



Change in reporting as of 1Q2025:

Commercial NII

ING Group

17 March 2025



do your thing

Change in reporting as of 1Q2025: Commercial NII

Introduction of Commercial NII

- Starting from 1Q2025 disclosure on Friday 2 May 2025, Commercial NII will be added to ING's P&L reporting, both for Consolidated Results and per Segment
- Commercial NII consists of Lending NII and Liability NII, both already reported among others in recent quarterly Results Presentations
 - All other NII components will be captured under Other NII
- Full definitions are provided in this document
- An adjusted Historical Trend Data document for 4Q2024 is published on ING.com together with this presentation
- Going forward, company outlook and consensus will be based on Commercial NII
- As a result of introducing Commercial NII, starting from 1Q2025 there will be a structural shift of net interest income (~€160 mln on full-year basis when based on 2024) from Other NII to Liability NII within Wholesale Banking. This structural shift relates to our cash pooling and netting services, separating between commercial margins (to be reflected in Commercial NII of Daily Banking & Trade Finance) and FX swap results (to be reflected in Other NII of Treasury & Other)
- For questions about Commercial NII and announced reporting changes, please contact ING Investor Relations

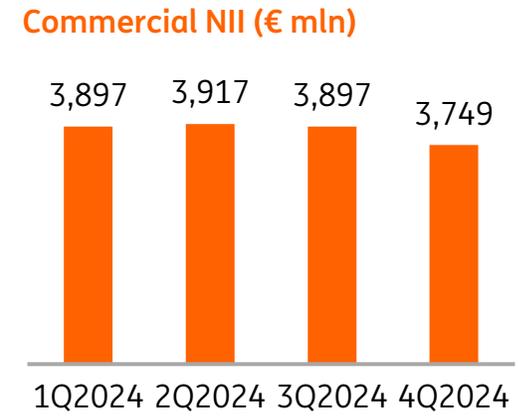
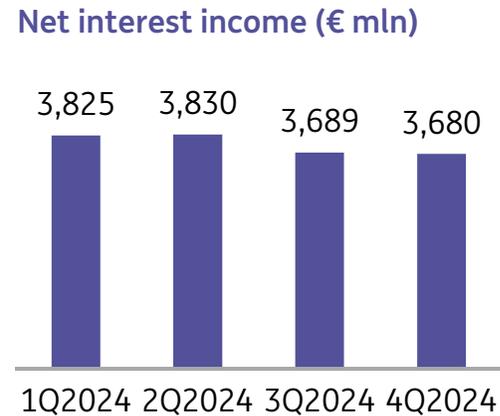
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1. Introduction of Commercial NII

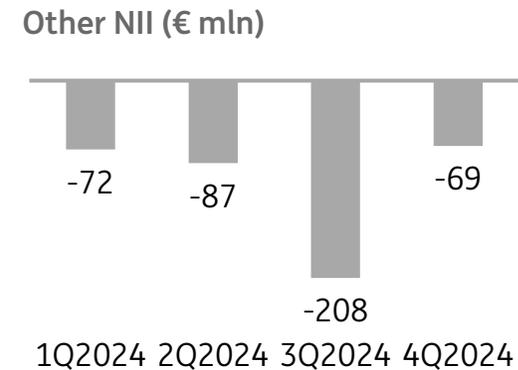
Net interest income to be split between Commercial NII and Other NII

- ING's net interest income is largely derived from customer balances
 - On average ~95% of total net interest income was derived from lending and deposits business over the past 5 years
- Besides this more predictable revenue stream from customer balances, net interest income also includes smaller, but more volatile components, mostly from treasury-related activities
 - The volatility in these net interest income components can be accounting-driven with offsetting impact in Other Income
- Going forward, net interest income will be split between both categories:
 - Commercial NII from lending and deposits business
 - All other NII components will be captured under Other NII



- Consisting of:
- Lending NII
 - Liability NII

(definitions are provided in section 3 of this presentation)



- Consisting of:
- Financial Markets
 - Treasury and other
 - Significant volatile items

How Commercial NII will be reflected in our disclosures

Disclosures as of 1Q2025

Previous income breakdown

Net interest income
Net fee and commission income
Investment income
Other income
Total income



Full breakdown in **Press Release** and **Historical Trend Data**

Commercial NII
Other NII *new*
Net interest income
Net fee and commission income
Investment income
Other income
Total income

Condensed income breakdown in **Results Presentation**

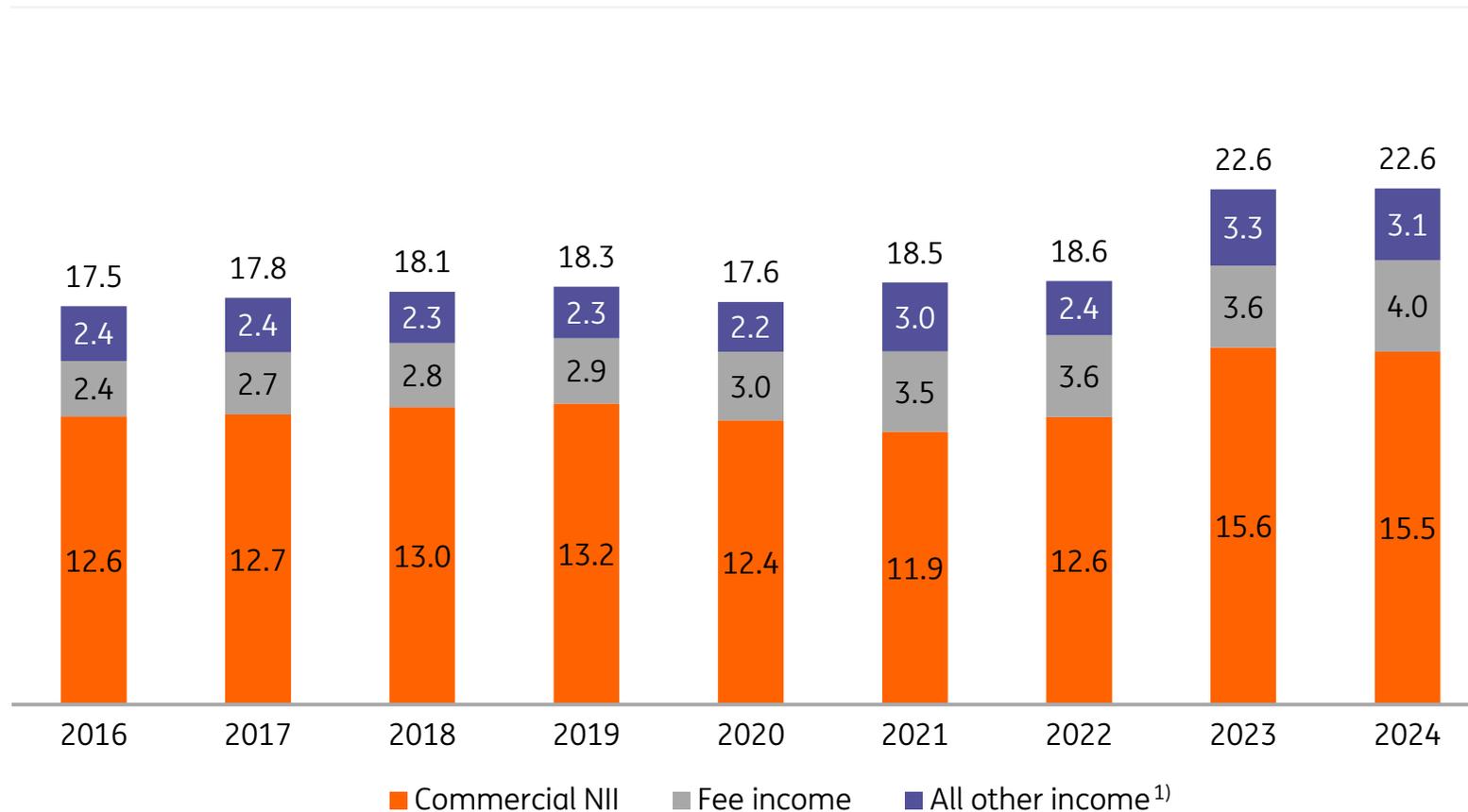
Commercial NII
Net fee and commission income
Other NII
Investment income **collapsed**
Other income
All other income
Total income

- A full income breakdown, including the newly added reporting lines for Commercial NII and Other NII, will be provided in the quarterly results Press Release and Historical Trend Data document
- The quarterly Results Presentation – as well as company outlook and consensus – will be based on a more condensed income breakdown, distinguishing between Commercial NII, Fees and All other income
 - As a result, the effects from accounting asymmetry will be netted within the ‘All other income’ component
 - The ‘All other income’ income component will mainly capture Financial Markets income (excl. fees), Treasury-related income and the income from our financial stakes
- The condensed view will also be provided as alternative income breakdown per segment in the Historical Trend Data document

2. Historical view on income development based on Commercial NII

Total income has rebounded on the back of structurally higher Commercial NII

Total income (in € bln)



- Total income level was maintained during the negative interest rate years, supported by volume growth and fee income growth
- With the return to positive interest rates, Commercial NII and Total Income have rebounded to structurally higher levels, revealing the value from strong customer balances growth in prior years

Outlook 2025 (versus 2024)²⁾

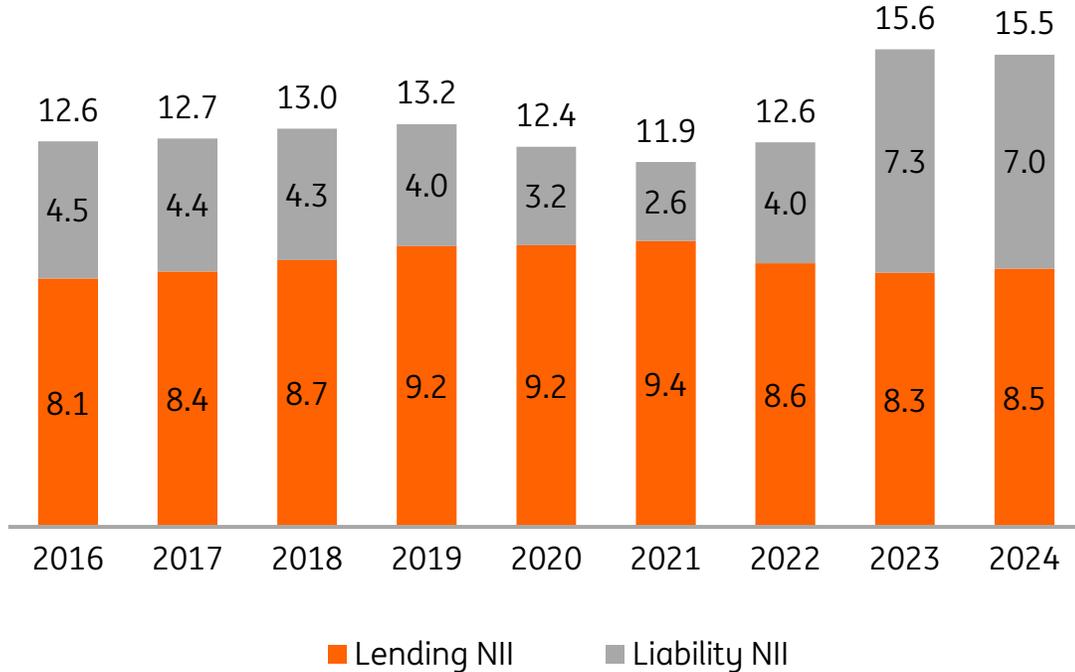
- Total income: roughly stable
- Commercial NII: ~€-0.1 bln
- Fee income: €+0.2 – 0.4 bln
- Other: ~€-0.2 bln

¹⁾ Includes 'Other NII', 'Investment income' and 'Other income'

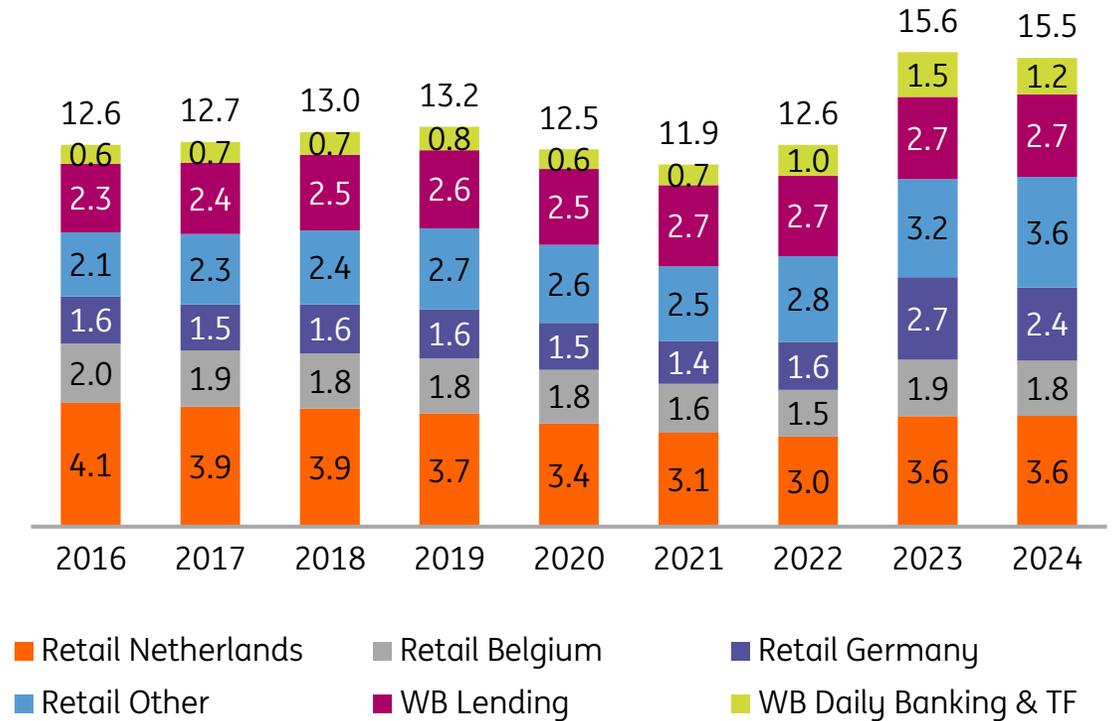
²⁾ As per the 4Q2024 Results Presentation

Commercial NII is structurally higher in a positive rate environment

Commercial NII - by type (in € bln)



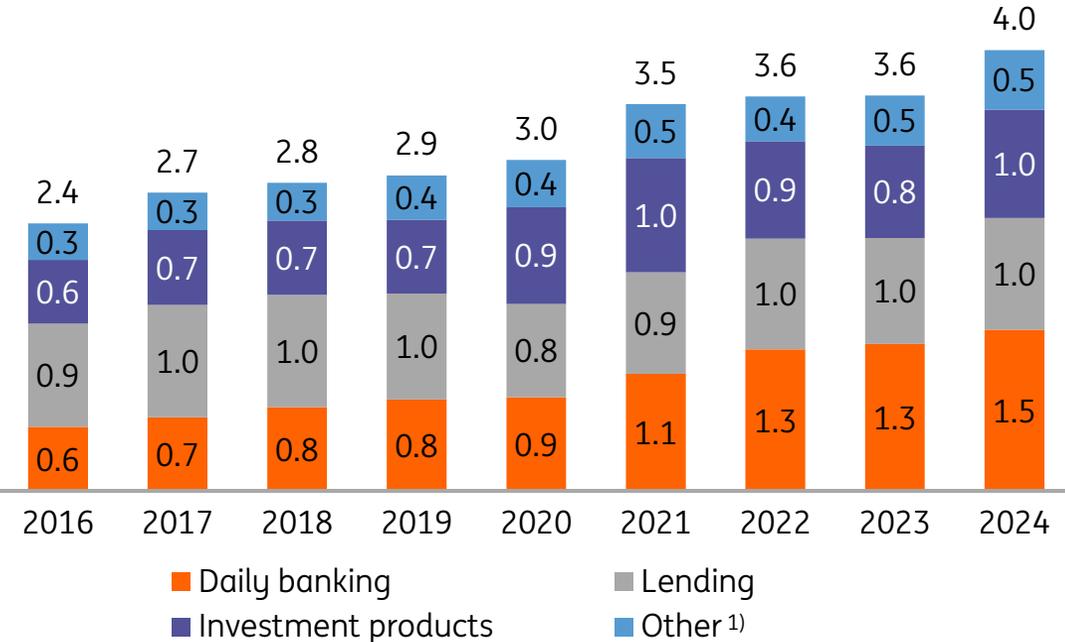
Commercial NII - by segment (in € bln)



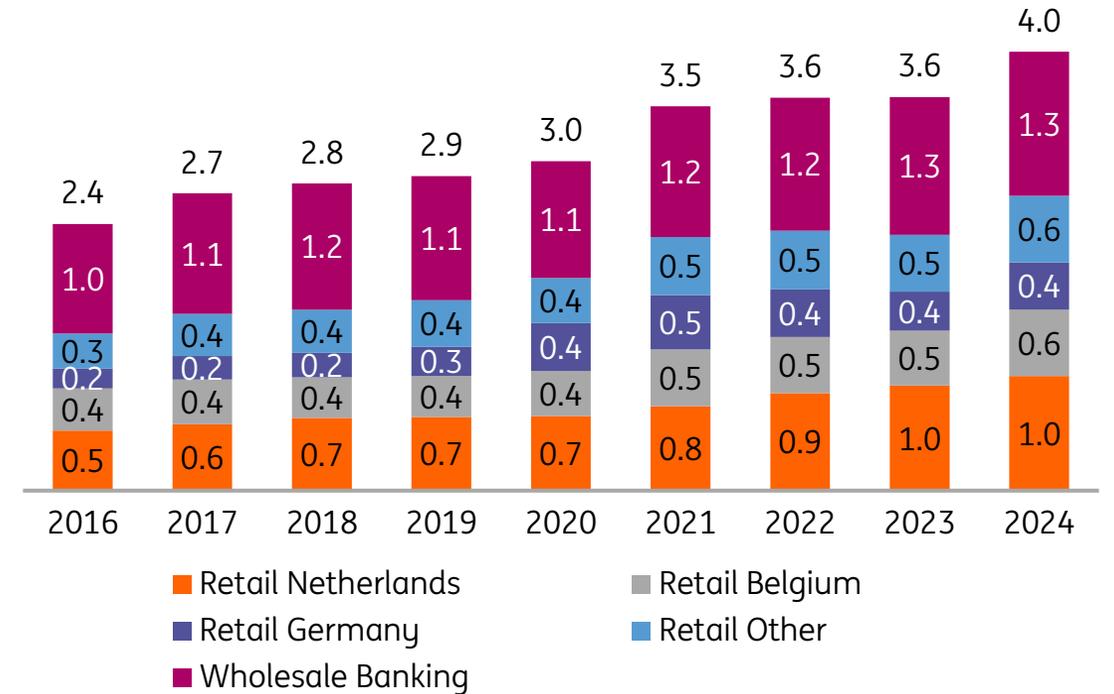
- Resilience in 2024 was driven by volume growth and hedging strategy, offsetting pressure from decreasing rates
- Commercial NII is structurally higher in a positive rate environment

Fee income is supported by customer growth and cross-selling

By type (in € bln)



By segment (in € bln)

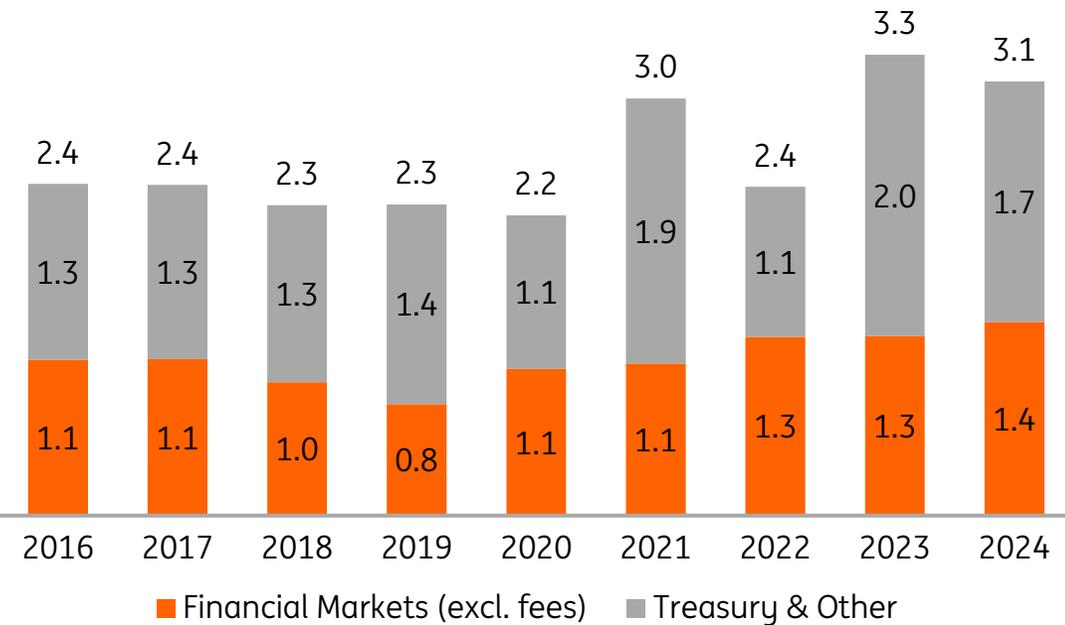


- Fee income grew 11.5% in 2024 to >€4 bln
- CAGR of +6.4% over 2016-2024
- Structural growth driven by a higher number of customers, increased cross-sell and higher recurring service fees

¹⁾ Other includes insurance products and Financial Markets

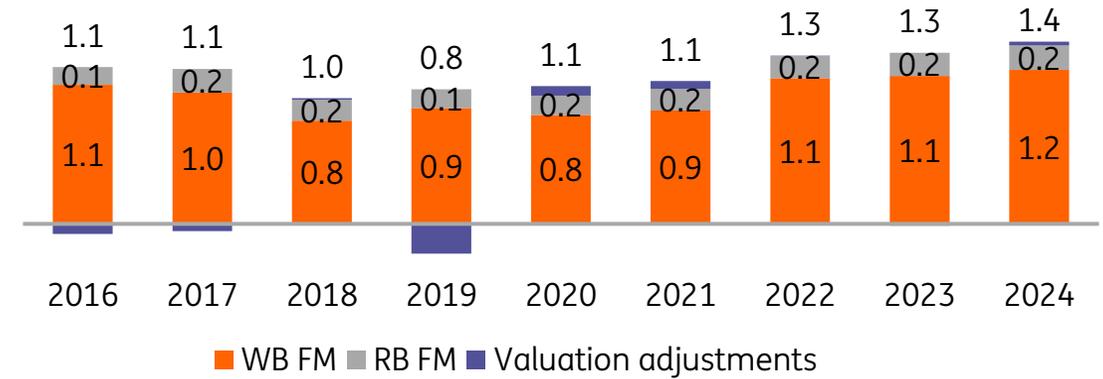
All other income consists of high-quality FM revenues, our Asian stakes and Treasury-related income

All other income (in € bln)

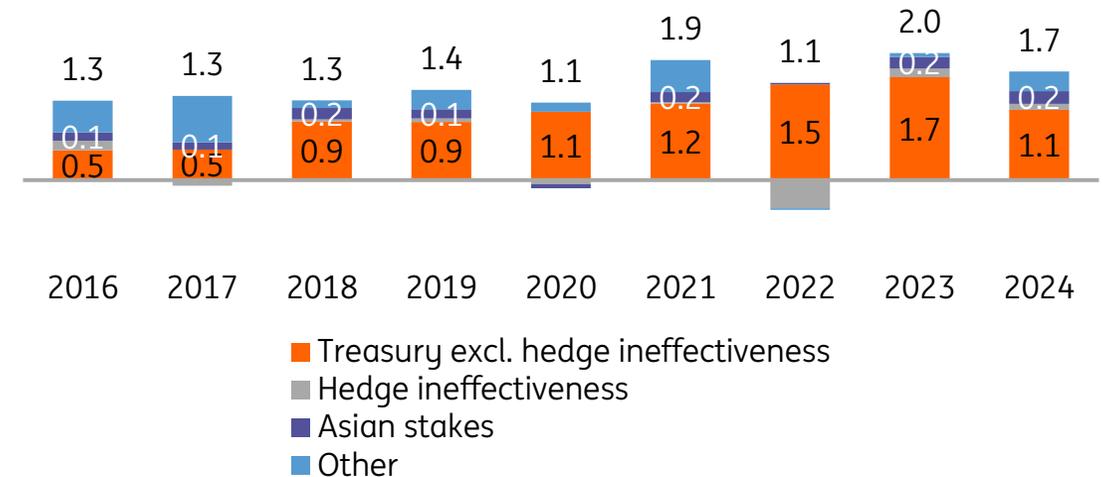


- Financial Markets income consists of high-quality revenue streams from client-flow driven hedging solutions
- Treasury & Other mainly consists of income from FX ratio hedging, liquidity-related activities and Asian stakes

Financial Markets excl. fees (in € bln)



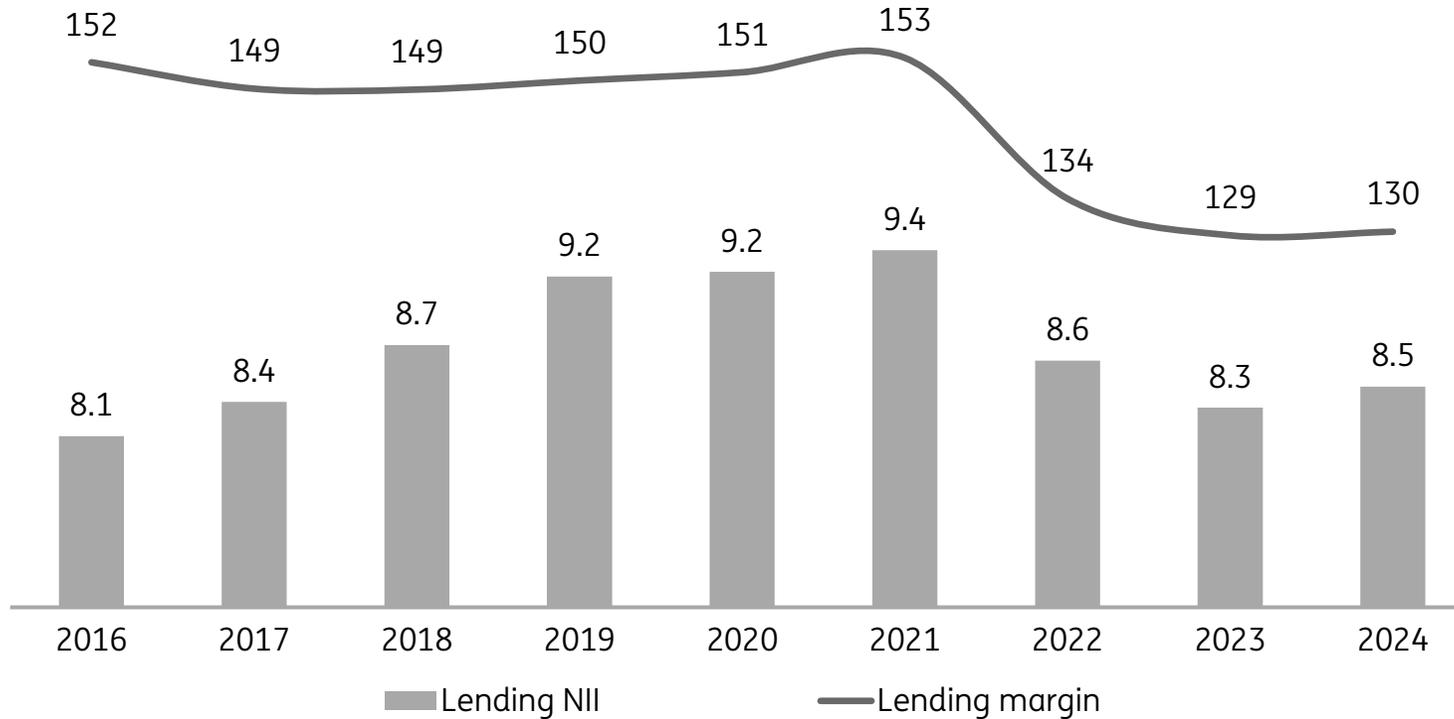
Treasury & Other (in € bln)



3. Additional definitions

Lending margin

Lending margin (in bps) and Lending NII (in € bln)

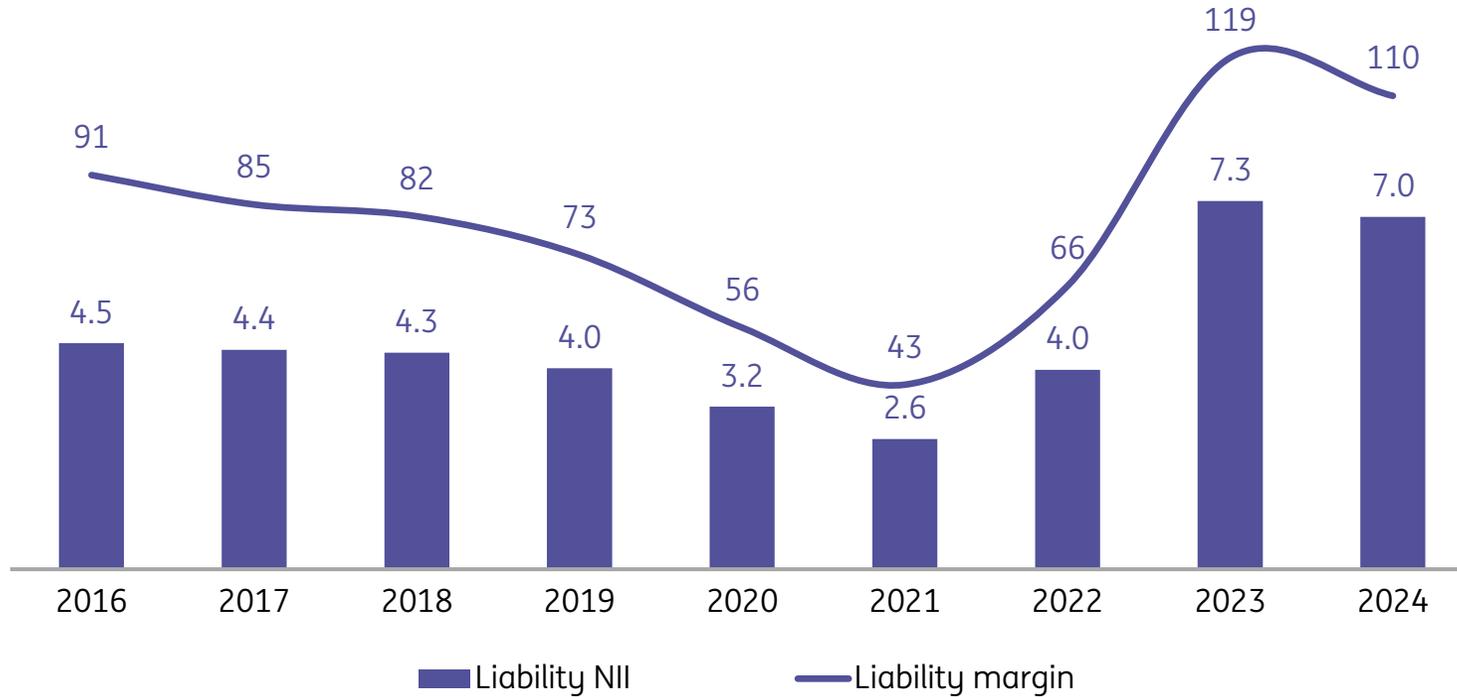


Definition

- Numerator: Lending NII
 - Lending NII includes the NII on mortgages, consumer lending, business lending, wholesale lending, working capital solutions and trade finance services, after internal funding costs
- Denominator: Average customer lending excluding Financial Markets and Treasury

Liability margin

Liability margin (in bps) and Liability NII (in € bln)

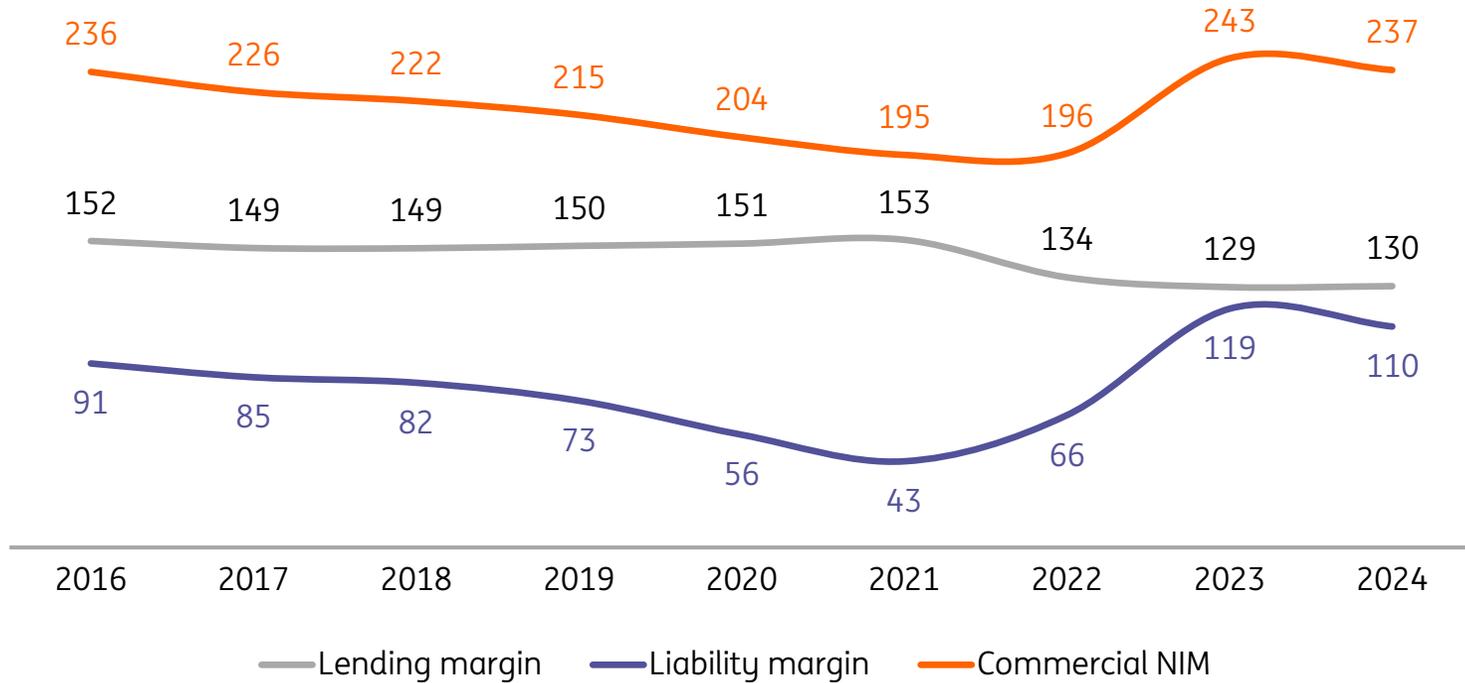


Definition

- Numerator: Liability NII
 - Liability NII includes the NII on savings, deposits and current accounts. It excludes the NII on deposits in the Financial Markets and Treasury portfolios. The NII is net, i.e. after internal funds transfer pricing
- Denominator: Average customer deposits excluding Financial Markets and Treasury

Commercial NIM

Commercial NIM (in bps)



Definition

- Numerator: Commercial NII
- Denominator: Average customer lending excluding Financial Markets and Treasury

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 2024 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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