ING Credit Update 2Q2023

ING Investor Relations

3 August 2023

do your thing

Delivering strong value in 2Q2023

Continued primary customer growth

+227,000

versus +106,000 in 1Q2023

High share of mobile-only customers[1)]

60%

versus 57% in 1Q2023

Growing volume mobilised[2)] to finance the transition

€25.0 bln

versus €21.9 bln in 1Q2022

Strong total income growth

23%

year-on-year

Increasing return on equity[3)]

11.7%

4-quarter rolling

Attractive shareholder return

€4.5 bln

distributed YTD[4)]

1) Retail customers who used the mobile channel at least once in the last quarter
2) Volume mobilised for WB clients; includes loan products, capital markets, derivatives and advisory propositions that support clients by financing their sustainable activities and in the transition to a more sustainable business model. In case of an ESG lead role the pro-rata share of the transaction is included, otherwise our final take is included
3) ING Group return on equity is calculated using IFRS-EU shareholders' equity after excluding amounts reserved for future distribution
4) Based on payment date, including announced interim dividend over 1H2023 and the total amount of the ongoing €1.5 bln share buyback

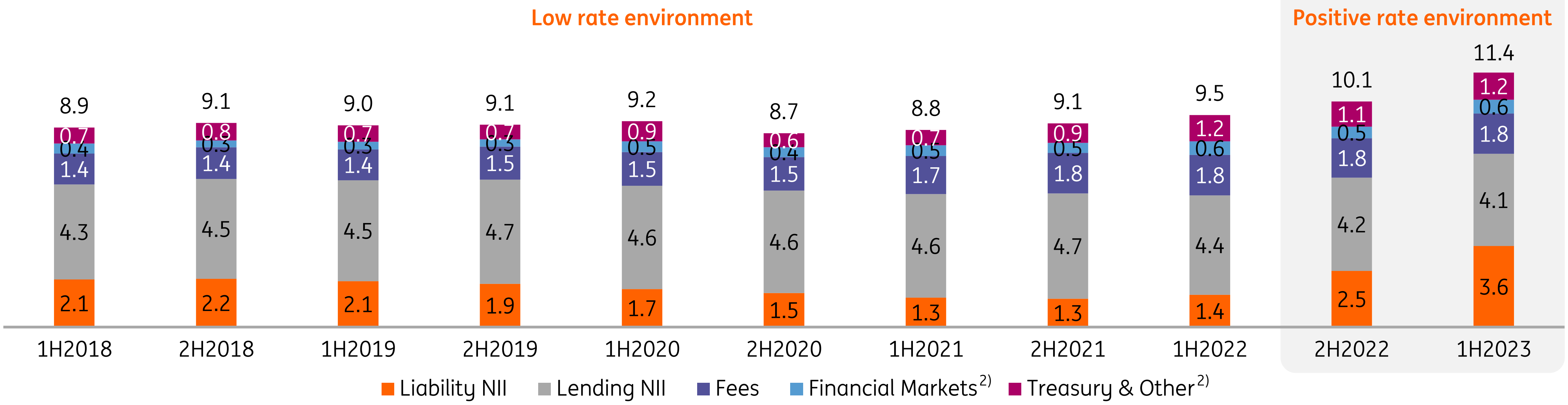
We are executing our strategy

Our purpose	**Empowering people to stay a step ahead in life and in business**	
Our strategic priorities	**Superior customer experience**	**Sustainability**
2Q2023 highlights	Straight-through-processing of Retail customer journeys improved to 69%[1)]	Organised our first internal Global Sustainability Week
	63% digital onboarding of new customers in the Netherlands	Launch of an eco-renovation loan for Business Banking clients in Belgium

[1)] Average of straight-through-processing (STP) rates of 291 Retail customer journeys; STP rate is the percentage of a customer journey that is handled without manual intervention

ING's strengths are amplified in a positive rate environment

Total income excluding incidental income items (in € bln)[1)]



	1H2018	2H2018	1H2019	2H2019	1H2020	2H2020	1H2021	2H2021	1H2022	2H2022	1H2023
Treasury & Other	0.7	0.8	0.7	0.7	0.9	0.6	0.7	0.9	1.2	1.1	1.2
Financial Markets	0.4	0.3	0.3	0.3	0.5	0.4	0.5	0.5	0.6	0.5	0.6
Fees	1.4	1.4	1.4	1.5	1.5	1.5	1.7	1.8	1.8	1.8	1.8
Lending NII	4.3	4.5	4.5	4.7	4.6	4.6	4.6	4.7	4.4	4.2	4.1
Liability NII	2.1	2.2	2.1	1.9	1.7	1.5	1.3	1.3	1.4	2.5	3.6
Total	8.9	9.1	9.0	9.1	9.2	8.7	8.8	9.1	9.5	10.1	11.4

- Focus on income diversification has resulted in structural fee income growth and resilient total income during a low rate environment
- Attractive funding structure with 61% of the growing balance sheet funded by customer deposits
- ~55% of our replicating portfolio is reinvested longer than 1 year, creating a long-term support of our liability NII
- Return of loan demand and improved asset margins will be a catalyst for future income growth

1) Incidental income items (corresponding with 'other volatile income items' as presented on slide 44) excluded: €198 mln in 1H2019; €-42 mln in 1H2020; €-230 mln in 2H2020; €388 mln in 1H2021; €141 mln in 2H2021; €-223 mln in 1H2022; €-824 mln in 2H2022 (including €-288 mln to unwind a hedge in Belgium); and €-75 mln in 1H2023
2) Excluding fees

Well on track towards our 2025 targets

Financial target	2Q2023	2025 target	Drivers
Fee income[1)]	2.7%	5-10% annual growth	▪ Primary customer growth ▪ Increasing package and service fees in daily banking to better reflect cost of service ▪ Growing base in investment products, both in number of accounts as well as AuM ▪ Global footprint to capture loan growth
Total income[1,2)]	+19.2%	4-5% CAGR	▪ Continued tailwind from a positive rate environment on the replicating portfolio ▪ Liability NII growth depending on central bank rate increases, deposit tracking and customer behaviour ▪ Lending NII growth depending on demand and pricing discipline in the market ▪ Fee growth
Cost/income ratio[3)]	54.4%	50-52%	▪ Total income growth ▪ Costs including full-year inflationary effects and continued investments in our business for growth ▪ Lower regulatory costs once funds required for the DGS and SRF are filled[4)]
CET1 ratio	14.9%	~12.5%[5)]	▪ Intention to converge to our target level in roughly equal steps through pay-out ratio of 50% of resilient net profit and additional distributions ▪ The next steps to converge to our ~12.5% CET1 ratio target will reflect the strong capital generation and capital discipline and we will update the market with the 3Q2023 results
Return on equity[3)]	11.7%	12%	▪ Continued income growth and cost control ▪ Improved income / risk-weighted assets in Wholesale Banking ▪ Strong diversified asset book and low Stage 3 ratio protects P&L ▪ ~12.5% CET1 ratio target level

1) Year-on-year comparison
2) Total income excludes net TLTRO impact and hyperinflation accounting in Türkiye
3) Based on 4-quarter rolling average. RoE is calculated using IFRS-EU shareholders' equity after excluding amounts reserved for future distribution
4) Formal build-up phase of several local Deposit Guarantee Schemes (DGS) and European Single Resolution Fund (SRF) are scheduled to be completed by 2024
5) Implies management buffer (incl. Pillar 2 Guidance) of ~180 bps over fully loaded CET1 requirement of 10.70%

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, Germany, Italy, Spain

Growth Markets
Poland, Romania, Türkiye

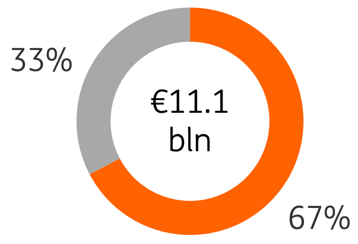
Wholesale Banking International Network

Wholesale Banking

- Our business model is similar throughout our global WB franchise
- With a sector and client-driven strategy, our global franchises serve corporate and institutional clients with international activities in a sector where we have strong expertise

Total income[1)]

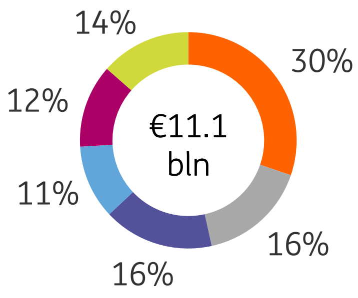
1H2023



Retail Banking
Wholesale Banking

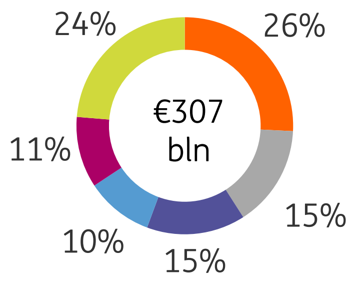
Total income[1)]

1H2023



RWA (end of period)[1)]

2Q2023



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

[1)] Segment "Other" is not shown on the slide. For this segment (Corporate Line and Real Estate run-off portfolio), total income was €211 mln in 1H2023 and RWA was €16.0 bln as per 30 June 2023

Our strategy, with a focus on execution certainty

Purpose	Empowering people to stay a step ahead in life and in business			
Strategic priorities	Superior customer experience		Sustainability	
Enablers	Seamless digital experience	Scalable Tech & Operations	Safe & secure	Our people

Our focus SDGs[1)] are reflected in our Sustainability Direction

Environment

Climate action

Empowering our clients[2)]

- Aim to steer the most carbon-intensive parts of our lending portfolio towards net zero
- Co-develop net zero sector pathways
- Grow our Sustainable Finance business
- Provide sustainable products/services
- Help clients manage biodiversity risks and opportunities

Transparency

- Disclosure aligned with the TCFD and NZBA Frameworks

Improving our own footprint

- Reducing scope 1, 2 and 3 CO2e emissions from our own operations
- Sustainable procurement standards

For more information please visit: www.ing.com/Sustainability/Sustainability-direction.htm

1) Sustainable Development Goals (SDGs) set by the United Nations General Assembly

2) Society is transitioning to a low-carbon economy. So are our clients, and so is ING. We finance a lot of sustainable activities, but we still finance more that's not. See how we're progressing on www.ing.com/climate

Social

Financial health

Empowering our customers by focusing on:

- Financial inclusion by making bank products accessible
- Helping to get a grip on everyday finances and plan for the future

Empowering communities by investing in programmes focusing on:

- Future-proof employment
- Financial capabilities
- Social enterprises

Human rights

UN Guiding Principles (UNGP) prioritisation and due diligence

- ESR Framework and dedicated human rights policy
- Proactive client dialogue
- Sustainable procurement standards

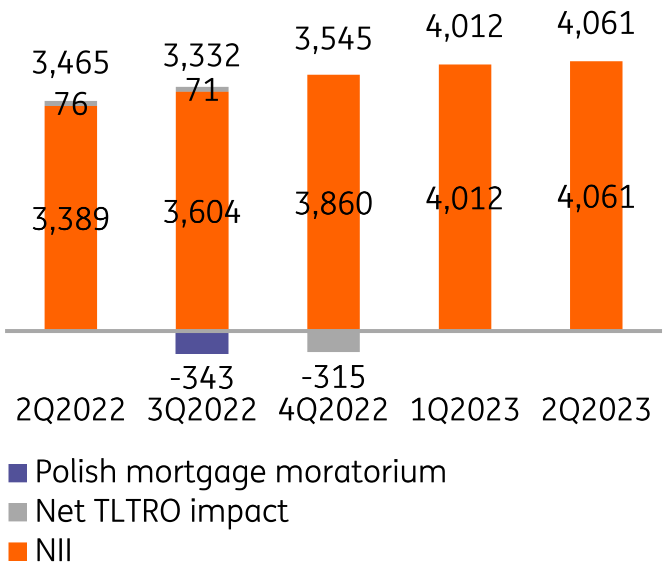
Transparency

- Disclosure aligned with the UNGP Reporting Framework

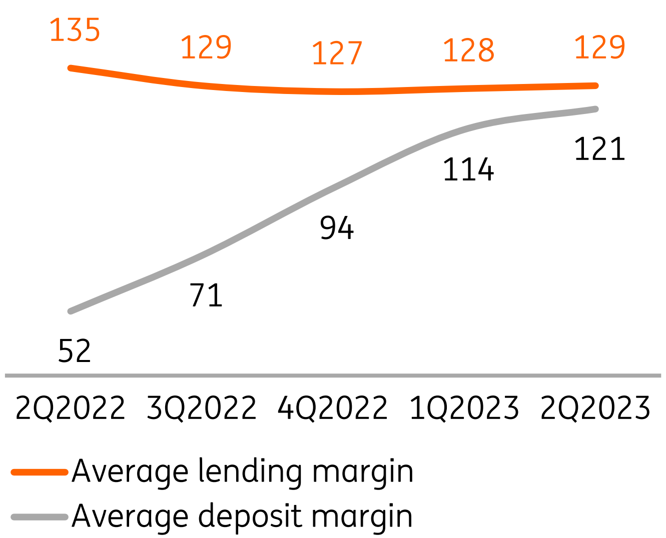
2Q2023 results

Continued strong NII development

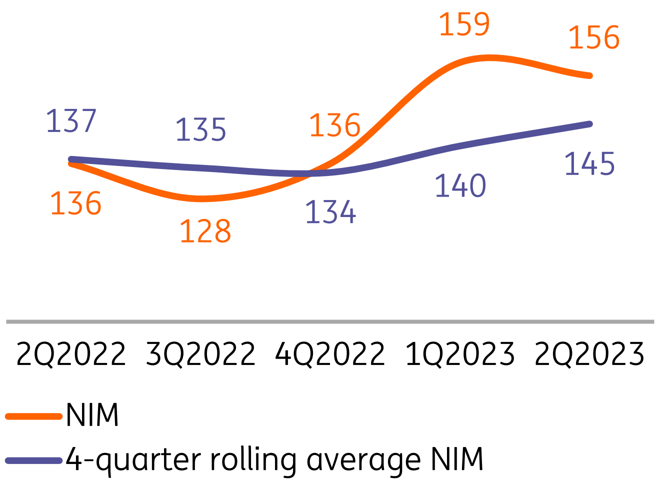
Net interest income (in € mln)



Lending and deposit margin (in bps)



Net interest margin (in bps)

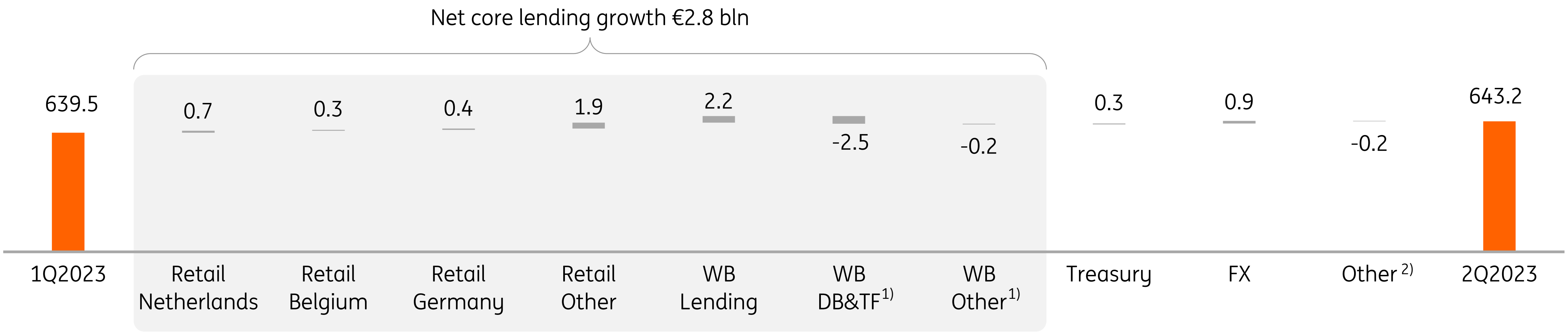


- NII, excluding the impact from TLTRO, increased 19.8% YoY, primarily driven by a strong increase of the interest margins on liabilities. NII from mortgages decreased slightly, as higher volumes and margins in Germany and the Netherlands were more than offset by lower income in Belgium and Retail Other. Treasury benefited from favourable market opportunities through money market and FX transactions[1)]. NII in Financial Markets declined as rising rates led to higher funding costs, while other income rose significantly
- Sequentially, NII increased 1.2%. Higher net interest income on liabilities more than compensated for a decline in net interest income in Financial Markets and from FX ratio hedging
- NIM decreased by 3 bps to 156 bps, as the increase in NII was more than offset by a higher average balance sheet total

[1)] Impact on NII 1Q2023 €-234 mln, 2Q2023 €-225 mln; Impact on Other Income 1Q2023 €+267 mln, 2Q2023 €+261 mln; negligible impact in 2Q2022

Continued loan growth and significant deposit inflow

Customer lending (in € bln)

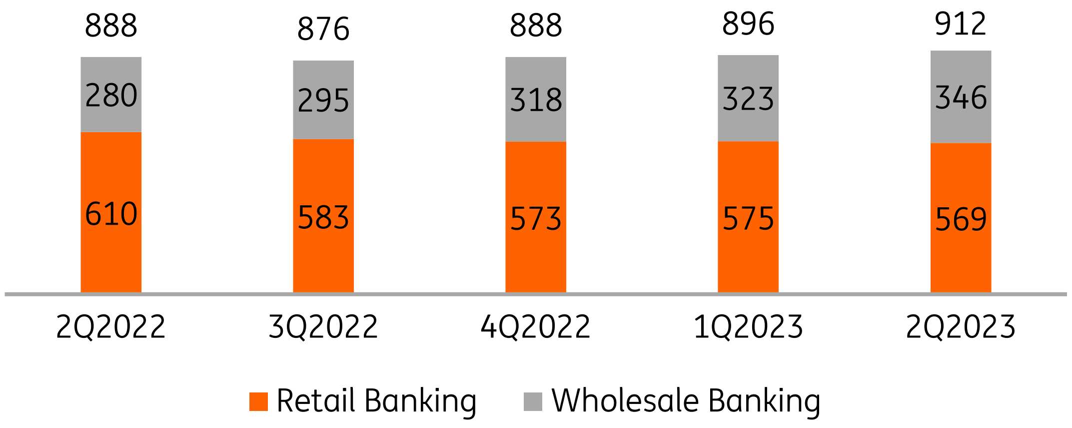


- Net core lending growth was €2.8 bln
  - Retail Banking was €3.3 bln higher. Mortgages grew by €2.7 bln, primarily reflecting growth in Australia, the Netherlands and Germany. Other lending increased by €0.6 bln
  - Wholesale Banking decreased by €0.6 bln. Growth in Lending was offset by lower volumes in Trade and Commodity Finance and in Working Capital Solutions, reflecting lower commodity prices and economic activity
- Net core deposits growth was €17.2 bln
  - Growth in Retail Banking was €18.9 bln, mainly driven by inflows in Germany, following successful promotional campaigns
  - Wholesale Banking was €1.7 bln lower

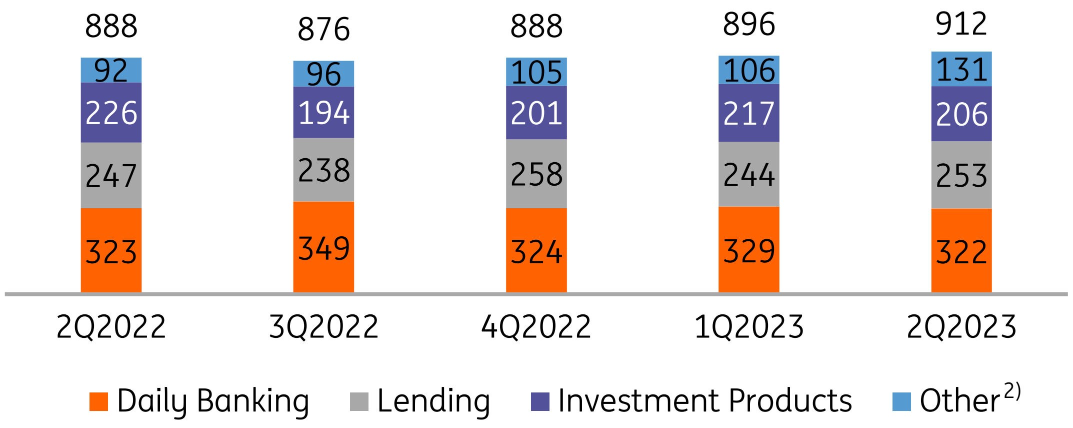
[1)] DB&TF is Daily Banking & Trade Finance; WB Other includes Financial Markets
[2)] Other includes run-off portfolios (Lease, WUB and Retail France)

Fee income growth supported by Wholesale Banking Lending

Net fee & commission income per business line (in € mln)[1)]



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

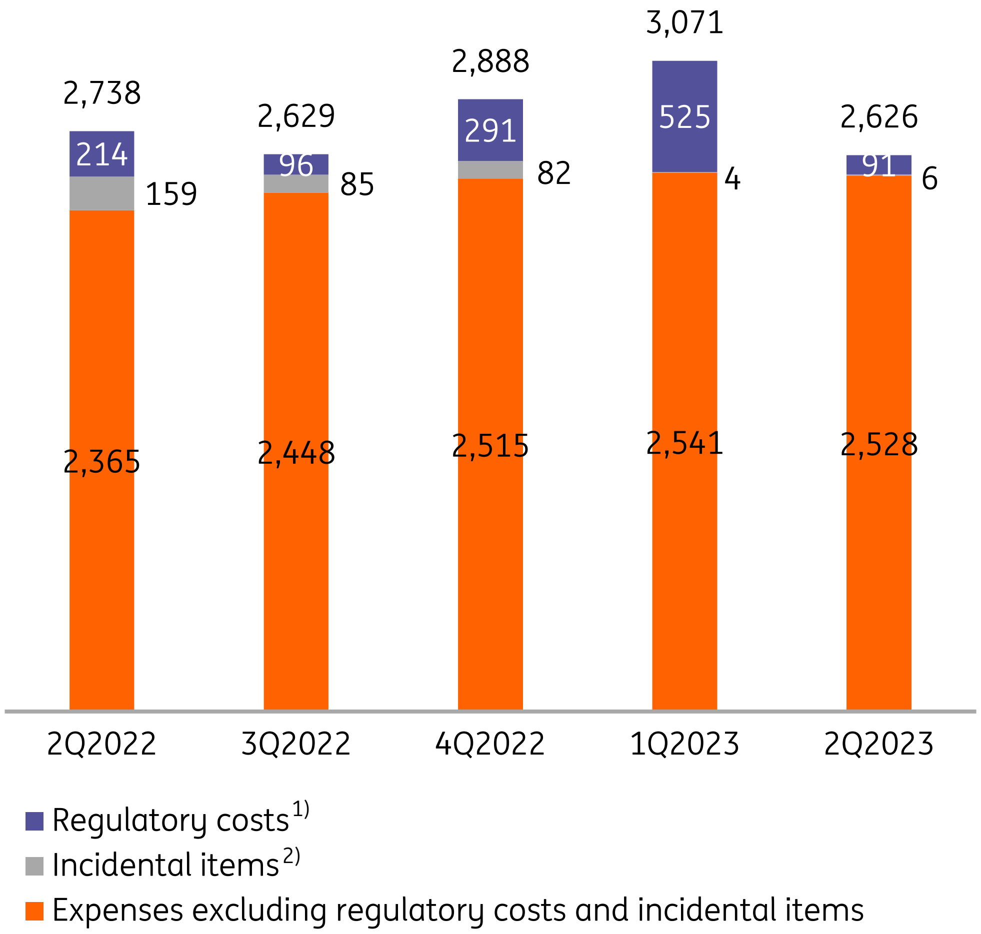


- Income from fees grew by 2.7% YoY, driven by Wholesale Banking
  - Fees were up in Retail Benelux, driven by increased fees for payment packages in the Netherlands, which more than offset higher commissions paid to agents in Belgium. Outside the Benelux, fee income was down as a result of subdued trading activity in investment products, fewer mortgage transactions at Interhyp and ING's exit from the French retail market
  - Fees in Wholesale Banking rose by 23.4%, reflecting an increase in deal flow in Lending and Global Capital Markets
- Sequentially, fees increased 1.8%, mainly driven by higher fees in Wholesale Banking, with growth in Corporate Finance, Global Capital Markets and Lending. Fees were stable in Retail Banking

[1)] Totals including Corporate Line
[2)] Other includes insurance products and Financial Markets

Lower operating expenses despite continued investments

Expenses (in € mln)

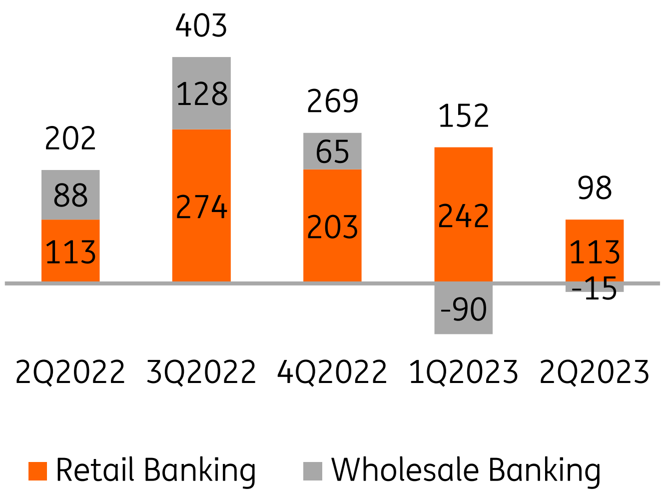


- Expenses excluding regulatory costs and incidental items were 6.9% higher YoY
  - Main driver was higher staff expenses, reflecting the impact of indexation and CLA increases across our markets
  - We also continued investing in the growth of our business
  - These higher expenses were partly offset by savings from exiting the retail markets in France and the Philippines
- Sequentially, expenses excluding regulatory costs and incidental items were 0.5% lower, despite higher staff expenses
  - The previous quarter had included €27 mln of legal provisions and €17 mln of restructuring costs
  - 2Q2023 includes €22 mln restructuring provisions
- Regulatory costs were seasonally lower and declined compared to 2Q2022, which had included a €92 mln contribution to the Institutional Protection Scheme in Poland
- Incidental cost items in 2Q2023 were €6 mln for hyperinflation accounting in Türkiye (IAS 29)

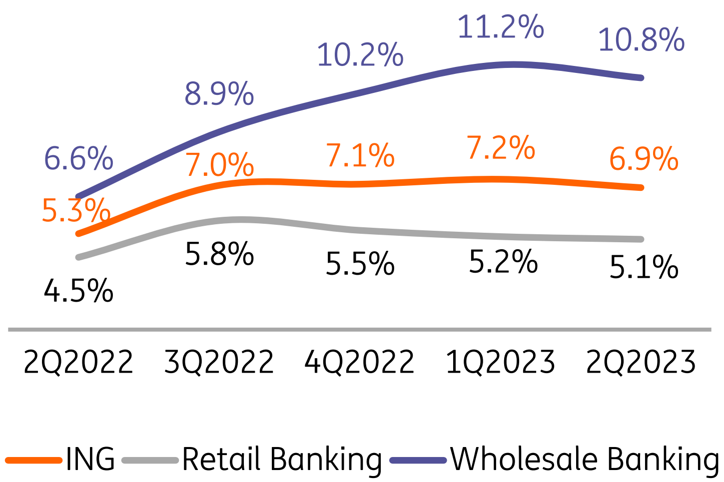
[1] Formal build-up phase of several local DGS and SRF are scheduled to be completed by 2024
[2] Incidental expenses as included in volatile items on slide 44

Low risk costs reflecting high quality and resilience of the loan book

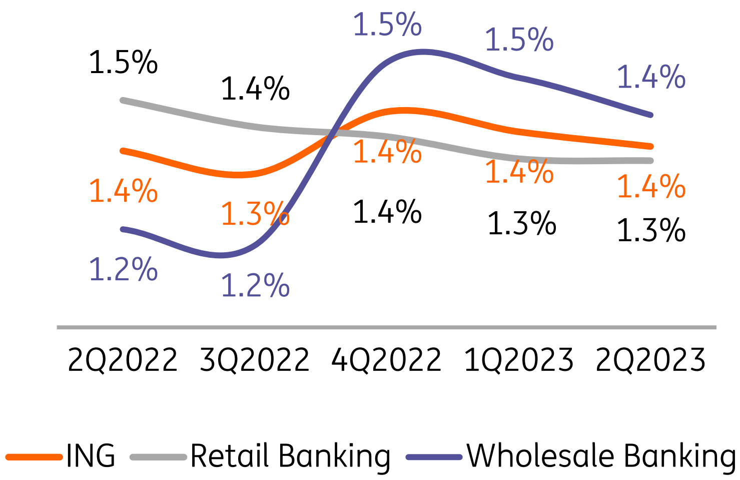
Risk costs per business line (in € mln)[1)]



Stage 2 ratio[2)]



Stage 3 ratio



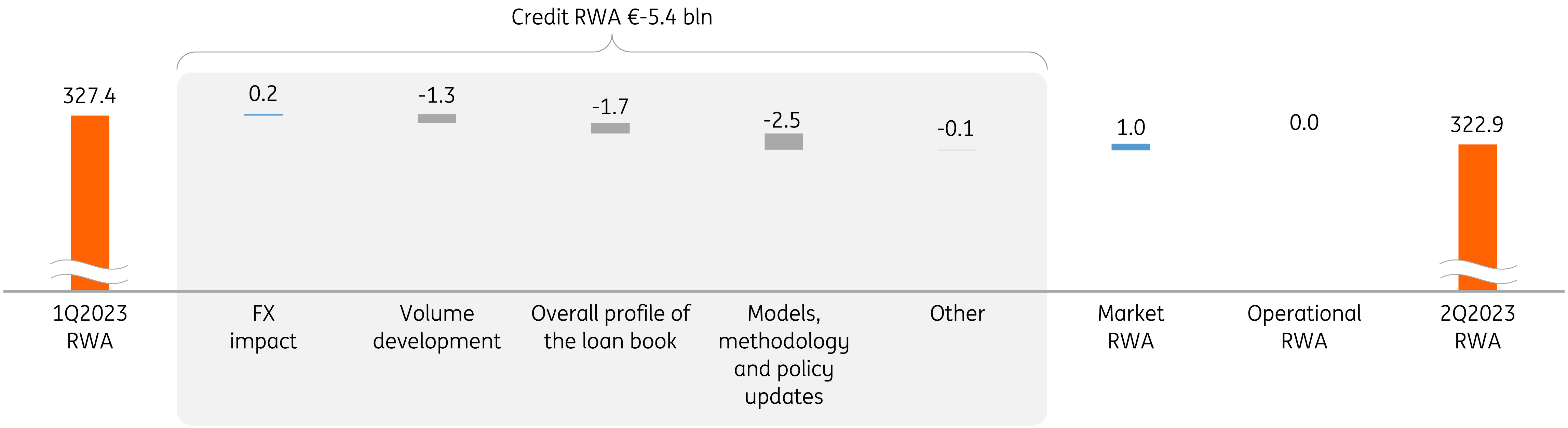
- Risk costs were €98 mln, or 6 bps of average customer lending, well below the through-the-cycle average of ~25 bps
  - €39 mln was added to management overlays, mainly reflecting the current inflation and interest environment, as well as some regular model adjustments. At the end of 2Q2023, the total amount of management overlays was €560 mln
- In Wholesale Banking, risk costs related to a few individual files were more than offset by a further release of Russia-related provisions as we continue to reduce our exposure. In Retail Banking, there were limited additions to risk costs in Poland, Spain and Belgium
- In Stage 3 we saw modest inflow of individual files with no clear trends identifiable, the Stage 3 ratio remained low at 1.4%
- The Stage 2 ratio decreased to 6.9%, as Stage 2 outstandings declined by €2.5 bln, mainly reflecting deleveraging in Russia and movements in the Watch List portfolio

[1)] Totals including Corporate Line
[2)] Comparative 1Q2023 numbers have been adjusted, including an IFRS 9 scope change after the adoption of IFRS 17

Capital

Risk-weighted assets decreased in 2Q2023, mainly reflecting a better overall profile of the loan book and model impacts

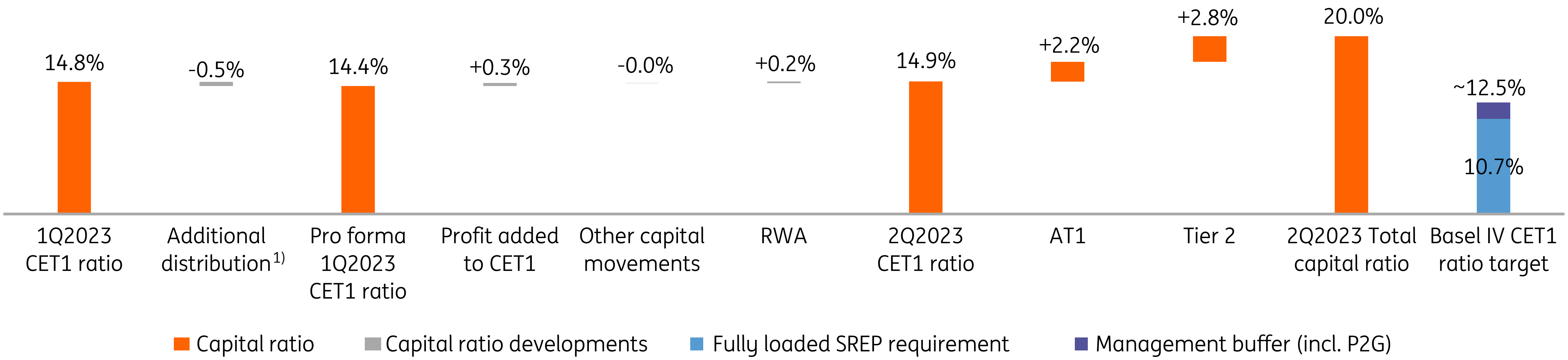
ING Group risk-weighted assets development (in € bln)



- In 2Q2023, RWA decreased by €4.5 bln to €322.9 bln, including €+0.2 bln of FX impact on credit RWA
- Credit RWA excluding FX impacts decreased by €5.6 bln, mainly reflecting a better overall profile of the loan book and model impacts
- Operational RWA were flat, while market RWA increased by €+1.0 bln, mainly due to increased Stressed Value-at-Risk for the trading portfolio

CET1 ratio improved to 14.9%

Total capital ratio development (in %)

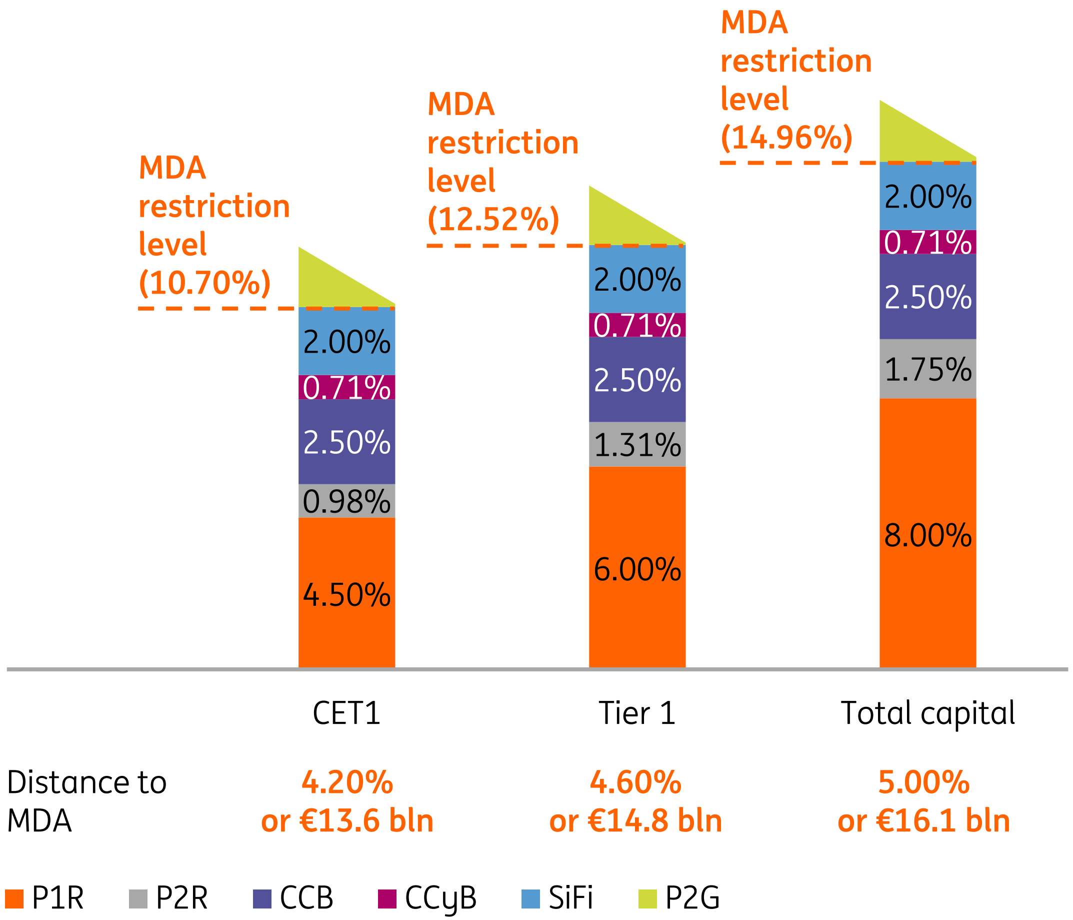


- The CET1 ratio strengthened to 14.9%, driven by strong capital generation and lower RWA, which more than offset the €1.5 bln deduction from capital for the ongoing share buyback programme, as announced on 11 May 2023
- At the end of 2Q2023, there was €1,917 mln reserved outside of CET1 capital for future distribution
- We will pay an interim dividend over 1H2023 of €0.35 per share in cash on 14 August 2023
- The AT1 and Tier 2 ratios remained stable during 2Q2023

[1] €1.5 bln of additional distribution in the form of a share buyback, as announced on 11 May 2023

Fully loaded SREP requirement decreased due to lower O-SII buffer

ING Group fully loaded SREP requirements



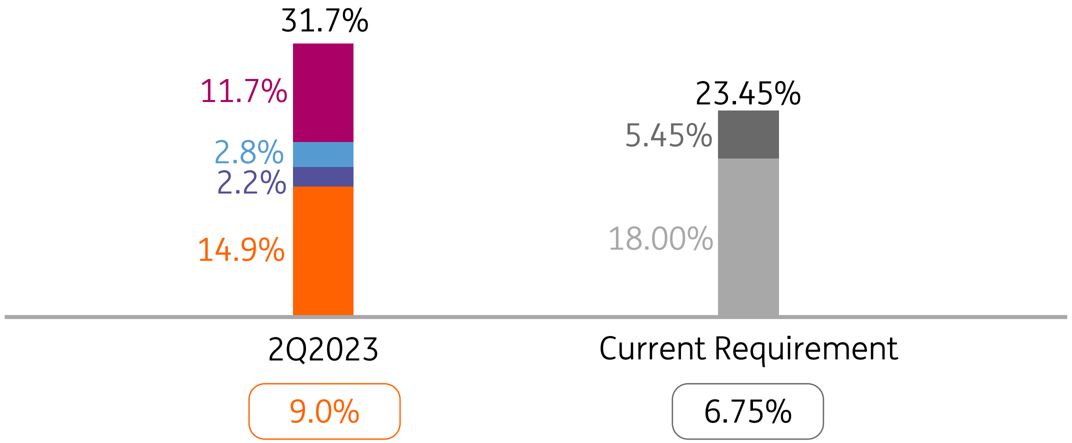
- ING Group's fully loaded CET1 requirement in 2Q2023 decreased to 10.70% (1Q2023: 10.98%)
- This reflects a 0.50% lower O-SII (Other Systemically Important Institutions) buffer requirement, partly offset by an increase of the Dutch countercyclical buffers from 1% to 2%. Both will apply as of 31 May 2024
  - 4.50% Pillar 1 Requirement (P1R)
  - 0.98% Pillar 2 Requirement (P2R)
  - 2.50% Capital Conservation Buffer (CCB)
  - 0.71% Countercyclical Buffer (CCyB)[1)]
  - 2.00% Systemically Important Financial Institutions Buffer (SiFi)
- Fully loaded Tier 1 requirement is 12.52%
  - 0.33%-point of P2R can be filled with AT1
- Fully loaded Total Capital requirement is 14.96%
  - 0.44%-point of P2R can be filled with Tier 2

[1)] Fully loaded CCyB increased in 2Q2023 by 0.21% to 0.71%, mainly as a result of the announced increase of the Dutch counter-cyclical buffer from 1% to 2% effective 31 May 2024; current CCyB increased in 2Q2023 by 0.21% to 0.45%, mainly due to the initial increase of the Dutch counter-cyclical buffer to 1% becoming effective

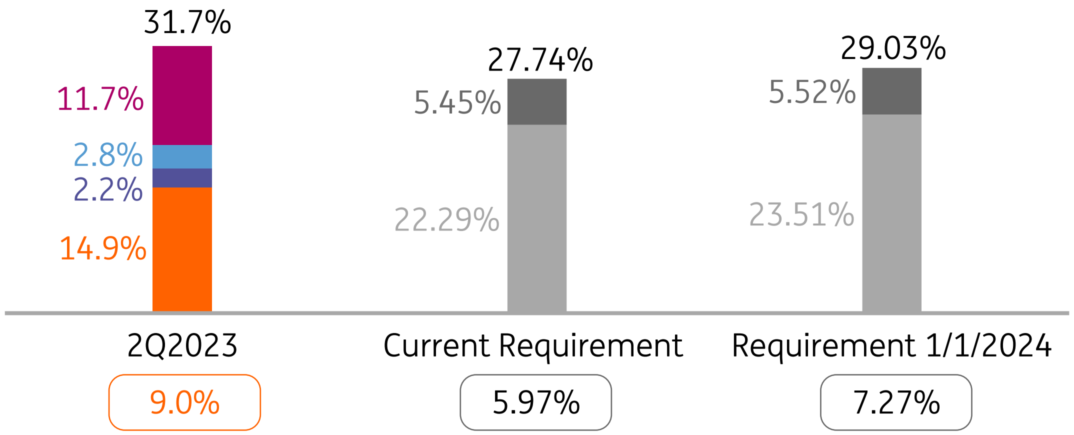
Funding & liquidity

ING meets its TLAC and MREL requirements

TLAC as % of RWA (and LR)



MREL as % of RWA (and LR)



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

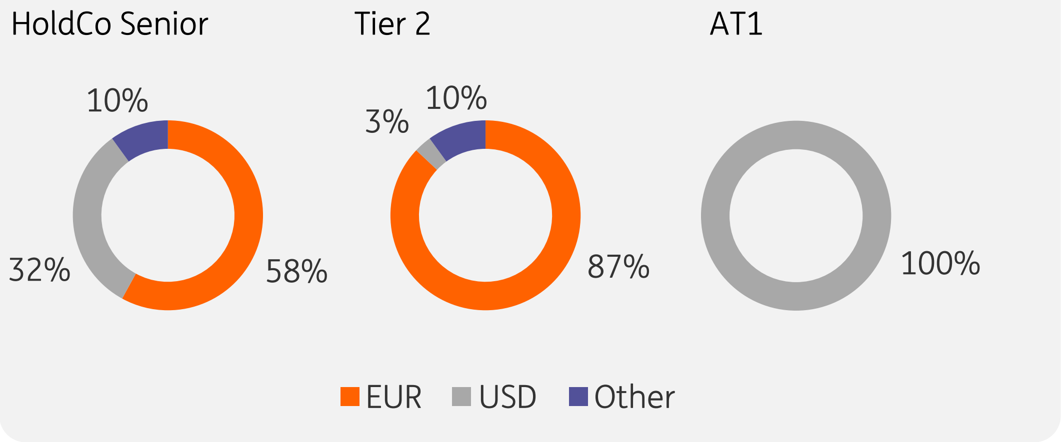
- ING follows a Single Point of Entry (SPE) resolution strategy and issues TLAC/MREL eligible instruments from its resolution entity ING Groep N.V.
- ING amply meets the end-state TLAC requirement with a TLAC ratio of 31.7% of RWA and 9.0% of TLAC leverage exposure (LR)
- RWA-based MREL is the most constraining requirement for ING. As per 30 June 2023, ING Group amply meets the intermediary MREL requirements

Long-term debt maturity ladder and issuance guidance

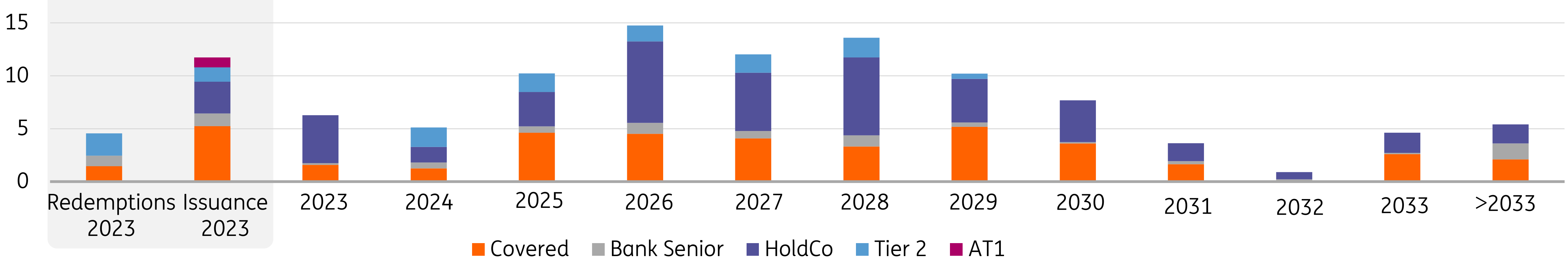
Issuance guidance 2023

- Guidance for 2023 issuance is ~€7-9 bln in HoldCo Senior and ~€4-7 bln in Secured issuance from various entities, subject to balance sheet developments
- In 2Q2023 we issued:
  - €3 bln dual tranche in Holdco Senior
  - €1.25 bln Covered bond from ING Belgium
- OpCo Senior Unsecured could be issued for internal ratio management and general corporate funding purposes

Currency split of outstandings as at 30 June 2023



Long-term debt maturity ladder (in € bln)[1)]

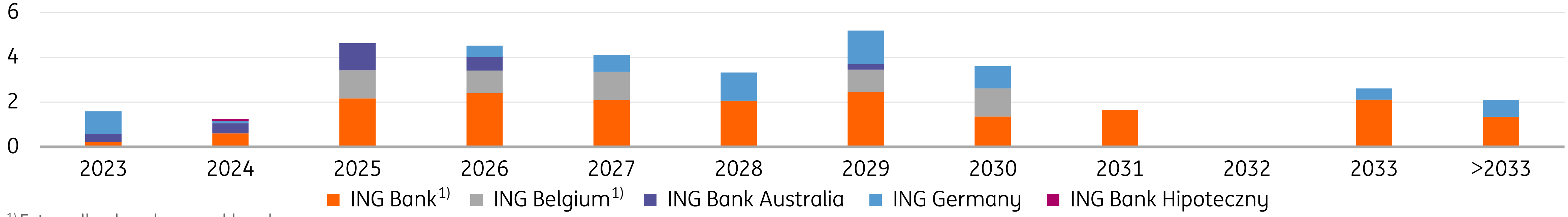


1) Tier 2 maturities are based on the 1st call date for callable bonds and contractual maturity for bullets. All HoldCo Senior bonds are based on contractual maturity. Excluding RMBS

Covered bond funding through various programmes

	ING Bank N.V.	ING Belgium S.A./N.V.	ING DiBa AG	ING Bank (Australia) Ltd	ING Bank Hipoteczny
Instruments overview	▪ Secured funding ▪ Senior unsecured	▪ Secured funding	▪ Secured funding	▪ Secured funding	▪ Secured funding
Outstanding[1)]	▪ Covered bond: ~€18.5 bln ▪ Senior Unsecured: ~€6.8 bln[3)]	▪ Covered bond: €5.75 bln	▪ Covered bond: €7.4 bln	▪ Covered bond: AUD$4.8 bln	▪ Green covered bond: PLN400 mln
2023 Issuance[1)]	▪ €4.0 bln	▪ €1.25 bln	▪ None	▪ None	▪ None
Underlying Collateral	▪ Residential Mortgages	▪ Residential Mortgages	▪ Residential Mortgages	▪ Residential Mortgages	▪ Residential Mortgages
Covered Bond programme	▪ ING Bank Hard and Soft Bullet ▪ ING Bank Soft Bullet ▪ ING Bank Soft Bullet 2	▪ ING Belgium Pandbrieven	▪ ING-DiBa AG Pfandbriefe	▪ ING Bank (Australia) Ltd	▪ ING Bank Hipoteczny

Covered bond maturity ladder as at 30 June 2023 (in € bln)[2)]



[1)] Externally placed covered bonds
[2)] Maturity ladder as per contractual maturity
[3)] Mainly structured notes

ING is an active issuer of Green Bonds

Green Bond issuance objectives

- Support meeting our sustainability objectives
- Fund growth in our Eligible Green Loan portfolio
- Continued leadership in the Green Bond market
- Support development of the Global Green Bond market

External consultants & providers

ISS ESG
- Second party opinion provider

Guidehouse
- Renewable energy consultant

CFP Green Buildings, Drees & Sommer
- Green buildings consultant

Recent Green Bond transactions

Year of Issuance	2021	2021	2021	2022	2022	2022
Issuer	ING Group N.V.	ING Group N.V.	ING-DiBa AG	ING Group N.V.	ING Group N.V.	ING-DiBa AG
Size / Currency	£800 million	€500 million	€1.25 billion	€1.5 billion	€1 billion	€1 billion
Tenor	8NC7	11NC6	7yr	4NC3	11NC6	8yr
Asset class	HoldCo Senior	Tier 2	Covered Bond	HoldCo Senior	Tier 2	Covered Bond

For more information please visit: www.ing.com/Investor-relations/Fixed-income-information/Debt-securities-ING-Groep-N.V./Green-bonds-1.htm

We issue Green Bonds to support our sustainability objectives

- Our Green Bond Framework was updated in 2022 and has been assessed by a Second Party Opinion (SPO) and is aligned with the ICMA Green Bond Principles 2021. The framework is presented through below four pillars:

Use of proceeds

- ING will finance and/or refinance, in part or in whole, an Eligible Green Loan Portfolio in accordance with the Eligibility Criteria
- Net proceeds will be allocated to Eligible Green Loan Portfolio, including:

Residential Real Estate	Commercial Real Estate	Renewable Energy (wind & solar)
Netherlands & Germany	**Netherlands**	**Global**

Project Evaluation and Selection

- Projects financed and/or refinanced through Green Bond proceeds are evaluated and selected based on compliance with the Eligibility Criteria
- Governance of the Green Bond Framework is in place
- ING's Environmental & Social Risk policies and transaction approval process ensures that loans comply with environmental and social policies

Management of proceeds

- The proceeds are managed in a portfolio approach
- Single pool of eligible green loans[1]:
  - Renewable energy — €5.6 bln
  - Green buildings (residential) — €21.4 bln
  - Green buildings (commercial) — €2.9 bln
  - **Total Eligible Green Loan Portfolio — €29.9 bln**
- Green funding outstanding: €11.1 bln

Reporting

- Aggregated (between multiple Green Bonds)
- Allocation and impact are reported. Additional reported items can be found in the Green Bond Framework
- Limited assurance of the Green Bond Allocation Report provided by external auditor on an annual basis
- Second party opinion by ISS ESG

[1] As per ING Green Bond Allocation Report 2022

External recognition of ING's commitment to ESG

ESG ratings ING Groep N.V.

SUSTAINALYTICS

- Evaluation: ING's management of ESG material risk is 'Strong'
- Position: in the 22nd percentile of 406 banks
- Updated: August 2022

MSCI

- Rating AA
- Updated: September 2022

S&P Global Ratings

- ESG evaluation 'Strong' (score 84/100)
- Updated: June 2022

Sustainability Index Products

ING is regularly included in ESG and sustainability-focused indices, such as:

EURONEXT vigeo eiris INDICES BENELUX 20

EURONEXT vigeo eiris INDICES EUROZONE 120

FTSE4Good

STOXX ESG LEADERS INDICES

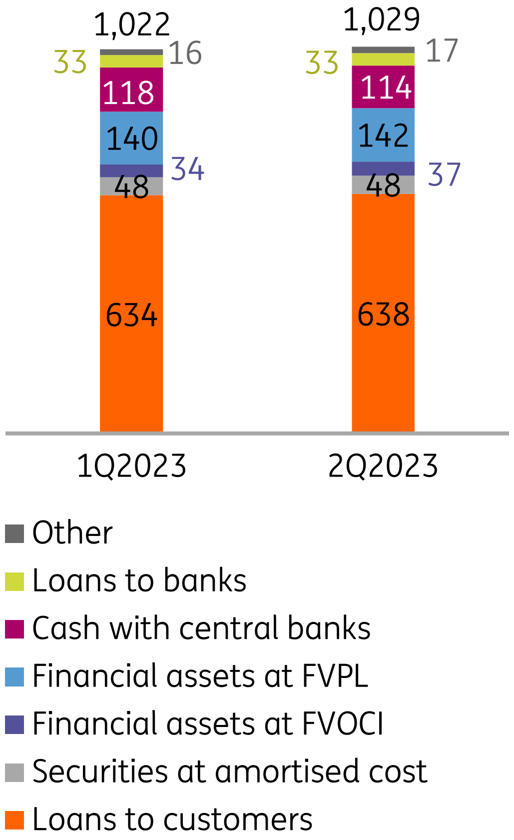
MORNINGSTAR Indexes

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

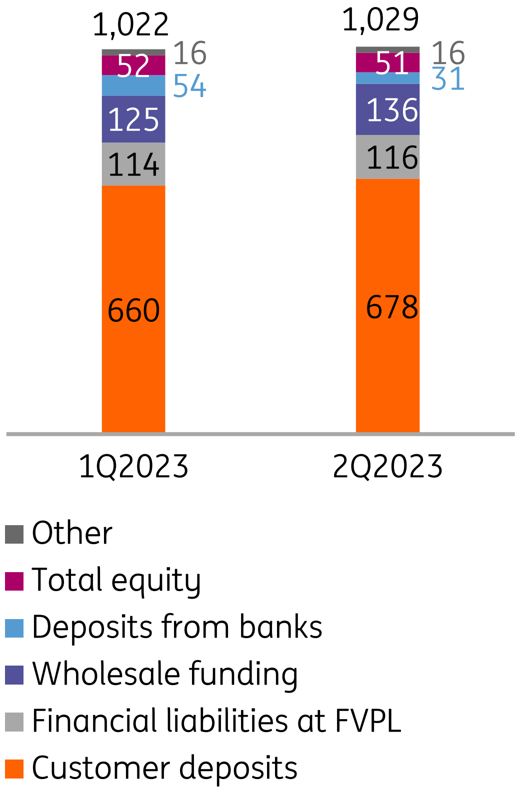
Balance sheet ING Group (in € bln)

- Balance sheet ING Group increased to €1,029 bln in 2Q2023

Assets



Liabilities



Well-diversified customer loan book

- See "Asset Quality" section of this presentation

Stable funding profile

- 66% 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 0.94 as per 30 June 2023[1)]

Conservative trading profile

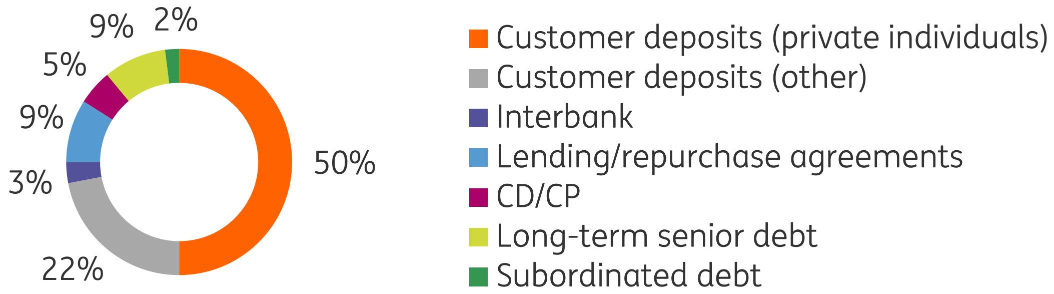
- Majority of our Financial Markets business is customer flow based where we largely hedge our positions, reflected in large, but often offsetting, positions in assets and liabilities at fair value
- The average Value-at-Risk for the trading portfolio increased to €15 mln (from €14 mln in 1Q2023)

[1)] 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 137%

Funding mix[1)]

30 June 2023



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 improved to 137%
- Besides the HQLA buffer, ING maintains large pools of ECB-eligible assets, in the form of internal securitisations and credit claims. Total available liquidity resources increased to €298 bln in 2Q2023 (from €268 bln in 1Q2023)

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 June 2023	31 March 2023
Level 1	181.4	177.2
Level 2A	4.3	5.4
Level 2B	4.4	4.5
Total HQLA	**190.2**	**187.1**
Stressed outflow	**243.6**	**243.0**
Stressed inflow	**104.3**	**103.3**
LCR	**137%**	**134%**

[1)] Liabilities excluding trading securities and IFRS-EU equity

Strong rating profile at both Group and Bank levels

Main credit ratings of ING as of 2 August 2023

	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 N.V. (HoldCo)			
Long-term issuer rating	A-	n/a	A+
Short-term issuer rating	A-2	n/a	F1
Outlook	Stable	Stable[1)]	Stable
Senior unsecured rating	A-	Baa1	A+
AT1	BB	Ba1	BBB
Tier 2	BBB	Baa2	A-
ING Bank N.V. (OpCo)			
Long-term issuer rating	A+	A1	AA-
Short-term issuer rating	A-1	P-1	F1+
Outlook	Stable	Stable	Stable
Senior unsecured rating	A+	A1	AA-
Tier 2	BBB+	Baa2	A-

[1)] Outlook refers to the senior unsecured rating

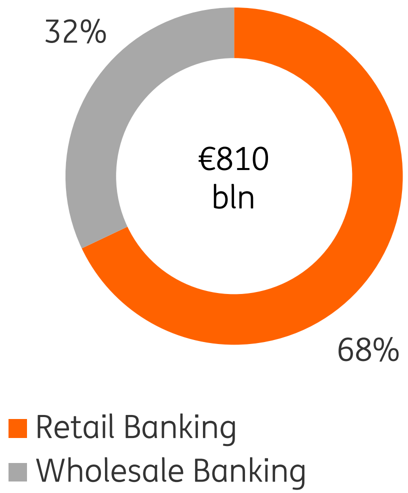
Latest rating actions on ING Group and Bank

- S&P: upgraded ING Bank to A+ in July 2017. In October 2022, S&P affirmed ING's rating and outlook, reflecting S&P's view that ING's geographical and business diversification will support its financial profile through a darkened economic outlook
- Moody's: affirmed ING Bank's long-term issuer rating at A1 with a stable outlook in May 2022, reflecting Moody's view that ING's solvency and liquidity are robust and will remain resilient over the outlook horizon, despite significant exposure to highly cyclical sectors
- Fitch: upgraded ING Bank to AA- in February 2019 and affirmed in September 2022. This reflects Fitch's view that ING has a strong franchise in RB and WB in the Benelux region, good geographic diversification in selected European countries and moderate risk appetite, resulting in sound through-the-cycle asset quality and earnings. Ratings are also underpinned by solid capital ratios and a well-balanced funding profile

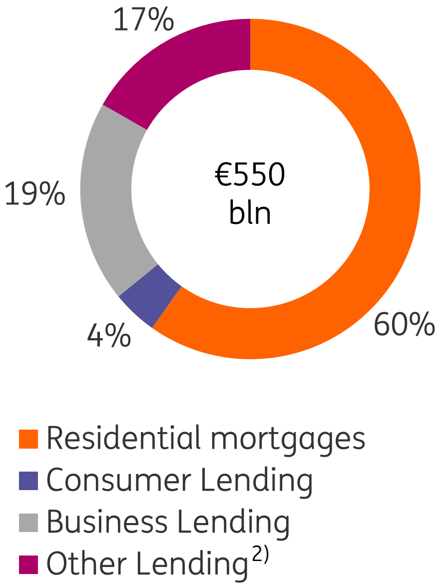
Asset quality

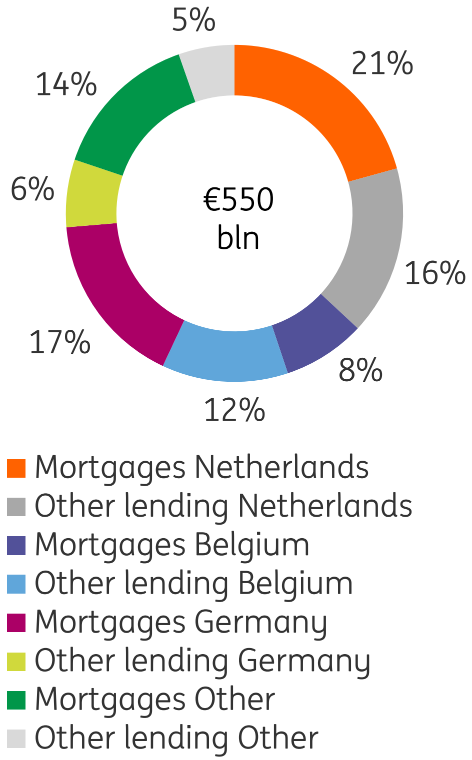
Well-diversified lending credit outstandings[1)] by activity

ING Group

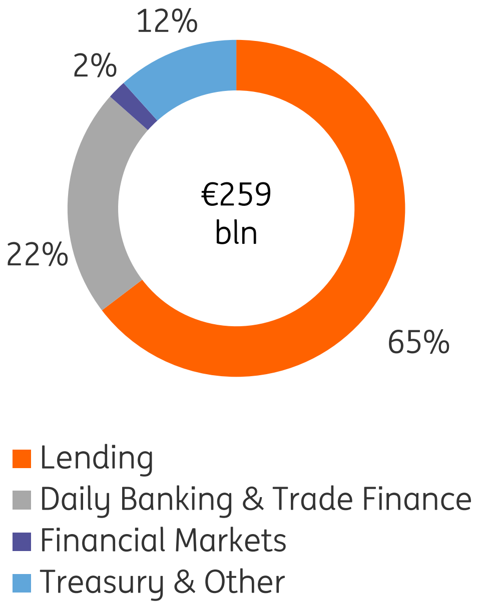


Retail Banking





Wholesale Banking



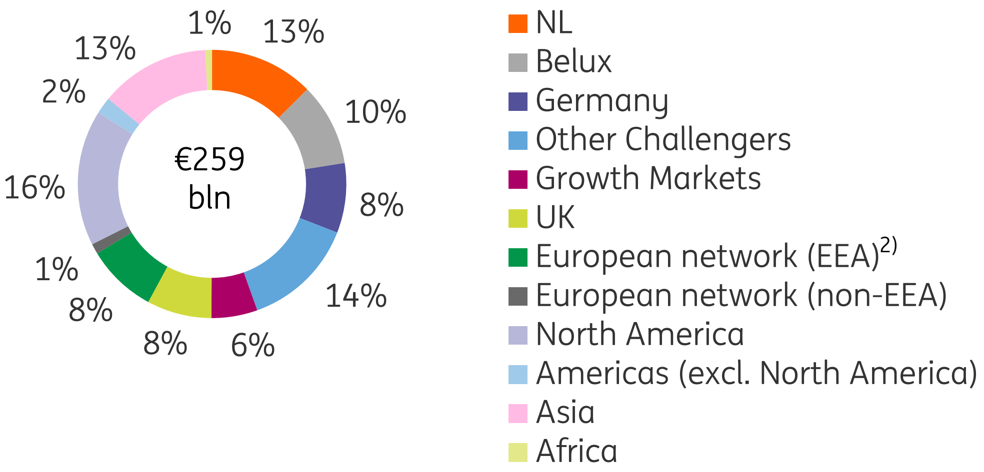
- ING has a well-diversified and well-collateralised loan book with a strong focus on own-originated mortgages and senior loans

1) Lending and money market credit outstandings, including guarantees and letters of credit, excluding undrawn committed exposures (off-balance sheet positions)
2) Other includes €87 bln Retail-related Treasury lending and €5 bln Other Retail Lending

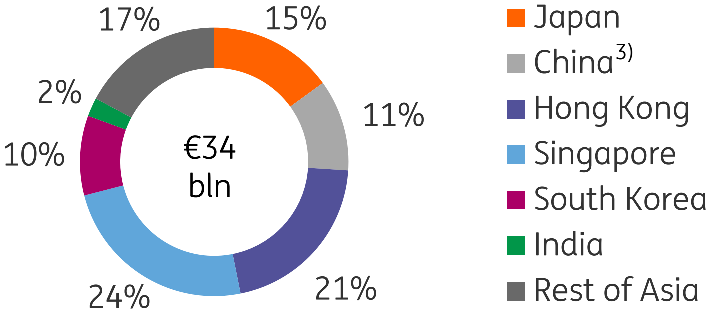
Wholesale Banking lending credit outstandings[1)]

Loan portfolio is well diversified across geographies…

Wholesale Banking

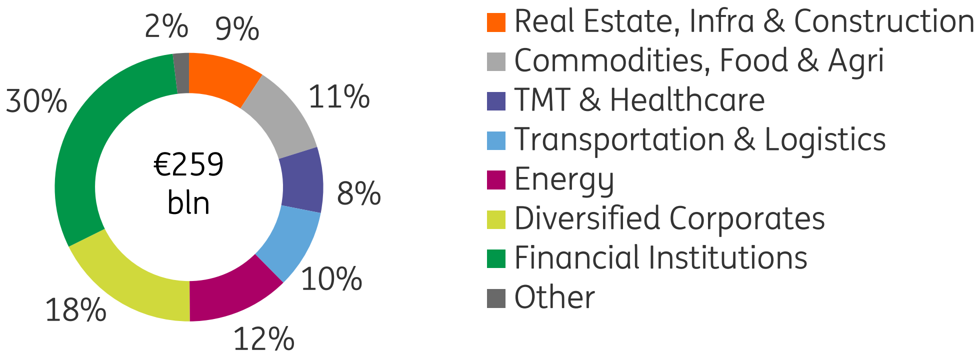


Wholesale Banking Asia



…and sectors

Wholesale Banking



Selected countries/sectors

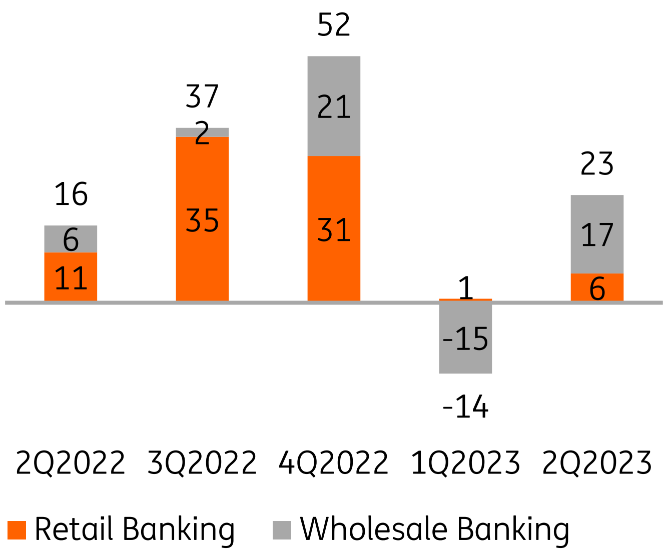
Russia

- €1.7 bln offshore exposure[4)], of which €0.6 bln with ECA or CPRI cover
- Equity-at-risk Russian subsidiary €0.3 bln
- ~€0.9 bln has already been included in CET1 capital to cover for expected and unexpected losses through LLP (~€0.3 bln) and RWA (€0.6 bln equivalent of €4.7 bln CRWA at 12.5%)

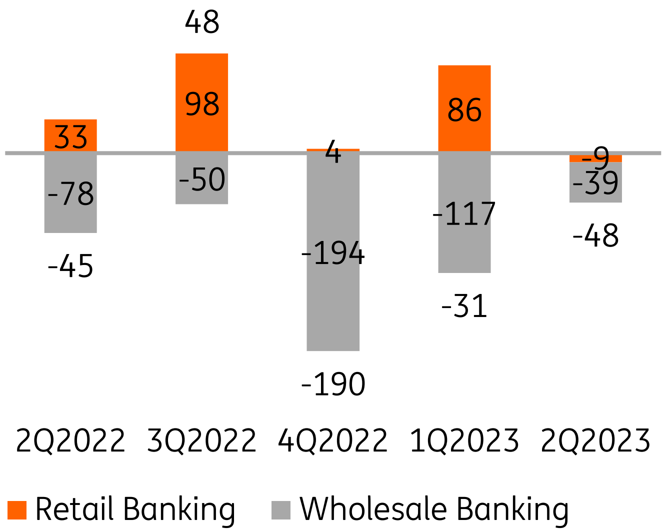
[1)] Lending and money market credit outstandings, including guarantees and letters of credit, excluding undrawn committed exposures (off-balance sheet positions)
[2)] European Economic Area
[3)] Excluding our stake in Bank of Beijing (€1.6 bln at 30 June 2023)
[4)] Lending credit outstandings, money market, investment and pre-settlement, including guarantees and letters of credit, excluding undrawn committed exposures (off balance positions)

2Q2023 provisioning per Stage

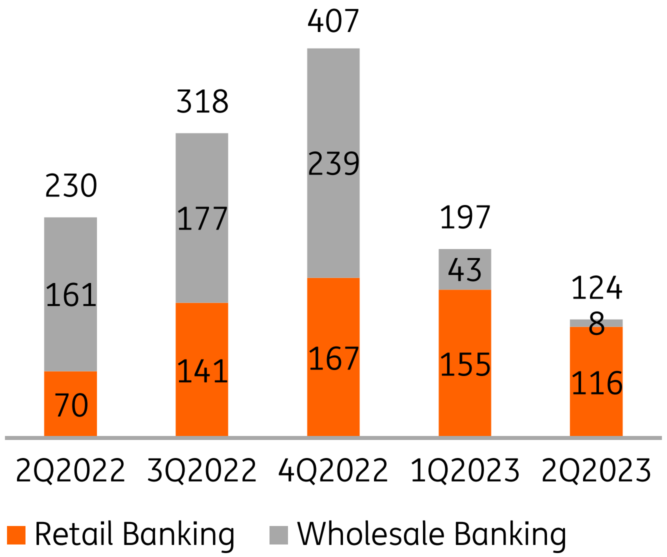
Stage 1 provisioning (in € mln)[1)]



Stage 2 provisioning (in € mln) [1,2)]



Stage 3 provisioning (in € mln) [2)]



Main drivers

- Stage 1 mainly driven by overlays and an update of the macro-economic forecast

Main drivers

- Release on our Russia-related portfolio, mainly reflecting lower Russia-related exposure

Main drivers

- Collective Stage 3 provisions, primarily in Retail Banking
- Limited additions to individual files in Wholesale Banking

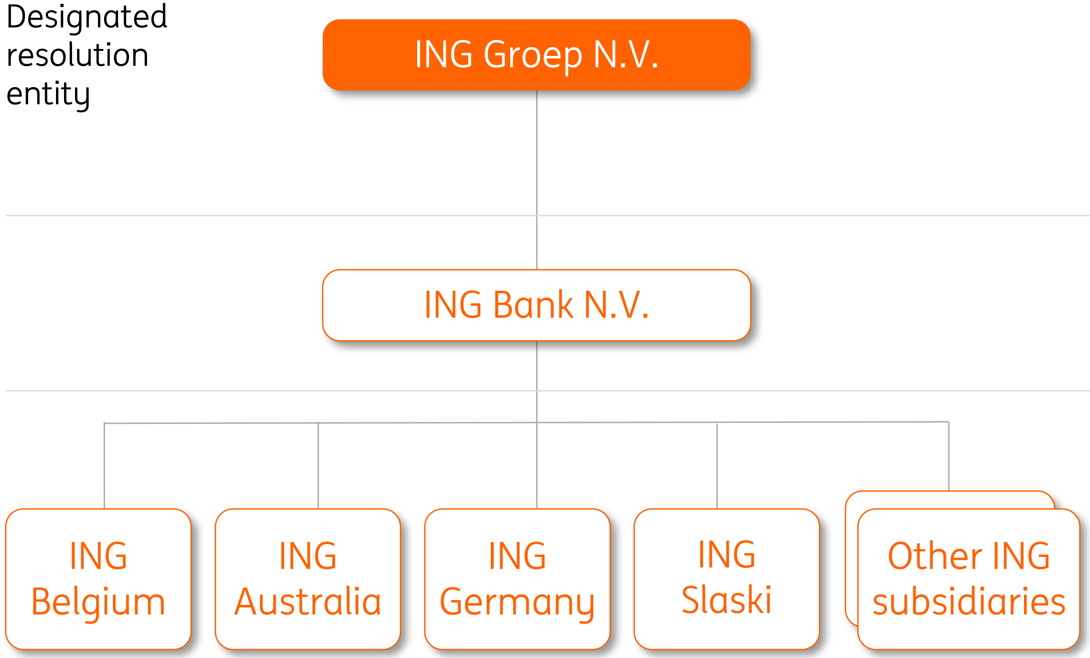
[1)] Stage 1 includes off-balance sheet provisioning; Stage 2 includes modifications
[2)] Wholesale Banking provisioning includes Corporate Line

Appendix

Issuance entities under our approach to resolution

Issuance entities

Designated resolution entity



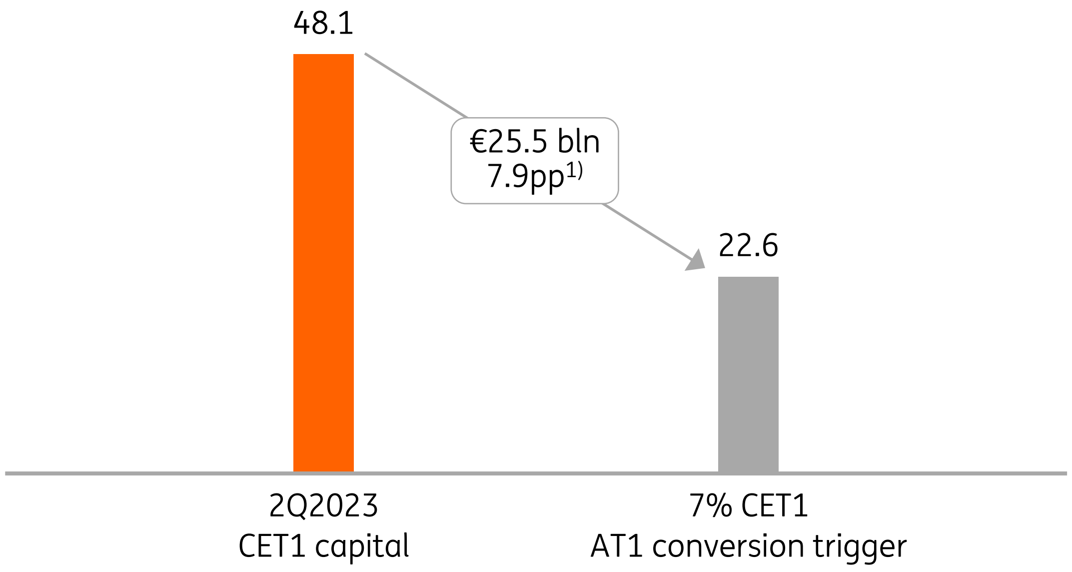
Eligible instruments for TLAC/MREL

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

Comfortable buffer to Additional Tier 1 trigger

Buffer to AT1 trigger (in € bln)

30 June 2023



- ING Group capital buffer to conversion trigger (7% CET1) is high at €25.5 bln, or 7.9% of RWA

[1] Difference between 14.9% ING Group CET1 ratio in 2Q2023 and 7% CET1 equity conversion trigger

Outstanding benchmark capital securities

(Additional) Tier 1 securities issued by Group

Currency	Issue date	First call date	Coupon	Outstanding (mln)[2]	Reset spread
USD	Feb-23	May-28	7.500%	1,000	UST + 371bps
USD[1]	Sep-21	May-27	3.875%	1,000	UST + 286bps
USD[1]	Sep-21	May-31	4.250%	1,000	UST + 286bps
USD	Feb-20	May-29	4.875%	750	UST + 351bps
USD[1]	Sep-19	Nov-26	5.750%	1,500	UST + 434bps
USD	Feb-19	Apr-24	6.750%	1,250	USSW + 420bps
USD[1]	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)[2]	Maturity
GBP	Feb-23	Feb-28	6.25%	750	May-33
EUR	Feb-23	Nov-29	5.00%	500	Feb-35
EUR	Aug-22	Aug-28	4.125%	1,000	Aug-33
EUR	Nov-21	Aug-27	1.00%	1,000	Nov-32
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
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

Tier 2 securities issued by Bank

Currency	Issue date	First call date	Coupon	Outstanding (mln)[2]	Maturity
USD	Sep-13	n/a	5.80%	811	Sep-23

[1] SEC registered
[2] Amount outstanding in original currency
Green bond

HoldCo Senior transactions in past 12 months

ISIN	Issue date	First call date	Maturity	Tenor	Coupon	Issued (mln)[1)]	Reset spread
EUR							
XS2624976077	May-23	May-28	May-29	6NC5	4.5%	1,500	3mE+160
XS2624977554	May-23	May-33	May-34	11NC10	4.75%	1,500	3mE+190
XS2554746185	Nov-22	Nov-26	Nov-27	5NC4	4.874%	1,250	3mE+185
XS2554745708	Nov-22	Nov-32	Nov-33	11NC10	5.25%	1,000	3mE+215
GBP							
XS2526852350	Aug-22	Aug-25	Aug-26	4NC3	5%	300	UKT + 250

Please note with regards to IBOR replacement:
ING has a limited outstanding amount of fixed to float public securities and private placements referring to an IBOR related reset rate 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 and any Benchmark Amendments (as applicable).

HoldCo USD issues are SEC registered unless mentioned otherwise
[1)] Original currency
Green bond

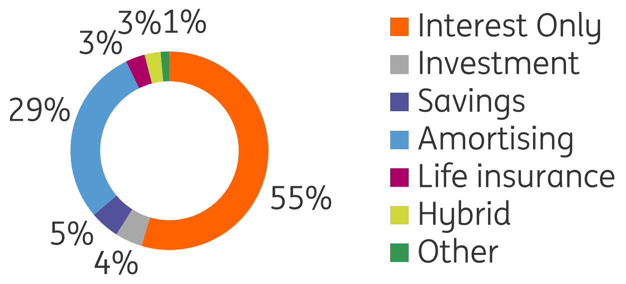
ING Bank's covered bond programme…

- 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 June 2023, 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

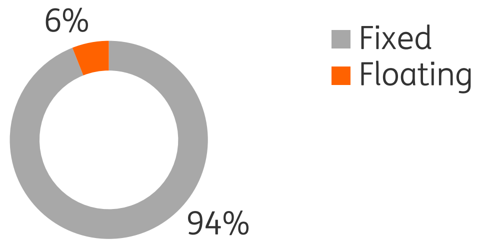
Portfolio characteristics[1)]

Net principal balance	€25,165 mln
Outstanding bonds	€20,266 mln
# of loans	128,615
Avg. principal balance (per borrower)	€195,660
WA current interest rate	2.57%
WA remaining maturity	18.02 years
WA remaining time to interest reset	7.49 years
WA seasoning	11.62 years
WA current indexed LTV	50.88%
Available statutory CRR OC	123.96%

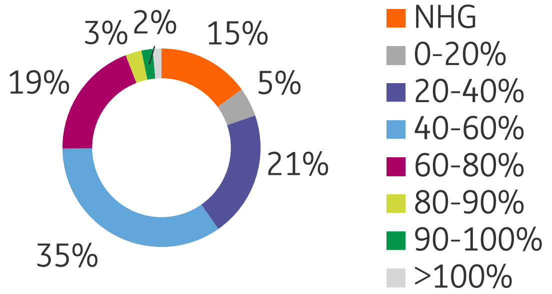
Redemption type[1)]



Interest rate type[1)]



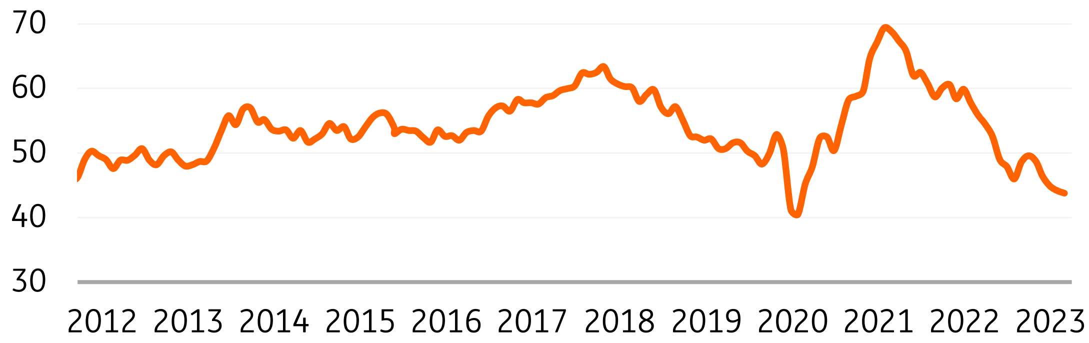
Current Indexed LTVs[1)]



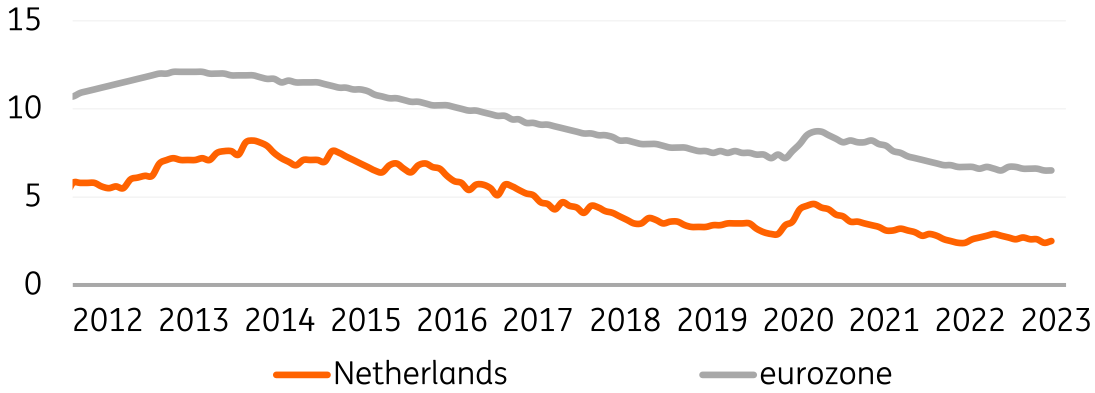
1) As per 30 June 2023

…benefits from a continued strong Dutch housing market, although macro environment is increasingly challenging

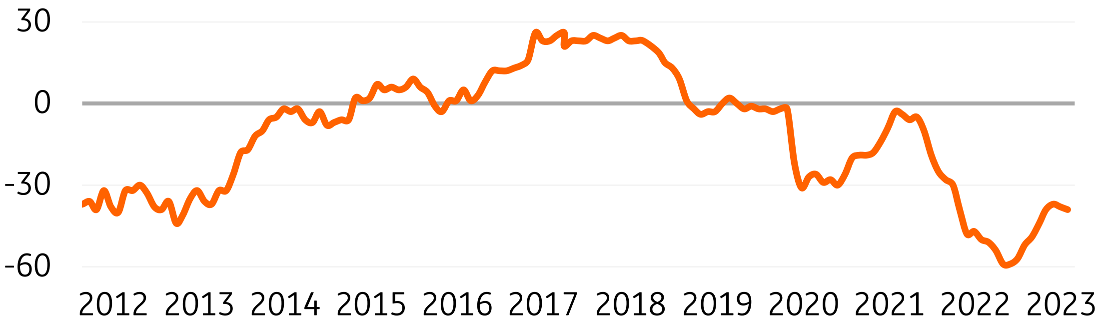
Dutch Purchasing Managers Index (PMI) indicates industrial contraction as it decreased to 43.8



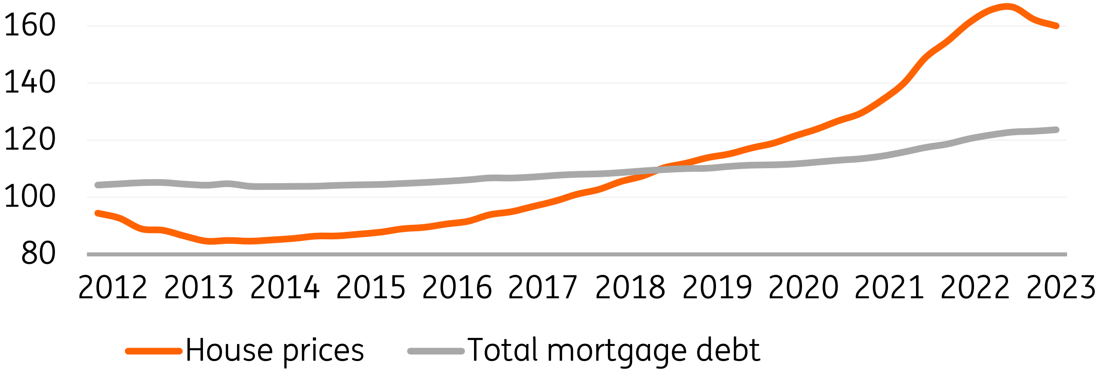
Dutch unemployment rates (%) continue to decrease since August 2020



Dutch consumer confidence has been affected since the invasion in Ukraine



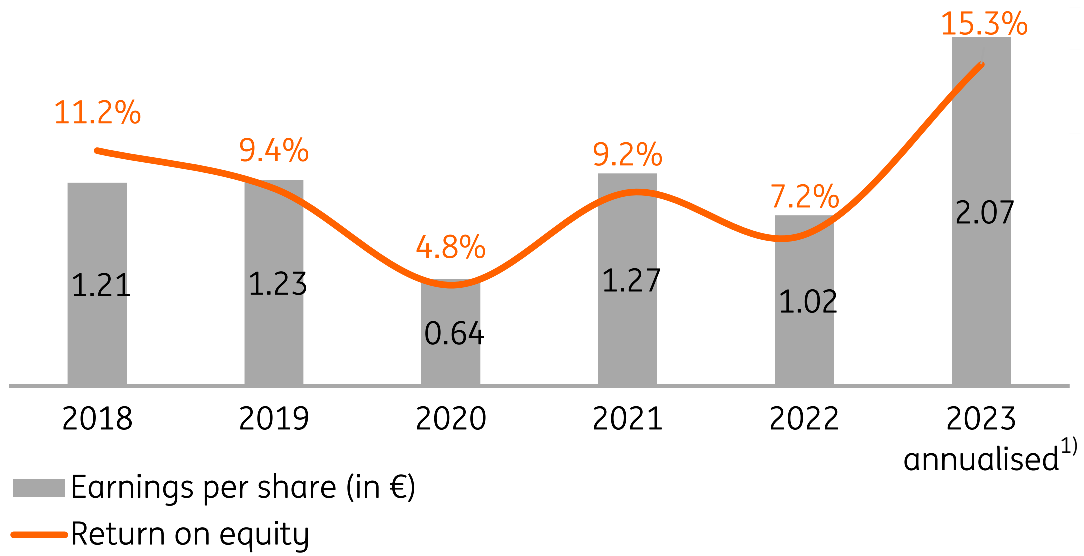
Dutch house price increases in the last six years are not credit driven[1)]



Source: Central Bureau for Statistics for all data except for the Dutch PMI (IHS Markit) and eurozone unemployment (Eurostat)
[1)] Reflects latest available data as of 1Q2023

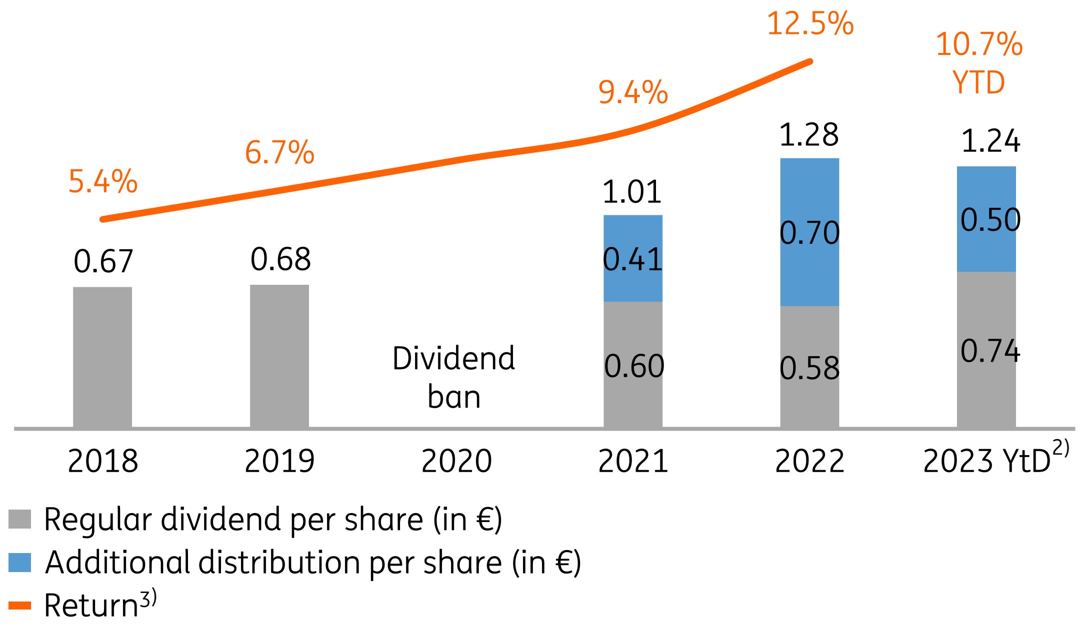
Attractive and growing shareholder return

Increasing earnings per share



Attractive shareholder return

Based on (announced) payment date



- Growing earnings per share and strong return on equity on elevated capital levels
- We have returned over €18 bln to shareholders since 2018, including the interim dividend 2023 of €0.35 per share (to be paid out on 14 August 2023) and the ongoing €1.5 bln share buyback
- We intend to converge the CET1 ratio to our target level of ~12.5% by 2025. The next steps to converge to our target ratio will reflect the strong capital generation resulting in a >100% pay-out ratio

[1] 1H2023 EPS multiplied by 2, divided by the average number of shares in 1H2023. 1H2023 ROE
[2] Amount based on average number of shares in 1H2023, return including the 1H2023 interim dividend and the total amount of the ongoing share buyback and based on the average share price in 1H2023
[3] Based on average market value (share price * number of shares outstanding at the end of each quarter)

Long-term benefit from replicating portfolio

Drivers of liability NII

- Liability income is driven by replicating portfolio, deposit pass-through and volumes
- Retail eurozone replicating portfolio of €~480 bln
  - ~45% is <1 year, which has helped to quickly restore liability margins once interest rates turned positive
  - ~55% is >1 year and will continue to reprice in the coming years, providing a prolonged tailwind to NII
- Pass-through dependent on market developments
  - Actual average pass-through during 2Q2023 was ~20% (~65 bps)
  - Every 10 bps of pass-through has a ~€-350 mln impact on NII

Continued tailwind from a positive rate environment with ~55% of the replicating portfolio repricing at higher rates

2Q2023 results overview

In € mln	Reported P&L	Volatile items	P&L excluding volatile items
Net interest income	4,061	2	4,059
Net fee and commission income	912	0	911
Investment income	1	-0	2
Other income	785	-23	807
Total income	**5,759**	**-21**	**5,779**
Expenses excl. regulatory costs	2,534	6	2,528
Regulatory costs	91	0	91
Operating expenses	**2,626**	**6**	**2,620**
Gross result	**3,133**	**-27**	**3,160**
Addition to loan loss provisions	98	0	98
Result before tax	**3,035**	**-27**	**3,062**
Taxation	818		
Non-controlling interests	62		
Net result	**2,155**		

Volatile income and expense items

Volatile items (in € mln)

	2Q2022	3Q2022	4Q2022	1Q2023	2Q2023
WB/FM – valuation adjustments	90	-15	-2	-10	33
Capital gains/losses	8	-3	0	15	-0
Hedge ineffectiveness[1)]	-31	-431	-71	35	-46
Other items income[2)]	-155	-218	-319	-69	-6
Total volatile items – income	**-89**	**-668**	**-392**	**-29**	**-21**
Incidental items - expenses[3)]	-159	-85	-82	-4	-6
Total volatile items	**-247**	**-753**	**-473**	**-34**	**-27**

1) 3Q2022: includes €-288 mln to unwind a macro fair value hedge of deposits in Belgium

2) 2Q2022: €76 mln TLTRO III benefit and €-231 mln due to hyperinflation accounting in Türkiye
3Q2022: €71 mln TLTRO III benefit, €-343 mln impact Polish mortgage moratorium, €+100 mln from the transfer of our investment business in France, €-31 mln hyperinflation impact and €-15 mln impairment on our equity stake in TTB
4Q2022: €-315 mln net TLTRO III impact, €+14 mln from the transfer of our investment business in France and €-17 million hyperinflation impact
1Q2023: €-69 million hyperinflation impact
2Q2023: €-6 million hyperinflation impact

3) 2Q2022: €97 mln restructuring costs in RB Belgium and €18 mln in Retail OC&GM and €43 mln hyperinflation impact (o.w. €32 mln impairment)
3Q2022: €75 mln for adding interest-on-interest to compensation for certain Dutch consumer credit products and €10 mln hyperinflation impact
4Q2022: €43 mln restructuring costs, €30 mln energy allowances for employees and €9 mln hyperinflation impact
1Q2023: €4 mln hyperinflation impact
2Q2023: €6 mln hyperinflation impact

Hyperinflation accounting in Türkiye

Application of IAS 29 to consolidation of ING in Türkiye

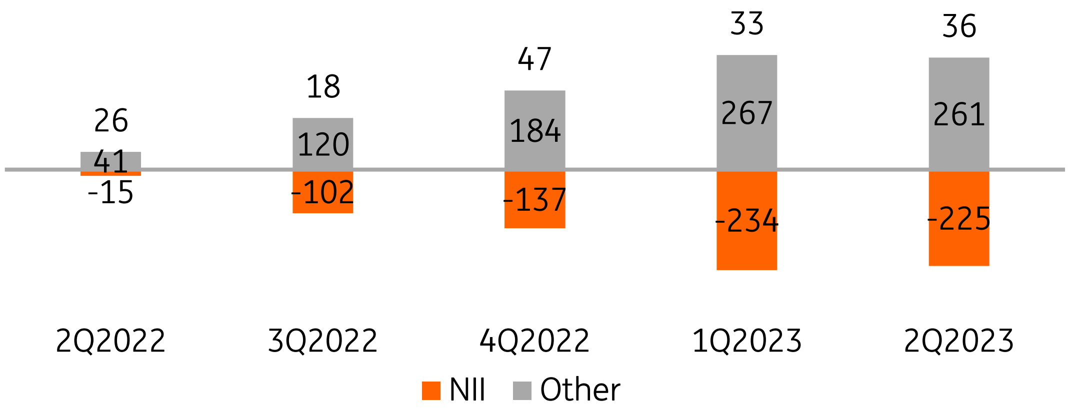
- We applied IAS 29 ('Financial Reporting in Hyperinflationary Economies') to the consolidation of our subsidiary in Türkiye, effective as of 1 January 2022, as cumulative inflation in Türkiye over the preceding three years had exceeded 100%
- The application of IAS 29 resulted in a negative accounting impact on ING net result in 2Q2023 of €-14 mln, reflecting the adjustments for changes in the general purchasing power of the Turkish lira
- Resilient net profit and shareholders' distribution has not been affected as the total quarterly P&L impact of €-14 mln was treated as a significant item not linked to the normal course of business, in line with ING's distribution policy

Impact on results (in € mln)

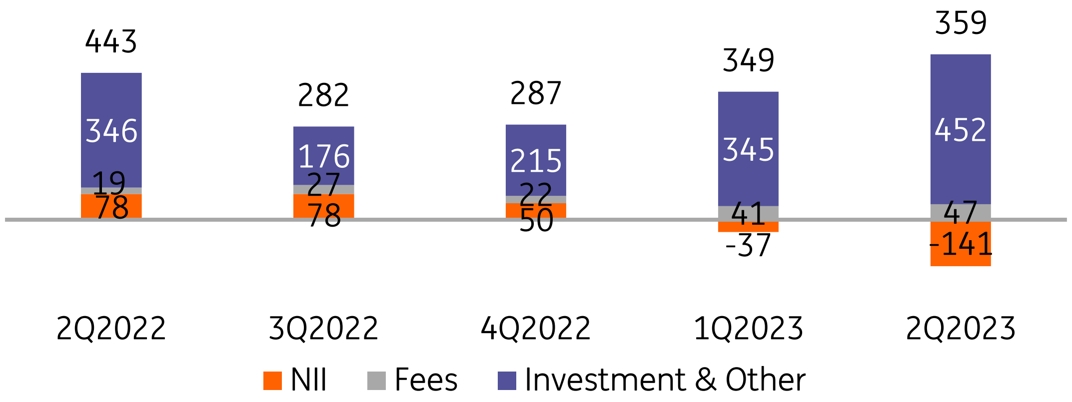
	1Q2023	2Q2023
Profit or loss		
Net interest income	1	2
Net fee and commission income	0	0
Investment income	0	0
Other income	-70	-9
Total income	**-69**	**-6**
Expenses excl. regulatory costs	4	6
Regulatory costs	0	0
Operating expenses	**4**	**6**
Gross result	**-73**	**-12**
Addition to loan loss provisions	0	0
Result before tax	**-73**	**-13**
Taxation	-6	1
Net result	**-68**	**-14**

Accounting asymmetry impacting net interest income

Treasury interest rate differential (in € mln)



WB Financial Markets (in € mln)



- Treasury benefited from favourable market opportunities through money market and FX transactions
- These activities had a negative impact on net interest income, which was more than offset by a positive impact in other income
- The magnitude of this accounting asymmetry depends on the volume of trades and the interest rate differential between euro and other currencies (mostly US dollar)

- Financial Markets benefited from good client flow and market volatility, supporting total income
- Increasing interest rates led to higher funding costs, resulting in a reduction in net interest income, while other income, related to the opposite position, rose significantly
- This accounting asymmetry is more pronounced in a positive rate environment and is also influenced by product mix developments

Developments in our strategy enablers

Seamless digital experience

Scalable Tech & Operations

Safe & secure bank

Our people

	4Q2022	2Q2023	2025 targets
Workload on (private) cloud	52%	**57%**	>70%
Customer online traffic using Touchpoint	61%	**61%**	>90%
Adoption of shared engineering platform	48%	**55%**	>90%
Digi index score[1)]	67%	**69%**	>75%
Inbound call reduction (versus 2021)	12%	**14%**	>30%
KYC workforce in hubs	49%	**54%**	~60%
Operations workforce in hubs	32%	**34%**	~50%
Women in senior management	29%	**30%**	>30%

[1)] Average of STP rates of 291 Retail customer journeys; STP rate is the percentage of a customer journey that is handled without manual intervention. The Digi-Index has been "re-baselined" to enhance the consistency and comparability of the Digi Index, including only global processes

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 2022 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) ongoing and residual effects of the Covid-19 pandemic and related response measures on economic conditions in countries in which ING operates (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 the 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) ING's ability to meet minimum capital and other prudential regulatory requirements (16) changes in regulation of US commodities and derivatives businesses of ING and its customers (17) application of bank recovery and resolution regimes, including write down and conversion powers in relation to our securities (18) 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 (19) changes in tax laws and regulations and risks of non-compliance or investigation in connection with tax laws, including FATCA (20) 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 (21) risks and challenges related to cybercrime including the effects of cyberattacks and changes in legislation and regulation related to cybersecurity and data privacy (22) changes in general competitive factors, including ability to increase or maintain market share (23) inability to protect our intellectual property and infringement claims by third parties (24) inability of counterparties to meet financial obligations or ability to enforce rights against such counterparties (25) changes in credit ratings (26) business, operational, regulatory, reputation, transition and other risks and challenges in connection with climate change and ESG-related matters, including data gathering and reporting (27) inability to attract and retain key personnel (28) future liabilities under defined benefit retirement plans (29) failure to manage business risks, including in connection with use of models, use of derivatives, or maintaining appropriate policies and guidelines (30) 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 (31) 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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