ING Credit Update 3Q2020

ING Investor Relations

5 November 2020

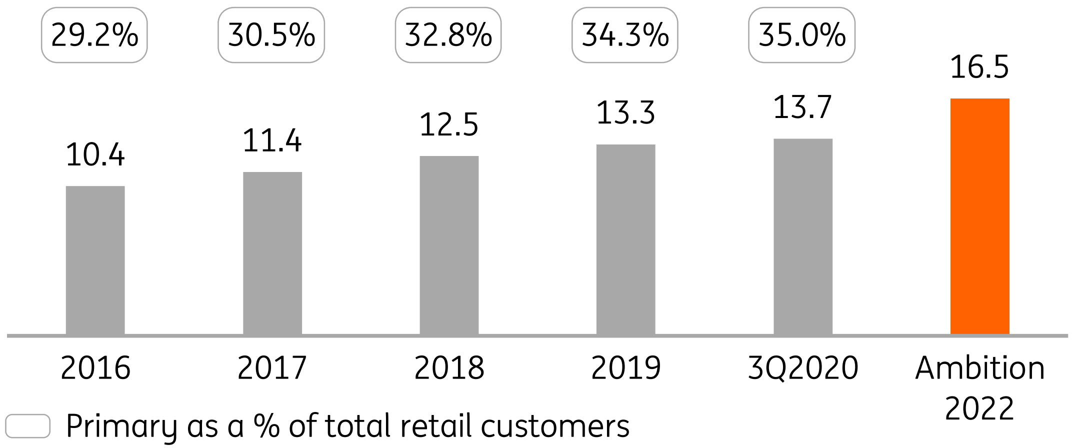
do your thing

Key points

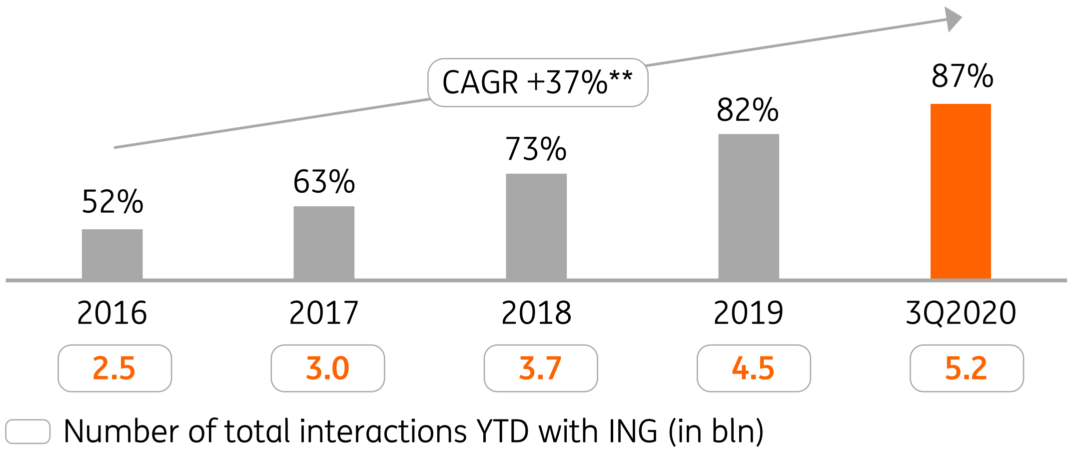
- In line with our purpose, we continue to take actions to support our customers, employees and society in coping with the effects of the Covid-19 pandemic. At the same time, countering financial and economic crime remains a priority
- The current environment underscores the strength of our digital business model. We continued to grow primary customers, as they choose us as their go-to bank, while mobile interactions further increased
- Pre-provision result was resilient, supported by disciplined pricing, good fee income and cost control, despite increased margin pressure on customer deposits and impairments
- Risk costs declined sharply, reflecting much lower Stage 3 provisions and a €552 mln management overlay, to compensate for the effect of an IFRS 9 driven release and to increase provisioning related to payment holidays
- A growing number of Covid-19 cases and renewed lockdown measures are increasing uncertainty. We maintain vigilance on margins and asset quality. We are also taking steps to focus our activities, which impacts our geographical footprint, projects and operations
- 3Q2020 CET1 ratio was strong at 15.3%. The full 3Q2020 net profit is kept outside of regulatory capital
- We have adjusted our long-term CET1 ratio ambition to ~12.5% (~200 bps above MDA), reflecting lower capital requirements and more visibility on expected remaining regulatory RWA impact. Given the current uncertainty caused by the Covid-19 pandemic, we will manage our CET1 ratio at a level well above 12.5% until there is more clarity on how the economy will emerge from the Covid-19 pandemic
- We have adjusted our distribution policy to a 50% pay-out ratio of resilient net profit

The pandemic underscores our digital success and requires increased focus

Primary customer* base (in mln)



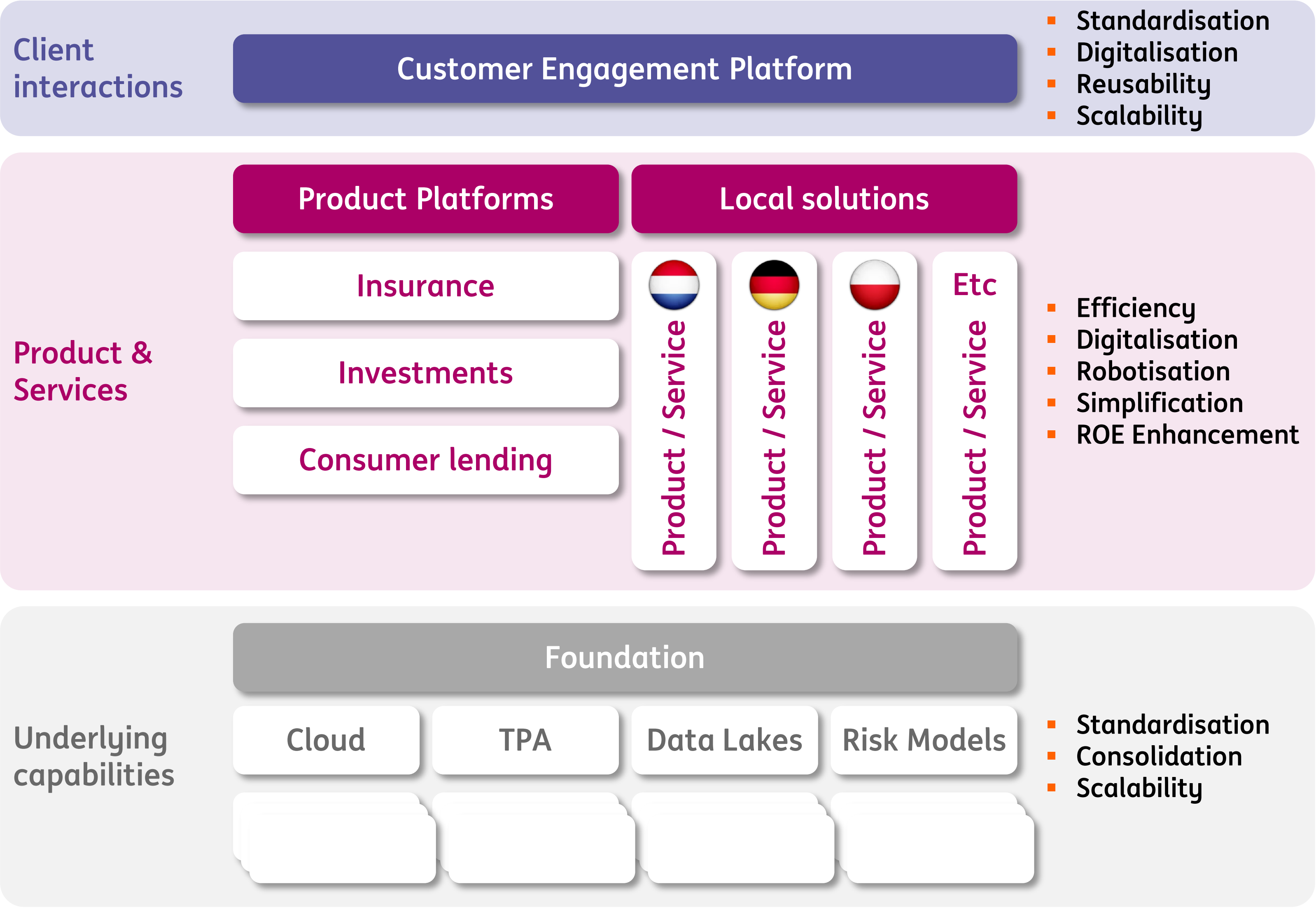
% mobile in interactions with ING



- Our primary customer base has increased by 3.3 million since we accelerated our Think Forward strategy in 2016. 213,000 new primary customers were added in 3Q2020, while the number of mobile interactions continued to grow
- With the challenging external environment, we are refocusing our activities, leading to some adjustments
  - Focus on core clients and simplification of our geographical footprint in Wholesale Banking
  - Reduced scope of the Maggie programme in Retail Banking
- These measures will result in a combined reduction of ~1,000 FTEs by the end of 2021. A redundancy provision will be taken in 4Q2020
- Going forward, we will continue to monitor developments and critically review our activities and expenses

* Definition: active payment customers with recurring income and at least one extra active product category
** CAGR for number of mobile interactions with ING (annualised for 2020)

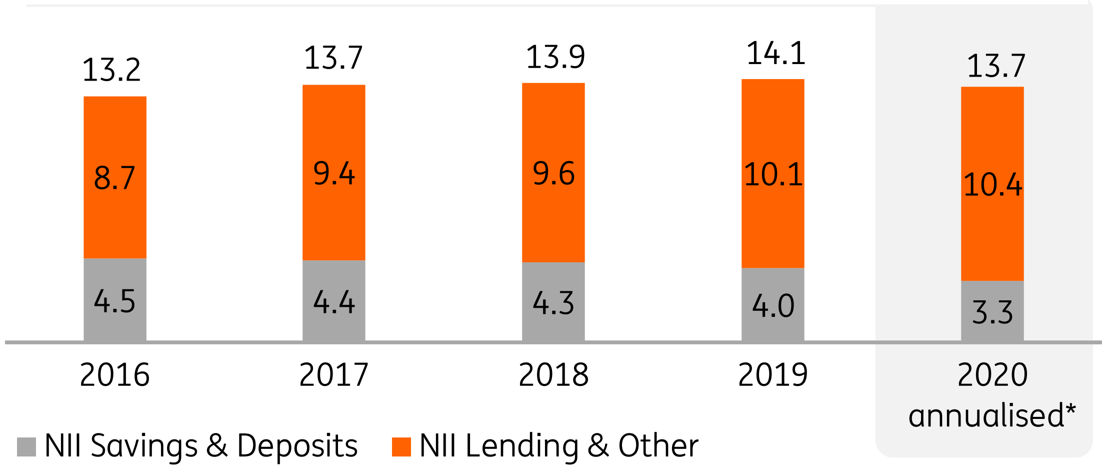
Building on our data-driven digital leadership



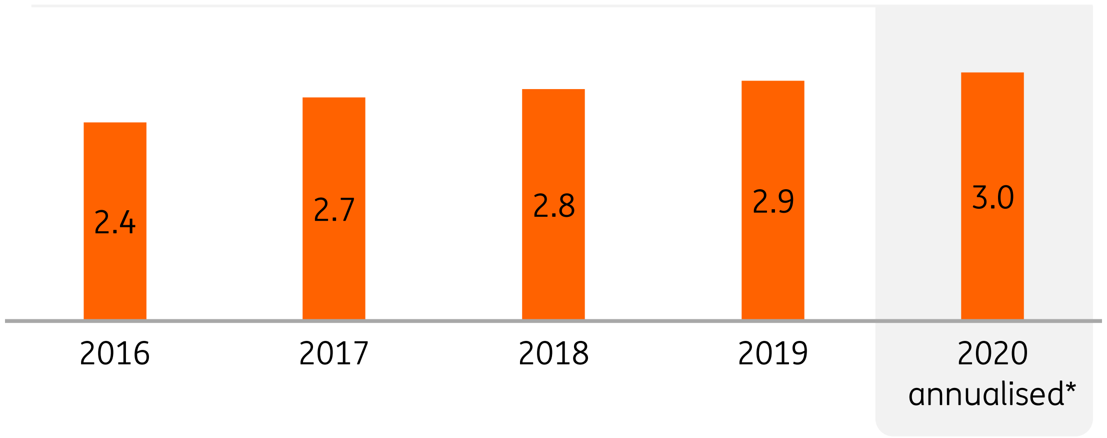
- One App / One Web already services retail customers in the Netherlands and Germany. By 3Q2020 nearly all active private customers of ING Belgium have been onboarded
- The cross-border integration of local product solutions has been discontinued (programme Maggie)
- Through our foundation, including our Touch Point Architecture (TPA), we focus on building modular elements which can be re-used, using one way of coding as well as standardised data capturing
- This foundation allows for modular solutions for local product and service solutions. It further supports the roll- out of cross border platform initiatives and partnerships, such as our collaboration with AXA

Diversifying income in a low rate environment

Net interest income (€ bln)



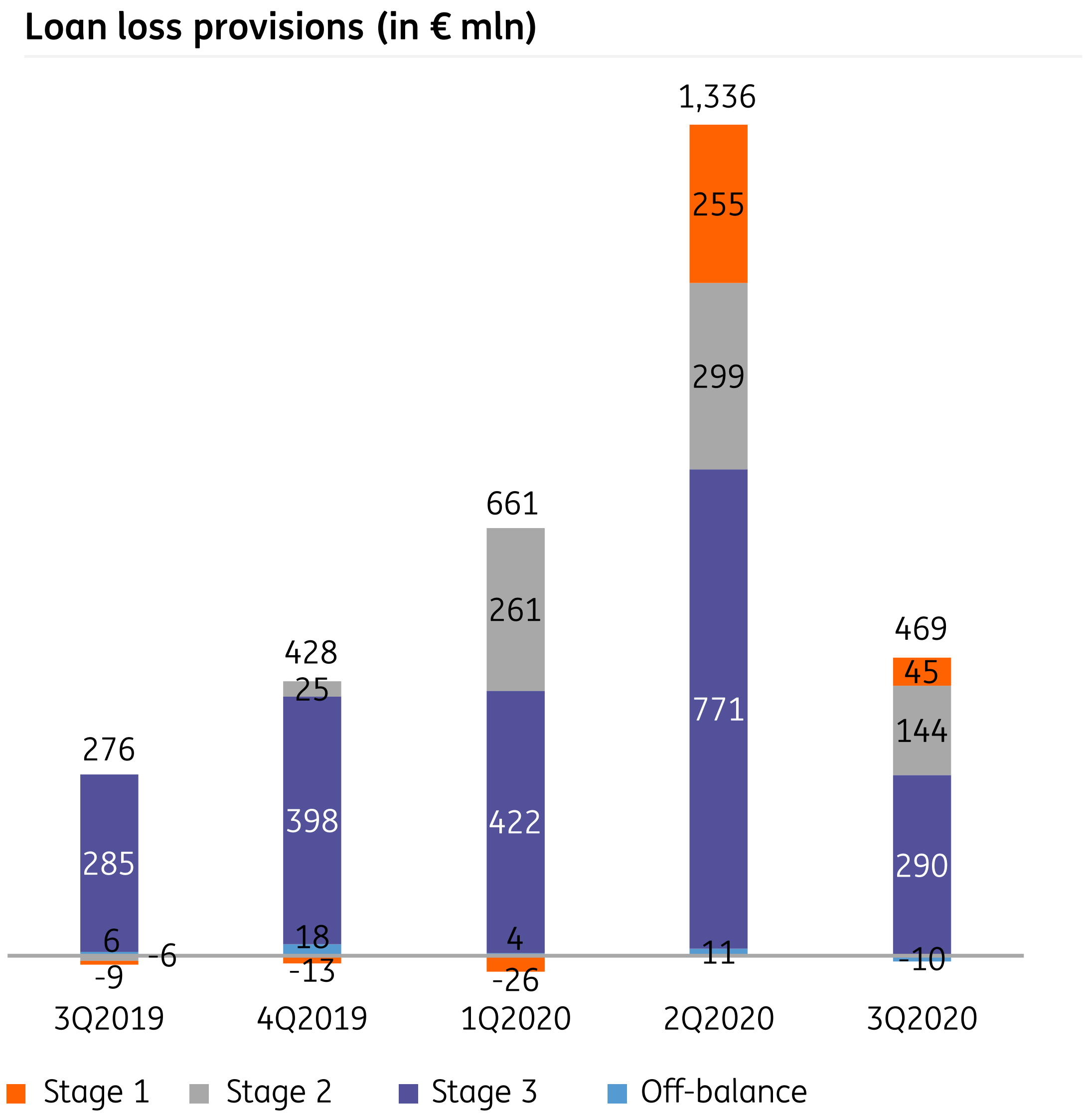
Net fees and commission income (€ bln)



- The negative rate environment since 2016 has put pressure on NII, which we counter using various levers
  - Loan growth has been an important lever and we aim to continue to grow, however within our risk appetite
  - Our lending is measured against RoE hurdles and we maintain vigilance on margins on new production, prioritising returns over volumes or market share
  - We have introduced negative charging and are expanding this on (new) customer deposits (Belgium and Germany) and reducing the threshold for charging negative rates (Netherlands)
  - We made downward rate adjustments in non-eurozone countries, following significant local central bank rate reductions
  - We continue our aim to grow in the higher margin lending areas of Consumer Lending and Business Lending within our risk appetite
- On fee income we have increased daily banking package fees, introduced new account fees and behavioural fees
- The conditional benefit of TLTRO III is not included in NII
- We expect continued pressure on NII in the coming quarters

* NII annualised based on 9M2020

Focus on maintaining good asset quality in our loan book



- Updated macro-economic indicators driven by IFRS 9 resulted in a €380 million release. As cases and lockdown measures are again increasing and uncertainty remains, the effect of the release was compensated by applying a management overlay to reflect the delay in potential credit losses
- Risk costs came in well below the elevated levels of the previous two quarters
  - Stage 1 and Stage 2 provisions reflect the management overlay to compensate for the effect of releases driven by updated macro-economic indicators, as well as prudent provisioning related to loans subject to a payment holiday
  - Stage 3 provisions were well below the elevated level of the previous quarter, mainly reflecting additions to existing Stage 3 files with limited new inflow
- We have granted payment holidays to ~205,000 customers, amounting to €19.9 bln of lending credit outstandings (~2.6% of our total loan book), of which ~28% has already expired. So far we see no significant deterioration of the risk profile
- We maintain our strict risk appetite with a focus on senior, collateralised lending

Strengthening our management of compliance risks since 2017

One common global approach

- Global KYC organization in place to oversee end-to-end KYC capabilities and processes
- Global KYC Policy and Risk Appetite Statements rolled out
- Global & local KYC Committees set up to manage KYC capabilities
- Local Client Integrity Risk Committees set up for compliance-based client acceptance/exit
- Behavioural Risk Assessments in several departments finalised
- Ongoing roll-out of global standards, systems and operations to support customer KYC life cycle e.g. in
  - Customer Due Diligence
  - Transaction monitoring
  - Adverse media, name and pre-transaction screening

Digital solutions

- A model using machine learning to detect instances of fraudulent transactions related to 'smurfing'; the practice of breaking up transactions into smaller amounts to evade alerts
- An advanced AI-based anomaly detection model to automatically analyse and detect new potentially suspicious behaviour in foreign currency clearing and settlement
- An API (Application Programme Interface) to integrate our banking systems with a country's trade registry, for quicker access to more accurate data on legal entities

Collaboration with 3rd parties

- In the Netherlands, the government presented an AML action plan, which also investigates data-sharing. Five Dutch banks, including ING, have set up TMNL, a separate entity to cooperate on transaction monitoring
- In Belgium, ING has joined forces with other banks and fintech Isabel Group to more effectively identify suspicious transactions
- Collaboration is also needed on a supra-national level. ING welcomes the European Commission's action plan to ensure harmonisation of EU laws, implement an EU-level supervising authority, and promote information sharing

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

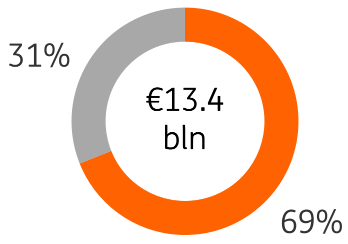
Wholesale Banking International Network

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

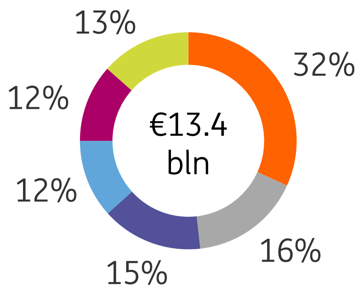
Total income*

9M2020



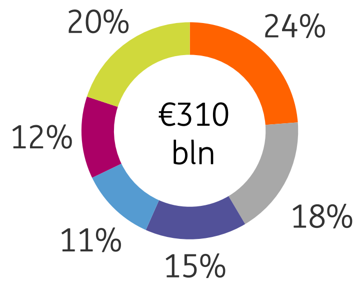
Total income*

9M2020



RWA (end of period)*

3Q2020



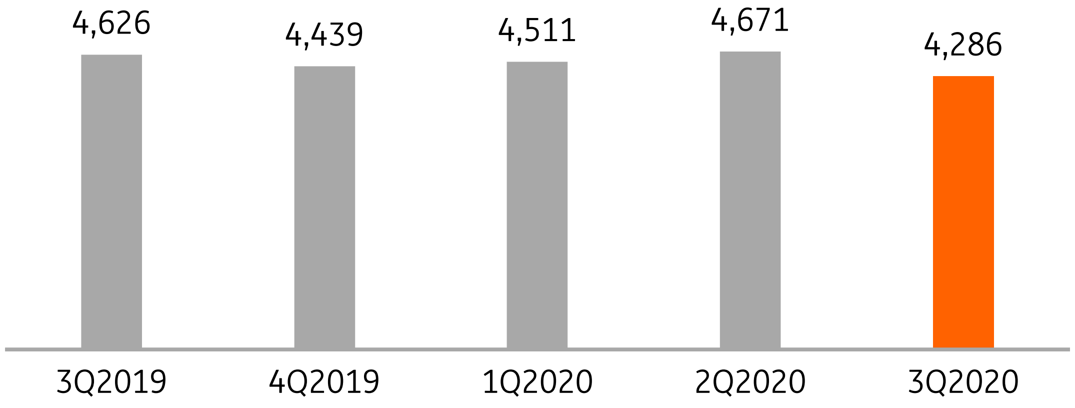
Netherlands Belgium Germany Other Challengers Growth Markets WB Rest of World

* Segment "Other" not shown on the slide. For this segment (Corporate Line and Real Estate run-off portfolio), the total income was €100 mln in 9M2020 and RWA was €2.7 bln as per 30 September 2020

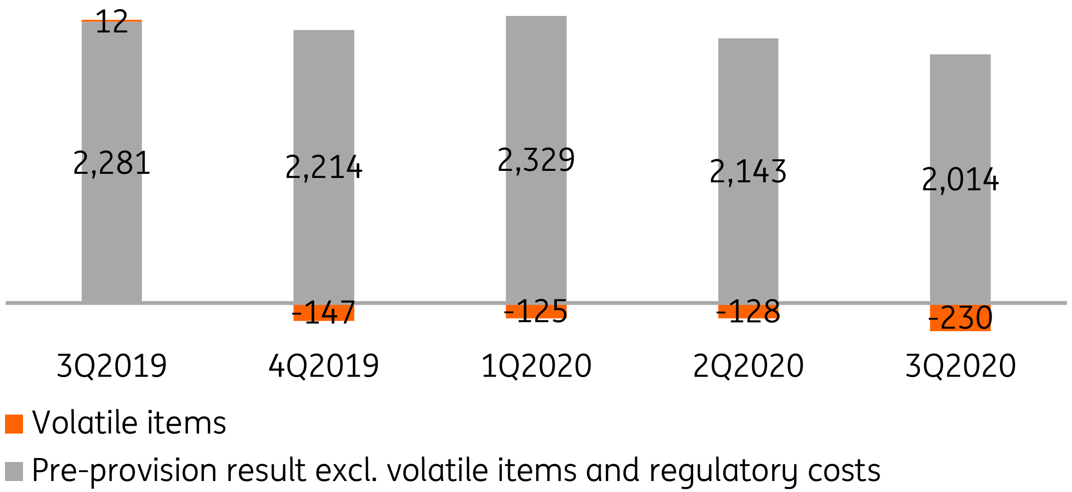
3Q2020 results

Resilient pre-provision result despite pressure on liability income

Income (in € mln)



Pre-provision result excl. volatile items* and regulatory costs (in € mln)

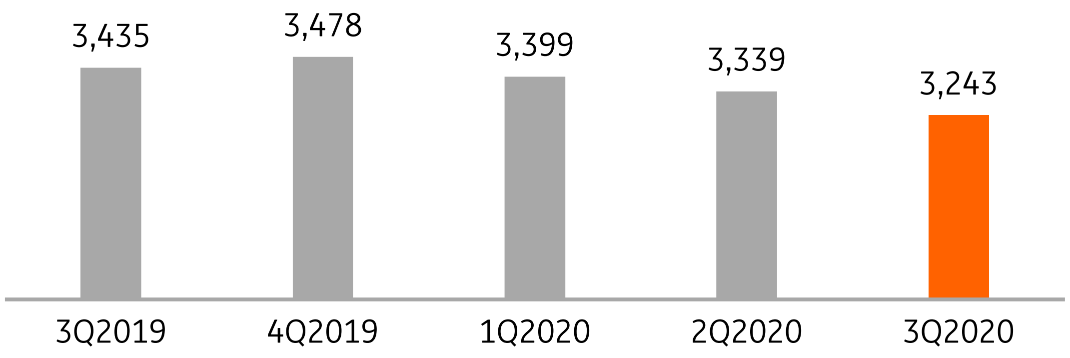


- Income was €340 mln lower compared to 3Q2019, mainly reflecting a €230 million value impairment on our stake in TMB (booked as negative income). The remaining pressure was due to lower interest results on customer deposits, lower results from FX ratio hedging and negative FX impact
- Sequentially, income was €385 mln lower as the annual dividend received from Bank of Beijing was more than offset by the abovementioned €230 million impairment, as well as lower income in Financial Markets and the Corporate Line, including lower interest results on FX ratio hedging
- 3Q2020 pre-provision result, excluding volatile items and regulatory costs, was €267 million lower YoY, reflecting lower income due to abovementioned reasons, and higher expenses, as 3Q2019 included a significant VAT refund
- QoQ pre-provision result excluding volatile items and regulatory costs was €129 million lower, mainly reflecting lower income due to abovementioned reasons, and slightly higher expenses, due to provisions taken this quarter

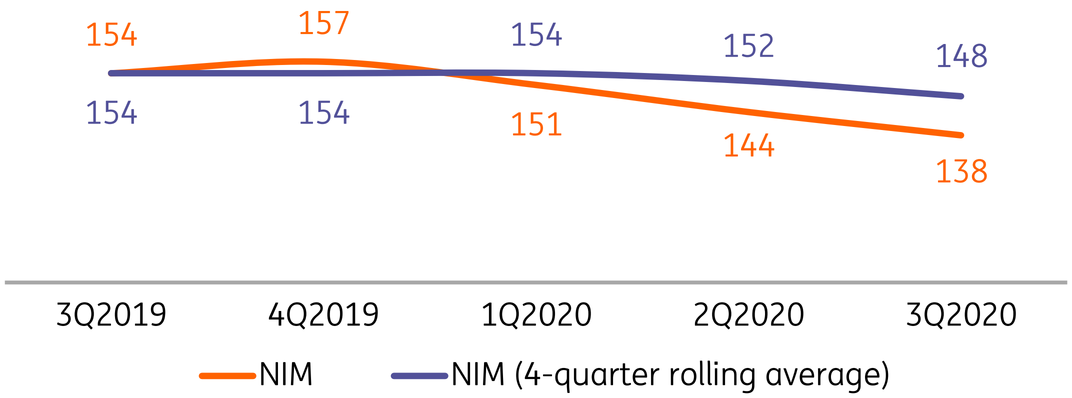
* A specification of volatile items can be found on slide 51

NII slightly lower with Covid-19 impact on supporting levers; 4-quarter rolling average NIM at 148 bps

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



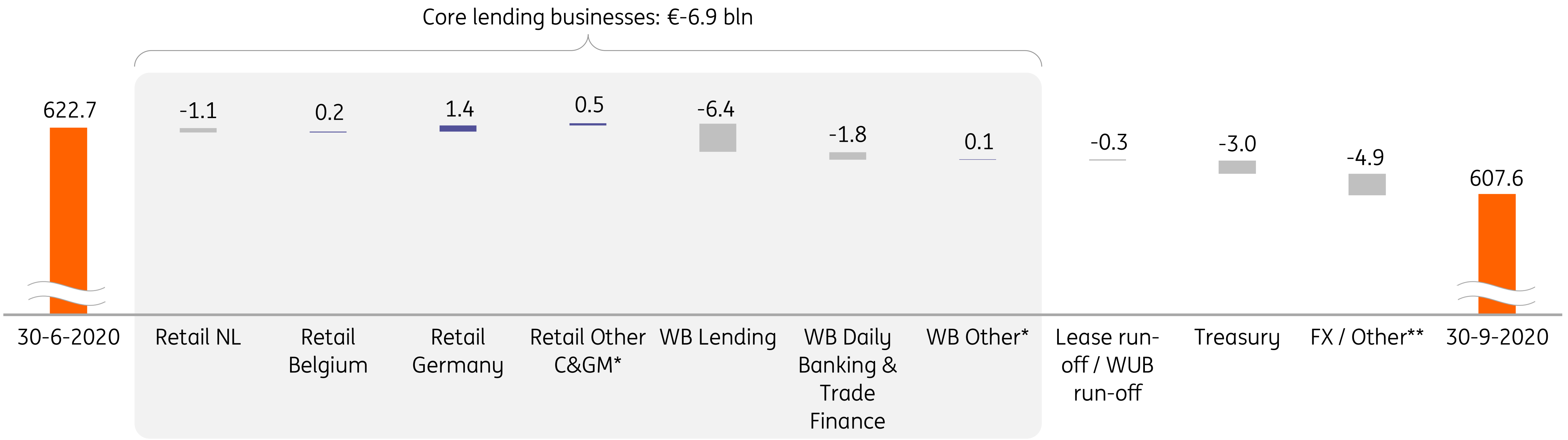
Net Interest Margin (in bps)



- NII, excluding FM, was 5.6% lower compared to 3Q2019. Higher Treasury-related interest results and stable lending margins were more than offset by continued pressure on customer deposit margins, while customer deposits continue to increase. Furthermore, FX had a significant impact this quarter, through lower interest results from FX ratio hedging in the Corporate Line as well as foreign currency translation
- Sequentially, NII excluding FM decreased 2.9%, driven by the abovementioned reasons, despite a slightly higher overall lending margin
- 3Q2020 NIM was 138 bps, down six basis points from 2Q2020, despite a slightly higher overall lending margin. This was partly due to an increase in the average balance sheet, driven by the €55 bln TLTRO III uptake at the end of June, partly offset by lower average customer lending. Furthermore, margin pressure on customer deposits continued and interest results in the Corporate Line declined

3Q2020 net core lending reflects further decline of demand

Customer lending ING Group 3Q2020 (in € bln)

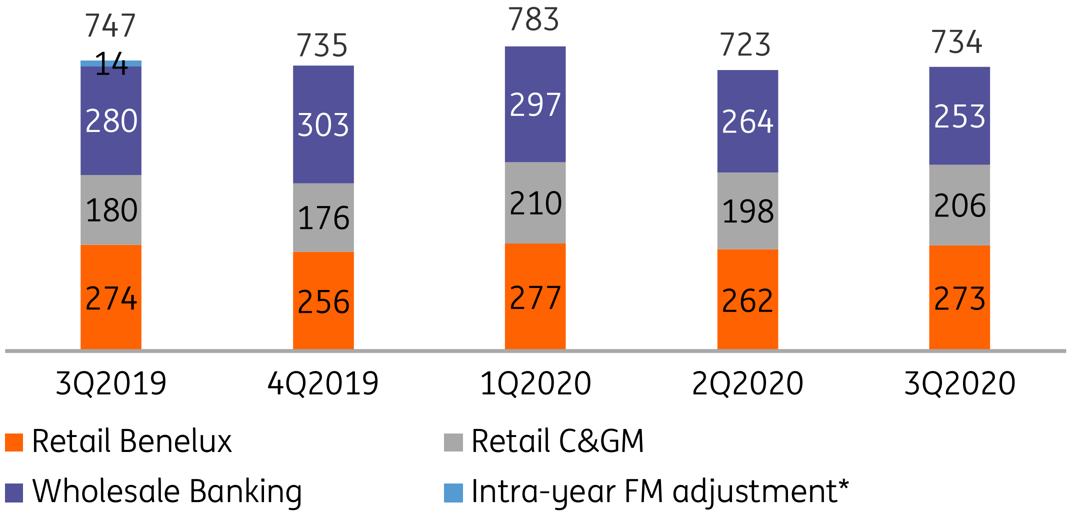


- Net core lending declined by €6.9 bln in 3Q2020
  - Retail Banking grew by €1.1 bln. Mortgages were €1.0 bln higher, due to continued growth in Challengers & Growth Markets (predominantly Germany), while other lending increased by €0.1 bln
  - Wholesale Banking decreased by €8.0 bln, mainly in Lending due to repayments on term loans and repayments of clients' increased utilisation of revolving credit facilities in 1Q2020
- Net customer deposits increased by €3.4 bln

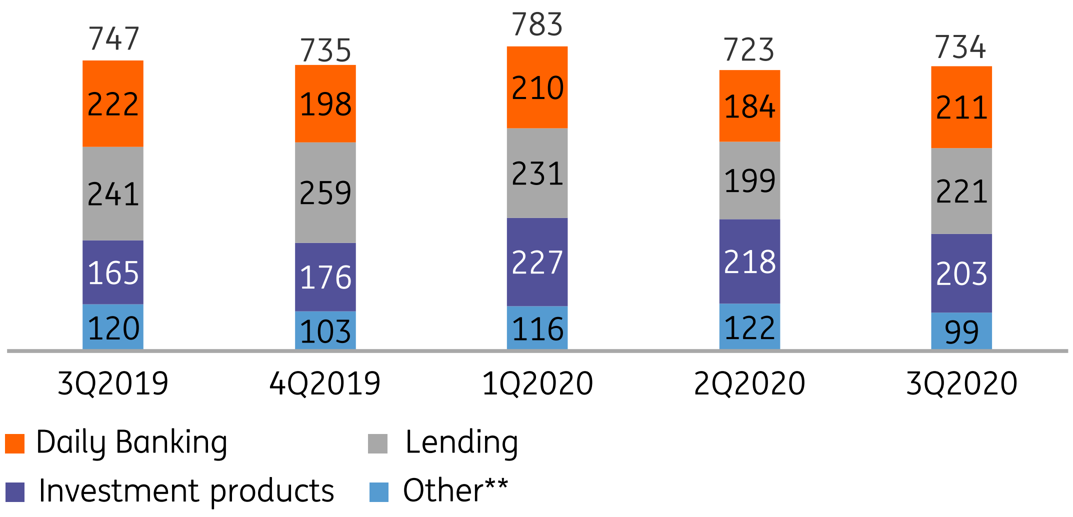
* C&GM is Challengers & Growth Markets; WB Other includes Financial Markets
** FX impact was €-4.8 bln and Other €-0.1 bln

Good fee growth in Retail Banking

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



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

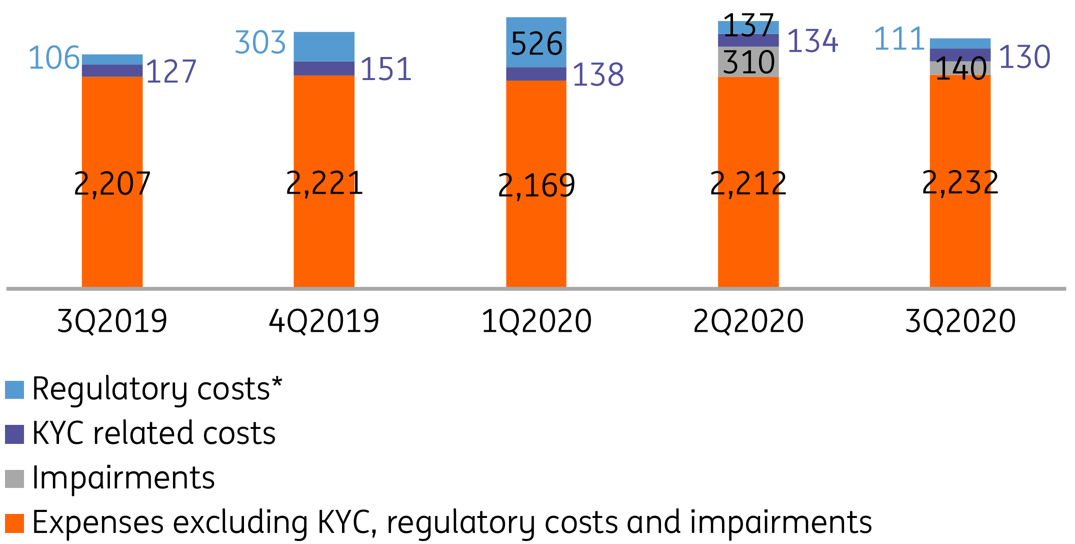


- Compared to 3Q2019, fees in Retail Banking grew by 5.5%, mainly driven by higher fees on investment products, while Daily Banking fees declined, reflecting a still lower number of payment transactions and less travel due to the Covid-19 pandemic. Fees in Wholesale Banking were down, reflecting lower Lending fees from less activity in syndicated deals and TCF (mainly due to lower oil prices), and lower fees in FM due to less client activity. Overall, excluding FM adjustments in 3Q2019, fees were up by €1 mln
- Sequentially, fee income was €11 mln higher. In Retail Banking, fees were €19 million higher, due to some QoQ recovery of (domestic) payment transactions. This more than offset lower, although still relatively high, fees on investments products. In Wholesale Banking fees declined, as higher Lending fees from the closing of syndicated deals in the quarter were more than offset by lower fees mainly in Financial Markets, due to less client activity

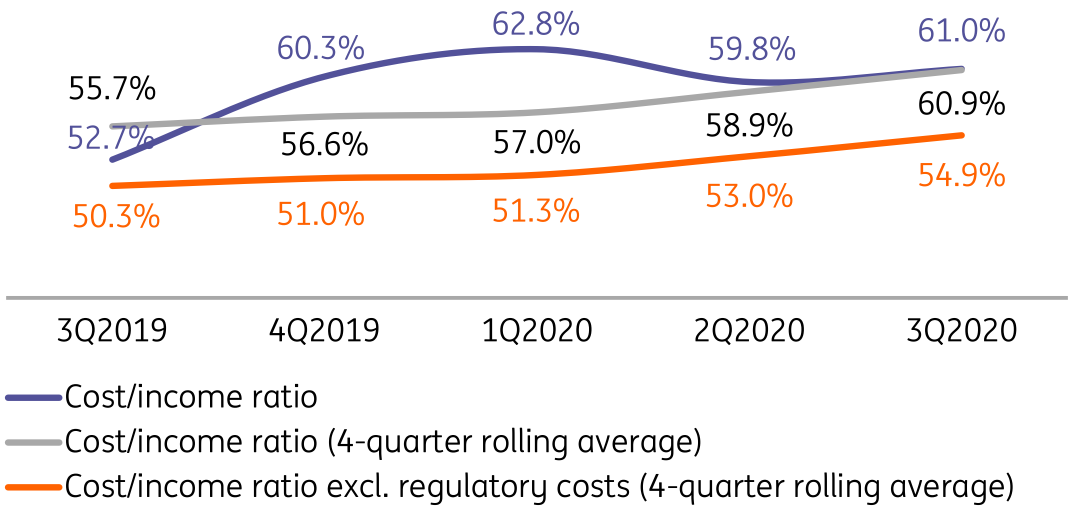
* In 3Q2019, an increase in fees of €14 mln in Wholesale Banking was caused by the reclassification of commissions paid in 2Q2019 to Other Income
** Other includes Insurance products and Financial Markets

Operating expenses remain under control

Expenses (in € mln)



Cost/income ratio**

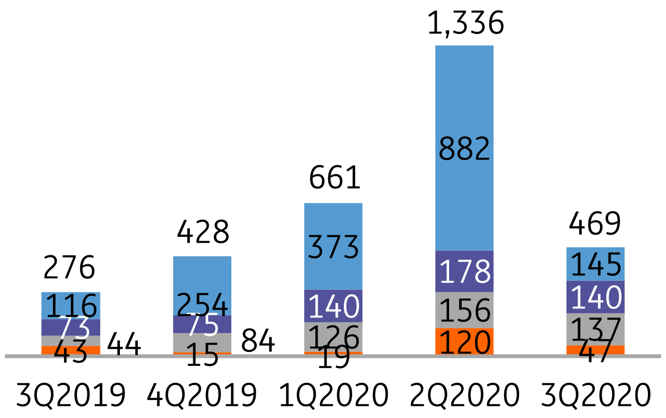


- Expenses excl. KYC-related costs and regulatory costs were up by €165 mln YoY, mainly driven by a €140 mln impairment on capitalised software following the decision to significantly reduce the scope of the Maggie programme
- Excl. also this impairment, expenses were up by 1.1%, as cost savings did not fully compensate for CLA-related salary increases and a €37 mln increase for redundancy and legal provisions, while 3Q2019 included a significant VAT refund and €40 mln in legal provisions
- QoQ, expenses excl. KYC-related costs, regulatory costs and impairments, were €20 mln higher as cost savings were more than offset by the abovementioned €37 mln in provisions
- Regulatory costs were €5 mln higher YoY and €26 mln lower QoQ, as 2Q2020 included a catch-up on SRF contributions

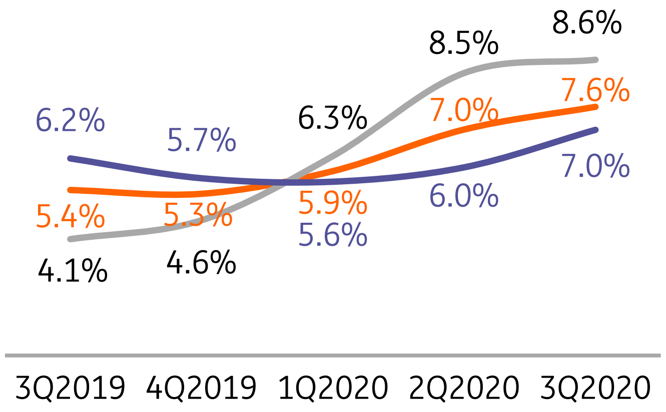
* Formal build-up phase of Deposit Guarantee Schemes (DGS) and Single Resolution Fund (SRF) should be completed by 2024
** As per 1Q2020, key figures are based on IFRS results as adopted by the European Union (IFRS-EU) and not on underlying anymore. Historical key figures have been adjusted

Risk costs down in all business lines, with sharp reduction in WB

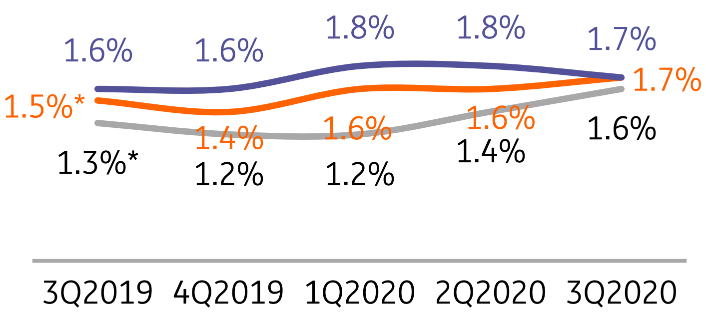
Risk costs per business line (in € mln)



Stage 2 ratio



Stage 3 ratio



ING Wholesale Banking Retail Banking

- 3Q2020 risk costs were €469 mln, or 30 bps of average customer lending, slightly above the through-the-cycle average of ~25 bps. This includes a €552 million management overlay, reflecting increasing uncertainty related to the Covid-19 pandemic and a delay in potential credit losses. The overlay was applied to compensate for the effect of €380 million of releases driven by updated macro-economic indicators and to increase additional prudent provisioning for payment holidays. The resulting €172 million impact on risk costs was allocated to the segments with Retail Benelux €105 mln, Retail C&GM €53 mln and WB €14 mln
- In Retail Benelux, risk costs were further driven by business lending, reflecting customers moved to watch list and additions to some individual files. In Retail C&GM, collective provisions increased, mainly in Australia, Romania, Germany and Poland. Risk costs in WB reflected several individual additions, predominantly on existing files, mainly in the Netherlands, UK, Asia and the Americas
- The Stage 2 ratio increased to 7.6%, mainly driven by higher watch list exposures and rating downgrades in Retail Banking. The Stage 3 ratio was slightly higher at 1.7%, mainly reflecting lower lending credit outstandings in Wholesale Banking

* Stage 3 credit-impaired as per 30 September 2019 adjusted downwards by €548 mln

ING Group financial ambitions

		Actual 2019	Actual 3Q2020	Financial ambitions
Capital	CET1 ratio (%)	14.6%	**15.3%**	~12.5%* (Basel IV)
	Leverage ratio (%)	4.6%	**4.7%**	>4%
Profitability	ROE (%)** (IFRS-EU Equity)	9.4%	**5.1%**	10-12%
	*C/I ratio (%)** *	*56.6%*	***60.9%***	*50-52%*
Dividend	Dividend (per share)	€0.24***		50% pay-out ratio****

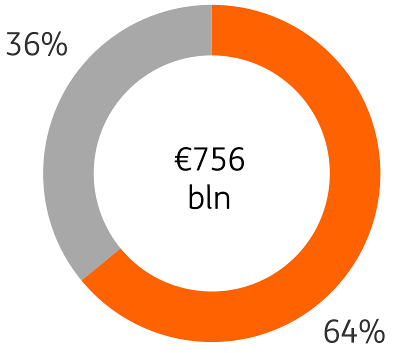
* Implies management buffer (incl. Pillar 2 Guidance) of ~200 bps over fully-loaded CET1 requirements (10.51% fully loaded, after reduction of several buffers in a response to the Covid-19 pandemic and the pulling forward of the implementation of article 104a of CRDV)
** Based on 4-quarter rolling average. ING Group ROE is calculated using IFRS-EU shareholders' equity after excluding 'interim profit not included in CET1 capital'. As at 30 September 2020, interim profit not included in CET1 capital amounts to €2,541 mln, reflecting an initial reservation for the 2019 final dividend payment and a reservation for the 2020 distribution
*** Interim dividend 2019
**** Of resilient net profit

Asset quality

Well-diversified lending credit outstandings by activity

ING Group*

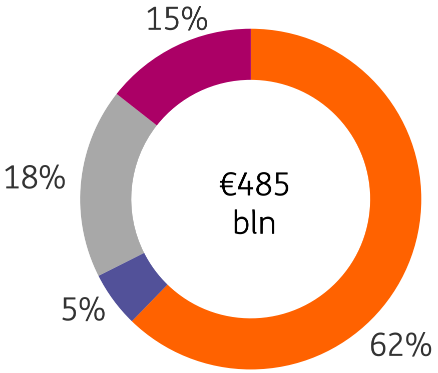
3Q2020



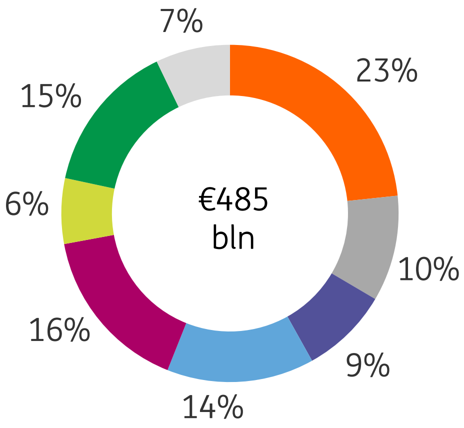
- Retail Banking
- Wholesale Banking

Retail Banking*

3Q2020



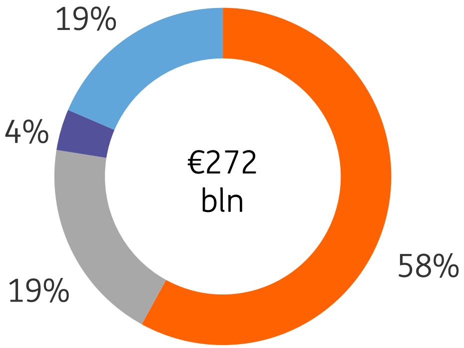
- Residential mortgages
- Consumer Lending
- Business Lending
- Other Lending**



- 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*

3Q2020



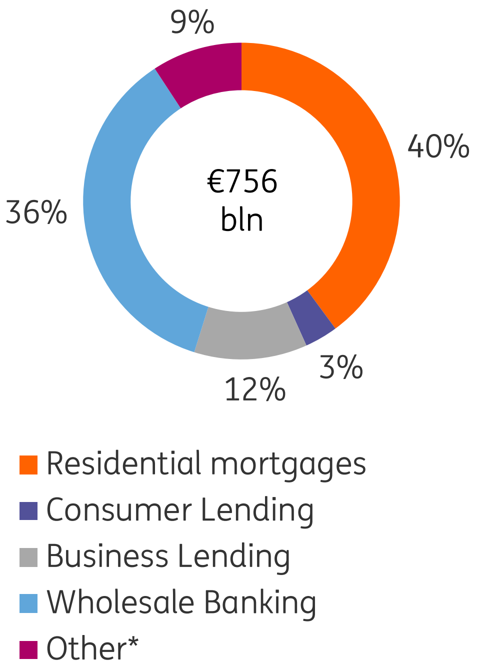
- Lending
- Daily Banking & Trade Finance
- Financial Markets
- Treasury & Other

- ING has a well-diversified and well-collateralised loan book with a strong focus on own-originated mortgages and senior loans; 64% of the portfolio is retail-based

* 30 September 2020 lending and money market credit outstandings, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)

** Other includes €48 bln Retail-related Treasury lending and €22 bln Other Retail Lending

We remain comfortable with our senior and well-collateralised lending book



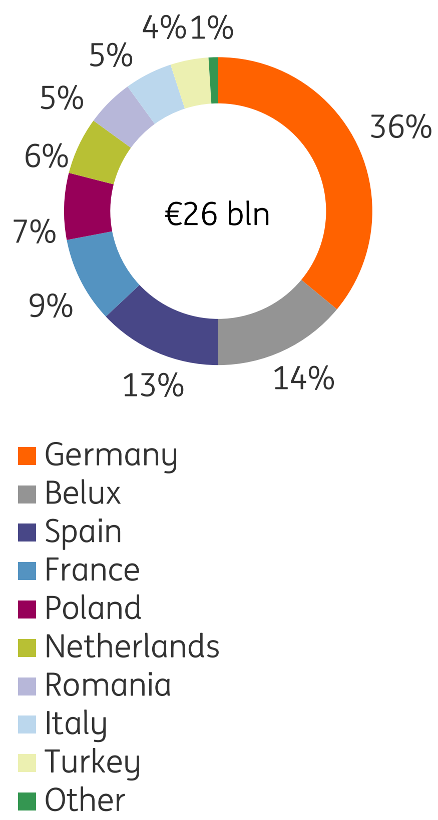
Residential Mortgages €302 bln	▪ Average LTV of 59% with low Stage 3 ratio at 1.2% ▪ Risk metrics remained strong, also supported by government schemes
Consumer Lending €26 bln	▪ Relatively small book, risk metrics slightly deteriorated
Business Lending €87 bln	▪ No increased usage of limits observed, limited exposure to sectors most at risk: ▪ Agriculture: €5.6 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 4.9% ▪ Hospitality + Leisure: €4.3 bln (0.6% of loan book), Stage 3 ratio at 4.1%
Wholesale Banking €272 bln	▪ Further decline of protective drawings, limited exposure to sectors most at risk: ▪ Leveraged Finance: €8.3 bln (capped at €10.1 bln), well-diversified over sectors ▪ Oil & Gas: €3.9 bln with direct exposure to oil price risk (0.5% of loan book; Reserve Based Lending (€2.9 bln) and Offshore business (€1.0 bln)) ▪ Aviation: €4.1 bln (0.5% of loan book), Stage 3% at 5.8% ▪ Hospitality + Leisure: €1.8 bln (0.2% of loan book), low Stage 3% at 1.2%
Commercial Real Estate (RB + WB)	▪ Total €50.8 bln (6.7% 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 €48 bln Retail-related Treasury lending and €22 bln Other Retail Lending

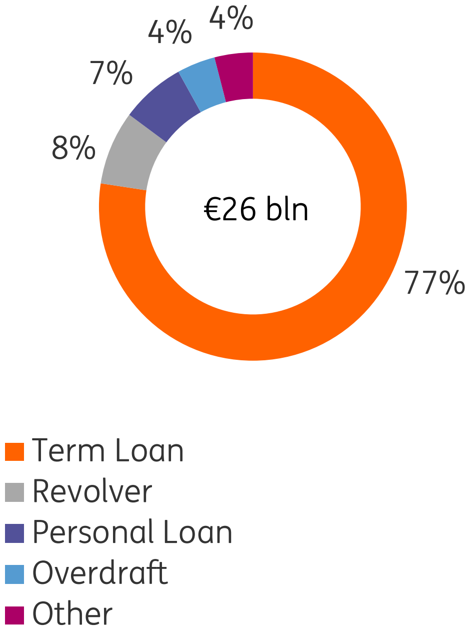
Granular Retail Consumer Lending and Business Lending

Consumer Lending – 3Q2020 Lending Credit Outstandings

By geography

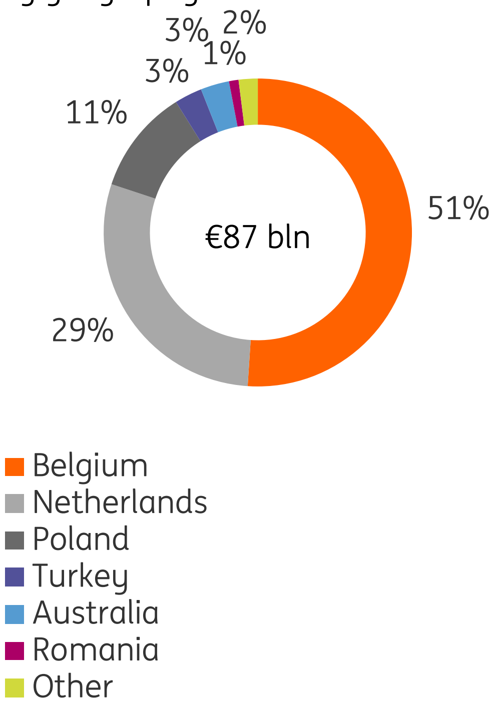


By product

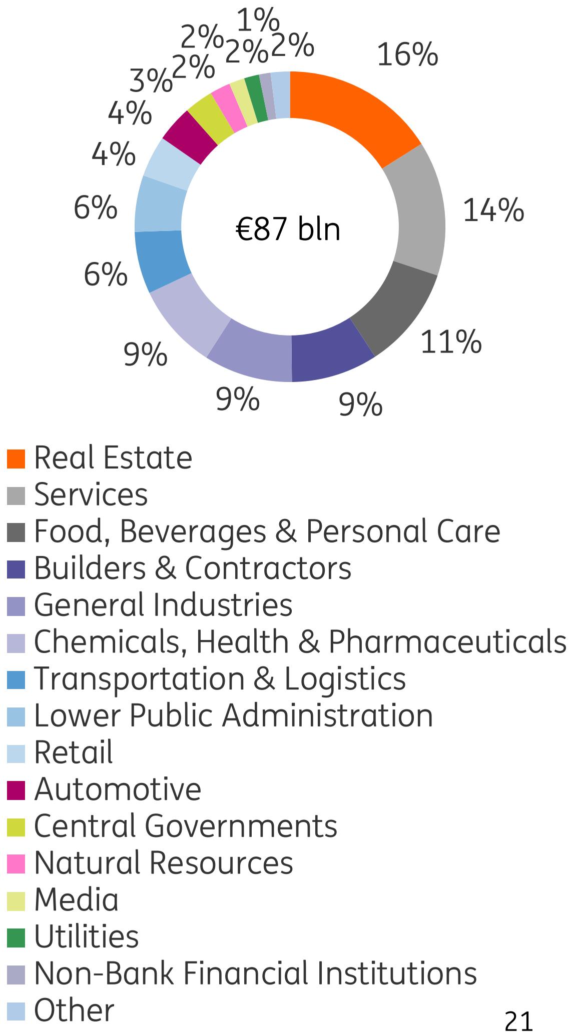


Business Lending – 3Q2020 Lending Credit Outstandings

By geography



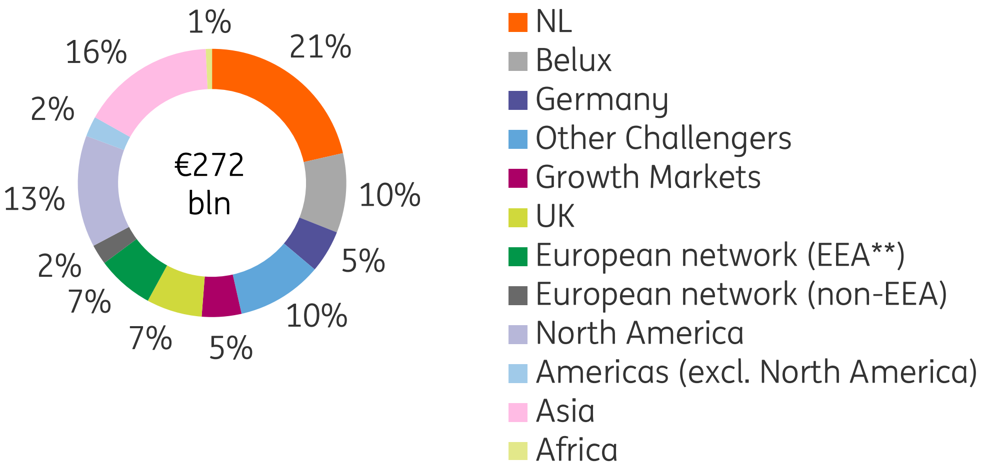
By sector



Granular Wholesale Banking lending

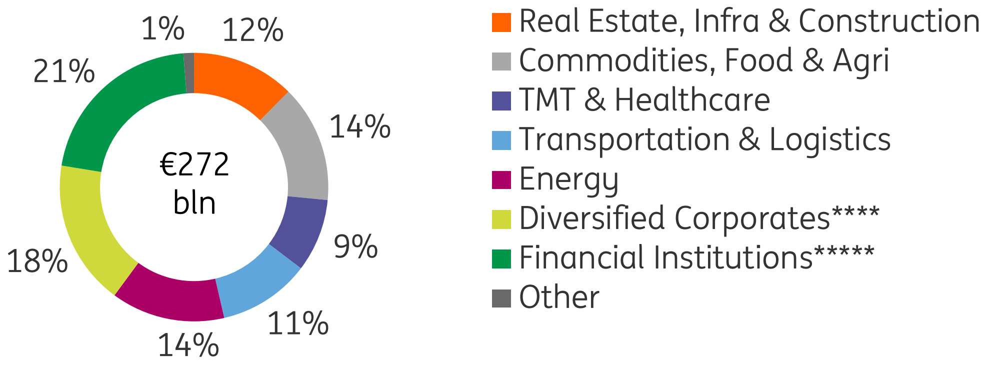
Loan portfolio is well diversified across geographies…

Lending Credit O/S Wholesale Banking (3Q2020)*

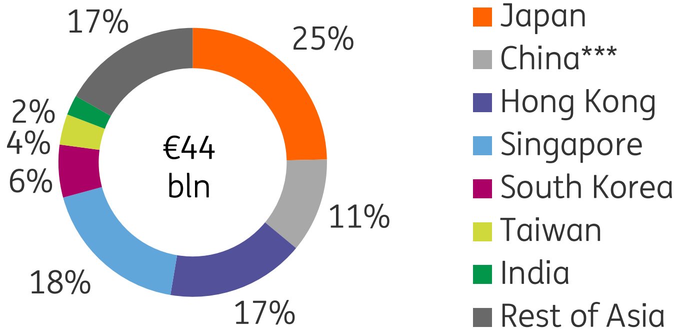


…and sectors

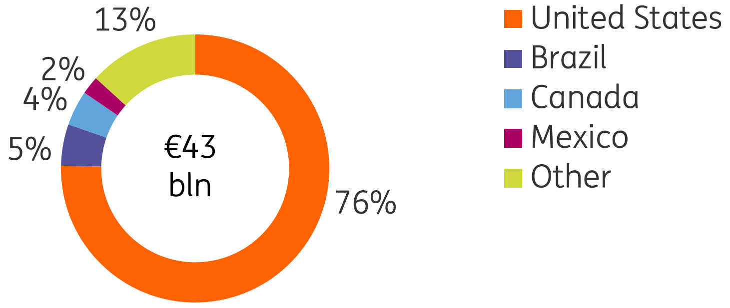
Lending Credit O/S Wholesale Banking (3Q2020)*



Lending Credit O/S Wholesale Banking Asia (3Q2020)*



Lending Credit O/S Wholesale Banking Americas (3Q2020)*



* 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 (€1.6 bln at 30 September 2020); **** Large corporate clients active across multiple sectors; ***** Including Financial sponsors

Leveraged finance book managed within a restrictive framework

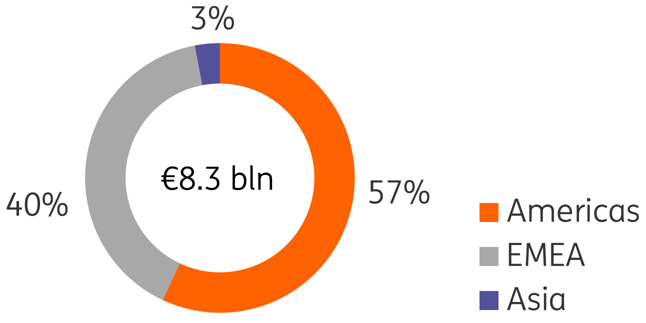
Business overview

- Focus on larger sponsors with an established track record and a history of resolving issues in the event of underperformance by the acquired business
- Granular book of €8.3 bln as per 3Q2020
- There were supportive market conditions in the beginning of the year, evidenced by a substantial increase in the number of transactions. After markets dried up following the Covid-19 pandemic, primary focus is on managing the existing portfolio. In 2Q2020, we were able to syndicate the two transactions which remained on our balance sheet at the end of 1Q2020

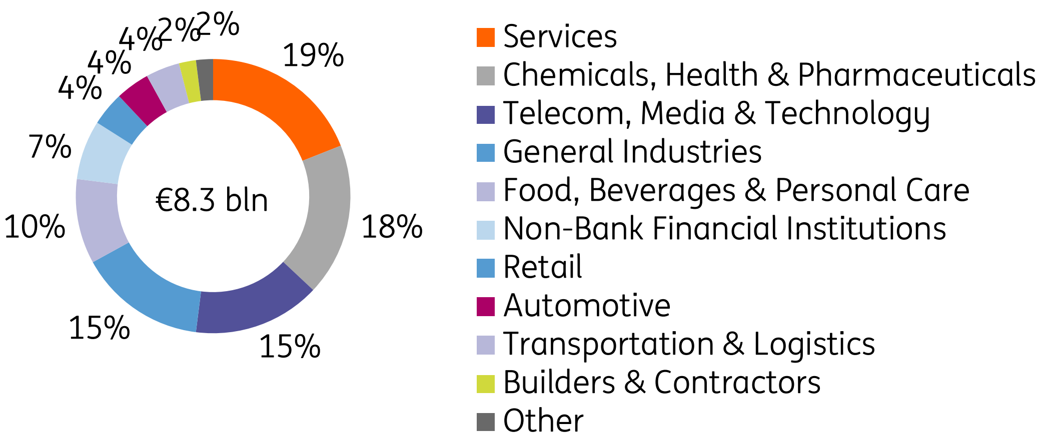
Main actions taken

- Global cap of €10.1 bln
- Maximum final take for a single transaction €25 mln
- Maximum total leverage 6.5x
- No single underwrites

Leveraged finance book* focused on developed markets (as per 3Q2020)



Leveraged finance book* highly diversified by industry (as per 3Q2020)



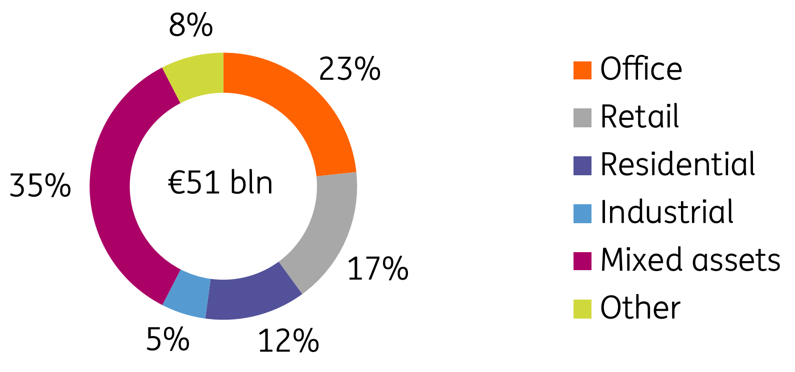
* Leveraged finance is defined as Private Equity driven leveraged finance with higher than 4x leverage. Leveraged finance book is total commitments (i.e. including undrawn)

Well-diversified Commercial Real Estate (CRE) portfolio

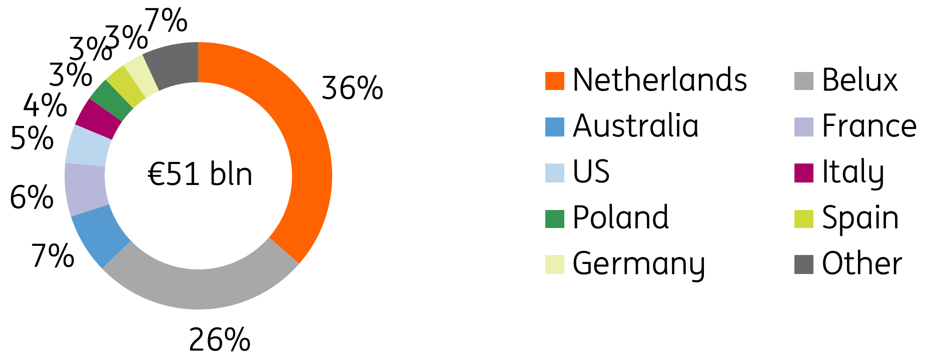
Business overview

- CRE portfolio of €50.8 bln, cap at €56 bln, split between:
  - Real Estate Finance (REF) €36.0 bln
  - Retail Banking €14.8 bln
- REF portfolio is managed by Wholesale Banking, booked in WB (€24.8 bln) and RB (€11.3 bln) based on client type
- Retail Banking portfolio mainly in RB Benelux to companies in the mid-corporates segment, generally professional investors with real estate portfolios rented to third parties (mainly residential) and part construction finance to professional parties within a strict risk appetite (>90% residential development, minimum % of pre-sold units, recourse on shareholders with stable cash flows)
- Overall well diversified portfolio both in terms of geography and asset type, with 50% LtV and low Stage 3 ratio of 1.0%
- Portfolio is managed within risk appetite of global CRE policy which includes focus on diversified portfolios (in principle no single tenants or objects), no hotels (only exception if small part of quality real estate portfolio)
- In the current market most scrutiny on asset type Retail, which is 17% of the total CRE book. We have a restrictive policy in place, with focus on supermarkets or smaller malls which include at least one supermarket

CRE breakdown by asset type (as per 3Q2020)

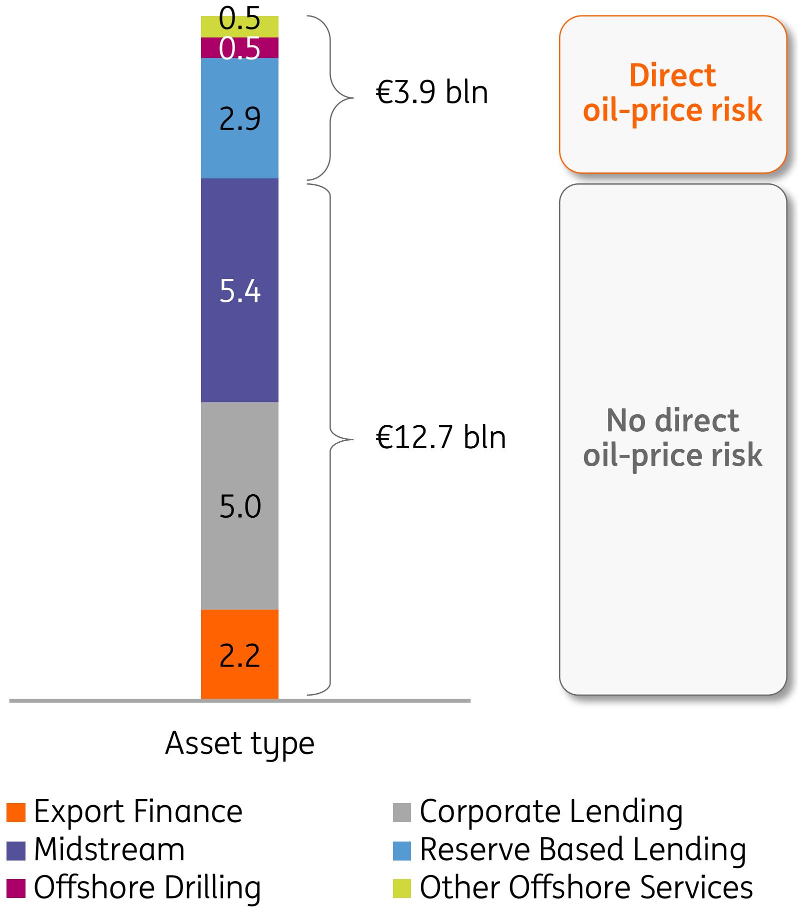


CRE breakdown by geography* (as per 3Q2020)



* Geographical split based on country of residence

Oil & Gas book: only €3.9 bln directly exposed to oil-price risk



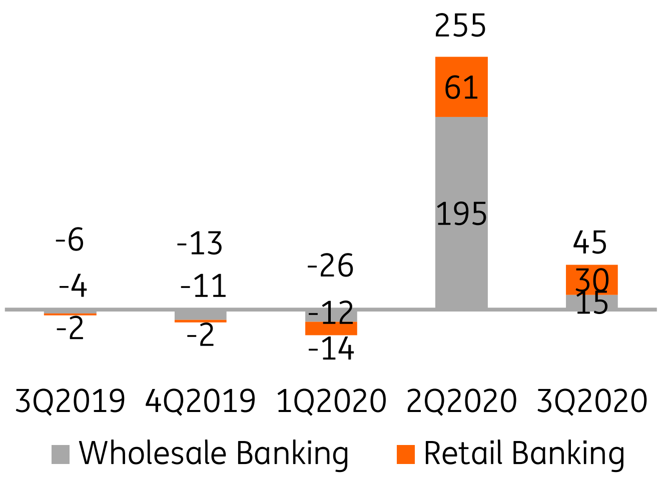
- Reserve Based Lending: smaller independent oil & gas producers, focus on 1st cost quartile producers
- Midstream: typically assets generating revenues from long-term tariff based contracts, not affected by oil & gas price movements
- Corporate Lending: predominantly loans to investment grade large integrated oil & gas companies
- Export Finance: ECA-covered (Export Credit Agencies) loans in oil & gas sector: typically 95%-100% credit insured

Overall Stage 3 ratio at 8.0%

Note: exposure and Stage 3 ratio reflects companies active in the Oil & Gas industry and excludes €12.0 bln exposure in Trade & Commodity Finance with no direct oil-price risk, reflecting short term self-liquidating financing of trade flows, generally for major trading companies, typically pre-sold or price-hedged

Management overlay taken to reflect potential impact of Covid-19

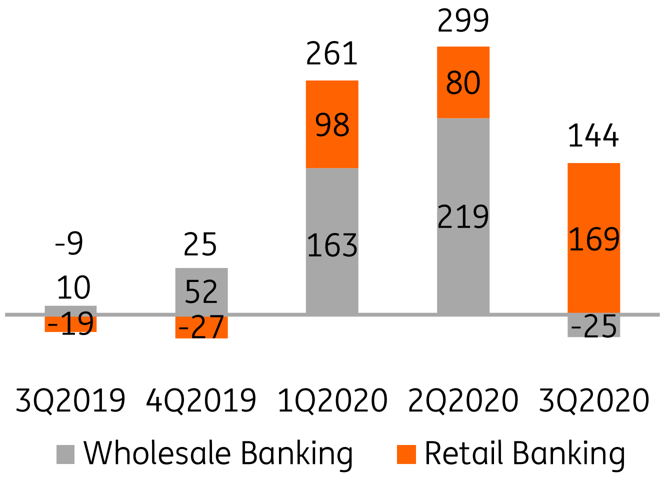
Stage 1 provisioning (in € mln)



Main drivers 3Q2020

- Management overlay to compensate for the effect of releases triggered by updated macro-economic indicators, reflecting a delay in potential credit losses as lockdown measures increase and uncertainty remains

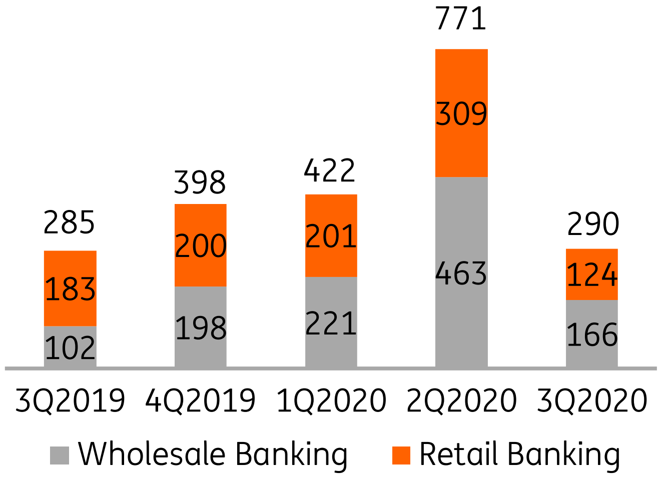
Stage 2 provisioning (in € mln)



Main drivers 3Q2020

- Management overlay to compensate for the effect of releases triggered by updated macro-economic indicators, reflecting a delay in potential credit losses as lockdown measures increase and uncertainty remains
- Collective provisioning related to payment holidays
- Individual provisioning related to Watch list exposures and rating downgrades

Stage 3 provisioning (in € mln)

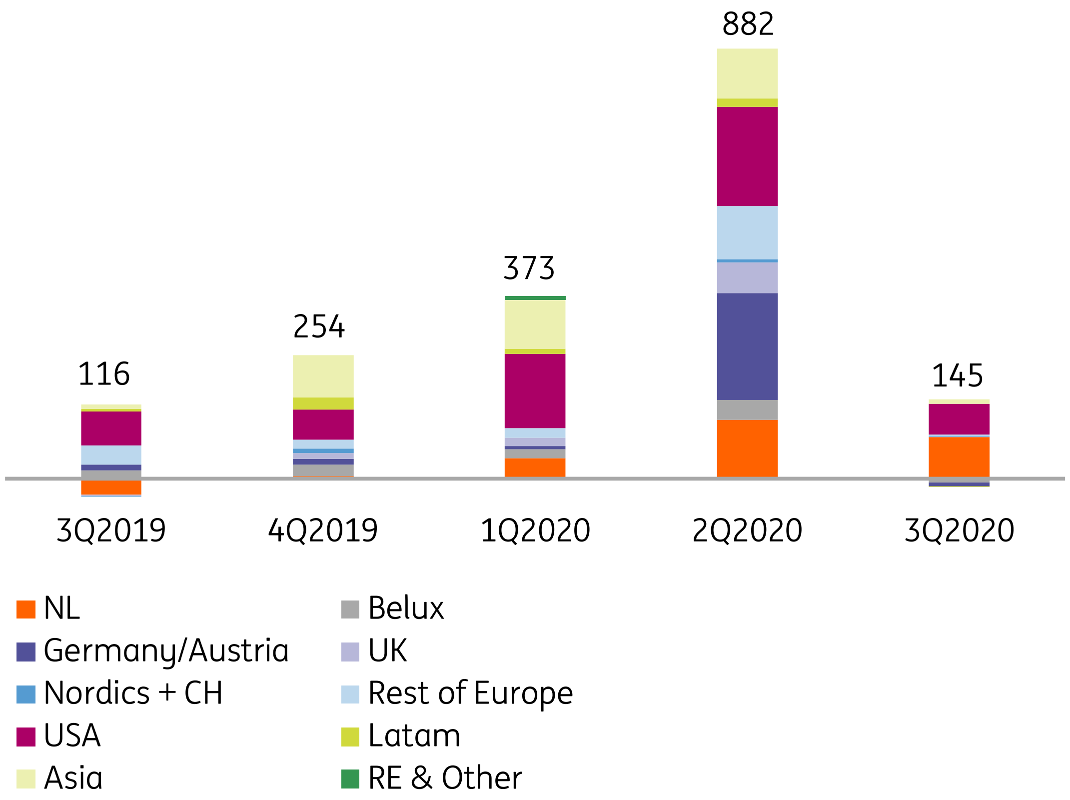


Main drivers 3Q2020

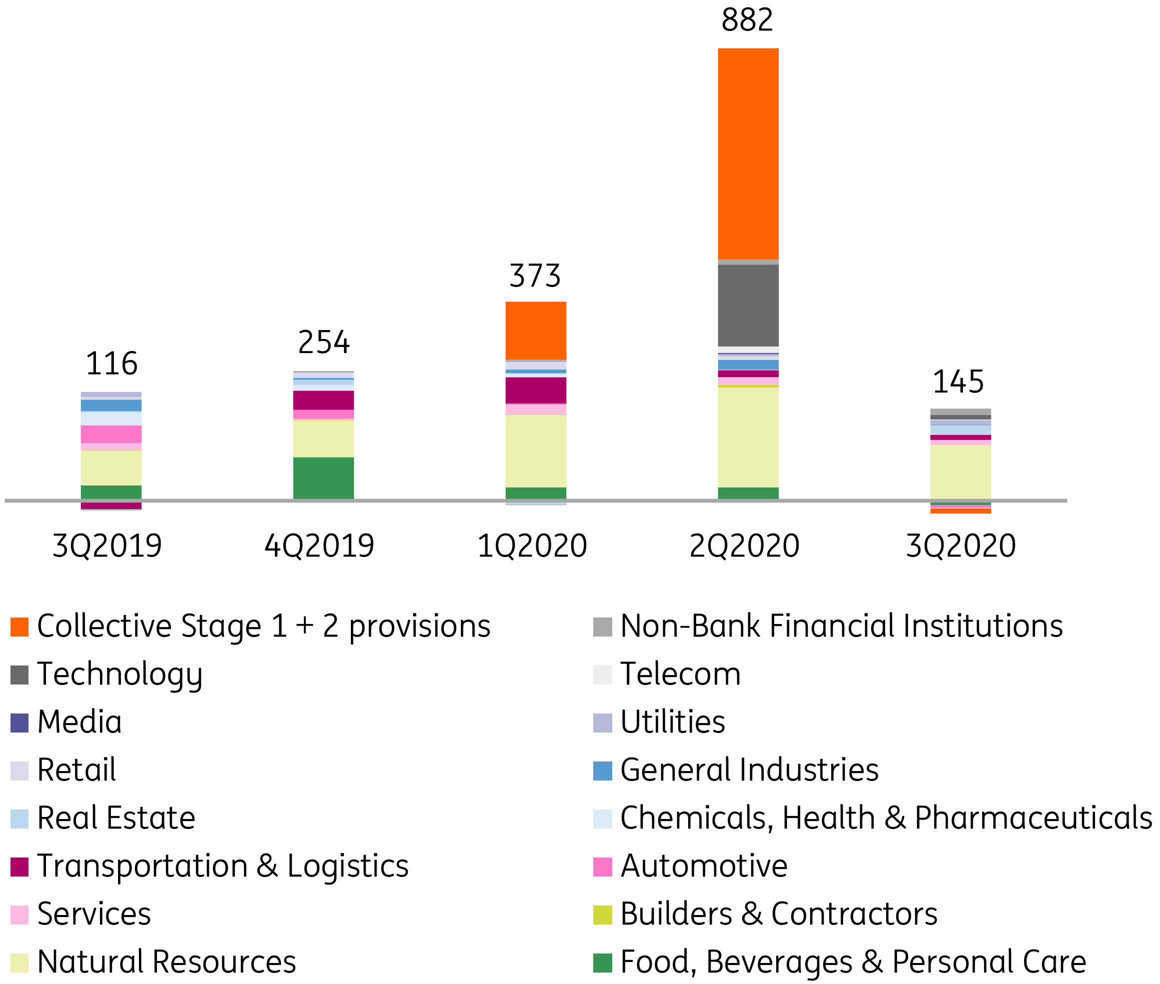
- Additions to existing individual files in WB with deteriorated indicators

Breakdown of quarterly risk costs Wholesale Banking per geography and sector

Breakdown of geography which generated risk costs WB (in € mln)



Breakdown of sector which generated risk costs WB (in € mln)



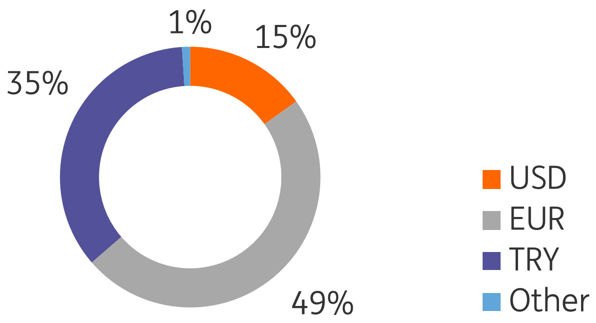
Overview Turkey exposure

Total exposure ING to Turkey* (in € mln)

	3Q2020	2Q2020	Change
Lending Credit O/S Retail Banking	**3,597**	**4,123**	**-12.8%**
Residential mortgages	397	484	-18.0%
Consumer lending	982	1,148	-14.5%
SME/Midcorp	2,218	2,491	-11.0%
Lending Credit O/S Wholesale Banking	**5,292**	**5,425**	**-2.5%**
Total Lending Credit O/S*	**8,889**	**9,548**	**-6.9%**

- Intra-group funding reduced from €1.5 bln at end-2Q2020 to €1.4 bln at end-3Q2020
- Reduction of outstandings in 3Q2020 is mainly driven by Retail
- ING only provides FX lending to corporate customers with proven FX revenues; only limited rolling-over of FX lending facilities
- ECA-covered lending is ~€1.7 bln; ~€0.2 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 3.4%

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

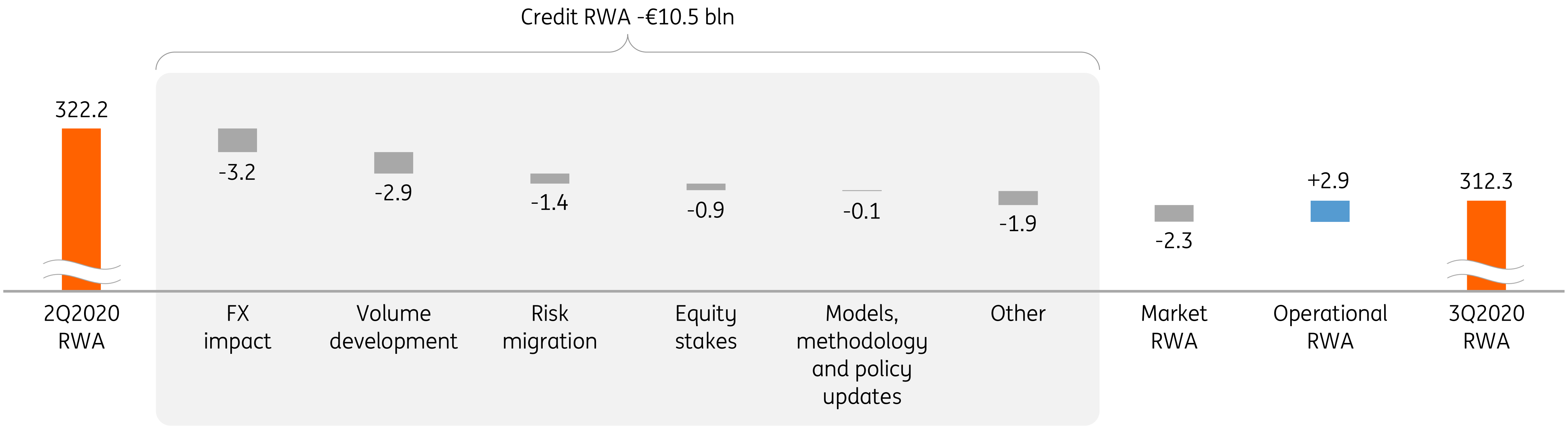
	3Q2020	2Q2020
Stage 3 ratio	3.4%	4.2%
Coverage ratio	61%	53%

* 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

Capital

Total risk-weighted assets decreased significantly in 3Q2020, mainly impacted by lower credit risk-weighted assets

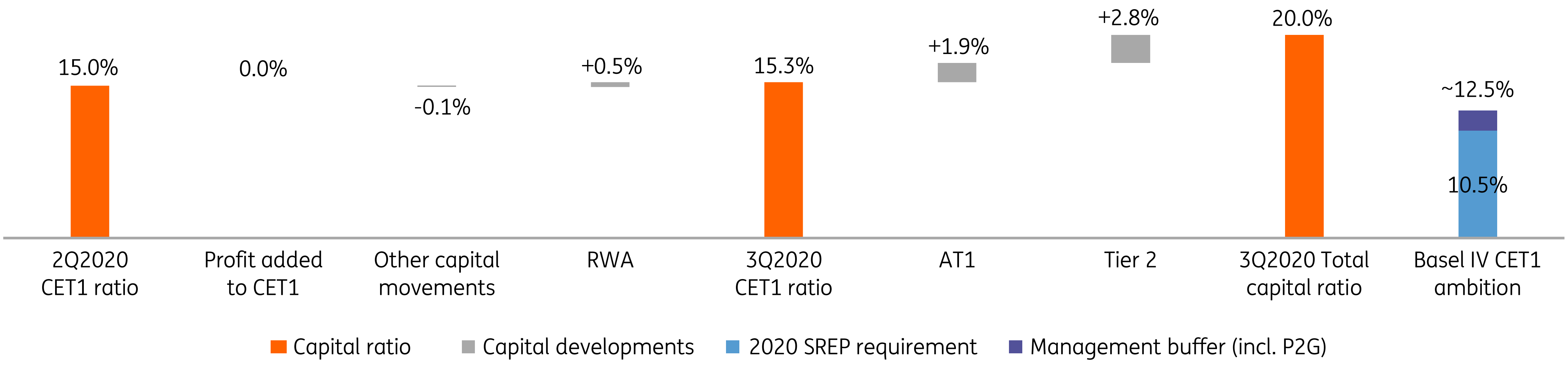
ING Group risk-weighted assets development (in € bln)



- In 3Q2020, RWA decreased by €9.9 bln to €312.3 bln, mainly due to a decrease in credit RWA which were down by €10.5 bln as a result of lower volumes, positive risk migration, equity stakes (mainly as a result of the impairment of ING's stake in TMB) and negative currency impact. The impact from model updates was limited despite a €1.5 bln TRIM add-on for large corporates
- Market RWA decreased by €2.3 bln, mostly driven by a reduction in exposures due to a normalisation of markets following the volatility, observed particularly in March and April
- Operational RWA increased by €2.9 bln as a result of technical updates of models
- With the impact of the Definition of Default fully absorbed and TRIM impact already largely included, we are confident that at the current strong level of capital, we can comfortably absorb the remaining expected regulatory RWA inflation

Strong ING Group capital ratio at 15.3%, excluding €2,541 mln net profits held outside of regulatory capital

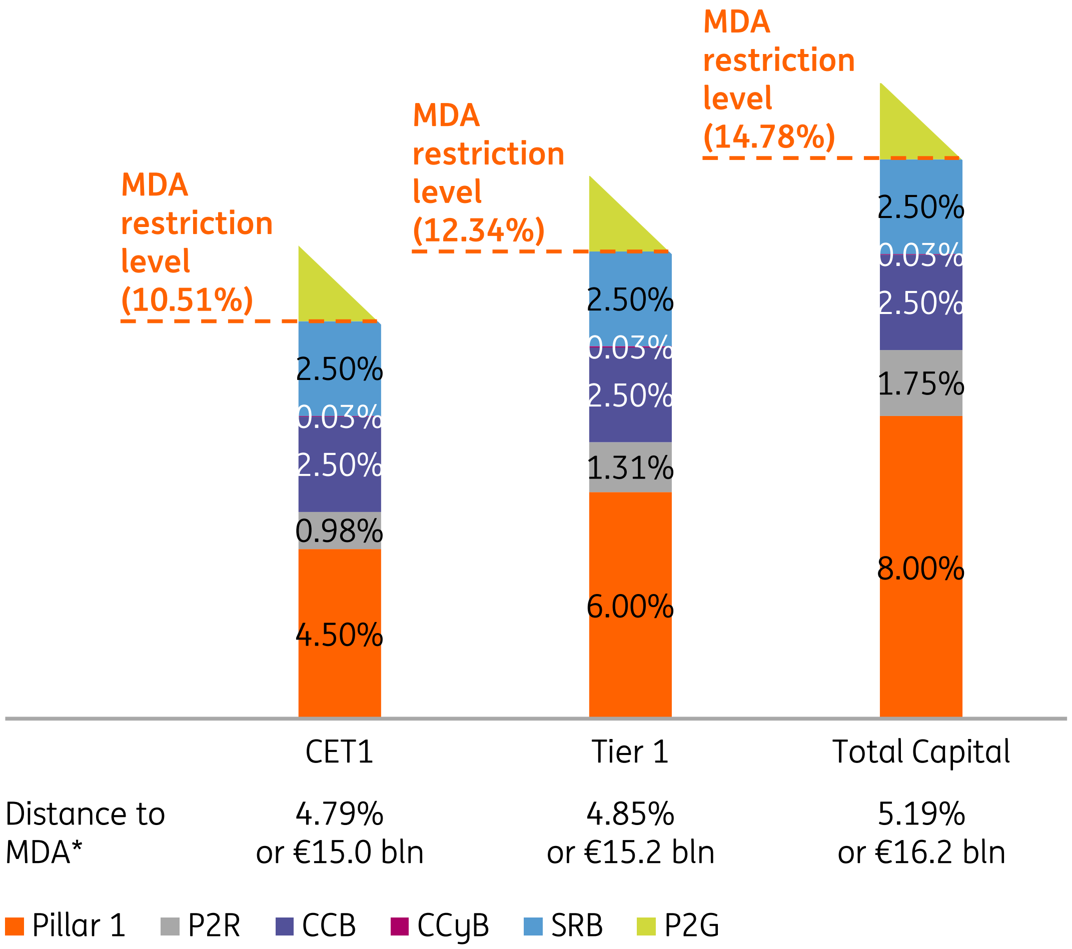
ING Group Total capital ratio development (in %)



- The 3Q2020 CET1 ratio came in at 15.3%, mainly as a result of a significant reduction in RWA and despite not adding 3Q2020 interim profit to regulatory capital
- CET1 capital was €0.4 bln lower reflecting €0.7 bln of negative currency impact and €0.1 bln of lower debt and equity revaluation reserves. These factors were partly offset by other capital movements, primarily reflecting lower capital deduction for intangibles (€0.2 bln, mainly related to Maggie) and benefit from IFRS 9 transitional arrangements (€0.1 bln)
- The €1.8 bln reserved for the 2019 final dividend was not added back to CET1 capital and remains reserved for dividend
- With an AT1 ratio of 1.9% and a Tier 2 ratio of 2.8%, we benefit fully from the CET1 capital relief provided by article 104(a) CRD V

Buffer to Maximum Distributable Amount increased further in 3Q2020

ING Group fully-loaded SREP



- As a result of the measures taken in reaction to the Covid-19 pandemic, ING Group's fully-loaded CET1 requirement decreased by 1.48%-point to 10.51% in 1Q2020
  - 4.50% Pillar 1 minimum (P1R)
  - 0.98% P2R
  - 2.50% Capital Conservation Buffer (CCB)
  - 2.50% SRB
  - 0.03% CCyB*
  - This excludes Pillar 2 Guidance (P2G)
- Fully-loaded Tier 1 requirement decreased by 1.1%-point to 12.34%
  - 0.33% of P2R can be filled with AT1
- Fully-loaded Total Capital requirement decreased by 0.71%-point to 14.78%, only reflecting the reduction in SRB and CCyB
  - 0.44% of P2R can be filled with Tier 2

* Fully-loaded CCyB is expected to be 0.03%; 3Q2020 CCyB is 0.02%

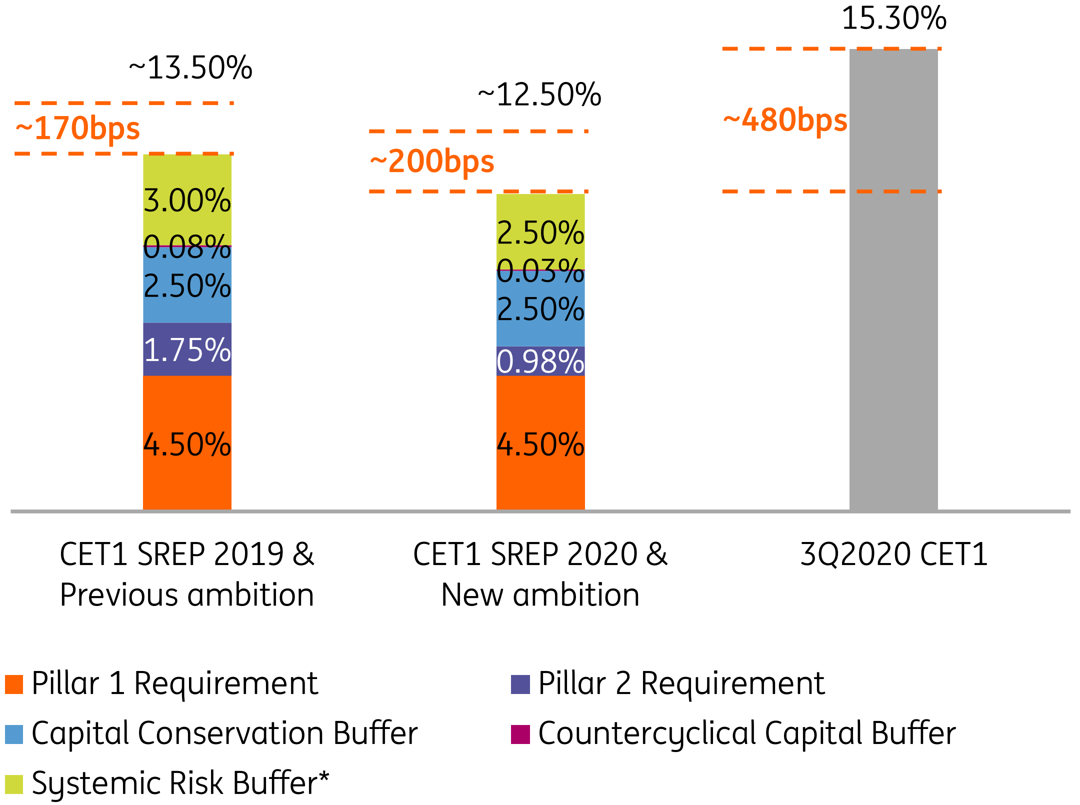
Overview of capital relief measures by regulatory and supervisory authorities in the context of the Covid-19 pandemic

Systemic Risk Buffer	▪ The DNB decreased ING Group's Systemic Risk Buffer (SRB) requirement from 3.00% to 2.50% in 1Q2020 ▪ The SRB may be replaced by a Dutch Countercyclical Buffer (CCyB)
Countercyclical Buffer	▪ Various competent authorities* changed or removed CCyB requirements reducing the fully-loaded CCyB for ING from 24 bps to 3 bps
Pillar 2 Requirement	▪ In 1Q2020, the ECB effectuated article 104(a) CRD V, which allows for a partial fulfilment of the Pillar 2 Requirement (P2R) through AT1 and Tier 2 instruments, thereby implicitly releasing 0.77% of CET1 capital structurally
Dividend	▪ Any dividend or capital distribution is subject to prevailing ECB recommendation
Other	▪ The implementation of Basel IV has been delayed to an effective date of 1 January 2023 ▪ DNB delayed the introduction of a floor for Dutch mortgage loan risk weighting ▪ Passing of CRR2.5 in to EU law

* Competent authorities in Belgium, Bulgaria, Czech Republic, Denmark, France, Germany, Hong Kong, Iceland, Ireland, Lithuania, Norway, Slovakia, Sweden, UK

Announcing new CET1 ratio ambition level, aligning with capital requirements

CET1 ratio ambition compared to ING Group fully-loaded SREP



Long-term CET1 ratio ambition level

- There is a structural reduction of our capital requirements and increased visibility of the remaining expected regulatory RWA inflation
- As a result, we have decided to lower our long-term fully loaded CET1 ratio ambition level to ~12.5% (post-Basel IV), implying a buffer of ~200 bps over our fully-loaded SREP requirement
- €2.5 bln (~81 bps) is reserved for distribution outside of CET1 capital
- Current CET1 ratio at 15.3%, representing a buffer of 4.79%

Managing for uncertainty

- Given the current uncertainty caused by Covid-19, we will manage the CET1 ratio at a level well above 12.5% until there is more clarity on how the economy will emerge from the Covid-19 pandemic

* Systemic Risk Buffer reduced by 50 bps in 2020, which may be replaced by a Dutch Countercyclical Capital Buffer

New distribution policy to provide a sustainable and attractive return to shareholders

Suspended dividend policy

- ING aims to offer a sustainable and attractive return to shareholders
- ING's progressive dividend policy was suspended following the ECB recommendation in March 2020
- We have decided to amend our policy given the accounting procyclicality of IFRS 9 and the subsequent effect on net profits, as well as the negative implication of a progressive dividend policy on regulatory stress testing
- 2019 dividend remains reserved for distribution and ING did not accrue during suspension period (1H2020)

New distribution policy consists of

- Pay-out ratio of 50% of resilient net profit*
  - To be paid out in cash or a combination of cash and share repurchases, with the majority in cash
  - Cash only interim dividend, of ~1/3 of 1H resilient net profit, to be paid out with our half year results
  - We have not included 3Q2020 net profit (€788 mln) in our regulatory capital
- €1,754 mln 2019 dividend remains reserved for distribution to shareholders
  - This will not have an impact on our CET1 ratio as the amount is reserved outside of regulatory capital
- 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
- Exact form and final level of distribution subject to AGM approval

Any dividend or capital distribution is subject to prevailing ECB recommendation

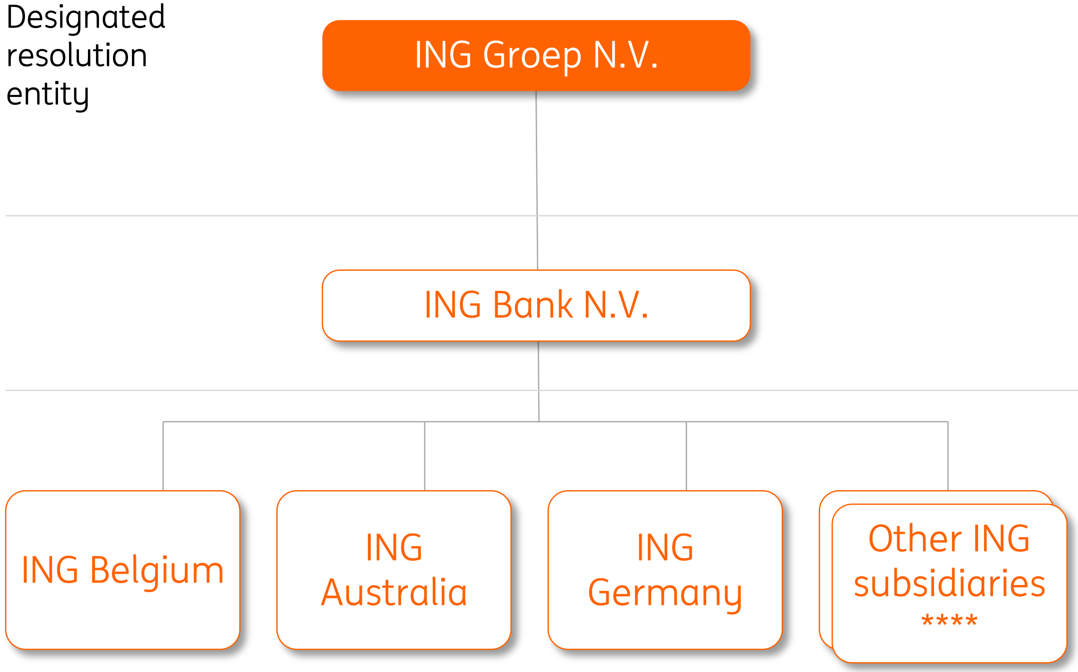
* Reported net profit excluding extraordinary items

Funding & liquidity

Issuance entities under our approach to resolution

Issuance entities

Designated resolution entity



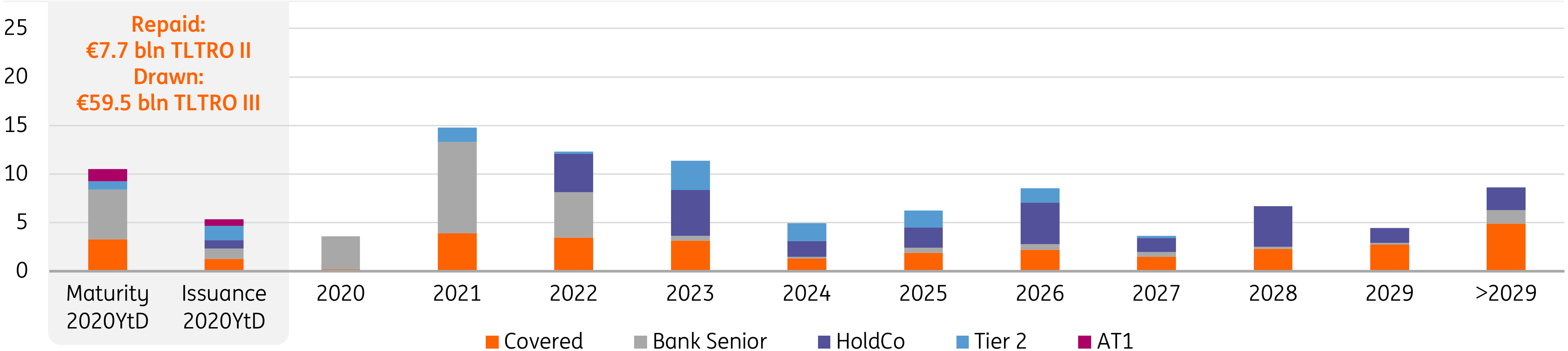
Eligible instruments for TLAC/MREL

	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	✗	✗

* ING received a letter from the DNB in March 2020 which specified an MREL requirement which will be binding as of 31 December 2023, resulting in an approximately 3.25 year transition period for ING Group
** As per the TLAC/MREL requirements, only debt with a remaining maturity of > 1 year is eligible for our ratios, but instruments with a remaining maturity of < 1 year remain part of our bail-in capacity
*** For ING Bank, own funds considered eligible if externally issued
**** Including ING Bank Hipoteczny (subsidiary of ING Bank Slaski) which issued a green covered bond in 4Q2019

Long-term debt maturity ladder and issuance activity in 2020

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



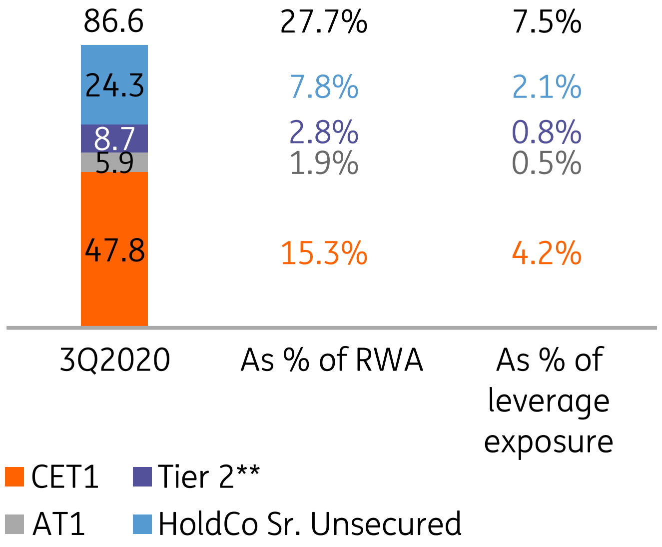
Issuance activity in 2020 year-to-date

- Total issuance in YTD 2020 was ~€5.3 bln with ~€11 bln maturities/calls in the same period**
  - ~€0.6 bln of AT1 was issued in PerpNC9 format
  - €1.5 bln of Tier 2 was issued in 11NC6 format
  - ~€0.9 bln of Green HoldCo Senior was issued in 6NC5 format
  - €1.25 bln of Covered bonds was issued from ING Belgium
  - ~€1.1 bln of Bank Senior funding was raised***
- In 1Q2020, ING Bank executed a Liability Management Exercise to buyback ~50% of a Bank Tier 2 instrument
- In 2Q2020, ING redeemed the grandfathered $700 mln Tier 1 instrument and the CRD IV compliant $1 bln AT1 instrument
- ING Bank has ~€17 bln of Bank Senior debt maturing over the next 3 years

* As per 30 September 2020; Tier 2 maturities are based on the 1st call date for callable bonds and contractual maturity for bullets. Excluding RMBS and excluding perpetual instruments
** Excluding TLTRO
*** Including structured notes

ING's debt issuance programme in 2020

ING Group instruments (in € bln)*



Key points

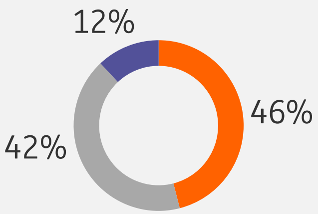
ING is currently meeting the TLAC requirements. ING has received new MREL requirements with a phase-in period of 3.5 years

* TLAC requirements apply to ING Group at the consolidated level of the resolution group and are currently set at 16% of RWA and 6% of TLAC Leverage
** Including regulatory adjustments for Tier 2
*** 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

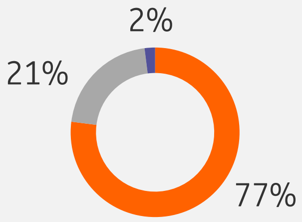
HoldCo Senior



Senior debt issuance

- Up to €3 bln Senior HoldCo debt for the full-year 2020
- OpCo Senior could be issued for internal ratio management and general corporate funding purposes

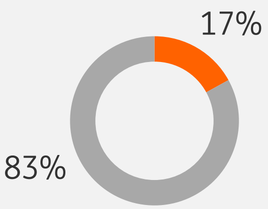
Tier 2



Tier 2

- Outstanding Tier 2 of ~€8.7 bln translates into a Tier 2 ratio of 2.8%**
- We intend to refinance ~€2.5 bln of Bank Tier 2 with Group instruments over time
- The callable Bank instrument has a first call date in February 2021 and the bullet instrument has a maturity date in September 2023; the latter was subject to a Liability Management Exercise in 1Q2020

AT1



AT1

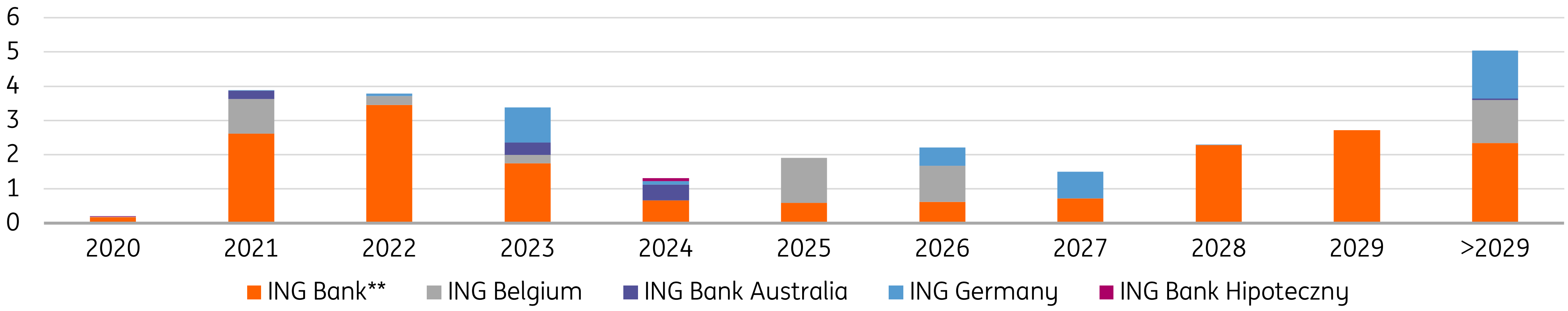
- Outstanding AT1 of ~€5.9 bln translates into an AT1 ratio of 1.9%
- ~€1 bln of grandfathered securities until 31 December 2021 following the grandfathering rules***
- ~€5 bln CRD IV compliant securities

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*: ~€18 bln ▪ Senior unsecured: ~€22 bln	▪ Covered bond: ~€5 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)**



* Outstanding for the ING Bank Hard and Soft Bullet CB programme only
** As per 30 September 2020; 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 ~€8.2 bln*, with ~€4.5 bln of outstanding green funding issued under the Debt Issuance Program in senior unsecured format as of 30 September 2020
- 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: 10^{th} percentile of 374 banks
- Updated: July 2020

CDP

- Score: A
- Position: Included on Climate A-list
- Updated: January 2020

MSCI

- Rating: A
- Updated: July 2020

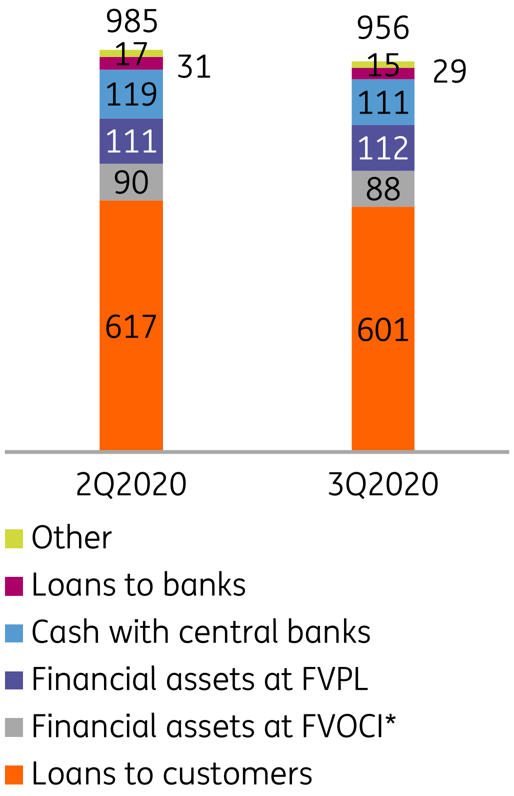
* As of latest allocation and impact report (FY2019)
See website for more details: https://www.ing.com/Sustainability.htm

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

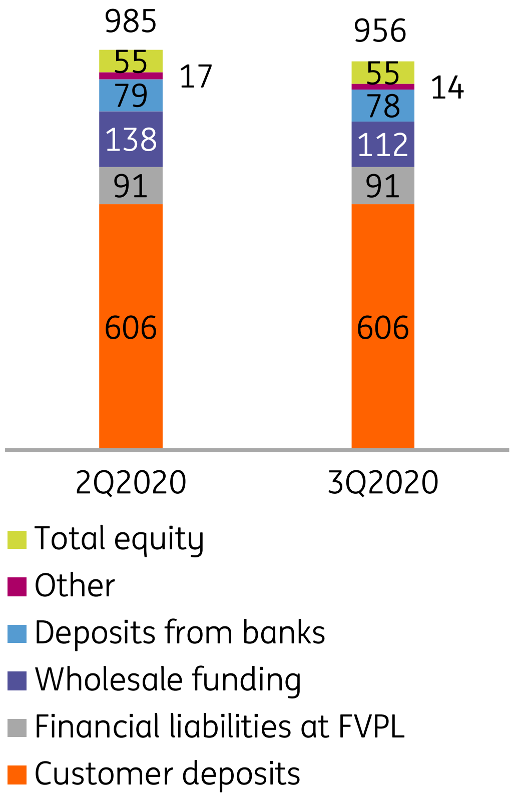
Balance sheet ING Group (in € bln)

- Balance sheet ING Group reduced to €956 bln in 3Q2020

Assets



Liabilities



Well-diversified customer loan book

- See "Asset Quality" section of this presentation

Stable funding profile

- Decrease in balance sheet mainly due to a decrease in the loan portfolio and wholesale funding
- Over 63% of the balance sheet is funded by customer deposits
- 89% of total customer deposits is Retail Banking based
- Well balanced loan-to-deposit ratio of 99% as per 30 September 2020**

Conservative trading profile

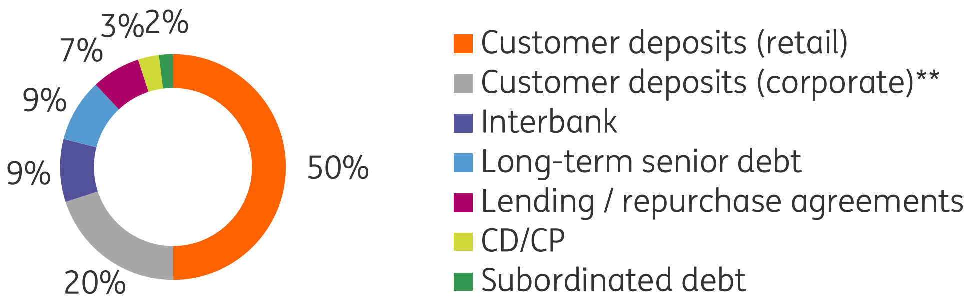
- Majority of our Financial Markets business is customer flow based where we largely hedge out positions, reflected in large but often offsetting assets and liabilities at FV positions
- Average VaR for ING's trading portfolio during 3Q2020 decreased to €30 mln from €39 mln in the previous quarter, mainly due to a decrease in macro hedges and xVA hedges per end of 2Q2020

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

Robust liquidity position

Funding mix*

30 September 2020



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 132% in 3Q2020
- 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)

	30 September 2020	30 June 2020
Level 1	132.0	128.1
Level 2A	5.1	5.1
Level 2B	3.8	4.2
Total HQLA	**141.0**	**137.5**
Stressed outflow	**196.3**	**198.5**
Stressed inflow	**89.8**	**92.4**
LCR	**132%**	**130%**

* 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 4 November 2020

	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

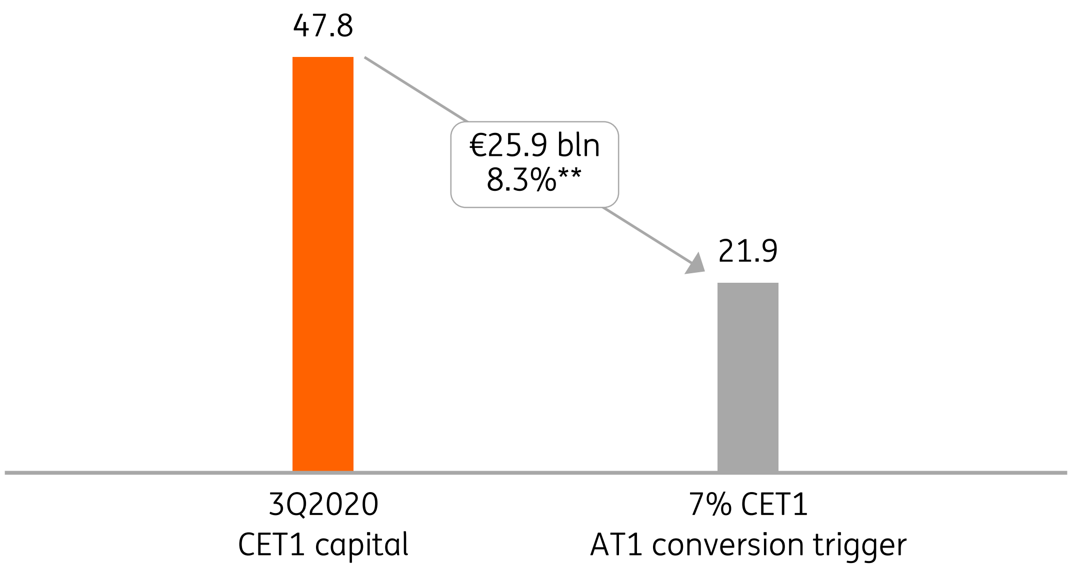
- Fitch: ING Bank was upgraded to AA- in Feb-19. In Oct-20, Fitch affirmed ING Group's and ING Bank's ratings and assigned negative outlooks to both long-term IDRs. The affirmation and removal from Rating Watch Negative reflect Fitch's view that ING's ratings have sufficient headroom to absorb pressure 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 Sep-17. Both ING Group's and ING Bank's ratings and outlook were affirmed in Oct-20, 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 Covid-19
- S&P: ING Bank was upgraded to A+ in Jul-17, 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 Apr-20, S&P changed ING Group's outlook to negative, as a result of the impact of Covid-19 on the Dutch economy and banking sector

Appendix

Comfortable buffer to Additional Tier 1 trigger

Buffer to AT1 trigger

30 September 2020



ING Group available distributable items (in € mln)*

	2019
Share premium	17,078
Other reserves	28,052
Legal and statutory reserves	3,999
Non-distributable	-8,398
Total	**40,732**
Accrued interest expenses on own fund instruments at year-end	147
Distributable items excluding result for the year	**40,879**
Unappropriated result for the year	4,601
Total available distributable items	**45,479**

- ING Group capital buffer to conversion trigger (7% CET1) is high at €25.9 bln, or 8.3% of RWA
- This excludes €2,541 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 2019, ING Group had ~€45.5 bln of available distributable items following the CRD IV definition

* According to the CRR/CRD IV
** Difference between 15.3% ING Group CET1 ratio in 3Q2020 and 7% CET1 equity conversion trigger

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
EUR	Feb-14	Feb-21	3.625%	1,500	Feb-26
USD	Sep-13	n/a	5.80%	1,000****	Sep-23

* SEC registered
** Amount outstanding in original currency
*** Grandfathered instruments
**** Outstanding amount was reduced by US$1.0 bln following a Liability Management Exercise

Most recent HoldCo Senior transactions

HoldCo Senior Unsecured, EUR issuances

ISIN	Issue date	Maturity	Tenor	Coupon	Currency	Issued	Spread
XS2049154078*	Sep-19	Sep-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
US456837AU72 (RegS/144a)*	Jul-20	Jul-26	6yr	1.40%	USD	1,000	T + 110
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
JP552843BKE8	Feb-19	Feb-2029	10yr	1.074%	JPY	21,100	YSO + 88
JP552843AKE0	Feb-19	Feb-2024	5yr	0.810%	JPY	88,900	YSO + 77
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

* Callable HoldCo Senior instruments with the first call dates in September 2024 (XS2049154078) and July 2025 (US456837AU72)
** HoldCo USD issues are SEC registered unless mentioned otherwise
Green bond

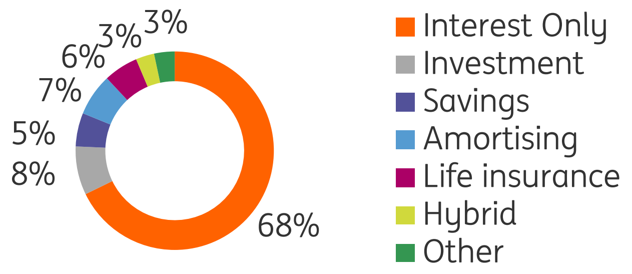
ING Bank's covered bond programme…

- 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 2020, 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

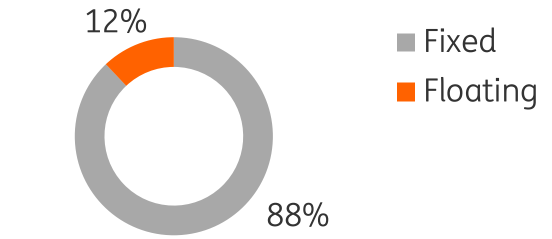
Portfolio characteristics*

Net principal balance	€22,091 mln
Outstanding bonds	€17,523 mln
# of loans	132,725
Avg. principal balance (per borrower)	€166,440
WA current interest rate	2.58%
WA remaining maturity	15.98 years
WA remaining time to interest reset	5.67 years
WA seasoning	13.79 years
WA current indexed LTV	58.60%
Min. documented OC	2.50%
Nominal OC	26.07%

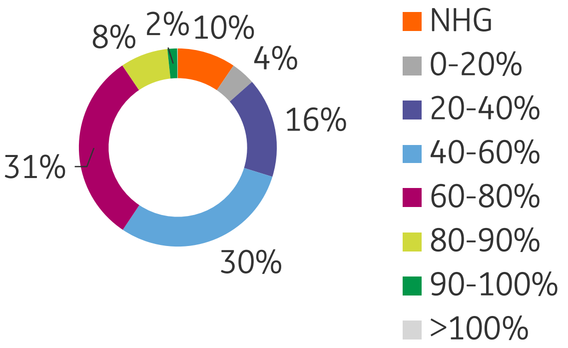
Repayment type*



Interest rate type*



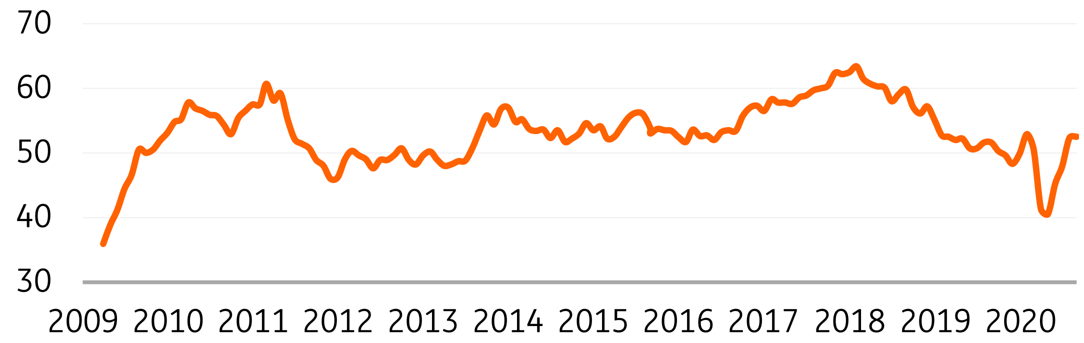
Current Indexed LTVs*



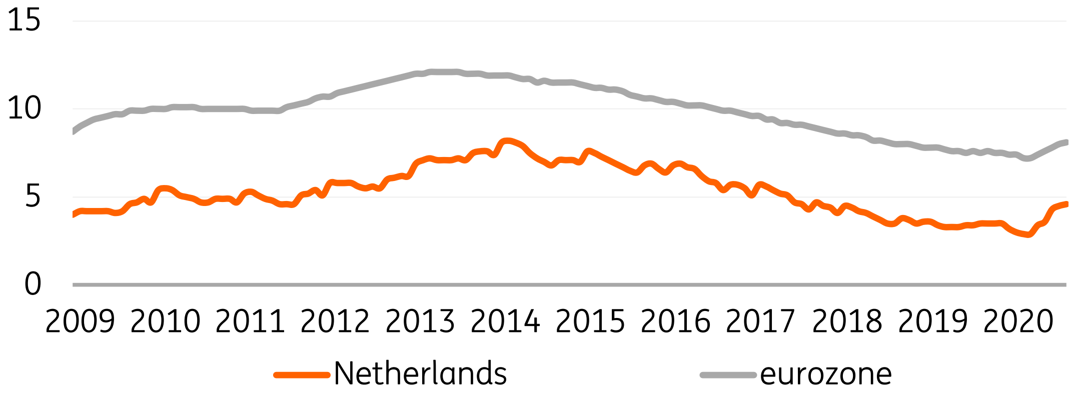
* As per 30 September 2020

...benefits from a continued strong Dutch housing market, despite the hit to the economy in 2020

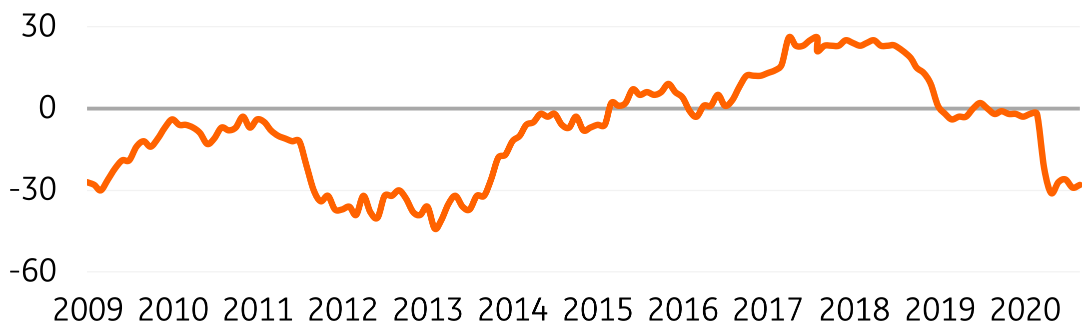
Dutch Purchasing Managers Index (PMI) saw the largest decrease ever in April, but is back to pre-Covid-19 levels



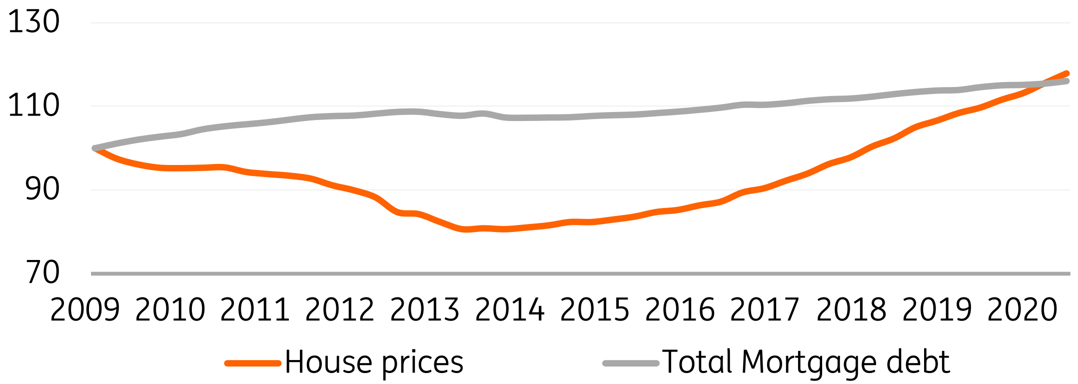
Dutch and eurozone unemployment rates (%) increasing since start of the Covid-19 pandemic



Dutch consumer confidence remains quite negative



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



Source: Central Bureau for Statistics for all data besides Dutch PMI (IHS Markit) and eurozone unemployment (Eurostat)
* Reflects latest available data as of 2Q2020

Volatile items 3Q2020

Volatile items and regulatory costs (in € mln)

	3Q2019	4Q2019	1Q2020	2Q2020	3Q2020
WB/FM – valuation adjustments	-25	-74	-92	87	91
Capital gains/losses	5	-8	138	15	6
Hedge ineffectiveness	32	-65	-89	40	43
-Other items*			-82	-270	-370
Total volatile items	**12**	**-147**	**-125**	**-128**	**-230**
Regulatory costs	-106	-303	-526	-137	-111

* Other items in 1Q2020 concerns €-82 mln of losses within WB/Lending mainly due to negative marked-to-market adjustments related to syndicated loans and loans at fair value through profit or loss; 2Q2020 concerns €-310 mln of goodwill impairments in mainly WB and RB Belgium and €40 mln of positive MtM adjustments in WB/Lending; 3Q2020 concerns €-230 mln of impairments on ING's equity stake in TMB and €-140 mln of impairments on capitalised software related to project Maggie (both in RB C&GM)

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 2019 ING Group consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

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