

A wide-angle photograph of a modern, multi-story glass building with curved facades. The sky is blue with light clouds. In the foreground, there are some people walking and a few bicycles. An orange banner is visible on the building's facade.

First quarter 2022 results

ING posts 1Q2022 net result of €429 mln

Steven van Rijswijk, CEO of ING

6 May 2022



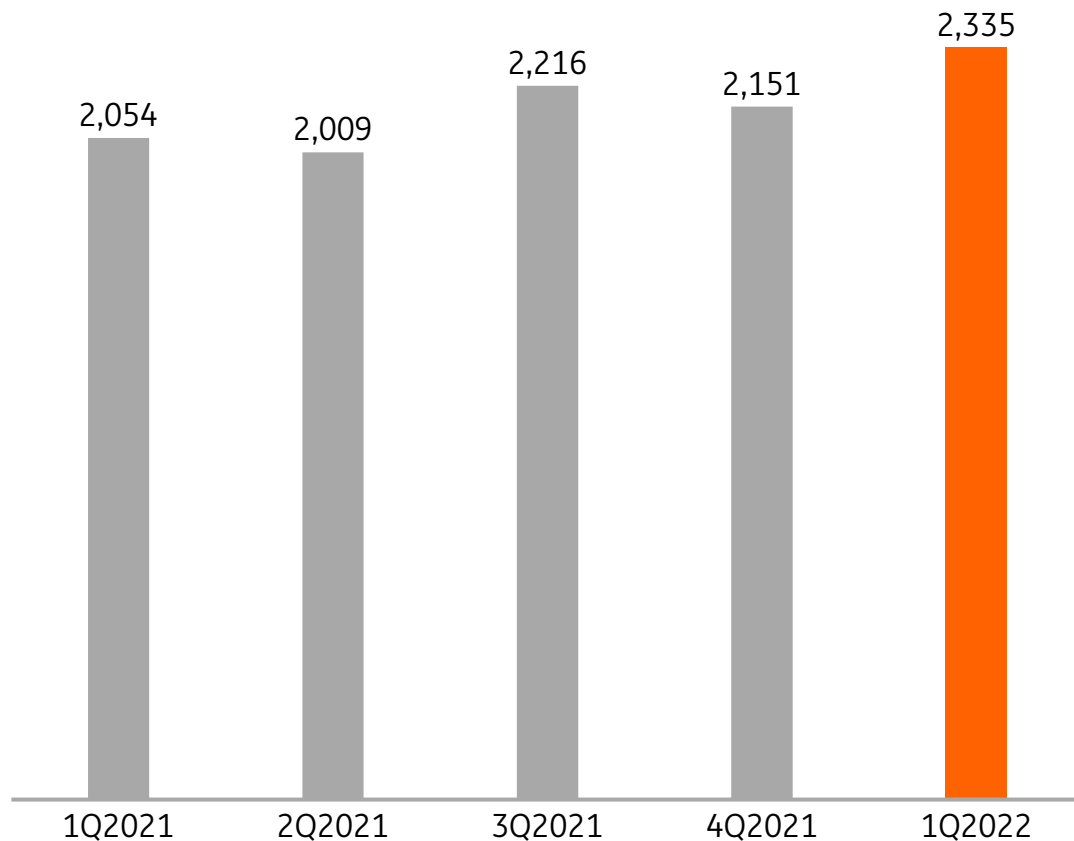
do your thing

Key points

- Pre-provision profit was strong, supported by resilient NII, with the pressure on liability income turning into a tailwind, strong fees and lower expenses
- We continue our support for the green transition, as evidenced by growth of our renewable energy financing and an increasing number of clients supported in their transitions
- Digital capabilities were added in our strive to offer a superior customer experience
- Loan growth in Retail was €5.6 bln, mainly driven by mortgages, while in Wholesale Banking loan growth was €-5.2 bln, including repayments of short-term facilities in Financial Markets. Net core deposits growth was €-0.7 bln
- Strong fee growth continued with 9.3% growth YoY, supported by our actions on daily banking in Retail and syndicated deal activity in WB, while investment product fees remained at a consistent high level
- Our cost focus continued with lower expenses in 1Q2022, despite salary increases driven by CLAs and indexation
- Elevated risk costs at €987 mln, or 62 bps of average customer lending. This was mainly driven by Stage 2 provisioning for Russia-related exposure, which we have reduced over the past months. Stage 3 provisioning was limited with a lower Stage 3 ratio at 1.4%. We are confident on the quality of our loan book and will continue to manage this in line with our proven risk management framework
- 1Q2022 CET1 ratio decreased to 14.9%, driven by higher RWA including higher risk weights, as we downgraded ratings of Russia-related exposure and the announced risk-weight floor on Dutch mortgages. We will pay a final cash dividend of €0.41 per share and make a €1.25 bln additional distribution

Strong pre-provision profit

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



- 1Q2022 pre-provision result excluding volatile items and regulatory costs increased both YoY and QoQ
- NII (excl. TLTRO III) was resilient, reflecting also the effect of rising interest rates
 - With an improving yield curve, the pressure on liability NII is turning into a tailwind
 - Where applicable, negative interest rate charging remained in place in eurozone countries, while in non-eurozone countries we benefited from rising central bank rates
 - Non-liability NII was affected as client rates generally track funding costs with a delay, while higher rates reduce the level of prepayment penalty income on mortgages
- The share of fee income increased to ~20%. We consider this higher fee level mostly structural, with room for further growth in line with our 5-10% growth ambition
- Good cost control, with cost savings absorbing increases related to CLAs and inflation
- Volatile items this quarter included a €150 mln impairment on TTB**

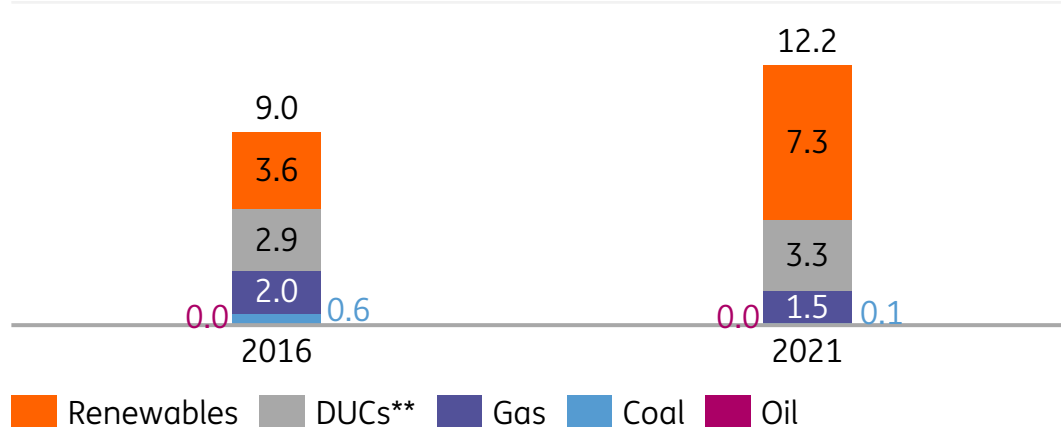
* As included in volatile items on slide 18

** TMBThanachart Bank (associated company 23% owned by ING)

Financing the green transition

- We see the green transition as both a necessity and a growth opportunity, as also reflected in our financing of renewable power generation*
- Our renewables book doubled since 2016 to €7.3 bln in 2021, to 60% of our total power generation book
- To further support the shift to renewables, we aim to grow annual new financing of renewable energy with 50% by 2025
- We further commit to not finance new oil & gas fields

Power generation book (in € bln)



* From renewable energy sources, including wind and solar
 ** Diversified Utility Company

- In support of the green transition in Retail Banking, we have introduced a green residential mortgage in the Netherlands
- In Wholesale Banking we supported an increasing number of clients in their transition to a low carbon business model, with 77 sustainability deals in 1Q2022
- This included the first sustainability-linked bond deal for Vodafone Ziggo, while two previous ING deals have won awards at the Environmental Finance Awards



€2.1 bln debut sustainability-linked bond for Vodafone Ziggo



Sustainability-linked loan of the year

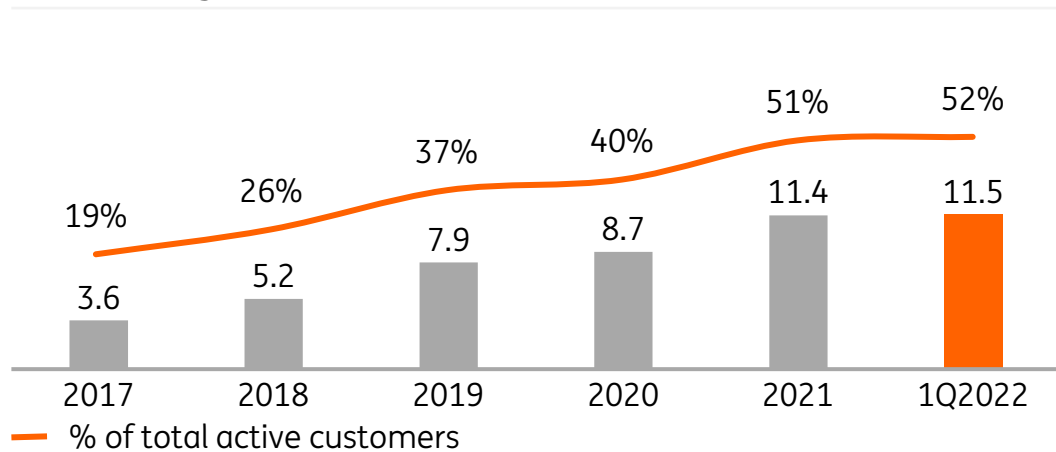
\$3.25 bln deal with CEMEX

Asset-backed/based green bond of the year

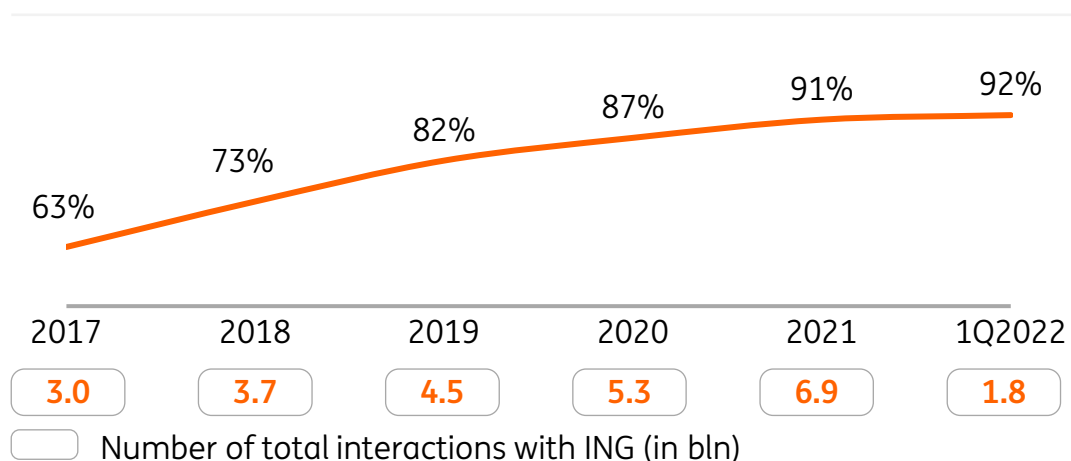
\$1.35 bln deal with Aligned

We further improved our most used and efficient channel

Mobile-only active customers (in mln)*



% mobile in interactions with ING



- To further improve our customer experience and drive value, we introduced several new digital propositions in 1Q2022
 - In Spain, instant lending was launched for new clients, with pricing and risk profile based on analysis of the applicant's data
 - In Belgium, we launched Self Invest via mobile, expanding online trading possibilities for our customers
 - In Poland, we introduced our own 'point of sale' app which turns a smartphone into a mobile card terminal
- Our focus on customer experience is recognised
 - In Germany, we were named 'most preferred bank' and 'online broker of the year' in a survey by Euro magazine
 - In Poland, we were named 'Institution of the Year' by mojebankowanie.pl, as well as 'Best Bank in Poland', 'Best Mobile App', 'Best Online Banking' and 'Best Mortgage Service'

Net promoter scores (NPS)

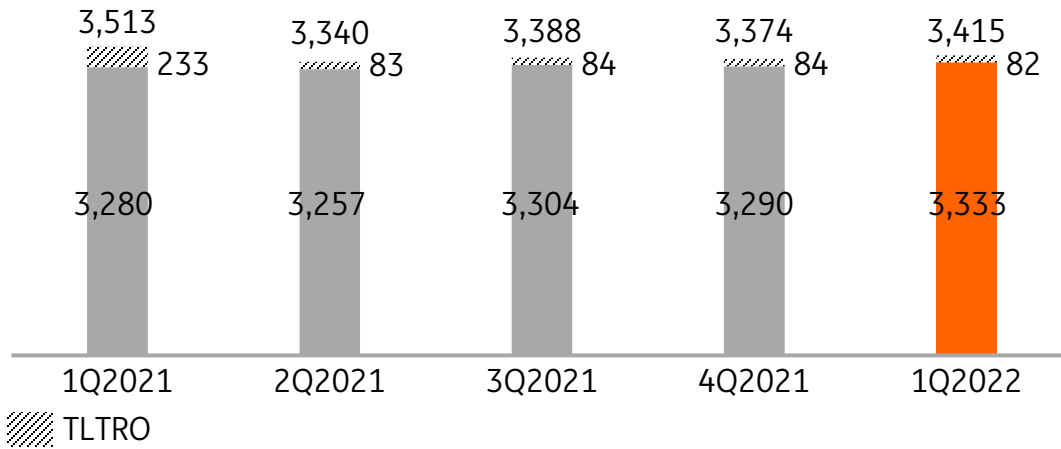
#1 in **6** out of
11 retail countries

* Definition: Retail customers who used the mobile channel at least once in the last quarter

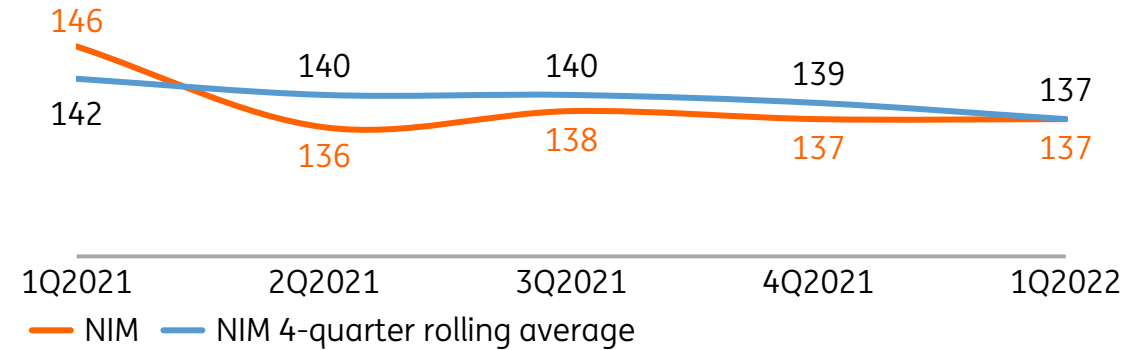
1Q2022 results

Resilient NII; 4-quarter rolling average NIM at 137 bps

Net interest income (in € mln)



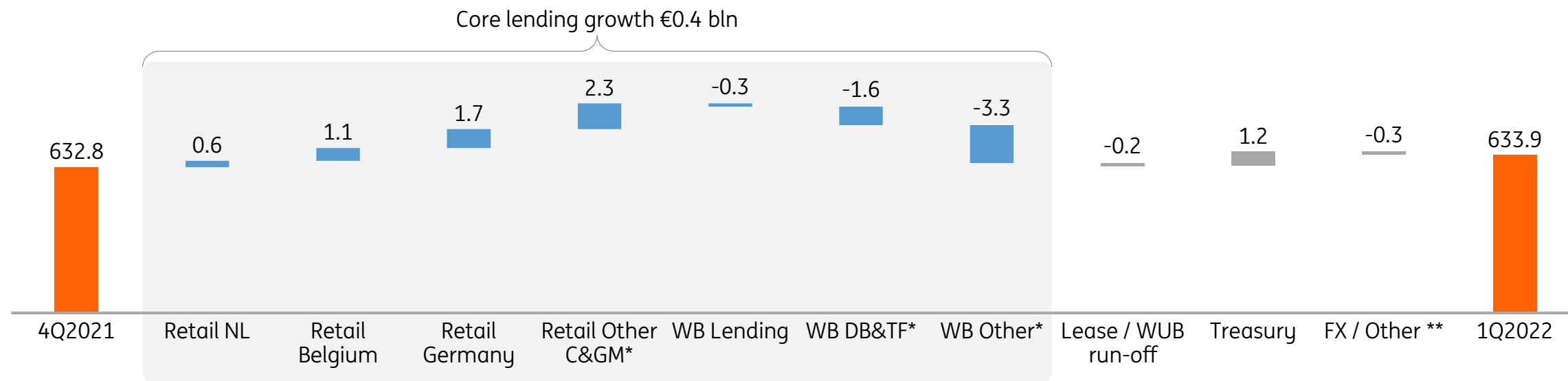
Net Interest Margin (in bps)



- NII was supported by a €82 mln TLTRO III benefit. Excluding this benefit, NII YoY benefited from higher results in Treasury and Financial Markets, as well as higher average lending volumes. Some pressure on lending margins was visible due to rising interest rates, as client rates generally track higher funding costs with a delay
- Sequentially, NII excluding the TLTRO III benefit, was supported by higher liability margins in a rising interest rate environment and higher results in Treasury and Financial Markets, while prepayment penalty income on mortgages was at a lower (more normalised) level. In addition, 4Q2021 included a €-23 mln reclassification from other income
- 1Q2022 NIM was stable compared with 4Q2021 at 137 bps, as higher NII was offset by a higher average balance sheet

Sustained mortgage growth in Retail, repayment of short-term facilities in WB

Customer lending 1Q2022 (in € bln)



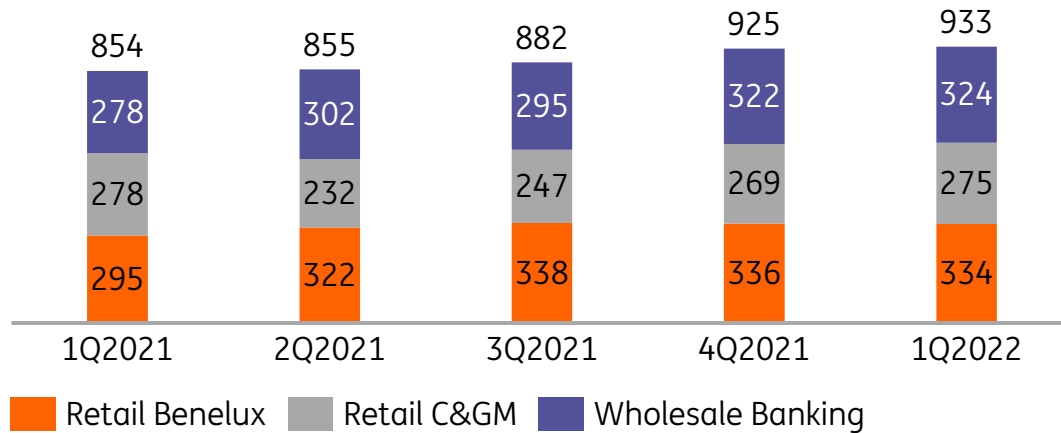
- Net core lending growth was €0.4 bln in 1Q2022
 - Retail Banking was €5.6 bln higher. Mortgages grew by €3.8 bln, due to sustained growth in most countries (primarily in Germany, Australia and Spain), whereas other retail lending increased by €1.8 bln, primarily in business lending in Belgium and Poland
 - Wholesale Banking declined by €5.2 bln, mainly in Financial Markets, reflecting repayments of short-term facilities
- Net core deposits growth was €-0.7 bln, primarily driven by lower deposits in Germany, following the introduction of negative interest rate charging

* C&GM is Challengers & Growth Markets; DB&TF is Daily Banking & Trade Finance; WB Other includes Financial Markets

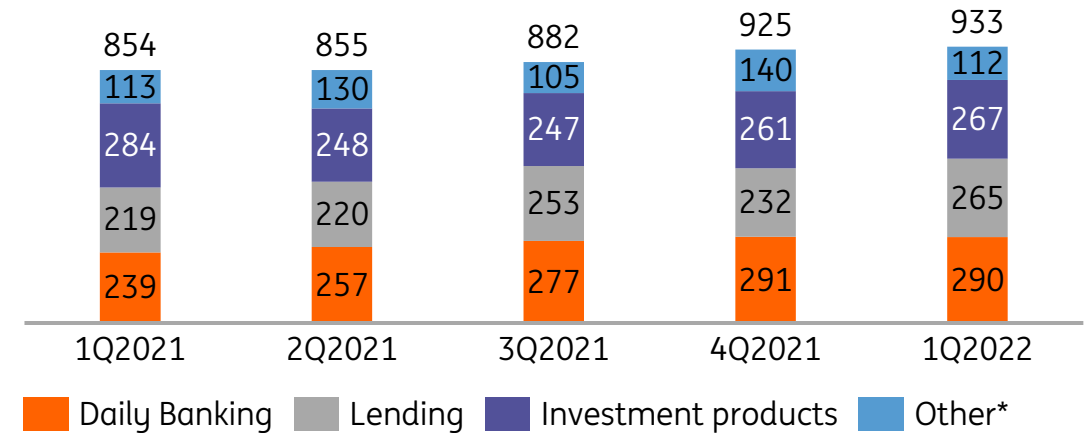
** FX impact was €3.2 bln and Other €-3.5 bln

Fee income growth continued

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



Net fee & commission income per product category (in € mln)

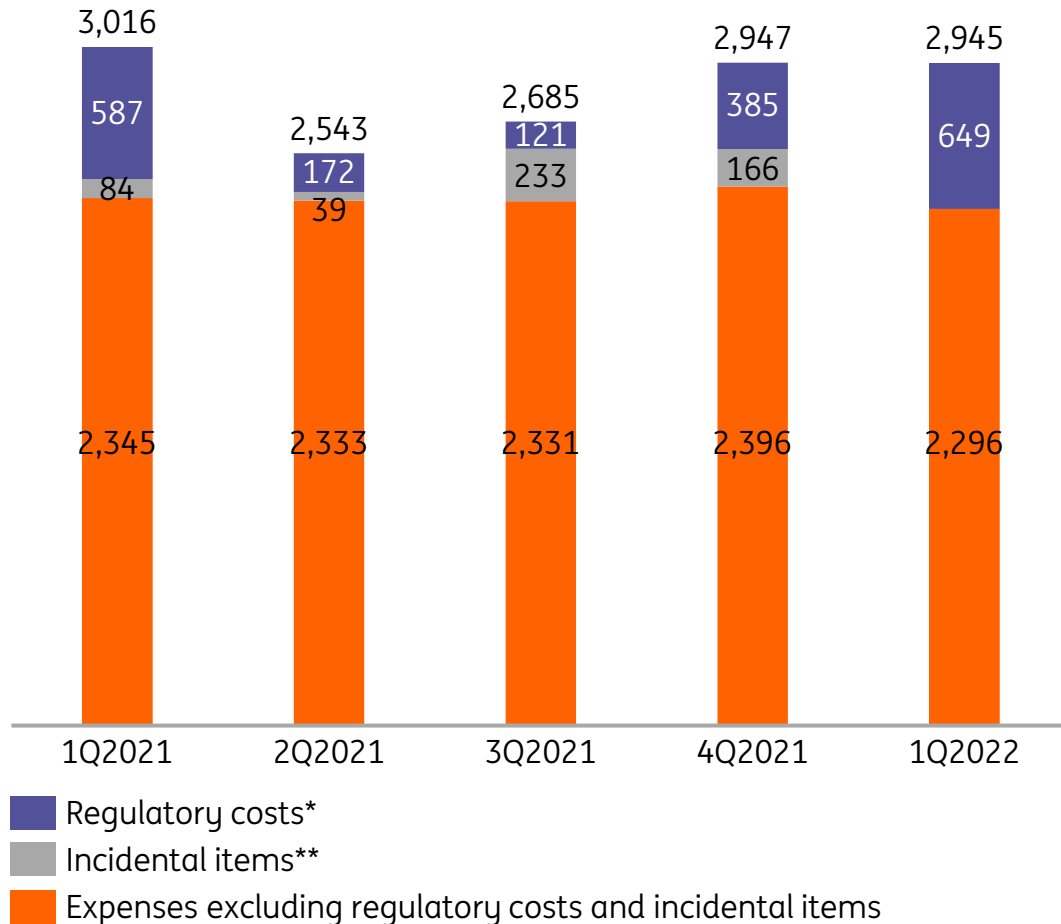


- Compared to 1Q2021, overall fee growth was 9.3%
 - In Retail Banking, fee growth was 6.3%. This was mainly driven by daily banking, reflecting increased fees on payment packages. Fees from investment products declined compared with the record-high level in 1Q2021, driven by a higher number of brokerage trades
 - Fees in Wholesale Banking were up 16.5%, driven by higher fees in Lending, TCF and PCM
- Sequentially, fees increased 0.9% on a strong 4Q2021. In Retail Banking, fees slightly increased, mainly from investment products. In Wholesale Banking, higher Lending fees were largely offset by lower fees in Financial Markets and lower activity in Corporate Finance

* Other includes insurance products and Financial Markets

Operating expenses under control

Expenses (in € mln)



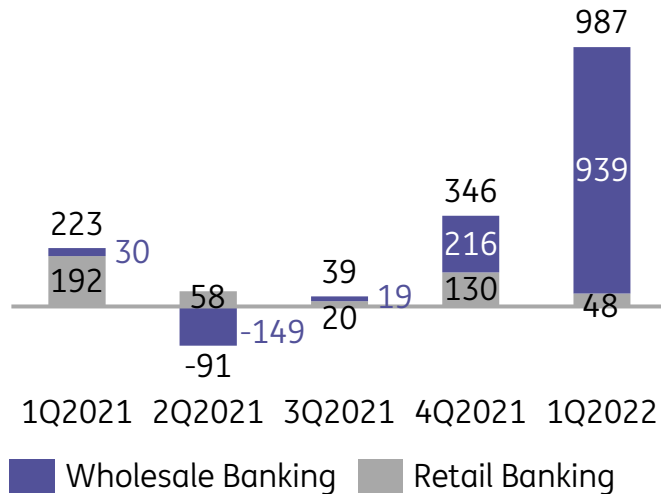
- Excluding regulatory costs and incidental items, expenses were 2.1% lower YoY, as a lower number of FTE and lower IT costs more than offset CLA increases and salary indexation
- Sequentially, expenses excluding regulatory costs and incidental items, were 4.2% lower. This was mainly driven by lower performance-related expenses, as well as lower costs for marketing, while fourth quarter expenses tend to be seasonally high
- Regulatory costs were €62 mln higher YoY, mainly reflecting a higher contribution to the European Single Resolution Fund
- QoQ regulatory costs were €264 mln higher, as the annual contributions to the SRF and Belgian DGS are fully paid in the first quarter of each year. This also applies to the annual Belgian bank tax, while 4Q2021 included the annual Dutch bank tax
- In 1Q2022, there were no incidental items in expenses, compared with €84 mln of incidental items in 1Q2021 and €166 mln in 4Q2021

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

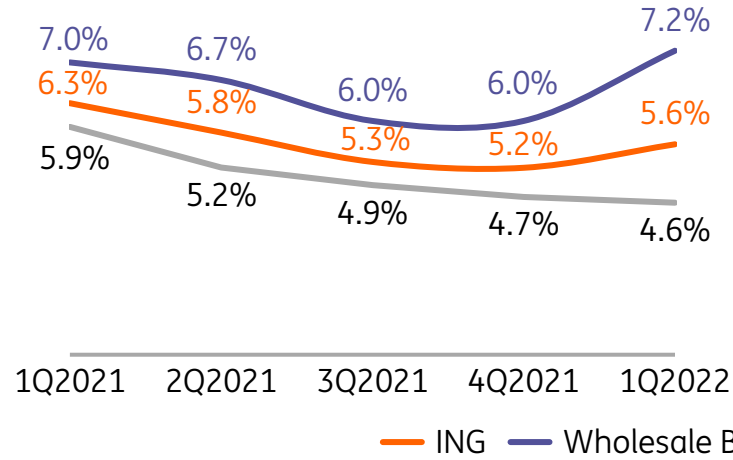
** Incidental expenses as included in volatile items on slide 18

Good quality loan book, risk costs elevated by collective Stage 2 provisions for Russia-related exposure

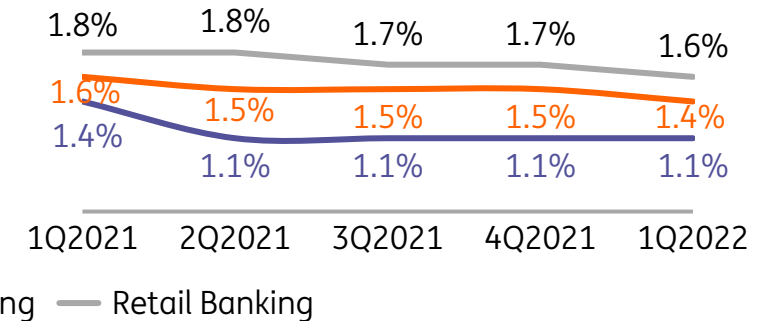
Risk costs per business line (in € mln)



Stage 2 ratio



Stage 3 ratio



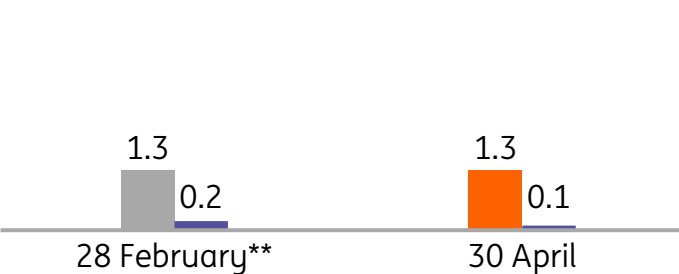
- 1Q2022 risk costs were €987 mln, or 62 bps of average customer lending, above the through-the-cycle average of ~25 bps
- The elevated level of provisioning was visible in WB, reflecting €834 mln for Russia-related exposure, of which €763 mln was in Stage 2
 - This included €466 mln from negative rating migration following the sovereign rating downgrade as well as stage migration following the transfer of certain clients to the watch list
 - A €297 mln management overlay was taken in Stage 2 reflecting the deteriorated circumstances for Russian clients
- Risk costs further included a €178 mln addition reflecting the update of macroeconomic indicators and €124 mln total releases of several Covid-19 related sector overlays taken in previous quarters
- The Stage 2 ratio increased to 5.6% and the Stage 3 ratio declined to 1.4%

We actively reduce our Russia-related exposure

Total Russia-related exposure*
(in € bln)

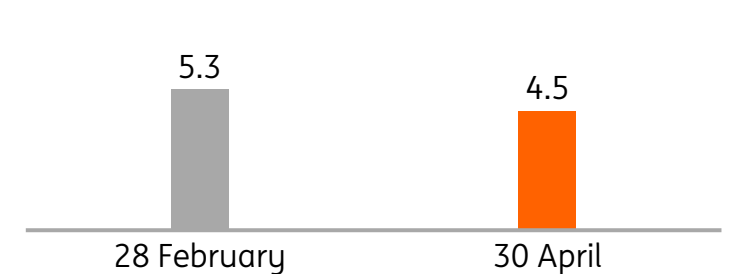


Onshore exposure* and equity
(in € bln)



■ Equity Russian subsidiary

Offshore exposure*
(in € bln)



- Since the end of February we have reduced our Russia-related exposure by €0.9 bln, to €5.8 bln as of 30 April, which included €0.4 bln deposits at the central bank and €1.4 bln covered by ECA, CPRI and European parent guarantees
- Undrawn committed exposure was €0.7 bln and notional hedge exposure was €0.6 bln
- As of 1Q2022, €2.5 bln has been included in CET1 capital to cover for expected and unexpected losses, consisting of
 - €0.8 bln of loan loss provisions on Russia-related exposure (mainly Stage 2 provisions)
 - €1.7 bln of CET1 capital equivalent (at 12.5%) of €13.3 bln total credit RWA on Russia-related exposure
- Going forward focus remains on further reducing exposure and managing the associated risks
 - No new business with Russian companies and a material part of the existing exposure is short-term
 - €3.3 bln exposure affected by sanctions implying no additional exposure, repayments are allowed and received

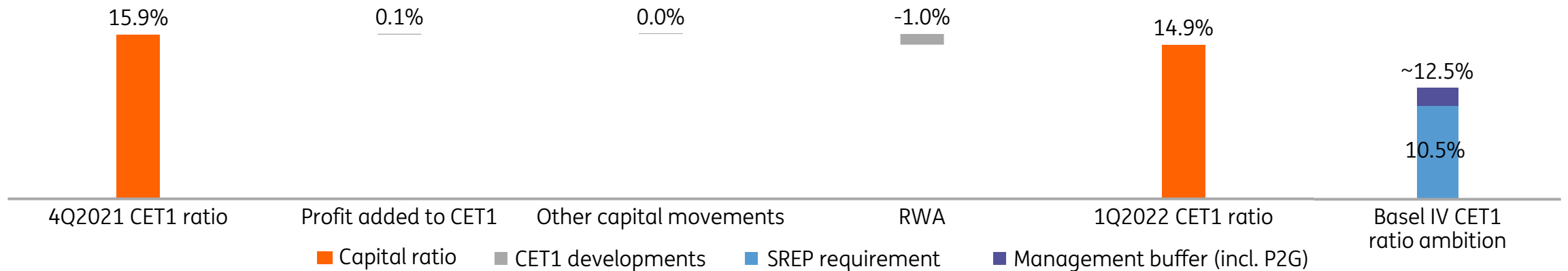
More details on Russia-related exposure on slide 21

* Lending credit outstandings, including pre-settlement, money market and investment limits, excluding off-balance sheet positions

** As published on 4 March 2022

ING Group CET1 ratio at 14.9%

ING Group CET1 ratio development (in %)



- The 1Q2022 CET1 ratio decreased to 14.9%, mainly due to €21.8 bln higher RWA, including €1.0 bln FX impact
 - Credit RWA were €19.0 bln higher (excl. FX impact), driven by €9.0 bln due to negative rating migration of Russia-related clients and €8.7 bln model impacts mainly due to the introduction of a risk-weight floor on Dutch residential mortgages by the Dutch Central Bank
 - Market RWA were higher reflecting market volatility, while operational RWA decreased following regular AMA model updates
- CET1 capital was €0.1 bln higher, mainly reflecting the addition of 50% of the 1Q2022 net profit. The other 50% has been reserved outside of CET1 capital for future distribution, in line with our distribution policy. In total, €1,783 mln remains reserved for distribution*
- We will pay a final 2021 cash dividend of €0.41 per share on 9 May 2022
- In line with our intention to converge our CET1 ratio towards our ambition level in the coming years, we will distribute an additional €1,250 mln, which we have rightsized to the prevailing macro uncertainties and will consist of
 - A cash dividend of €0.232 per share on 18 May 2022, which is driven by Dutch withholding tax requirements
 - A share buyback for the remaining €380 mln, which will commence on 12 May 2022

* As at 31 March 2022, reflecting the amount reserved over 2021 and 1Q2022, minus the interim dividend 2021, which was paid in October 2021

ING Group financial ambitions

		Actual 2021	Actual 1Q2022	Financial ambitions
Capital	▪ CET1 ratio (%)	15.9%	14.9%	~12.5%* (Basel IV)
Profitability	▪ ROE (%)** (IFRS-EU Equity)	9.2%	8.0%	10-12%
	▪ C/I ratio (%)**	60.5%	60.5%	50-52%
Distribution	▪ Distribution (per share)	€0.89***		50% pay-out ratio****

* Implies management buffer (incl. Pillar 2 Guidance) of ~180 bps over fully-loaded CET1 requirement of 10.71%

** Based on 4-quarter rolling average. ING Group ROE is calculated using IFRS-EU shareholders' equity after excluding 'reserved profit not included in CET1 capital'
As at 31 March 2022, this amounted to €1,783 mln, reflecting the remaining amount reserved for distribution from the 2021 and 1Q2022 resilient net profit

*** Consisting of the remaining dividend over 2020 (€0.27 per share), interim dividend over 2021 (€0.21 per share) and the proposed final dividend over 2021 (€0.41 per share)

**** Of resilient net profit

Wrap up

Wrap up

- Pre-provision profit was strong, supported by resilient NII, with the pressure on liability income turning into a tailwind, strong fees and lower expenses
- Elevated risk costs at €987 mln, or 62 bps of average customer lending. This was mainly driven by Stage 2 provisioning for Russia-related exposure, which we have reduced over the past months. Stage 3 provisioning was limited with a lower Stage 3 ratio at 1.4%. We are confident on the quality of our loan book and will continue to manage this in line with our proven risk management framework
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Appendix

Volatile items 1Q2022

Volatile items and regulatory costs (in € mln)

	1Q2021	2Q2021	3Q2021	4Q2021	1Q2022
WB/FM – valuation adjustments	11	11	38	3	-70
Capital gains/losses	36	-2	6	5	26
Hedge ineffectiveness	23	11	7	-24	81
Other items income*	233	155	50	92	-68
Total volatile items – income	303	175	101	76	-31
Incidental items - expenses**	-84	-39	-233	-166	0
Total volatile items	219	136	-132	-90	-31
Regulatory costs	-587	-172	-121	-385	-649

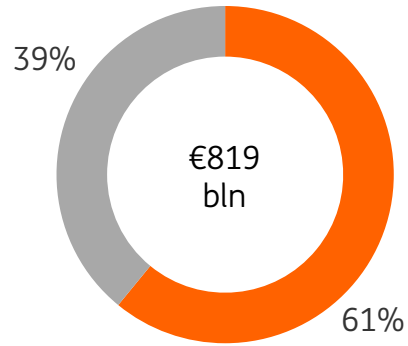
* Other items income in 1Q2021 consists of €233 mln TLTRO III benefit; 2Q2021 consists of €83 mln TLTRO benefit and a €72 million receivable due to a better than expected recovery of the insolvency of a financial institution in the Netherlands; 3Q2021 consists of €84 mln TLTRO III benefit and €-34 mln estimated loss following the agreement to transfer ING's retail banking operations in Austria to bank99; 4Q2021 consists of €84 mln TLTRO III benefit and a €8 mln reversal of the estimated loss on the transfer of ING's retail banking operations in Austria to bank99; 1Q2022 consists of €82 mln TLTRO III benefit and a €-150 mln impairment on our equity stake in TTB

** Incidental items expenses in 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; 4Q2021 consists of €-155 mln of redundancy provisions and impairments in RB OC&GM, primarily related to the announcement to leave the French retail market, and €-11 mln of redundancy and restructuring costs in the Netherlands

Well-diversified lending credit outstandings by activity

ING Group

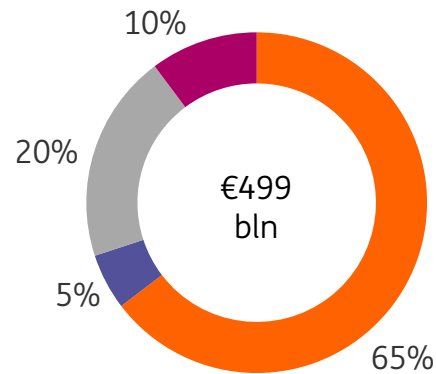
Lending credit O/S* 1Q2022



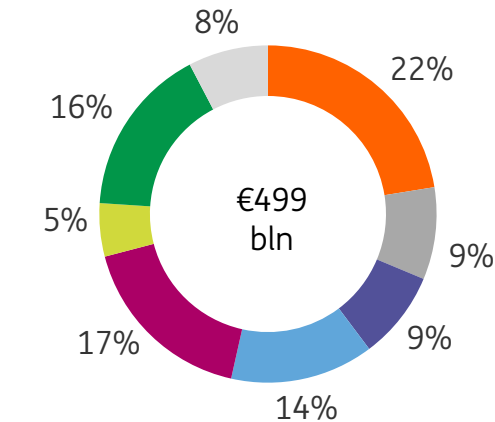
- Retail Banking
- Wholesale Banking

Retail Banking

Lending credit O/S* 1Q2022



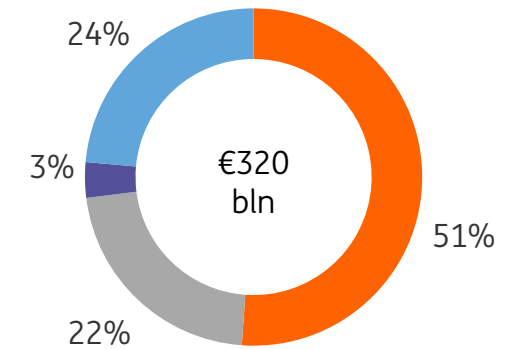
- Residential mortgages
- Consumer Lending
- Business Lending
- Other Lending**



- 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

Lending credit O/S* 1Q2022



- 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

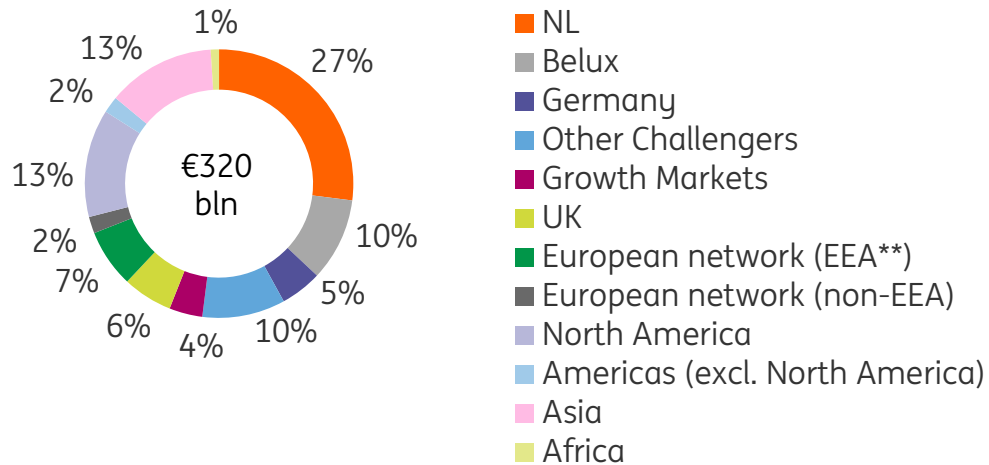
* Lending and money market credit outstandings, including guarantees and letters of credit, but excluding undrawn committed exposures (off-balance sheet positions)

** Other includes €40 bln Retail-related Treasury lending and €11 bln Other Retail Lending

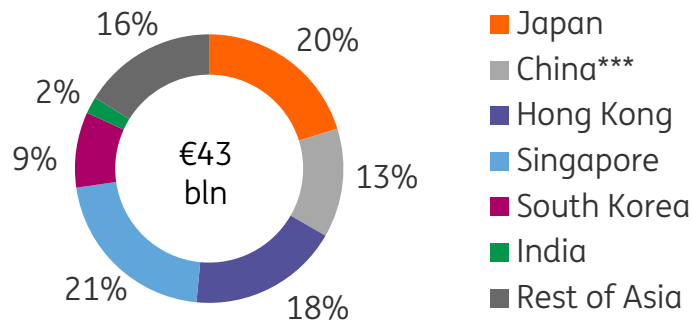
Wholesale Banking lending

Loan portfolio is well diversified across geographies...

Lending Credit O/S* Wholesale Banking

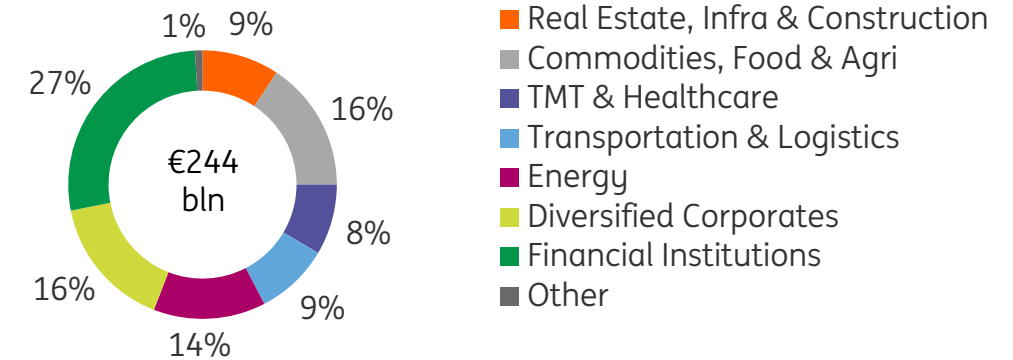


Lending Credit O/S* Wholesale Banking Asia

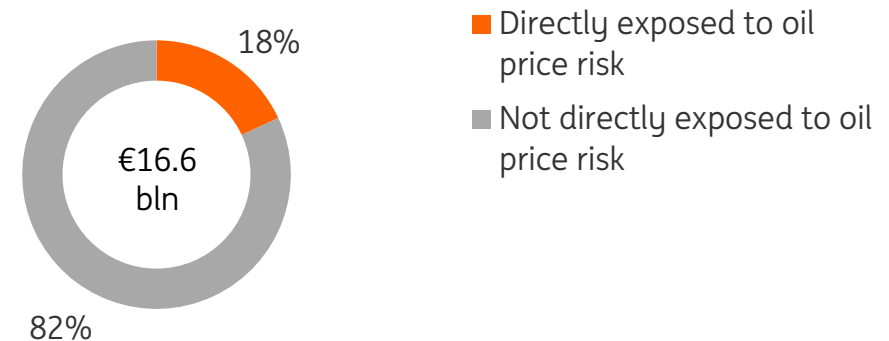


...and sectors

Lending Credit O/S Wholesale Banking excluding Treasury & Other



Oil and gas exposure (Up-, mid- and downstream)



* Lending and money market credit O/S, including guarantees and letters of credit but excluding undrawn committed exposures and other off-balance sheet positions (such as pre-settlement limits) ** European Economic Area; *** Excluding our stake in Bank of Beijing (€1.8 bln at 31 March 2022)

Updated overview exposure related to Russia and Ukraine

Lending credit outstandings (in € bln)

	28 Feb 2022*	31 March 2022	30 April 2022
Lending credit outstandings related to Russia			
Russian borrower with Russian ownership	5.0	4.2	4.2
Russian borrower with non-Russian ownership	0.3	0.4	0.5
Non-Russian borrower with Russian ownership	1.5	1.3	1.1
Total Russia-related exposure	6.7	6.0	5.8
Booked at ING in Russia	1.3	1.2	1.3
Of which covered by (European) parent guarantees	0.2	0.2	0.2
Booked at other ING entities	5.3	4.8	4.5
Of which covered by ECA and CPRI	2.2	1.2**	1.2
Affected by sanctions	0.7	2.8	3.3
Undrawn committed facilities	0.6	0.8**	0.7
Equity in Russian subsidiary	0.2	0.1	0.1
Lending credit outstandings related to Ukraine			
Booked at ING in Ukraine	0.4	0.4	0.4
Booked at other ING entities	0.2	0.2	0.2
Total	0.5	0.6	0.6
Of which covered by (European) parent guarantees	0.2	0.2	0.2

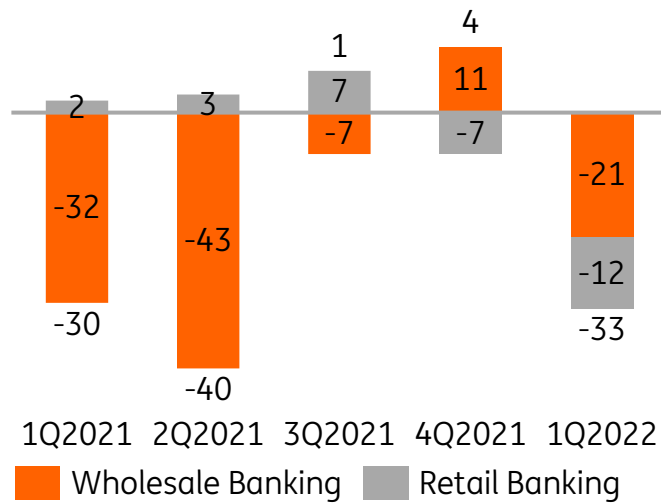
Lending credit outstandings, including pre-settlement, money market and investment limits, excluding undrawn committed exposures (off-balance sheet positions)

* As published on 4 March 2022

** Delta vs 28 February mainly reflects further refinement post end-of-month closing

Provisioning per Stage

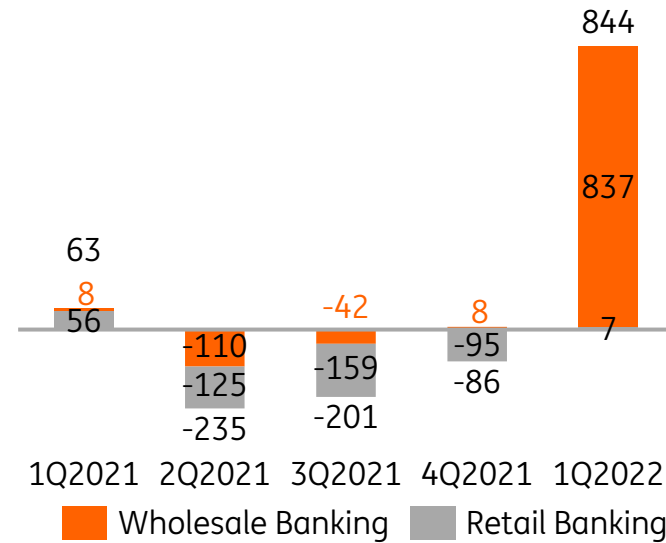
Stage 1 provisioning (in € mln)



Main drivers 1Q2022

- Partial release of Covid-19 related sector overlays applied in previous quarters

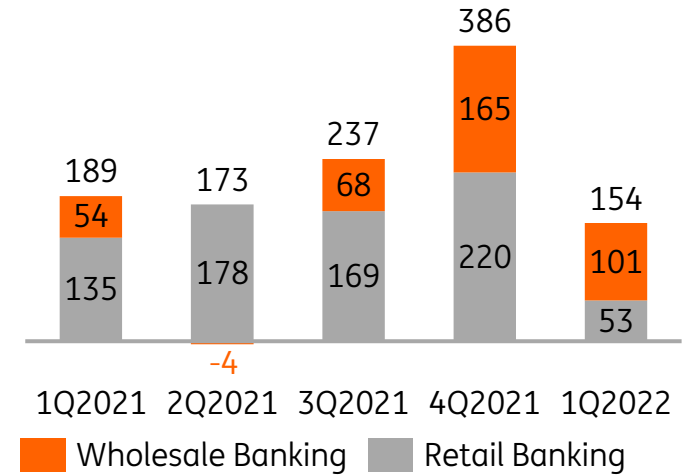
Stage 2 provisioning (in € mln)



Main drivers 1Q2022

- Rating downgrades following sovereign rating downgrade
- Stage migration due to watch list transfers
- Management overlay related to Russian exposure
- Updated macroeconomic indicators
- Partial release of Covid-19 related sector overlays applied in previous quarters

Stage 3 provisioning (in € mln)



Main drivers 1Q2022

- Collective provisioning in Retail Banking
- Some additions for new and existing individual files in Wholesale Banking

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 2021 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 and the regional and global economic impact of the invasion of Russia into Ukraine and related international response measures (2) 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) 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, including in connection with the invasion of Russia into Ukraine and related international response measures (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 or stakeholders who feel misled or treated unfairly, 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 and IT 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 cyberattacks 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) 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, transition and other risks and challenges in connection with climate change and ESG-related matters (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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