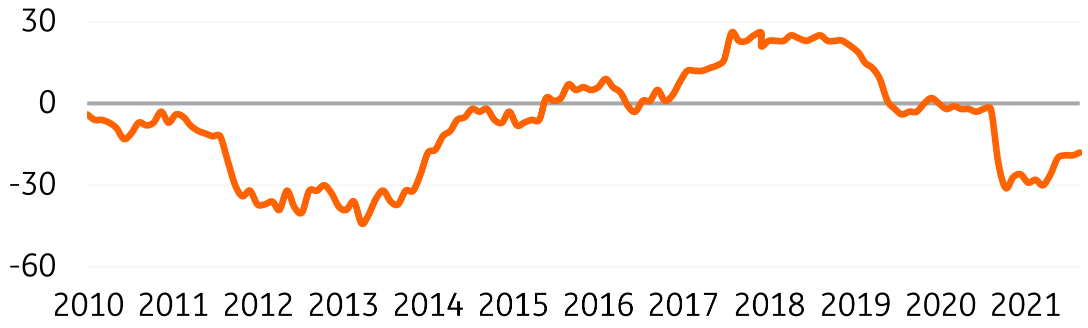
In March 2021, the Dutch Purchasing Managers Index (PMI) increased to the highest level in the last 10 years



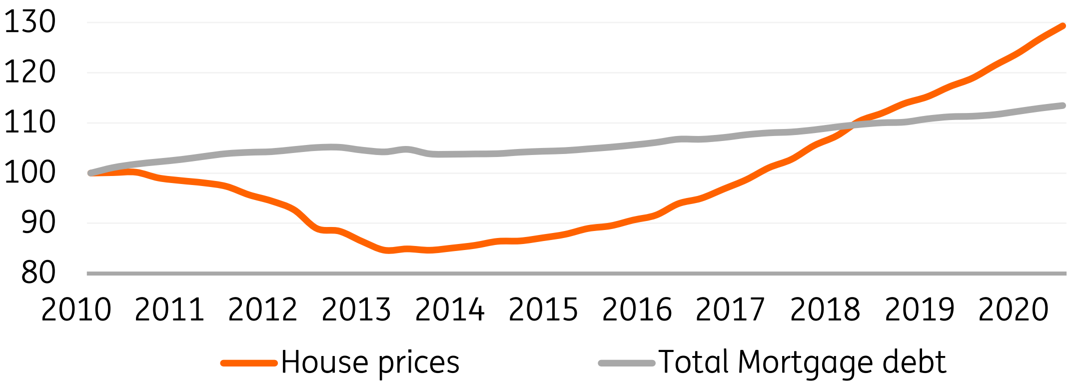
Dutch unemployment rates (%) decreased since August 2020



Dutch consumer confidence remains quite negative, but increased significantly since 4Q2020



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



Source: Central Bureau for Statistics for all data except for the Dutch PMI (IHS Markit) and eurozone unemployment (Eurostat)
* Reflects latest available data as of 4Q2020

Volatile items 1Q2021

Volatile items and regulatory costs (in € mln)

	1Q2020	2Q2020	3Q2020	4Q2020	1Q2021
WB/FM – valuation adjustments	-92	87	91	-13	11
Capital gains/losses	138	15	6	3	36
Hedge ineffectiveness	-89	40	43	-59	23
Other items income*	-82	40	-230	0	233
Total volatile items – income	**-125**	**182**	**-90**	**-69**	**303**
Incidental items - expenses**		-310	-140	-223	-84
Total volatile items	**-125**	**-128**	**-230**	**-292**	**219**
Regulatory costs	-526	-137	-111	-331	-587

* Other items income in 1Q2020 consists of €-82 mln of losses within WB/Lending mainly due to negative MtM adjustments related to syndicated loans and loans at fair value through profit or loss; 2Q2020 consists of €40 mln of positive MtM adjustments in WB/Lending; 3Q2020 consists of €-230 mln of impairments on ING's equity stake in TMB; 1Q2021 consists of €233 mln TLTRO III benefit

** Incidental items expenses in 2Q2020 consists of €-310 mln of goodwill impairments in mainly WB and RB Belgium; 3Q2020 consists of €-140 mln of impairments on capitalised cost of software related to project Maggie (both in RB OC&GM); 4Q2020 consists of €-223 mln of incidental costs due to restructuring provisions and impairments as well as a provision for customer claims in the Netherlands; 1Q2021 consists of €-84 mln of redundancy and restructuring costs following the announced restructuring of the branch network and the retail advice organisation in the Netherlands and the announcement to leave the Czech retail market

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 2020 ING Group consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to a number of factors, including, without limitation: (1) changes in general economic conditions and customer behaviour, in particular economic conditions in ING's core markets, including changes affecting currency exchange rates (2) the effects of the Covid-19 pandemic and related response measures, including lockdowns and travel restrictions, on economic conditions in countries in which ING operates, on ING's business and operations and on ING's employees, customers and counterparties (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) political instability and 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 (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) regulatory consequences of the United Kingdom's withdrawal from the European Union, including authorizations and equivalence decisions (16) ING's ability to meet minimum capital and other prudential regulatory requirements (17) changes in regulation of US commodities and derivatives businesses of ING and its customers (18) application of bank recovery and resolution regimes, including write-down and conversion powers in relation to our securities (19) outcome of current and future litigation, enforcement proceedings, investigations or other regulatory actions, including claims by customers who feel mislead and other conduct issues (20) changes in tax laws and regulations and risks of non-compliance or investigation in connection with tax laws, including FATCA (21) 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 (22) risks and challenges related to cybercrime including the effects of cyber-attacks and changes in legislation and regulation related to cybersecurity and data privacy (23) changes in general competitive factors, including ability to increase or maintain market share (24) the inability to protect our intellectual property and infringement claims by third parties (25) inability of counterparties to meet financial obligations or ability to enforce rights against such counterparties (26) changes in credit ratings (27) business, operational, regulatory, reputation and other risks and challenges in connection with climate change (28) inability to attract and retain key personnel (29) future liabilities under defined benefit retirement plans (30) failure to manage business risks, including in connection with use of models, use of derivatives, or maintaining appropriate policies and guidelines (31) 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 (32) 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 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.