ING Credit Update 3Q2021

ING Investor Relations

4 November 2021

do your thing

Key points

- Focus on climate action continues to accelerate and we actively engage with companies to finance the investments needed for the transition to a low-carbon economy
- Strong pre-provision result, supported by continued strong fee income, higher lending margins and negative interest rate charging as well as cost control, despite ongoing margin pressure on customer deposits
- Net core lending growth was €3.1 bln, reflecting continued mortgage growth in Retail and repayments in Wholesale Banking. Net core deposits growth was €-0.6 bln
- Fee income remained strong, up 20% YoY. Daily banking fees increased reflecting higher package fees and a recovery of domestic payment transactions. Lending fees increased, while YoY also investment product fees were higher
- Risk costs were €39 mln with a stable Stage 3 ratio at 1.5% and we are confident about the quality of our loan book
- 3Q2021 CET1 ratio was slightly higher at 15.8%, with 50% of 3Q2021 resilient net profit reserved outside of CET1 capital for distribution

A sustainability leader supporting our clients in the transition

We published our integrated climate report

- The 2021 climate report integrates our progress on climate alignment of our loan book and climate risk management
- On climate alignment, 5 of the 9 sectors covered by our Terra approach are within the decarbonisation pathway per our initial Paris-aligned ambition as we set in 2018
- We raised our ambition to reach net zero by 2050 and will update the sector targets
  - For upstream Oil & Gas we have already set a more ambitious net zero target to reduce funding (from 2019 levels) by 12% by 2025
  - Net zero targets for other sectors will be adjusted based on industry transition scenarios
- On climate risk, we have made further progress on embedding climate risk considerations into our risk management framework, with main progress on heat mapping and scenario analysis

We support our clients in the transition to a low-carbon economy

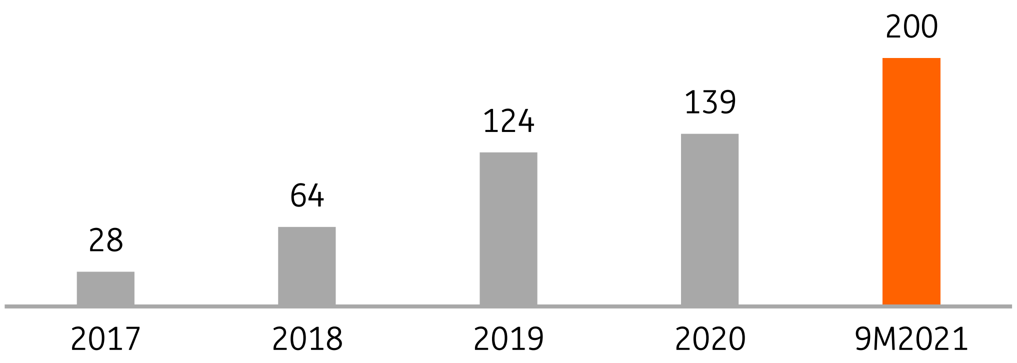
Aligned Adaptive Data Centers

€1.35 bln Green securitisation
1st green asset-backed security for a data centre provider

Jemena bringing energy to life

Development of a Green finance framework for the use of proceeds of green loans and bonds

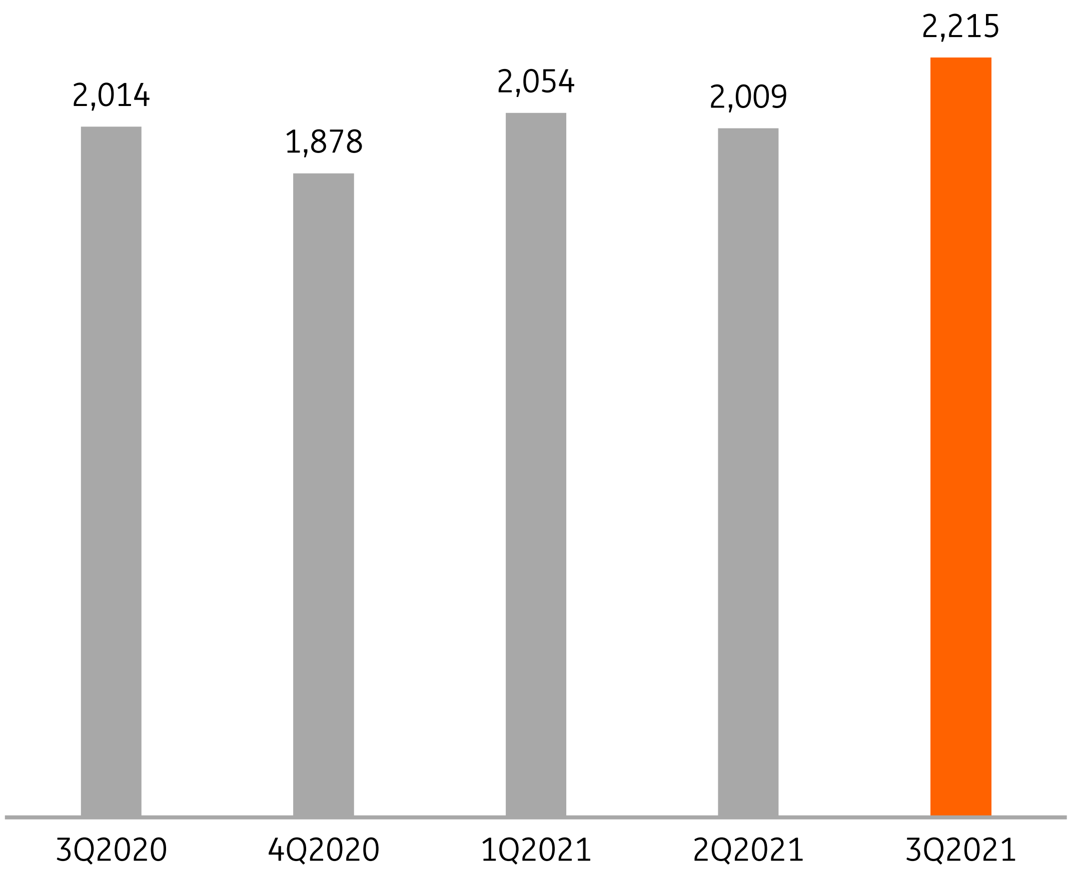
Sustainability deals* (#)



* Sustainability deals include sustainability loans and bonds, green loans and bonds, sustainable structured finance, social loans and bonds, and sustainable investments

Strong pre-provision result reflecting continued fee growth

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

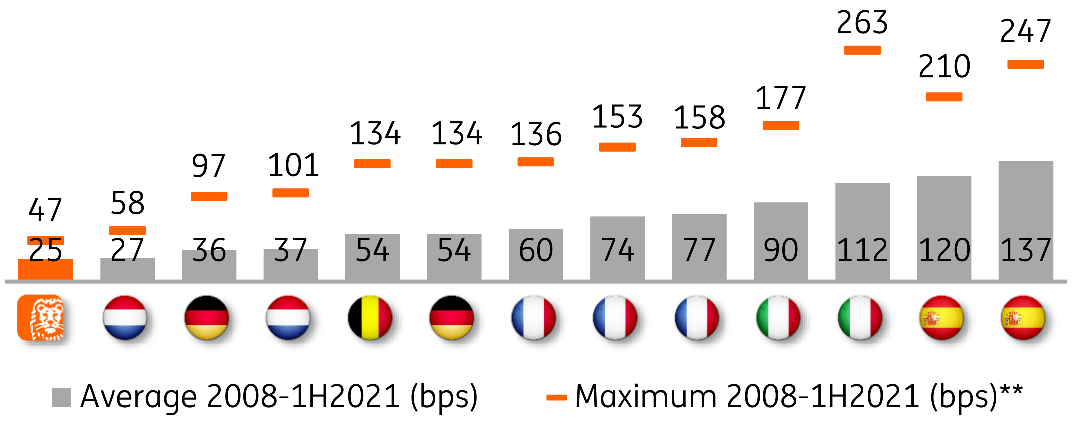


- As both income and costs improved, this quarter's pre-provision result excluding volatile items and regulatory costs increased ~10% both YoY and QoQ
- 3Q2021 pre-provision result was comparable to pre-Covid-19 levels, although with a changing composition of income as fee growth compensated for NII pressure
- The share of fee income increased to ~19%. We consider this higher fee level mostly structural with room for further growth in line with our 5-10% growth ambition
- While pressure on liability income continues, NII has been resilient
  - Focus will remain on healthy lending margins and a recovery of loan growth with business clients
  - 3Q2021 NII was also supported by lower negative interest rate charging thresholds in Retail Benelux and high pre-payment penalties on mortgages in the Netherlands, while liability margin pressure will continue and the impact is not linear
- Good cost control, with cost savings absorbing CLA-related increases

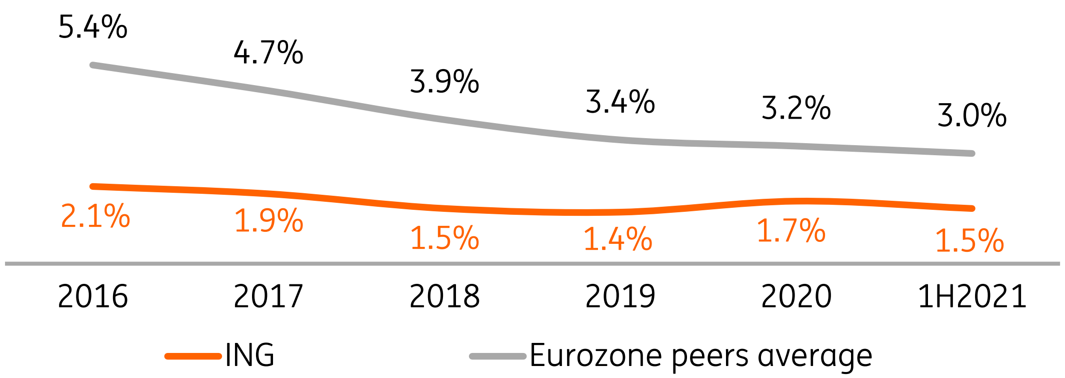
* As included in volatile items on slide 41

The quality of our loan book is strong

Risk costs compared to peers* (in bps of customer lending)



Stage 3 ratio compared to peers*



- In 3Q2021 we released €96 mln of management overlays applied in previous quarters, reflecting a recovery of economic activity, robust GDP forecasts and improved risk indicators on our loan book
- While defaults in our loan book have been limited, the additional monitoring and provisioning for sectors vulnerable under Covid-19 remain in place
- As economies re-opened, the surge in demand brings new challenges with strained supply chains, staffing shortages and rising prices. We closely monitor our loan book also given these market dynamics
- We are supported by our prudent risk framework, which remained in place unchanged under Covid-19. This is evidenced by a strong loan book, with risk costs and a Stage 3 ratio well below eurozone peers
  - Well-diversified loan book in terms of product type, client segment and geography
  - Senior ranked and well-collateralised with the majority of exposure to investment grade customers
  - Historically provisioning has been more than sufficient to cover actual write-offs

Source: Bloomberg, Annual disclosures
* Eurozone peers include ABN AMRO, BBVA, BNP Paribas, Commerzbank, Credit Agricole, Deutsche Bank, Intesa Sanpaolo, KBC, Rabobank, Santander, Société Générale and UniCredit
** Highest number of bps in a calendar year

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

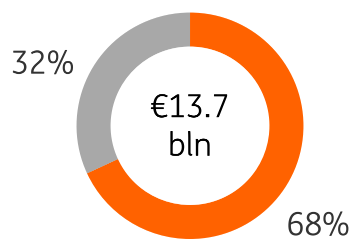
Growth Markets
Philippines, Poland, Romania, Turkey, Asian bank stakes

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**

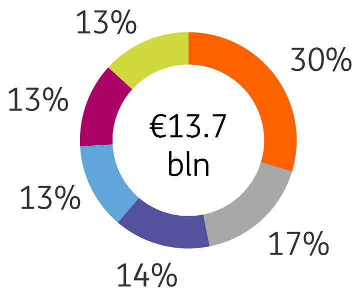
9M2021



■ Retail Banking
■ Wholesale Banking

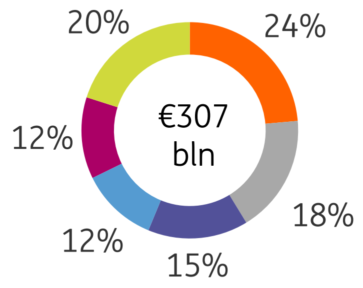
Total income**

9M2021



RWA (end of period)**

9M2021



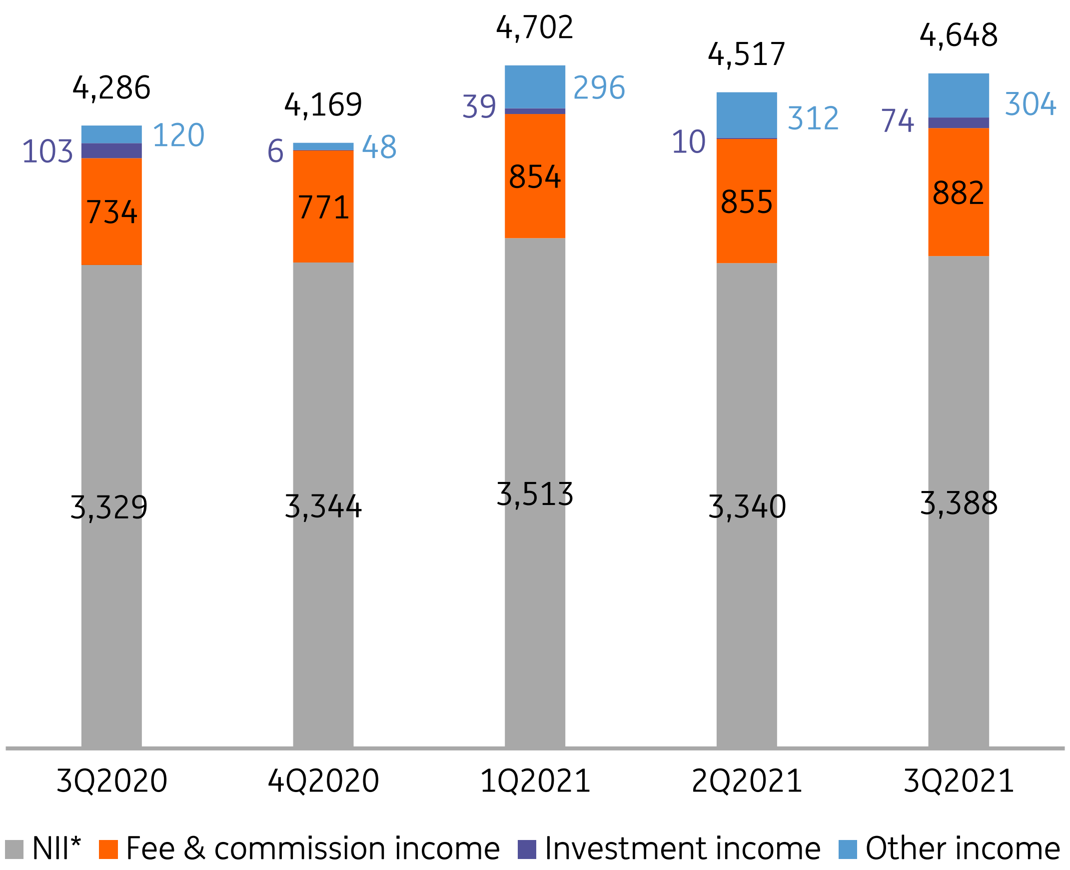
■ Netherlands ■ Belgium ■ Germany ■ Other Challengers ■ Growth Markets ■ WB Rest of World

* 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 €216 mln in 9M2021 and RWA was €3.1 bln as per 30 September 2021

3Q2021 results

Income supported by continued strong fee income

Income (in € mln)

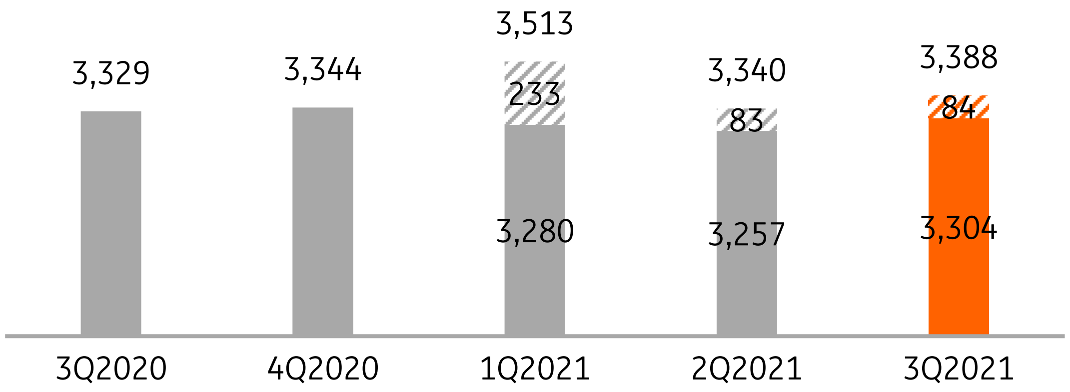


- Total income YoY included another strong quarter for fee income
  - Fee income was up for all products, with daily banking as the main driver
  - NII included a €84 mln TLTRO III benefit in 3Q2021
  - Other income was higher, as 3Q2020 included a €230 mln impairment on ING's equity stake in TMB
  - Investment income included the €97 mln annual dividend from our stake in the Bank of Beijing (€95 mln in 3Q2020), however was lower due to an estimated €34 mln loss related to the previously announced agreement to transfer our Retail Banking operations in Austria to bank99
- Sequentially, total income was supported by continued strong fee income as well as higher NII from lending activities
  - Fees were up, driven by higher fees for lending and daily banking products. This compensated for lower Financial Markets fees, while investment product fees were stable
  - The €84 mln TLTRO III benefit included in NII was comparable to the €83 mln booked in 2Q2021
  - Investment income was higher reflecting the €97 mln annual dividend from our stake in the Bank of Beijing

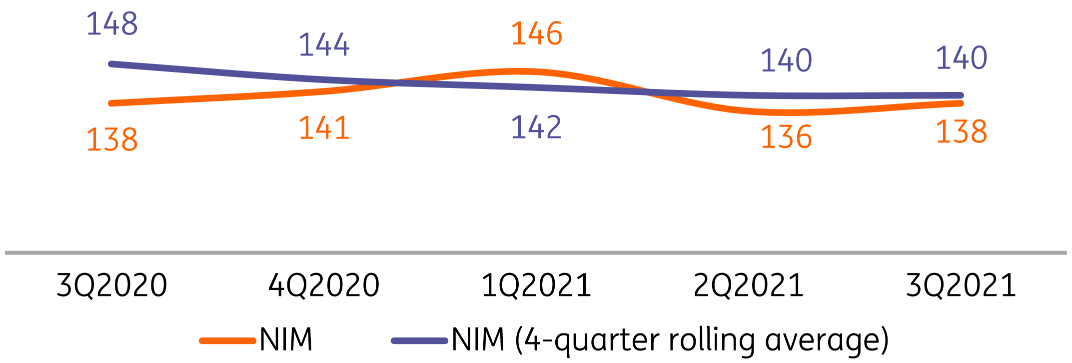
* NII included the following amounts related to a TLTRO III benefit: €233 mln in 1Q2021, €83 mln in 2Q2021 and €84 mln in 3Q2021

Resilient NII; 4-quarter rolling average NIM stable at 140 bps

Net interest income (in € mln)



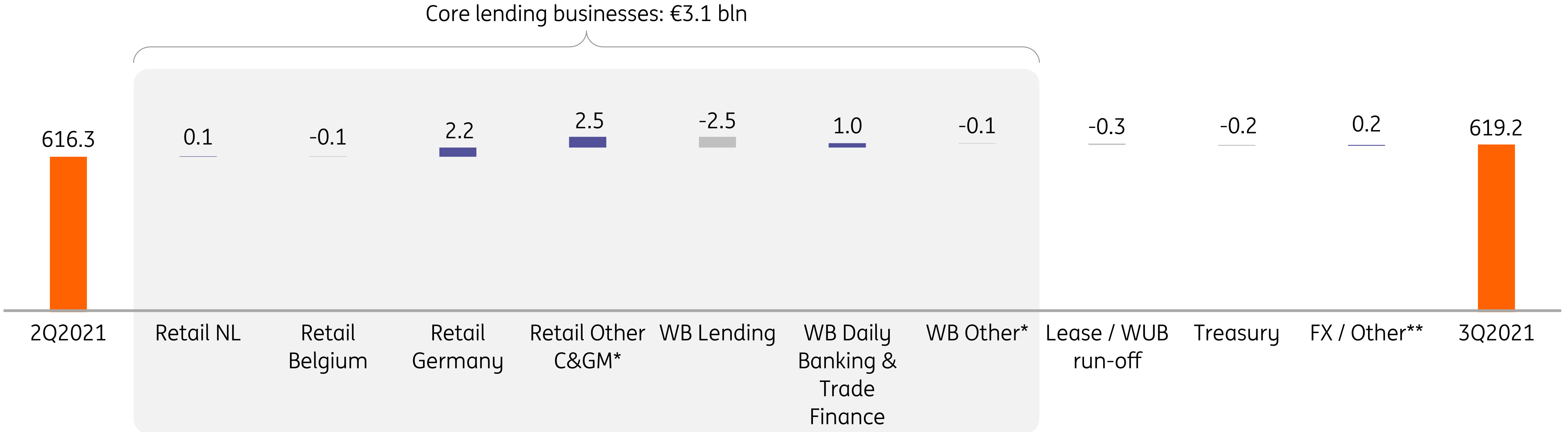
Net Interest Margin (in bps)



- NII in 3Q2021 was supported by €84 mln of TLTRO III benefit. Excluding this benefit, NII was supported YoY by higher average lending volumes at a slightly higher margin as well as increasing contribution of negative interest rate charging in Retail Benelux. The more volatile interest results in Financial Markets and FX ratio hedging also increased. This was offset by continued pressure on customer deposit margins at higher average liability volumes
- Sequentially, NII excluding the TLTRO III benefit was supported by the aforementioned growth in lending NII, while the lowering of the thresholds for negative interest rate charging in Retail Benelux at the beginning of 3Q2021 helped to absorb pressure on customer deposit margins
- 3Q2021 NIM was 138 bps, up two basis points from 2Q2021. This was mainly driven by higher lending margins, while liability margin pressure was largely absorbed this quarter by increased charging of negative interest rates

Sustained mortgage growth, higher repayments in WB

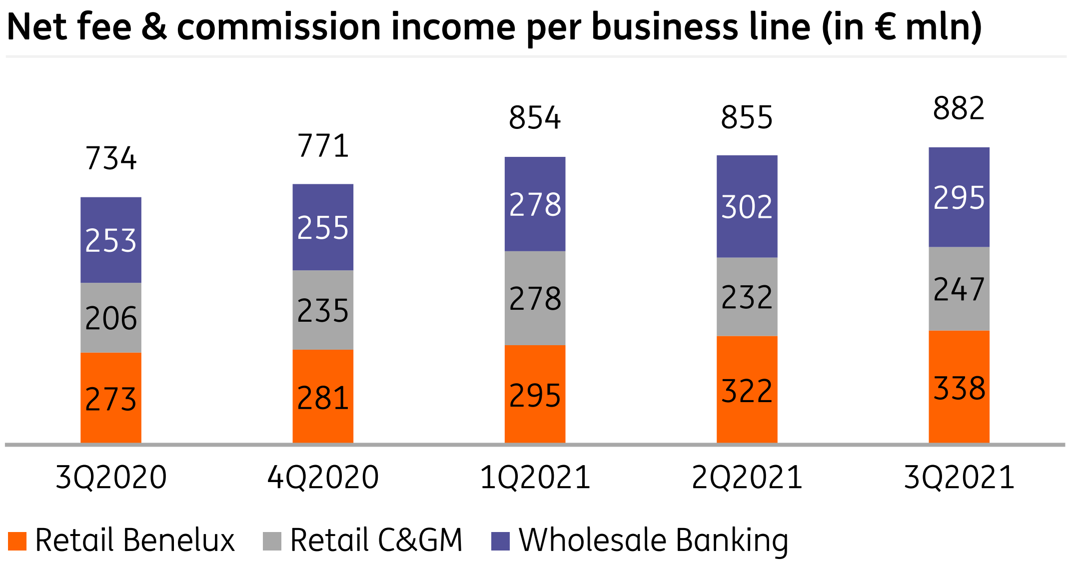
Customer lending 3Q2021 (in € bln)

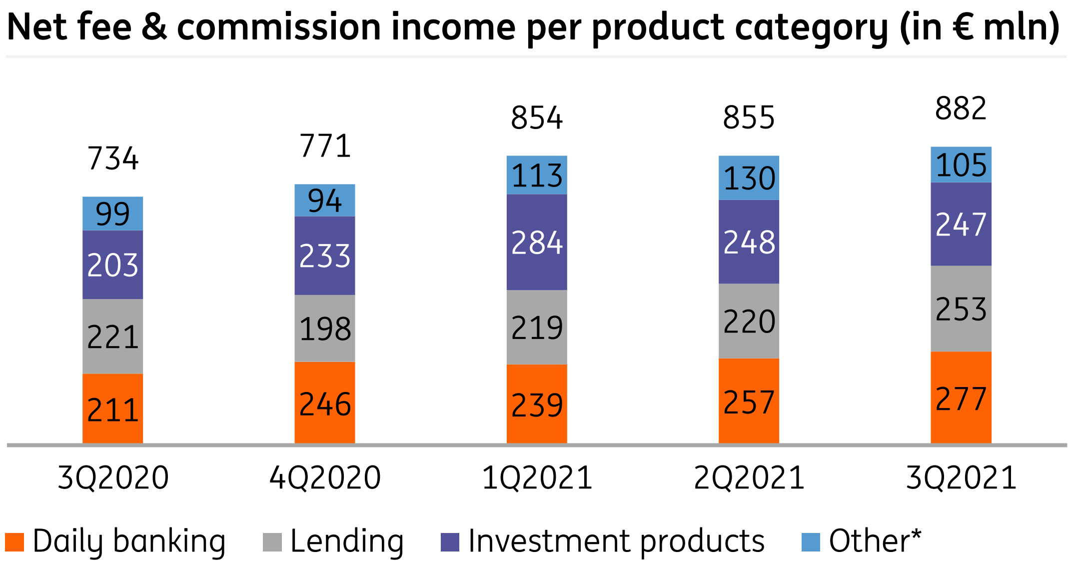


- Net core lending growth was €3.1 bln in 3Q2021
  - Retail Banking was €4.7 bln higher. Mortgages grew by €3.8 bln, due to sustained growth in most countries (primarily in Germany, Poland and Spain), whereas other retail lending increased by €0.9 bln
  - Wholesale Banking decreased by €1.6 bln, mainly in Lending, reflecting repayments of short term facilities, partially offset by growth in Daily Banking & Trade Finance
- Net core deposits growth (excluding the run-off in RB Austria and RB Czech Republic) was €-0.6 bln

* C&GM is Challengers & Growth Markets; WB Other includes Financial Markets
** FX impact was €0.5 bln and Other €-0.3 bln

Fee income strong



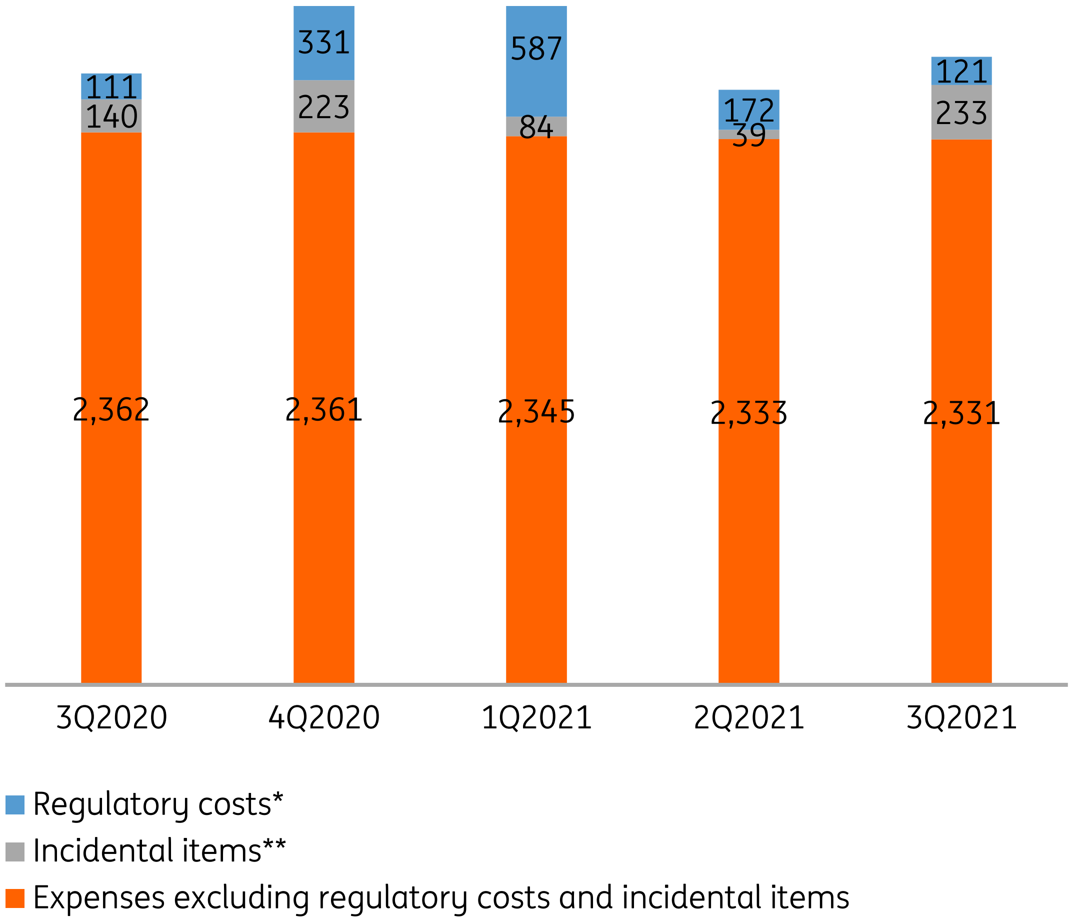


- Compared to 3Q2020, overall fee growth was 20%
  - In Retail Banking, fee growth was 22%. This was mainly driven by daily banking fees, as the benefit from higher package fees became visible, while (domestic) payment transactions further recovered. Fees from investment products were higher as assets under management, the number of new accounts and number of trades all increased. Lending fees were also up
  - Fees in Wholesale Banking were up 17%, driven by higher fees in PCM, TCF, FM and Lending
- Sequentially, fees increased 3.2% on a strong 2Q2021. In Retail Banking, lending fees were up as well as daily banking fees, due to the aforementioned factors. In Wholesale Banking, fees were slightly lower, as growth in lending fees due to higher syndicated deal activity was more than offset by lower fees in FM

* Other includes insurance products and Financial Markets

Operating expenses under control

Expenses (in € mln)

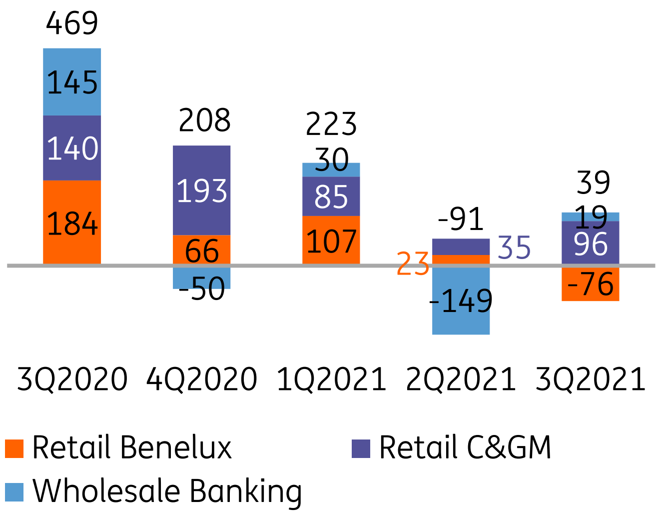


- Expenses included €233 mln of incidental items, reflecting a €180 mln provision for compensation to retail customers on certain Dutch consumer credit products and €53 mln for an impairment and redundancy costs. This compares to €140 mln impairments on software in 3Q2020 and €39 mln for an IT impairment and redundancy costs in 2Q2021
- Excluding incidental items and regulatory costs, expenses were 1.3% lower YoY, as lower costs for 3rd party staff, professional services and marketing more than offset CLA-related salary increases
- Also sequentially, when excluding regulatory costs and incidental items, expenses were slightly lower despite a lower VAT refund, reflecting cost control
- Regulatory costs were €10 mln higher YoY, mainly reflecting a higher level of covered deposits
- QoQ regulatory costs were €51 mln lower, mainly reflecting a catch-up in 2Q2021 in the DGS contribution in Germany following the Greensill insolvency

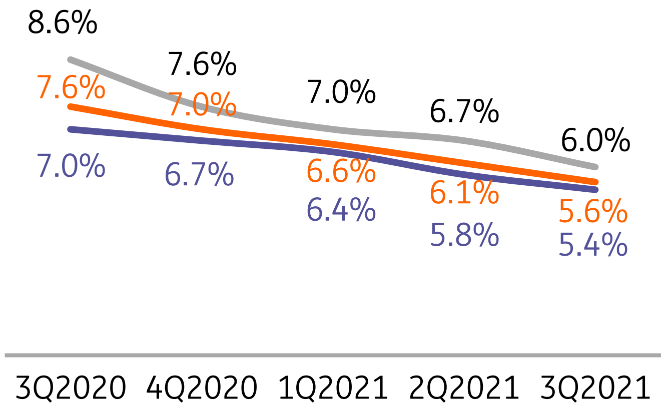
* Formal build-up phase of Deposit Guarantee Schemes (DGS) and Single Resolution Fund (SRF) should be completed by 2024
** Incidental expenses as included in volatile items on slide 41

Risk costs remain well below the through-the-cycle average

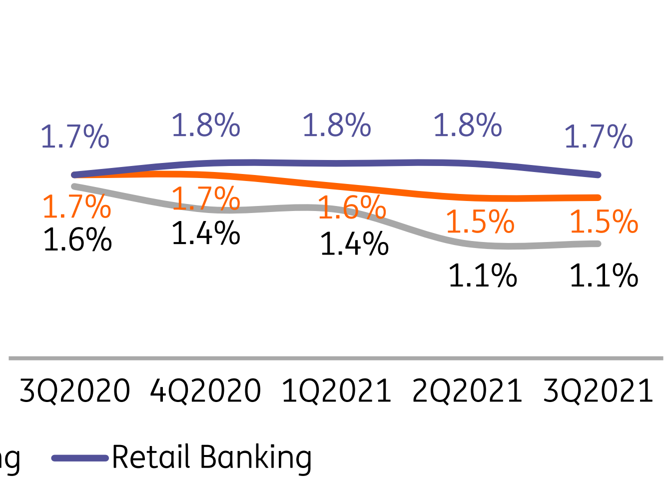
Risk costs per business line (in € mln)



Stage 2 ratio



Stage 3 ratio



- 3Q2021 risk costs were €39 mln, or 3 bps of average customer lending, well below the through-the-cycle average of ~25 bps. This included a €96 mln release reflecting robust GDP forecasts and improved risk indicators on our loan book
- In Retail Benelux, risk costs further included a model update in Belgium and some individual Stage 3 additions. Risk costs in Retail C&GM further reflected some collective provisions, mainly in Spain and Poland. Risk costs in Wholesale Banking further included a limited number of individual Stage 3 additions
- The Stage 2 ratio declined to 5.6%, mainly driven by migration back to Stage 1 of business lending customers in Retail Benelux. The Stage 3 ratio was stable at 1.5%

ING Group financial ambitions

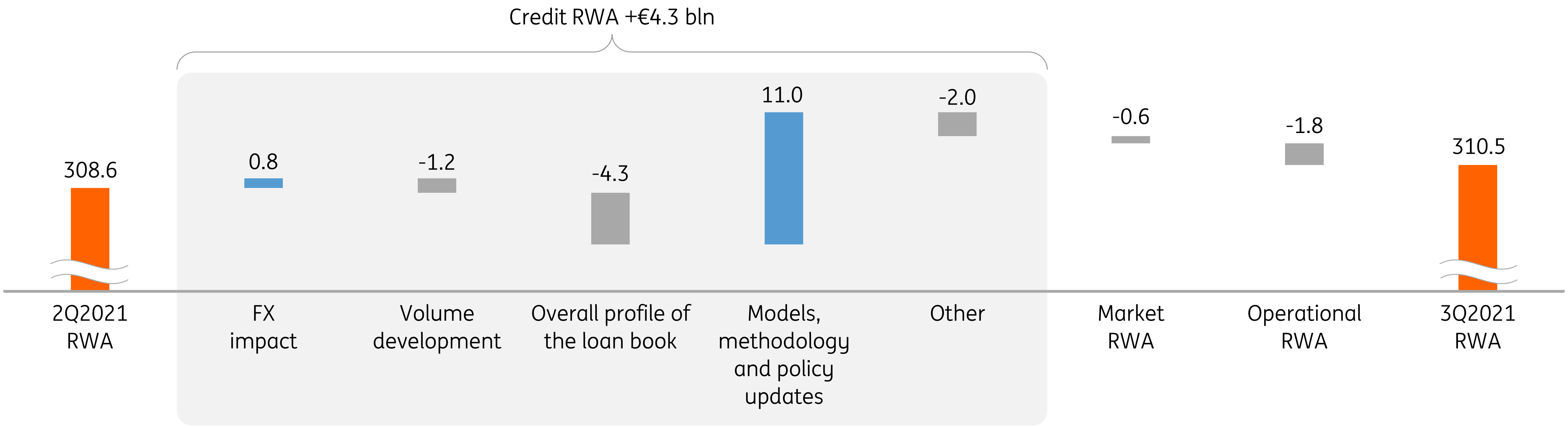
		Actual 2020	**Actual 3Q2021**	Financial ambitions
Capital	▪ CET1 ratio (%)	15.5%	**15.8%**	~12.5%* (Basel IV)
Profitability	▪ ROE (%)** (IFRS-EU Equity)	4.8%	**8.8%**	10-12%
	▪ *C/I ratio (%)***	*63.2%*	***61.9%***	*50-52%*
Distribution	▪ Distribution (per share)	€0.12***		50% pay-out ratio****

* Implies management buffer (incl. Pillar 2 Guidance) of ~200 bps over fully-loaded CET1 requirement of 10.52%
** 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 30 September 2021, this amounted to €2,840 mln, reflecting the remaining amount reserved over 2019 (which will be distributed via the current share buyback programme) as well as the remaining amount reserved for distribution from the 9M2021 result
*** Final dividend
**** Of resilient net profit

Capital

Total risk-weighted assets increased in 3Q2021, mainly reflecting ongoing redevelopments of internal models and EBA guidelines

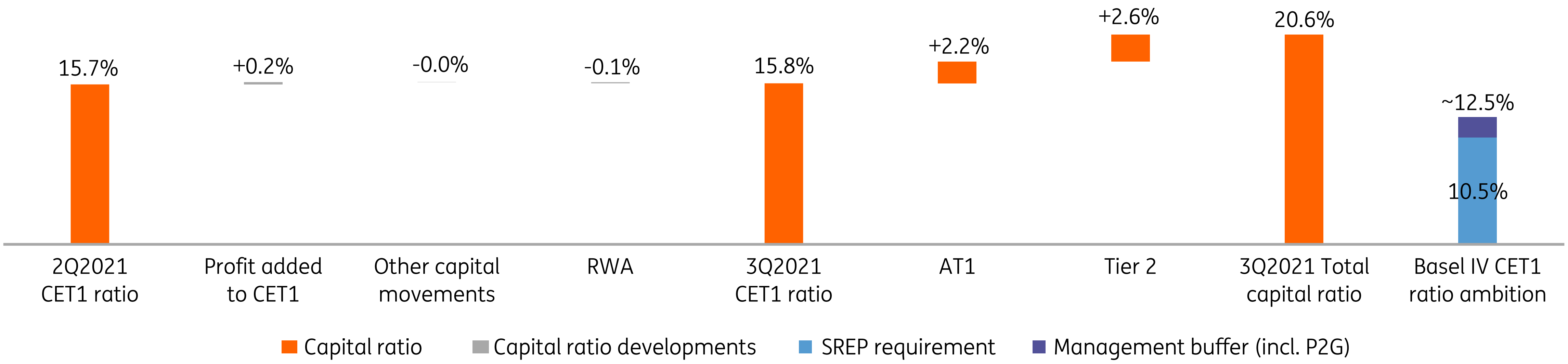
ING Group risk-weighted assets development (in € bln)



- In 3Q2021, RWA increased by €1.9 bln to €310.5 bln, due to an increase in credit RWA which grew by €4.3 bln mainly as a result of ongoing redevelopments of internal models and EBA guidelines. This was partially offset by an improved collateral profile of the loan book and lower lending volumes
- Market RWA decreased by €0.6 bln, mainly driven by lower market positions
- Operational RWA decreased by €1.8 bln due to regular updates to the AMA model

Strong ING Group CET1 ratio at 15.8%, excluding €2,840 mln profit reserved for distribution

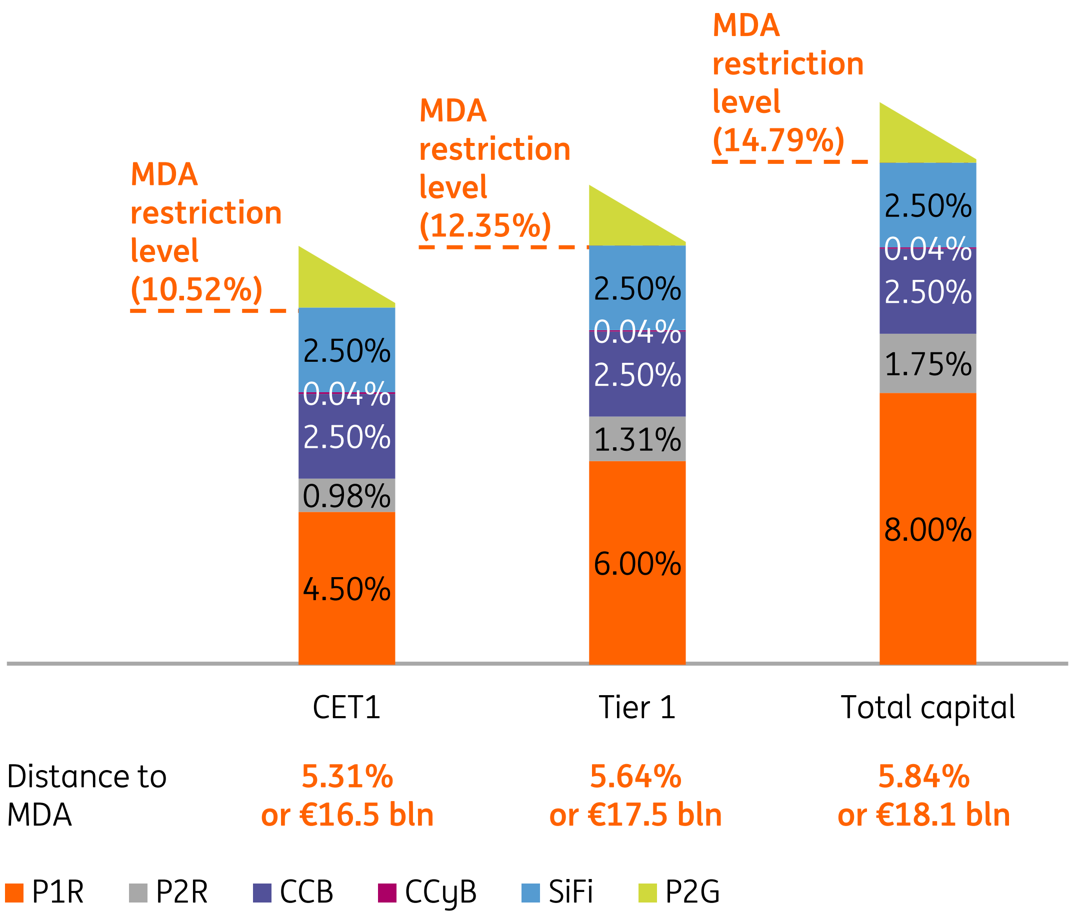
ING Group Total capital ratio development (in %)



- The 3Q2021 CET1 ratio increased to 15.8%, driven by higher CET1 capital
- CET1 capital was €0.6 bln higher, mainly reflecting the addition of 50% of the 3Q2021 net profit (€0.7 bln)
- At the end of 3Q2021, there was €2,840 mln of reserved profits not included in CET1 capital
- The AT1 ratio increased in 3Q2021 by 0.3%-point to 2.2%, reflecting the issuance of two US$1.0 bln AT1 instruments in September, partly offset by the redemption of two EUR-denominated perpetual securities that had been grandfathered as AT1 capital. The Tier 2 ratio was stable at 2.6%. 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



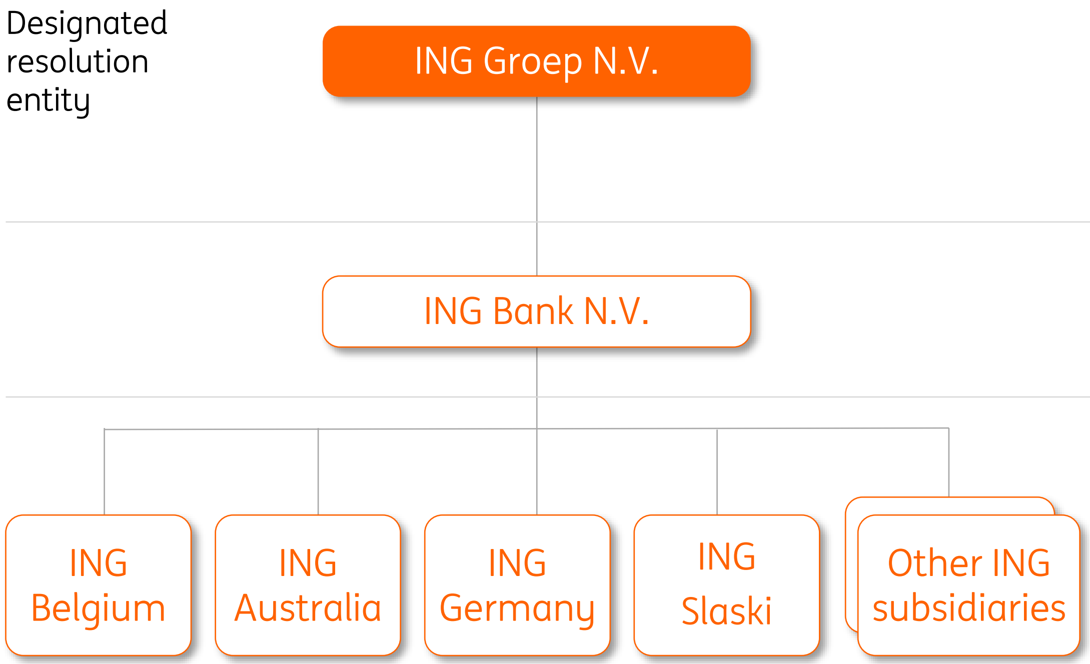
- ING Group's fully-loaded CET1 requirement is 10.52%
  - 4.50% Pillar 1 Requirement (P1R)
  - 0.98% Pillar 2 Requirement (P2R)
  - 2.50% Capital Conservation Buffer (CCB)
  - 0.04% Countercyclical Buffer (CCyB)*
  - 2.50% Systemically Important Financial Institutions Buffer (SiFi)
- Fully-loaded Tier 1 requirement is 12.35%
  - 0.33%-point of P2R can be filled with AT1
- Fully-loaded Total Capital requirement is 14.79%
  - 0.44%-point of P2R can be filled with Tier 2

* Fully-loaded CCyB is 0.04%; 3Q2021 CCyB remained 0.03%

Funding & liquidity

Issuance entities under our approach to resolution

Issuance entities

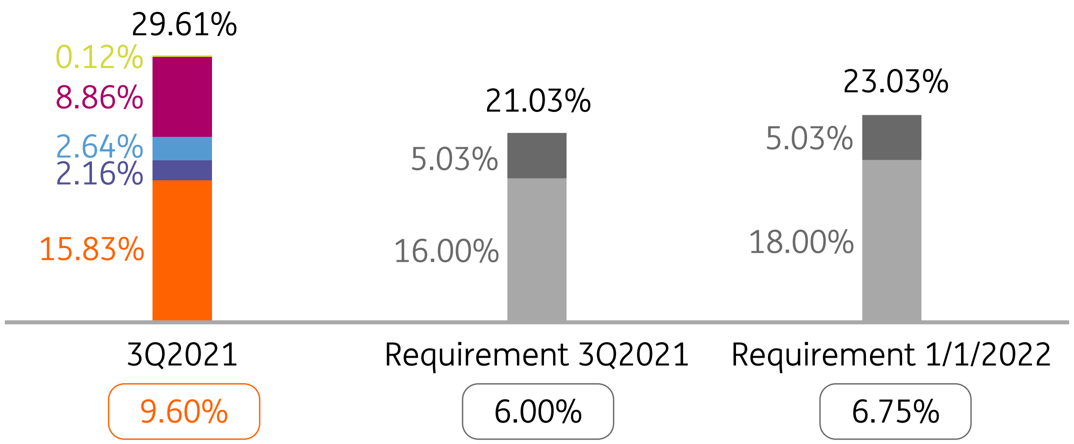


Eligible instruments for TLAC/MREL

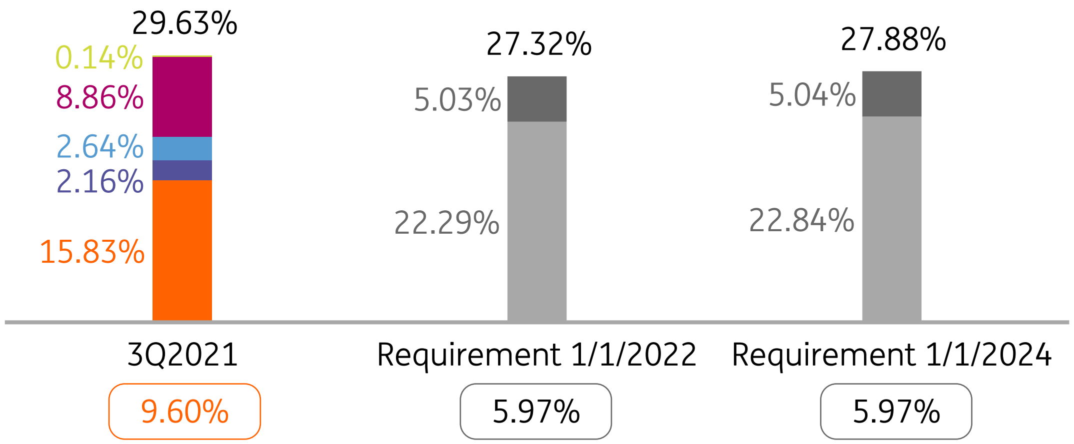
	TLAC	MREL
▪ Own funds (CET1 / AT1 / Tier 2)	✓	✓
▪ Senior unsecured debt (> 1 year)	✓	✓
▪ Own funds	✓	✓
▪ Senior unsecured debt (> 1 year)	✗	✗
▪ Secured funding	✗	✗
▪ Operational funding needs (un)-secured debt	✗	✗

ING meets its TLAC and the new intermediary MREL requirements

TLAC as % of RWA (and LR)



MREL as % of RWA (and LR)



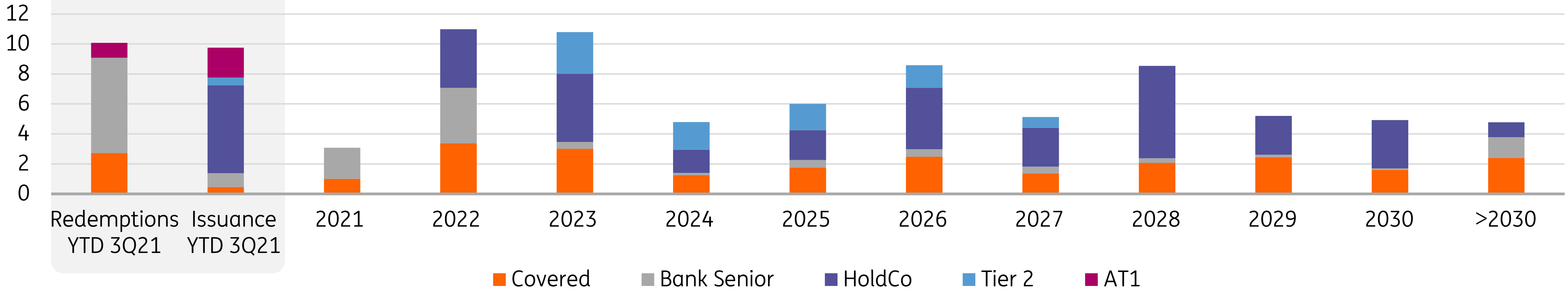
CET1 | AT1 | T2 | HoldCo Senior | Adjustments** | TLAC / MREL requirement | CBR | TLAC / MREL as % of leverage exposure

- ING follows a Single Point of Entry (SPE) resolution strategy and issues TLAC/MREL eligible instruments from its resolution entity ING Groep
- ING amply meets the end state TLAC requirement with a TLAC ratio of 29.61% of RWA and 9.60% of TLAC leverage exposure (LR)
- ING Group received preliminary* MREL requirements from the Single Resolution Board of 27.88% on RWA and 5.97% on LR as per 1 January 2024. RWA-based MREL is the most constraining requirement for ING. As per 30 September 2021, ING Group already meets the new intermediary MREL requirements that will become binding as per 1 January 2022

* Official requirement letter is following the 3Q2021 transposition of BRRD2 into Polish law
** Relates to regulatory adjustments on T2

Long-term debt maturity ladder and issuance activity year-to-date 3Q2021

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



Issuance activity in 3Q2021

- Total issuance in 3Q2021 was ~€4.0 bln with ~€4.0 bln redemptions
  - US$2 bln AT1 was issued
  - €1.5 bln HoldCo Senior was issued
  - AUD$0.75 bln Covered bond issued by ING Bank Australia
  - ~€0.3 bln of Bank Senior funding was raised**
  - ~US$1 bln grandfathered securities called per 30 September 2021
- ~€6.0 bln of Bank Senior debt is maturing in the period until the end of 2023
- On 30 September 2021, ING DiBa priced a €1.25 bln Green Pfandbrief which settled in October 2021 and will be reported in 4Q2021

* Tier 2 maturities are based on the 1st call date for callable bonds and contractual maturity for bullets. Excluding RMBS
** Structured notes

ING's debt issuance programme in 2021

Group / Bank issuance plan

Senior debt issuance

- Outstanding HoldCo Senior of ~€32 bln mainly in EUR and USD
- Guidance on Holdco Senior issuances for 2021 remains ~€5-7 bln, subject to balance sheet developments and Covid-19 related impacts
  - ~€5.8 bln of Senior HoldCo has been issued in 2021 up till 30 September
- OpCo Senior (and Covered bonds) could be issued for internal ratio management and general corporate funding purposes

Tier 2

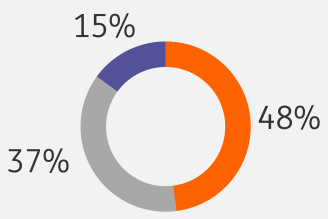
- Outstanding Tier 2 of ~€8.2 bln, translating into a Tier 2 ratio of 2.6%
  - ~€0.8 bln is Bank Tier 2
- The remaining Bank Tier 2 benchmark instrument has a final maturity date in September 2023

AT1

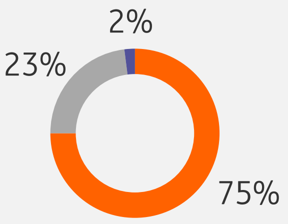
- Outstanding AT1 of ~€6.7 bln translates into an AT1 ratio of 2.2%
  - All CRR compliant securities
  - All US$ denominated
- US$2 bln AT1 issued in September 2021
- ~€1 bln of grandfathered securities called per 30 September 2021

Currency split

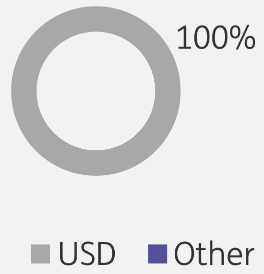
HoldCo Senior



Tier 2



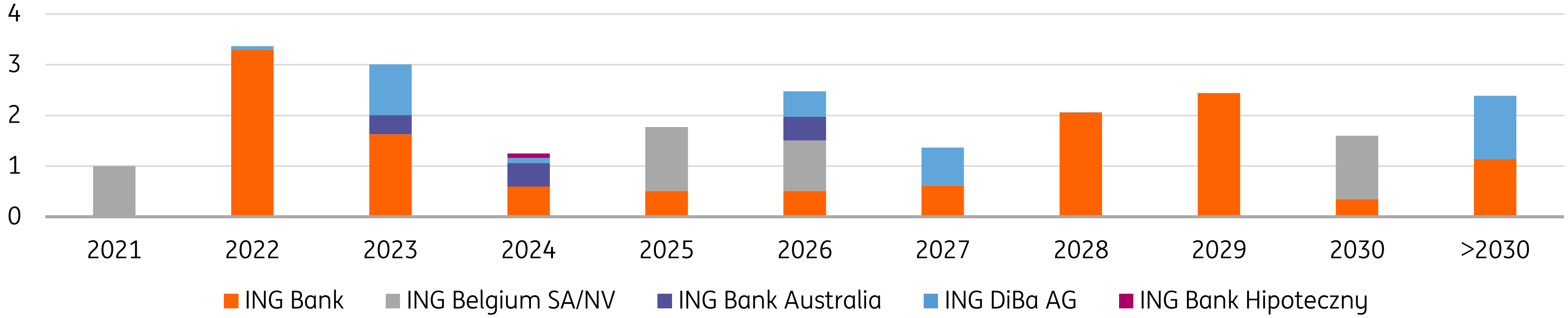
AT1



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 DiBa AG	ING Bank Hipoteczny
Instruments overview	▪ Secured funding ▪ Senior unsecured	▪ Secured funding	▪ Secured funding	▪ Secured funding	▪ Secured funding
Outstanding	▪ Covered bond*: €13.1 bln ▪ Senior unsecured: ~€10 bln	▪ Covered bond*: €4.5 bln	▪ Covered bond: AUD$2.1 bln	▪ Covered bond: €3.7 bln ***	▪ Green covered bond: PLN400 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 ladder of outstanding Covered Bonds as at 30 September 2021 (in €bln)**



* Externally placed covered bonds
** Maturity ladder as per contractual maturity
*** On 30 September 2021, ING DiBa priced a €1.25 bln Green Pfandbrief which was settled in October 2021 and will be reported in 4Q2021

We issue green bonds to support meeting our sustainability objectives

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 and green buildings
- Our total EGLP equals ~€8.5 bln*, with ~€4.9 bln of outstanding green bonds issued under the Debt Issuance Program in senior unsecured format as of 30 September 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
  - ING DiBa-AG issued a €1.25 bln Green Pfandbrief which settled in October 2021, with the financing of energy efficient buildings as the use of proceeds
  - 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

- Evaluation: Management of ESG material risk is 'Strong'
- Position: 17th percentile of 398 banks
- Updated: September 2021

MSCI

- Rating: AA
- Updated: December 2020

S&P Global

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

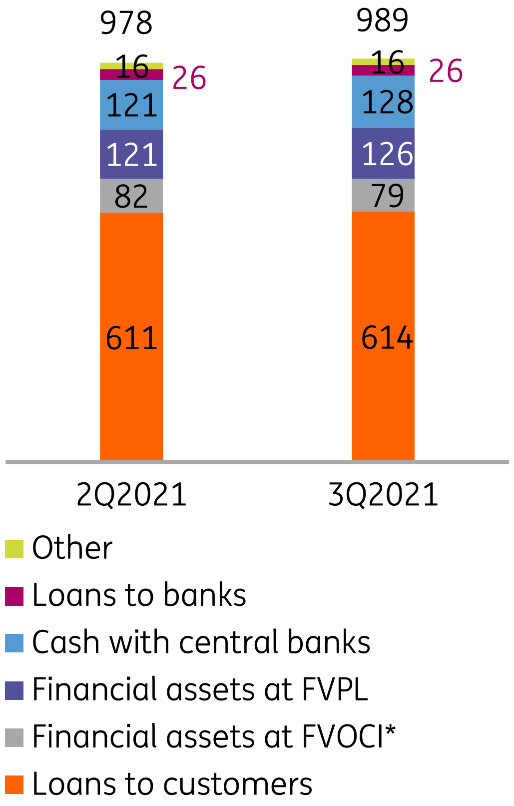
* As of latest allocation and impact report (FY2020)
See website for more details: https://www.ing.com/Sustainability.htm

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

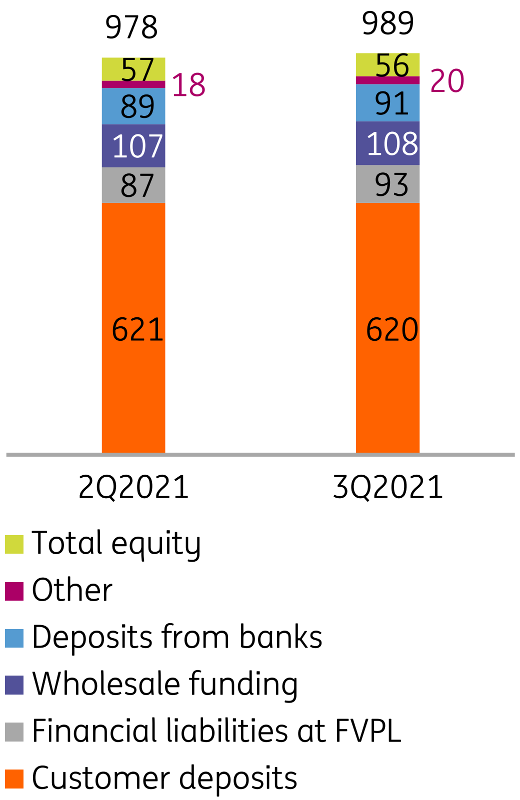
Balance sheet ING Group (in € bln)

- Balance sheet ING Group increased to €989 bln in 3Q2021

Assets



Liabilities



Well-diversified customer loan book

- See “Asset Quality” section of this presentation

Stable funding profile

- Increase in balance sheet mainly due to higher cash and balances with central banks, higher financial assets at fair value through P&L and an increase in customer lending
- 63% 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 99% as per 30 September 2021**

Conservative trading profile

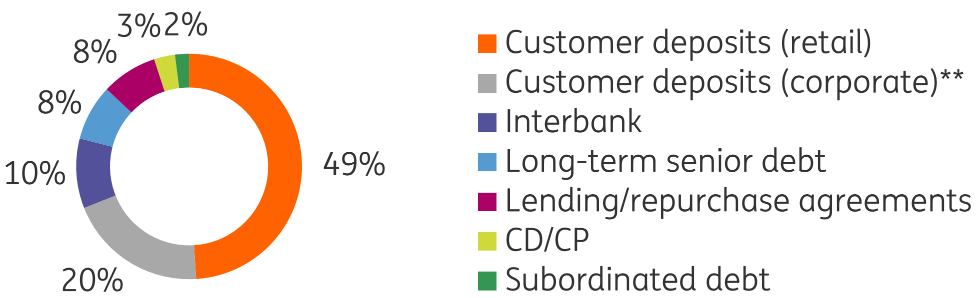
- Majority of our Financial Markets business is customer flow based where we largely hedge our positions, reflected in large, but often offsetting, positions in assets and liabilities at Fair Value
- Average VaR for ING’s trading portfolio during 3Q2021 decreased to €5 mln from €7 mln in the previous quarter, mainly due to a reduced interest rates and xVA exposure

* 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 with a 12-month moving average LCR of 142%

Funding mix*

30 September 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 142%, 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)

	30 September 2021	30 June 2021
Level 1	153.3	148.1
Level 2A	4.8	4.6
Level 2B	5.0	4.1
Total HQLA	**163.0**	**156.9**
Stressed outflow	**199.2**	**194.8**
Stressed inflow	**84.9**	**83.3**
LCR	**142%**	**141%**

* 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 as of 3 November 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 Groep NV (HoldCo)			
Long-term issuer rating	A-	n/a	A+
Short-term issuer rating	A-2	n/a	F1
Outlook	Stable	Stable	Negative
Senior unsecured rating	A-	Baa1	A+
AT1	BB	Ba1	BBB
Tier 2	BBB	Baa2	A-
ING Bank NV (OpCo)			
Long-term issuer rating	A+	Aa3	AA-
Short-term issuer rating	A-1	P-1	F1+
Outlook	Stable	Stable	Negative
Senior unsecured rating	A+	A1	AA-
Tier 2	BBB+	Baa2	A-

Latest rating actions on ING Group and Bank

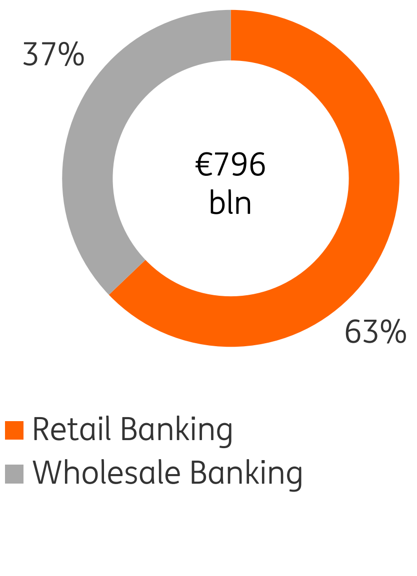
- Fitch: ING Bank was upgraded to AA- in February 2019. In October 2020, Fitch affirmed ING Group's and ING Bank's ratings and assigned negative outlooks to both long-term IDRs. The affirmation and removal from Rating Watch Negative reflect Fitch's view that ING's ratings have sufficient headroom to absorb pressure on asset quality, earnings and capitalisation, which is expected under their baseline scenario
- Moody's: ING Bank's CRR 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 July 2021, 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 June 2021, S&P changed ING Group's outlook from negative to stable, as a result of the improved economic outlook and the impact of the outlook on the BICRA for Dutch banks

Asset quality

Well-diversified lending credit outstandings by activity

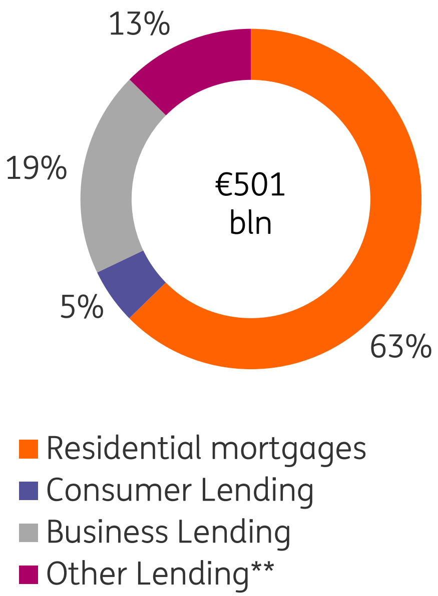
ING Group*

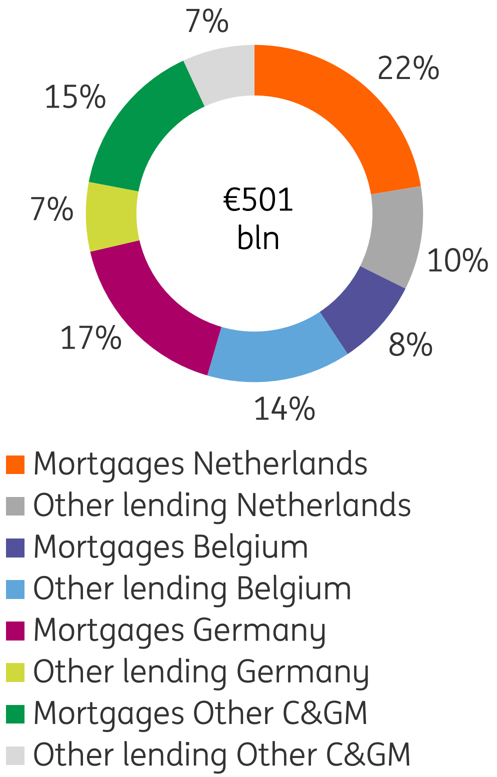
3Q2021



Retail Banking*

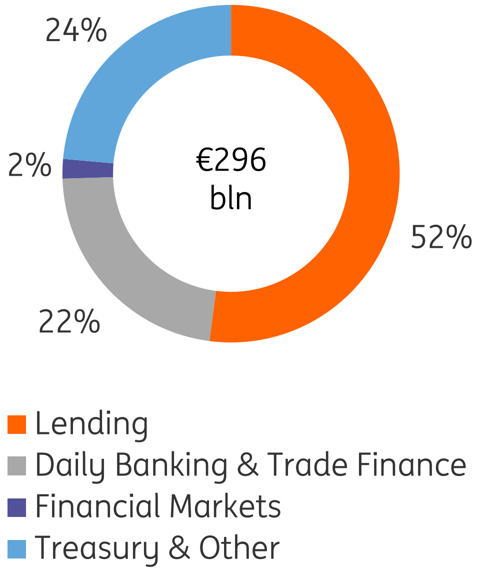
3Q2021





Wholesale Banking*

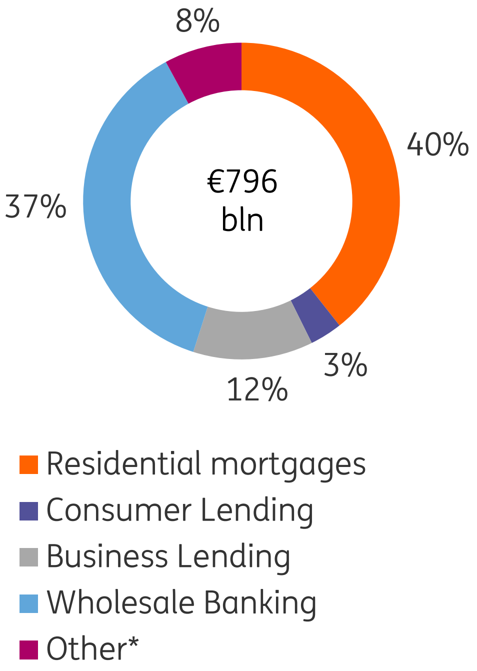
3Q2021



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

* 30 September 2021 lending and money market credit outstandings, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)
** Other includes €52 bln Retail-related Treasury lending and €11 bln Other Retail Lending

Our lending book is senior and well-collateralised



Residential Mortgages €314 bln	▪ Average LTV of 55% with low Stage 3 ratio at 1.2% ▪ Risk metrics remained strong
Consumer Lending €26 bln	▪ Relatively small book, risk metrics slightly improved

Business Lending €98 bln	▪ Limited exposure to most vulnerable sectors:
	  ▪ Agriculture: €5.6 bln (0.7% of loan book), Stage 3 ratio at 5.7%
	  ▪ Non-food Retail: €3.1 bln (0.4% of loan book), Stage 3 ratio at 3.7%
	  ▪ Hospitality + Leisure: €3.8 bln (0.5% of loan book), Stage 3 ratio at 6.7%

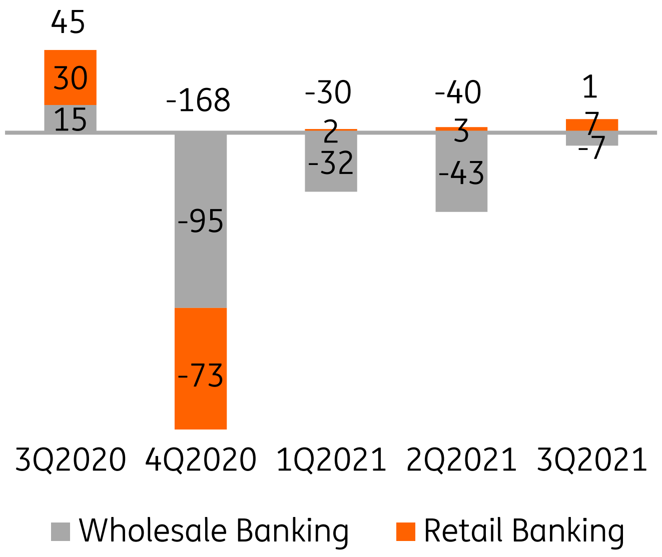
Wholesale Banking €296 bln	▪ Limited exposure to most vulnerable sectors:
	  ▪ Leveraged Finance: €7.5 bln (capped at €10.1 bln), well-diversified over sectors
	  ▪ Oil & Gas: €15.2 bln of which €3.3 bln with direct exposure to oil price risk (0.4% of loan book; Reserve Based Lending (€2.4 bln) and Offshore business (€0.9 bln)), Stage 3 at 6.5%
	  ▪ Aviation: €4.0 bln (0.5% of loan book), Stage 3% at 2.0%
	  ▪ Hospitality + Leisure: €1.5 bln (0.2% of loan book), Stage 3% at 9.0%

Commercial Real Estate (RB + WB)	▪ Total €48.3 bln (6.0% of loan book), booked in RB and WB ▪ Well-diversified capped loan book ▪ LtV at 49.2% and low Stage 3% at 1.2%

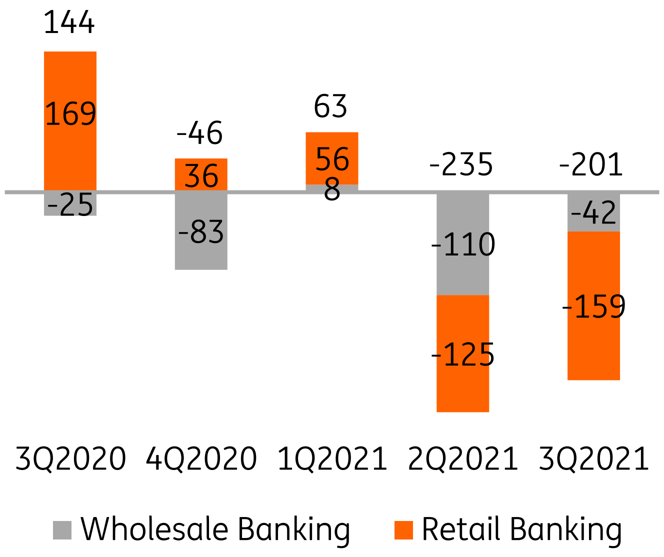
* Other includes €52 bln Retail-related Treasury lending and €11 bln Other Retail Lending

Provisioning per Stage

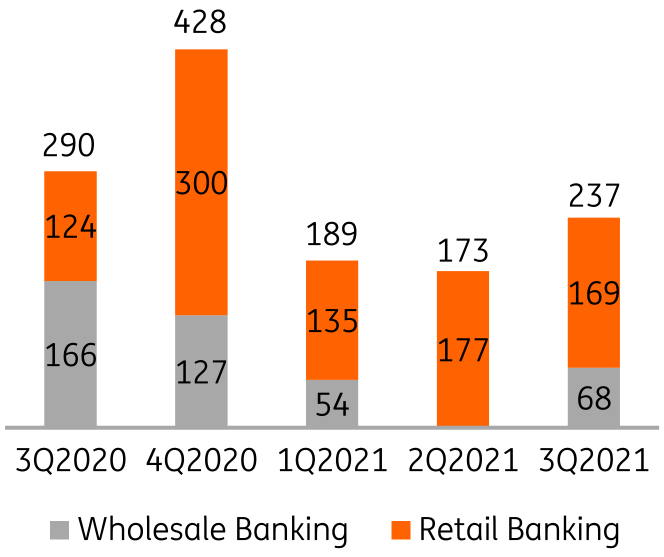
Stage 1 provisioning (in € mln)



Stage 2 provisioning (in € mln)



Stage 3 provisioning (in € mln)



Main drivers 3Q2021

- Partial release of management overlays based on sector analysis

Main drivers 3Q2021

- Partial release of management overlays based on sector analysis

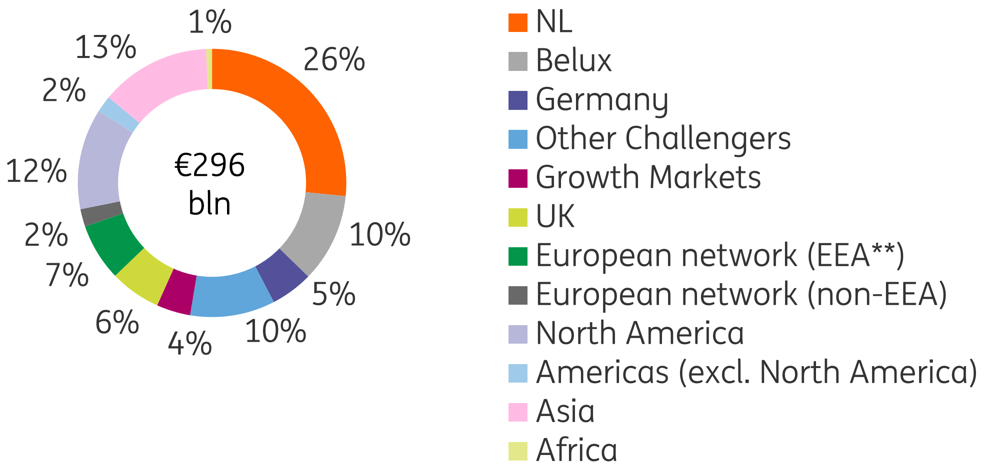
Main drivers 3Q2021

- Additions to collective provisions in Retail Banking, including an addition in Belgium related to a model update
- Additions to some new individual files in Wholesale Banking

Wholesale Banking lending

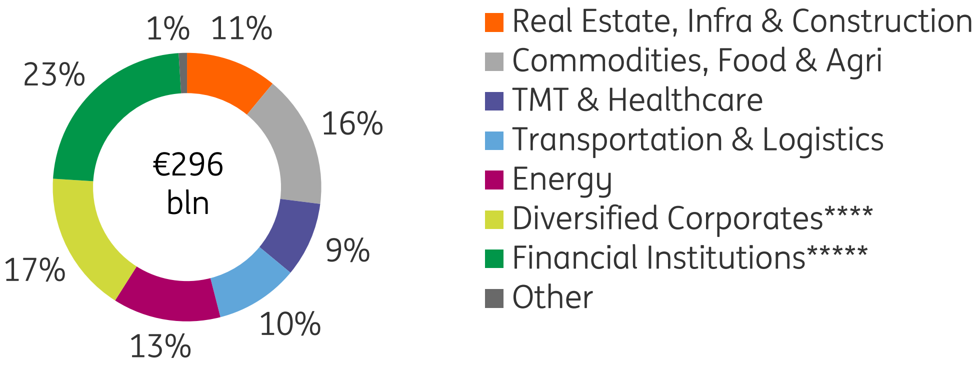
Loan portfolio is well diversified across geographies…

Lending Credit O/S Wholesale Banking (3Q2021)*

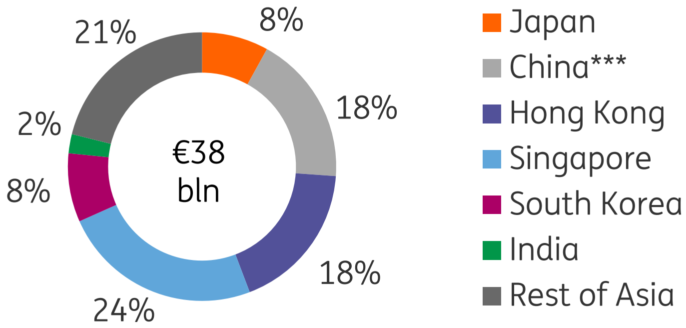


…and sectors

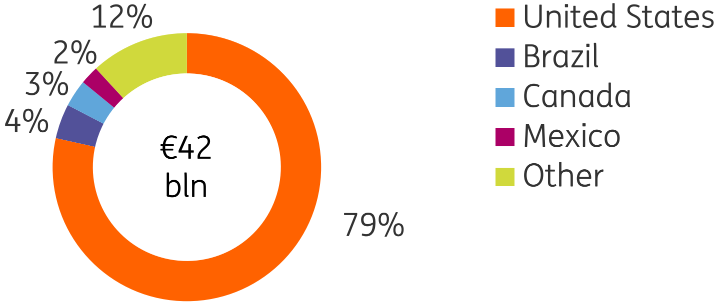
Lending Credit O/S Wholesale Banking (3Q2021)*



Lending Credit O/S Wholesale Banking Asia (3Q2021)*



Lending Credit O/S Wholesale Banking Americas (3Q2021)*



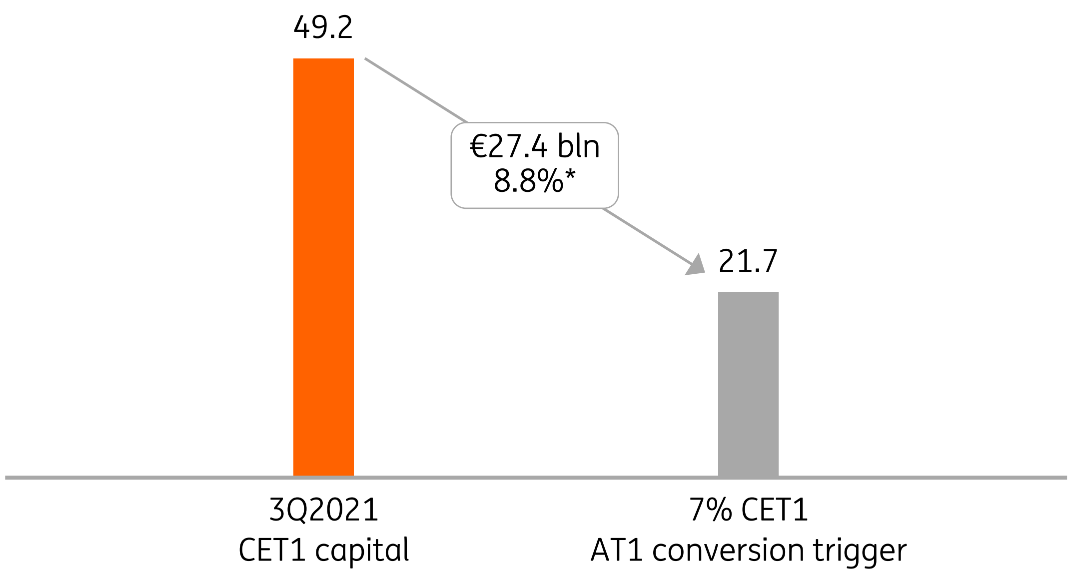
* Data is based on country/region of residence; Lending and money market credit O/S, including guarantees and letters of credit but excluding undrawn committed exposures (off-balance sheet positions); ** Member countries of the European Economic Area (EEA); *** Excluding our stake in Bank of Beijing (€1.6 bln at 30 September 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)

30 September 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 €27.4 bln, or 8.8% of RWA
- This excludes €2,840 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 CRR/CRD IV definition

* Difference between 15.8% ING Group CET1 ratio in 3Q2021 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 (mln)**	Reset spread
USD*	Sep-21	May-27	3.875%	1,000	UST + 286bps
USD*	Sep-21	May-31	4.250%	1,000	UST + 286bps
USD	Feb-20	May-29	4.875%	750	UST + 351bps
USD*	Sep-19	Nov-26	5.750%	1,500	UST + 434bps
USD	Feb-19	Apr-24	6.750%	1,250	USSW + 420bps
USD	Nov-16	Apr-22	6.875%	1,000	USSW + 512bps
USD*	Apr-15	Apr-25	6.500%	1,250	USSW + 445bps

Tier 2 securities issued by Group

Currency	Issue date	First call date	Coupon	Outstanding (mln)**	Maturity
EUR	June-21	June-27	0.875%	500	June-32
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 (mln)**	Maturity
USD	Sep-13	n/a	5.80%	811	Sep-23

* SEC registered
** Amount outstanding in original currency
Green bond

HoldCo Senior transactions in past 12 months

HoldCo Senior Unsecured, EUR issuances

ISIN	Issue date	First call date	Maturity	Tenor	Coupon	Currency	Issued (€ mln)	Spread
XS2390506546	Sep-21	Sep-27	Sep-28	7NC6	0.38%	EUR	1,500	m/s + 70
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

HoldCo Senior Unsecured, USD issuances*

ISIN	Issue date	First call date	Maturity	Tenor	Coupon	Currency	Issued (US$ mln)	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

HoldCo Senior Unsecured issuances (other currencies)

ISIN	Issue date	First call date	Maturity	Tenor	Coupon	Currency	Issued (€ mln)	Spread
XS2305598216	Feb-21	Dec-27	Dec-28	8NC7	1.13%	GBP	800	G + 95

Please note with regards to IBOR replacement:

ING has a limited outstanding 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

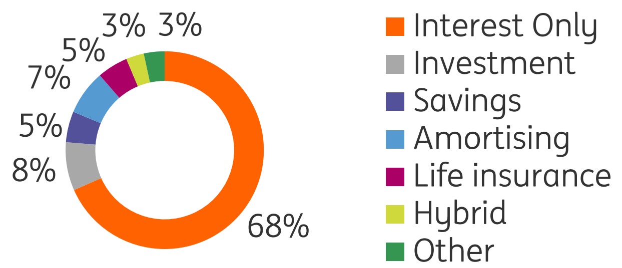
ING Bank's covered bond programme…

- 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 30 September 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

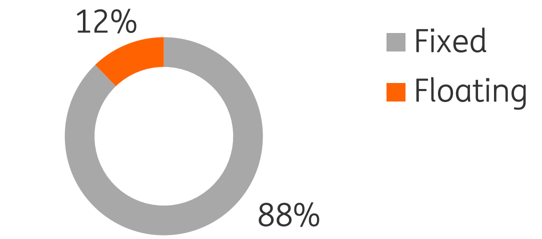
Portfolio characteristics*

Net principal balance	€19,387 mln
Outstanding bonds	€14,635 mln
# of loans	118,545
Avg. principal balance (per borrower)	€163,540
WA current interest rate	2.36%
WA remaining maturity	15.18 years
WA remaining time to interest reset	5.83 years
WA seasoning	14.69 years
WA current indexed LTV	53.58%
Min. documented OC	2.50%
Nominal OC	32.47%

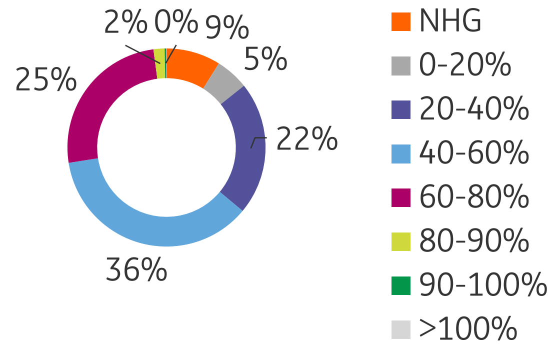
Redemption type*



Interest rate type*



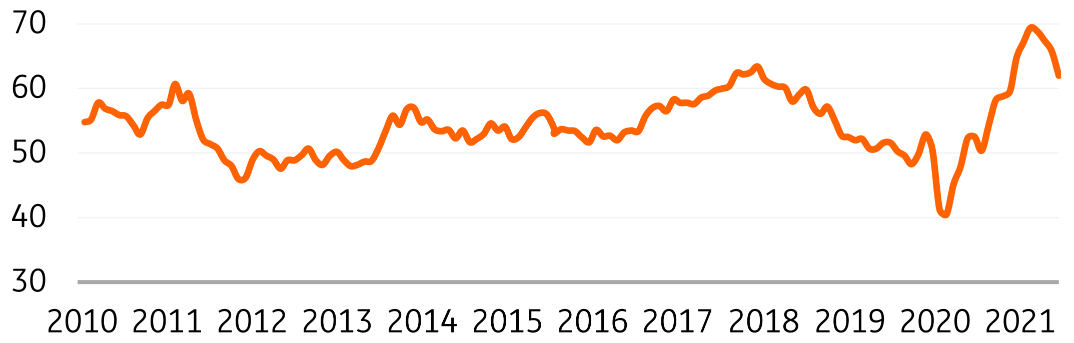
Current Indexed LTVs*



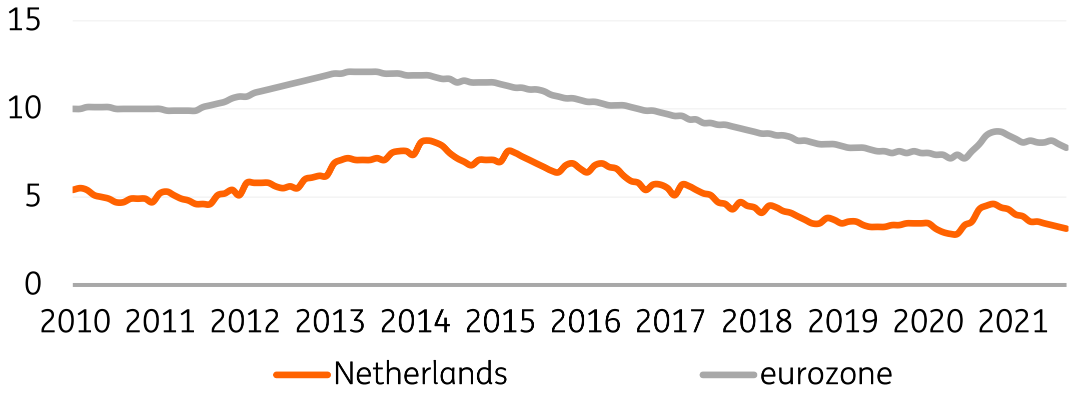
* As per 30 September 2021

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

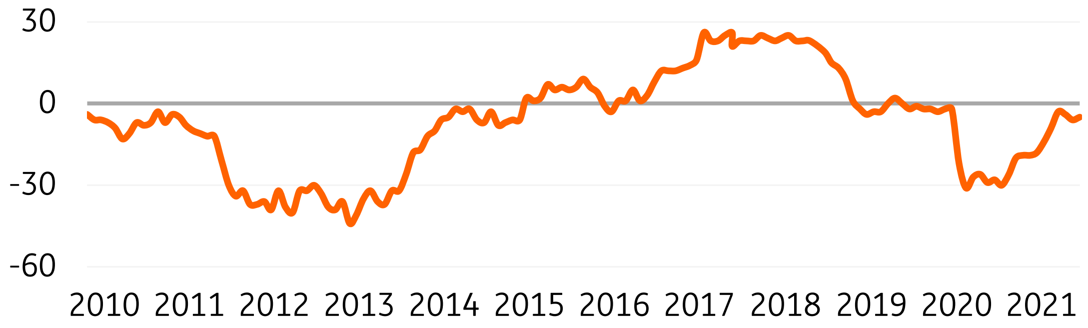
Dutch Purchasing Managers Index (PMI) was 62.0 as per end-3Q2021, indicating robust industrial growth



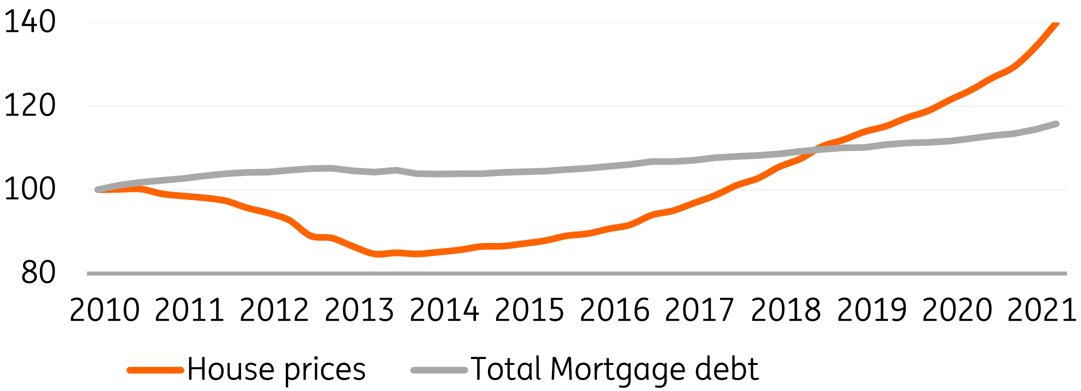
Dutch unemployment rates (%) decreased since August 2020



Dutch consumer confidence 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 2Q2021

Volatile items 3Q2021

Volatile items and regulatory costs (in € mln)

	3Q2020	4Q2020	1Q2021	2Q2021	3Q2021
WB/FM – valuation adjustments	91	-13	11	11	38
Capital gains/losses	6	3	36	-2	6
Hedge ineffectiveness	43	-59	23	11	7
Other items income*	-230	0	233	155	50
Total volatile items – income	**-90**	**-69**	**303**	**175**	**101**
Incidental items - expenses**	-140	-223	-84	-39	-233
Total volatile items	**-230**	**-292**	**219**	**136**	**-132**
Regulatory costs	-111	-331	-587	-172	-121

* Other items income in 3Q2020 consists of €-230 mln of impairments on ING's equity stake in TMB; 1Q2021 consists of €233 mln TLTRO III benefit; 2Q2021 consists of €83 mln TLTRO benefit and a €72 million receivable due to a better than expected recovery of the insolvency of a financial institution in the Netherlands; 3Q2021 consists of €84 mln TLTRO III benefit and €-34 mln estimated loss following the agreement to transfer ING's retail banking operations in Austria to bank99

** Incidental items expenses in 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; 2Q2021 consists of €39 mln of redundancy provisions and impairments; 3Q2021 consists of €180 mln provision for compensation of customers on certain Dutch consumer credit products, €44 mln impairment on Payvision and €9 mln of redundancy and restructuring costs in the RB Netherlands

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.

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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.

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