Creditreform Bank Rating
ING Groep N.V. (Group)

Rating Object	Rating Information	
ING Groep N.V. (Group)	Long Term Issuer Rating / Outlook: **A+ / stable**	Short Term: **L2**
Creditreform ID: 1178852	Type: Update / Unsolicited	

Rating Date:	**29 September 2023**	Rating of Bank Capital and Unsecured Debt Instruments:	
Monitoring until:	withdrawal of the rating	Preferred Senior Unsecured (PSU):	-
Rating Methodology:	CRA "Bank Ratings v.3.2" CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.1" CRA "Environmental, Social and Governance Score for Banks v.1.0" CRA "Rating Criteria and Definitions v.1.3"	Non-Preferred Senior Unsecured (NPS):	A
		Tier 2 (T2):	BBB
Rating History:	www.creditreform-rating.de	Additional Tier 1 (AT1):	BBB-

Rating Action

Creditreform Rating upgrades ING Groep N.V's (Group) Long-Term Issuer Rating to A+ (Outlook: stable)

Creditreform Rating (CRA) upgrades ING Groep N.V.'s (Group) Long-Term Issuer Rating to A+. The rating outlook is stable.

CRA upgrades Non-Preferred Senior Unsecured Debt to A, Tier 2 Capital to BBB and AT1 Capital to BBB-.

CRA upgrades the Long-Term Issuer Rating of the Group's subsidiary ING Bank N.V. to A+, which reflects ING Groep N.V (Group) Long-Term Issuer Rating, in line with our methodology. Concurrently we upgrade ING Bank N.V.'s Preferred Senior Unsecured Debt to A+, Tier 2 Capital to BBB and AT1 Capital to BBB-.

Please find a complete list of rating actions regarding the bank and its affected subsidiaries at the end of this rating update.

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	ING Groep N.V.
Quantitative:	Good
Earnings	Good
Assets	Very Good
Capital	Satisfactory
Liquidity	Good
Qualitative:	Very Good

Key Rating Drivers

- After having booked significant one-off provisions for Russia-related exposures in 2022, we expect cost of risk to normalize in 2023. Coupled with robust revenue growth mainly driven by the supportive rate environment, we expect improving efficiency and profitability metrics in 2023 and beyond, supporting the rating upgrade
- Low NPL ratio, that continued to improve in 2022
- Declining capitalization explained by dividends and share buybacks
- Good liquidity profile

Executive Summary

The Long-Term Issuer Rating of ING Groep N.V. (Group) is upgraded to A+. The outlook is stable. CRA upgrades the rating of non-preferred senior unsecured debt to A, the rating of Tier 2 capital to BBB and the rating of AT1 capital to BBB-.

Concurrently we upgrade the Long-Term Issuer Rating of ING Bank N.V. as well as ING Bank's Preferred Senior Unsecured debt to A+, Tier 2 capital to BBB and AT1 capital to BBB- in line with our methodology.

With regard to the rating of Non-Preferred Senior Unsecured and Preferred Senior Unsecured debt, the Dutch legal framework results in special considerations. Only ING Bank N.V. is allowed to issue Preferred Senior Unsecured debt, while as the single point of entry (SPE), only the Group may issue MREL-eligible capital. I.e. the Non-Preferred Senior Unsecured is attributed to ING Groep N.V., while Preferred Senior Unsecured debt is attributed to ING Bank N.V..

In the financial year 2022, sharply rising loan loss provisions for Russia-related exposures weighed on ING's net result, resulting in some weakening of key profitability ratios. Looking into 2023, however, we expect a recovery in profits complemented by further improving cost efficiency metrics, supporting our rating upgrade. While we expect risks costs to normalize this year, recent rate hikes should start to translate into dynamically rising interest income.

Asset quality remains a key rating strength. Credit quality benefits from ING's business mix that is tilted towards lower risk retail activities, most notably residential mortgage lending in highly developed economies. The lender's NPL ratio, which improved from an already low level to 1.7% in 2022, also compares favorably with other banks, with a large footprint in the Benelux region.

On the group level, ING's regulatory capital ratios declined notably last year. Among others, rating downgrades of Russia-related exposures, regulatory changes, negative accumulated other comprehensive income (AOCI) and generous shareholder distributions had put pressure on ING's regulatory capital. In line with the banks capital planning that foresees to distribute a large part of the current management buffer to shareholders, we expect a gradual decline of the CET1 ratio to 12.5% by 2025.

Liquidity is good, ING's liquidity coverage ratio came in at 134% in 2022, indicating comfortable liquidity buffers.

Company Overview

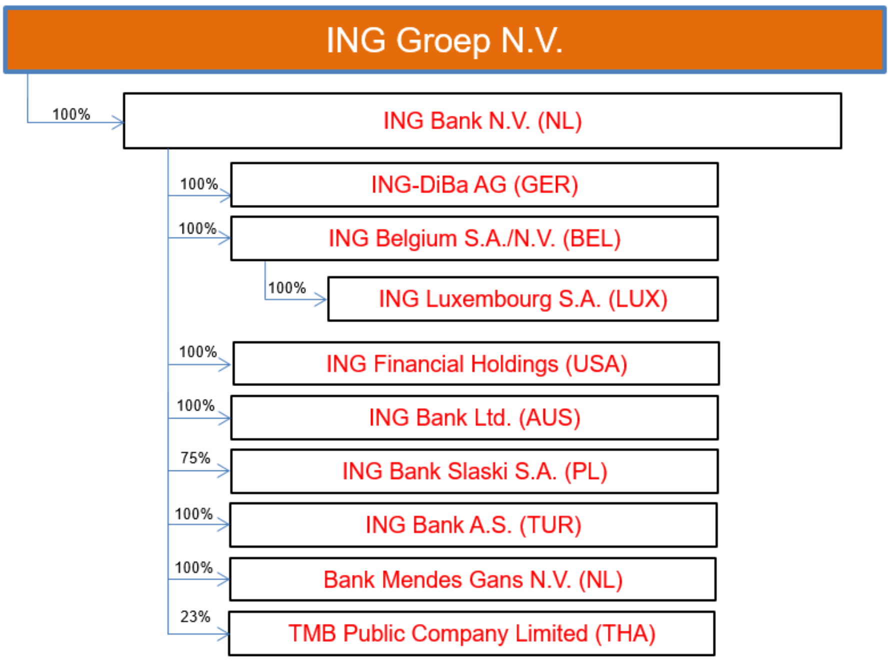
ING Groep N.V. (hereafter ING or the Group) is a non-operating holding company headquartered in Amsterdam. The Group acts as a parent company for various banks, entities and subsidiaries worldwide, with ING Bank N.V. being the most significant asset and the best-known subsidiary. It is largest financial institution in the Netherlands in terms of total assets. As ING is designated by the FSB as a global systemically important bank (G-SIB), it has to comply with additional regulatory requirements.

ING has a presence in more than 40 countries and operates primarily in Europe as well as in North America, South America, the Middle East, Asia and Australia. With more than 60,000 employees, the Group serves around 37mn customers.

Apart from the *Corporate Line*, that incorporates capital management activities and certain expenses not allocated to the banking businesses, ING reports business results for five lines of business. ING's segment reporting primarily reflects the bank's geographical retail footprint. *Retail Netherlands* represents the main contributor to the Groups operating income and is responsible for the retail banking business of private customers in the Netherlands. The results of the bank's retail activities abroad are reported within *Retail Belgium* (incl. Belgium and Luxembourg) and *Retail Germany* (incl. Germany and Austria) and *Retail Other (among others Australia, Italy, Spain, Poland)*. The business line *Wholesale Banking* serves business clients and organizations with tailored financial products, including among others, debt capital markets, corporate finance and treasury services.

The principal subsidiaries, investments in associates and joint ventures of the ING Group can be found in chart 1 below:

Chart 1: Principal subsidiaries, investments in associates and joint ventures of the ING Groep N.V.| Source: Annual Report 2022



With regards to the organisational evolution of ING in 2022, we note that the group has stopped new business with Russian clients in and outside of Russia following the invasion into Ukraine. Also ING has started to wind down its existing exposures gradually. Down from EUR 6.7bn on 04 March 2022, the Group has reduced its Russia-related wholesale exposures to EUR 2.8bn at year-end 2022. Following a strategic review in 2021, ING also discontinued its retail operations in France and the Philippines. With regard to the latter, the bank concluded that the time to achieve critical scale in the local market was too long.

Business Development

Profitability

After having reported net income of EUR 4.9bn in 2021, ING's after-tax profit slipped to EUR 3.7bn in 2022.

Above all, ING was confronted with sharply rising loan loss provisions amidst the Russian invasion into Ukraine and high inflation. Overall, the group added almost EUR 1.9bn to its loan loss provisions last year (2021: EUR 0.5bn). ING's *wholesale* banking division contributed the bulk to last year's increase in cost of risk (EUR 1.2bn EUR), including net additions of EUR 0.5bn for Russia-related exposures and higher stage 3 provisioning. Meanwhile, ING's retail divisions also ramped up loan loss provisioning to EUR 0.6bn (2021: EUR 0.4bn), mostly related to consumer lending in the Netherlands and Germany. Also weighing on risk costs, ING booked an impairment charge of EUR 0.2bn, predominantly attributable to TMB Bank Public Company, a Thai-based lender ING holds a 23% interest in.

Operating profit increased slightly year-on-year (+3.0%). The bank's operating income (+3.2% yoy) in 2022 was particulary driven by an improving net trading and securities result. Benefitting from volatility in FX and money markets in the course of interest rate hikes and a stronger hedge accounting result, ING's net trading income climbed to EUR 1.5bn (2021: EUR 0.9bn).

Net interest income remained almost flat (+1% yoy), reflecting among others abating tailwinds from the bank's TLTRO III participation, the discontinuation of Austrian retail banking operations in 2021 and the introduction of a new mortgage moratorium regulation in Poland. According to bank disclosures, the latter detracted EUR 343mn from net interest income.

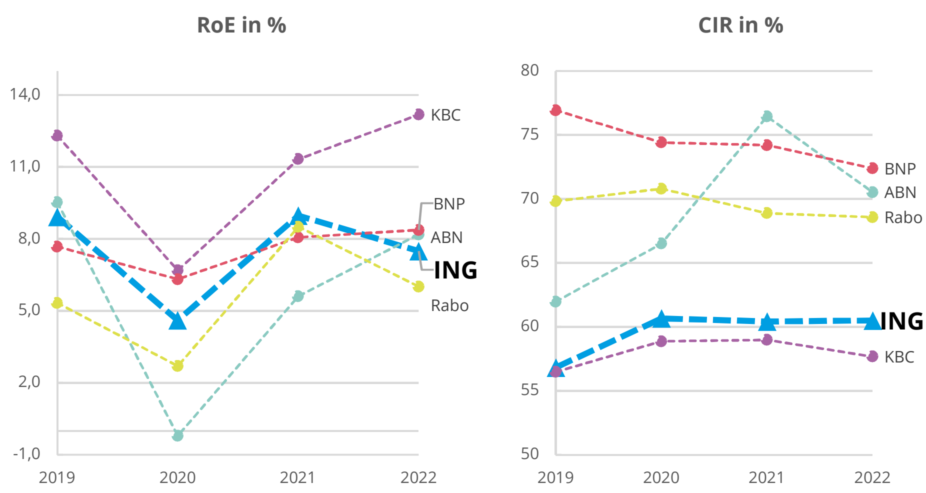
Net fee income posted only moderate growth (+2% yoy) last year. Vividly growing net income from payment services (+17.3%) was partly offset by weaker income on investment products. Due to the weak stock market performance in 2022 and lower customer trading activity, ING generated lower fee income on investment products in most of its retail markets.

Operating expenses increased moderately by 3.1% from EUR 11.2bn to EUR 11.6bn. In view of high inflationary pressures, however, last years increase in personnel and IT-expenses below 4% appears rather moderate. Moreover, cost dynamics were somewhat dampened by declining provisions. Down from EUR 0.5bn in 2021, other provisions fell to EUR 0.3bn. In the previous year, the discontinuation of retail banking activities in France and the restructuring of the branch network in the Netherlands had resulted elevated provisioning expenses.

Despite the decline in net profit that led to a corresponding fall in key earnings metrics, ING continues to show a good earnings profile. Return on assets (RoA) and on equity (RoE) came in at 0.4% and 7.5% respectively in 2022, broadly in line with the median of European G-SIB peers. Looking at the four year average RoE, however, ING has outperformed most G-SIB peers as well as Dutch competitors Rabobank and ABN Amro. Management targets an RoE of 12% by 2025, partly by reducing their current CET1-buffers in the form of additional shareholder distributions. Accordingly, the bank has already announced that shareholder payouts in the form of dividends and share repurchases will exceed 100% net profits in the coming years. Generally, ING's capital return framework foresees a payout ratio of 50% of recurring net profit. However, the policy provides for the possibility of additional distributions depending among others from capital planning and the macroeconomic environment.

As expenses evolved in line with income, ING's cost income ratio (CIR) stood at a moderate 60.5% in 2022, almost unchanged from the previous year (2021: 60.4%). Generally, ING exhibits relatively good cost efficiency metrics compared to other Benelux banks, but also to larger G-SIB peers. By 2025, management guides for a CIR in the 50-52% range, implying sustained efficiency improvements. We understand that the bank aims to achieve this mainly through robust operating income growth, that is projected to average at 4-5% over the next three years. Growth of this magnitude, however, would still require to keep expenses at 2022 levels in order to meet the stipulated CIR target. Although ongoing digitization and automation efforts will likely provide some budgetary headroom, keeping expenses at bay should prove rather challening in times of persistently elevated inflation.

Chart 2: CIR and ROA of ING Groep N.V. in comparison to the peer Group | Source: eValueRate / CRA



ING's H1-23 results support our view that the bank is a main beneficiary of higher rates. Rate hikes have started to translate into widening net income margins, with net interest income up to EUR 8.1bn (+17.3% yoy). At the same time, risk costs normalized to EUR 250mn in the first half of the year (H1-22: EUR 1.2bn). As a result, ING's net result experienced a strong recovery and climbed to EUR 3.7bn (H1-22: EUR 1.6bn).

Asset Situation and Asset Quality

With total assets of EUR 967.8bn (2022), ING is by far the largest bank in the Benelux region. Last year, total assets grew only slightly (+1.7% yoy) but there was quite a bit of activity within the line items. Noticeably, ING sharply reduced its cash position as it decided to repay EUR 29.5bn TLTRO ahead of schedule. Customer loans, the line item that accounts for 2/3 of the group's total balance sheet, grew by just 1.1%. In particular, ING's most significant lending product - residential mortages – posted only palpable growth. Turning to the securities portfolio, we observed a decline by 5.8% yoy in 2022, caused by a sharp reduction of equity instruments. Meanwhile, the balance amounts of fixed income instruments remained broadly stable at EUR 87.7bn.

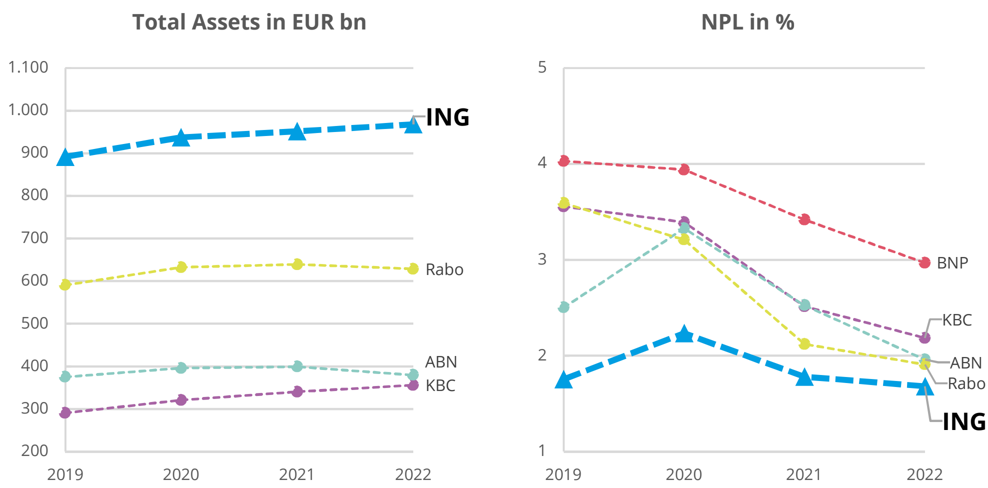
Cost of risk jumped from a very low 5bp in 2021 to 21bp last year, reflecting higher provisioning for Russia-related exposures and a darkening economic outlook. The RWA ratio also increased slightly but still remains at a relatively low level (2022: 34.3%). Nevertheless, asset quality is good and continued to improve in 2022. From an already low 1.8% in 2021, the NPL ratio declined to 1.7% last year. Furthermore, ING's asset quality also compares favorable with other banks with a strong presence in the Benelux region. According to our calculations, regional peer banks posted somewhat higher NPL ratios between 1.9 and 3% in 2022. ING is also adequately reserved, with the NPL coverage ratio sitting at 78.7%.

Credit quality benefits from ING's business mix, that is tilted towards lower risk retail activities. As of year end 2022, retail lending accounted for 66% or EUR 521bn of the bank's credit outstandings. Residential mortgage lending (EUR 327bn) plays a dominant role in ING's retail book. ING's mortgage activities are mostly concentrated in mature and highly developed economies such as the Netherlands, Belgium and Germany and exhibit a conservative average loan to value (LTV) of 57%. At the same time, ING's consumer lending business is moderately sized, with credit outstanding of EUR 26bn.

However, we believe that ING's wholesale book (EUR 263bn) carries higher credit risks. While the wholesale portfolio generally shows good geographical and sectoral diversification, industries that typically suffer disproportionately in economic downturns make up for substantial share. In our view, elevated credit risk is particularly related to ING's exposures to the transportation and storage industry (EUR 24.4bn), to the oil and gas industry (EUR 15bn), leveraged finance (EUR 7.6bn), as well as to trade and commodity finance (EUR 24bn). Summing all up, these higher risk exposures accounted for 148% of CET1 in 2022.

On a positive note, asset quality did not show signs of deterioration in H1-23. Compared to year-end 2022, stage 2 exposures decreased somewhat due to a further winddown of Russia-related exposures and the NPL ratio came in at 1.6%. Still, we believe that weakening growth dynamics in many of ING's key markets coupled with still high inflation will adversely affect borrowers real incomes and thereby their repayment capacities. Against this backdrop, we anticipate a moderate weakening in asset quality metrics going forward.

Chart 3: Tot. Assets and NPL ratio of ING Groep N.V. in comparison to the peer Group | Source: eValueRate / CRA / Pillar 3



Refinancing, Capital Quality and Liquidity

ING reduced its borrowings from banks by 34.8% yoy, a decline that particularly reflects the EUR 29.5bn repayment of TLTRO III refinancing with the European Central Bank (ECB), as this funding instrument became more expensive. Funds were replaced by deposit inflows and higher levels of debt.

Customer deposits increased by 3.8% yoy, particularly driven by significant growth in corporate deposits (EUR +13.9bn). Moreover, we have seen an increase in wholesale funding activity over the past year. In 2022, ING raised EUR 25bn in the bond markets. Issuance activity was concentrated in HoldCo Senior debt (EUR 11bn) and covered bonds (EUR 10bn). ING's long term debt maturities are well staggered, refinancing via floating rate debt securities is almost exclusively limited to short maturities. While wholesale funding (2022: 13.1% of total financial liabilities) is an important pillar of the bank's refinancing strategy, deposits remain by far the most important source of funds. Customer deposits account for over 70% of the bank's financial liabilities. In general, we believe that ING's funding profile benefits from the bank's access to a granular and sticky customer deposit base.

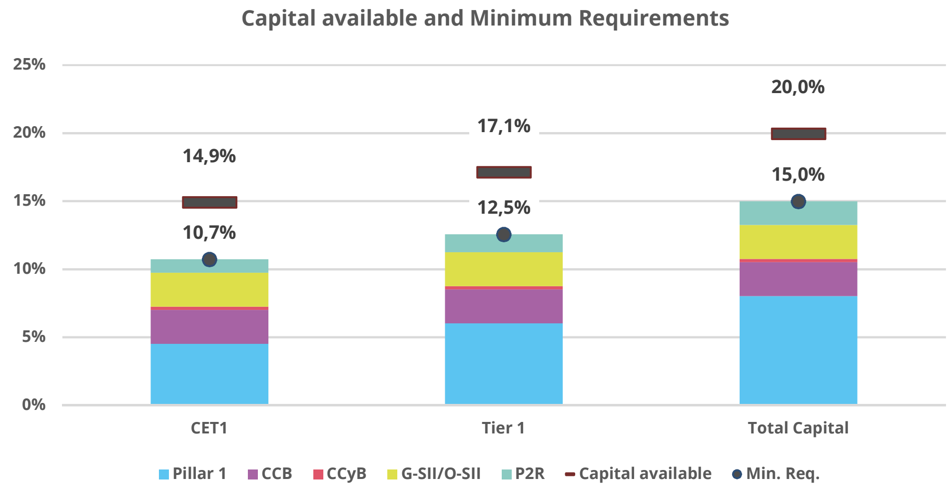
On the group level, ING's total capital- and CET1-ratios fell from 21.0% and 15.9% to 19.4% and 14.5% respectively in 2022. On the one hand, rating downgrades of Russia-related exposures and the introduction of a risk-weight floor on Dutch residential mortgages resulted in climbing RWA's. On the other hand, additional shareholder distributions and negative AOCI put pressure on regulatory capital. Despite last year's decline, ING remains among the European G-SIBs with a relatively high CET1. At the end of Q2-23 ING's CET1 ratio stood at 14.9% and the bank's current CET1 buffer amounted to 418bp. Looking ahead, however, management plans to reduce this buffer rather sharply, distributing a large part to shareholders. By 2025, the management buffer should shrink to around 150bp, commensurate with the targeted CET1 ratio of 12.5%.

ING's leverage ratio dropped precipitously last year, falling from 5.9% in 2021 to 5.1%. In order to provide some relief during the Covid-19 pandemic, the ECB had allowed banks to exclude certain central bank exposures from their leverage exposure. At the end of March 2022, this temporary exemption expired, explaining the steep drop in ING's leverage ratio. At the end of

Q2-23 the leverage ratio was reported at 4.9%. Since January 2023, ING is subject to a leverage ratio buffer requirement of 0.5%, lifting its total leverage ratio requirement to 3.5%.

ING has good liquidity to cover its short-term financial obligations as indicated by its liquidity coverage ratio of 134% in 2022 (2021: 139%). Long-term structural liquidity appears also sufficiently high, with the net stable funding ratio at 132% (2021: 137.1%).

Chart 4: ING Groep N.V. Capital Ratios as of Q2-23 | Source: eValueRate / CRA / P3



With regard to the rating of Non-Preferred Senior Unsecured and Preferred Senior Unsecured debt, the Dutch legal framework results in special considerations. Only ING Bank N.V. is allowed to issue Preferred Senior Unsecured debt, while as the single point of entry (SPE), only the Group may issue MREL-eligible capital. I.e. the Non-Preferred Senior Unsecured is attributed to ING Groep N.V., while Preferred Senior Unsecured debt is attributed to ING Bank N.V..

Due to the seniority structure, ING Groep N.V.'s Non-Preferred Senior Unsecured debt is rated A. ING Groep N.V.'s Tier 2 Capital is rated BBB based on the ING Groep's capital structure and seniority in accordance with our rating methodology. Additional Tier 1 Capital is rated BBB-, reflecting the capital structure and seniority as well as due to a high bail-in risk in the event of resolution.

Environmental, Social and Governance (ESG) Score Card

Creditreform Bank Rating
Environmental, Social and Governance (ESG) Bank Score
ING Groep NV (Bijlmerplein 880, 1102 MG Amsterdam)

Creditreform Rating

ING Groep N.V. has one significant and two moderate ESG rating drivers

• Corporate Governance is identified as a highly significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated positive due to ING's strong economic track record, its leading role in digitization among major European banks and sound executive remuneration framework, that partly links payments to the achievement of ESG targets.

• Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. While Green Financing / Promoting is rated positive due to the early adoption of green bonds and ambitious portfolio decarbonization targets, Corporate Behaviour is rated neutral due to fines in relation with money laundering between 2018-20.

ESG Bank Score

3,7 / 5

Score Guidance	
> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
< = 1,75	Poor

Factor	Sub-Factor	Consideration	Relevance Scale 2022	Eval.
Environmental	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	3	(+)
Environmental	1.2 Exposure to Environmental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	2	( )
Environmental	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)
Social	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
Social	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	1	( )
Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated positive in terms of the CRA ESG criteria.	4	(+)
Governance	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	3	( )
Governance	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating, and is rated very positive in terms of the CRA ESG criteria.	1	(+ +)

ESG Relevance Scale	
5	Highest Relevance
4	High Relevance
3	Moderate Relevance
2	Low Relevance
1	No significant Relevance

ESG Evaluation Guidance	
(+ +)	Strong positive
(+)	Positive
( )	Neutral
(-)	Negative
(- -)	Strong negativ

The ESG Score is based on the Methodology "Environmental, Social and Governance Score of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage https://creditreform-rating.de/en/about-us/regulatory-requirements.html. In addition, we refer to CRA's position paper "Consodering the Impact of ESG Factors".

Outlook

The outlook of the Long-Term Issuer Rating of ING Groep N.V. is stable. In the medium term, CRA expects improving efficiency and profitability metrics thanks to the supportive rate environment. However, against the backdrop of weakening growth dynamics and still high inflation in many of ING's key markets backdrop, a moderate weakening in asset quality metrics is likely going forward. ING's capital metrics are expected to decline somewhat, however, capital buffers should remain comfortable, and the bank's ability to generate capital organically through profit retention is unrestricted.

Scenario Analysis

Best-case scenario: AA-

Worst-case scenario: A

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

In a scenario analysis, the bank is able to reach a Long-Term Issuer Rating of AA- in the "Best-Case-Scenario" and a Long-Term Issuer Rating of A in the "Worst-Case-Scenario". The ratings of Bank Capital and Senior Unsecured Debt would respond similarly based on our rating methodology. These ratings are especially sensitive to changes in total equity and to the bank capital and debt structure in general.

We might upgrade ING's Long-Term Issuer Rating and the ratings of Bank Capital and Senior Unsecured Debt if we see a sustainable improvement in earnings while at the same time asset quality and capitalisation should not materially deteriorate

By contrast, a downgrade of ING's Long-Term Issuer Rating and the ratings of Bank Capital and Senior Unsecured Debt if profitability is sustainably lower, for instance due to higher risk costs in the medium term, asset quality deteriorates significantly, or capitalization erodes excessively.

Appendix

Bank ratings ING Groep N.V.

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

Long-Term Issuer / Outlook / Short-Term **A+ / L2 / stable**

Bank Capital and Debt Instruments Ratings ING Groep N.V.

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured:	**-**
Non-Preferred Senior Unsecured:	**A**
Tier 2 (T2):	**BBB**
Additional Tier 1 (AT1):	**BBB-**

Rating History

Please consult our website www.creditreform-rating.de for additional information regarding the dates of publication.

Figure 1: Rating History

Bank Issuer Rating	Rating Date	Result
Initialrating	23.02.2018	A / stable / L2
Rating Update	03.08.2018	A / stable / L2
Rating Update	22.10.2019	A / stable / L2
Monitoring	24.03.2020	A / NEW / L2
Rating Update	29.10.2020	A / negative / L2
Rating Update	23.09.2021	A / stable / L2
Rating Update	15.12.2022	A / positive / L2
Rating Update	29.09.2023	A+ / stable / L2
Bank Capital and Debt Instruments	**Rating Date**	**Result**
Senior Unsecured / T2 / AT1 (Initial)	23.02.2018	A / BBB / BB+
Senior Unsecured / T2 / AT1	03.08.2018	A / BBB- / BB+
PSU / NPS / T2 / AT1	22.10.2019	n.r. / A- / BBB- / BB+
PSU / NPS / T2 / AT1 (NEW)	24.03.2020	- / A- / BBB- / BB+
PSU / NPS / T2 / AT1	29.10.2020	- / A- / BBB / BB+
PSU / NPS / T2 / AT1	23.09.2021	- / A- / BBB- / BB+
PSU / NPS / T2 / AT1	15.12.2022	- / A- / BBB- / BB+
PSU / NPS / T2 / AT1	29.09.2023	- / A / BBB / BBB-
Subsidiaries of the Bank	**Rating Date**	**Result**
ING Bank N.V.		

LT / Outlook / Short-Term (Initial)	04.12.2018	A / stable / L2
Rating Update	22.10.2019	A / stable / L2
Monitoring	24.03.2020	A / NEW / L2
Rating Update	29.10.2020	A / negative / L2
Rating Update	23.09.2021	A / stable / L2
Rating Update	15.12.2022	A / positive / L2
Rating Update	29.09.2023	A+ / stable / L2
Bank Capital and Debt Instruments of ING Bank N.V.		
Senior Unsecured / T2 / AT1 (Initial)	04.12.2018	A / BBB- / BB+
PSU / NPS / T2 / AT1	22.10.2019	A / - / BBB- / BB+
PSU / NPS / T2 / AT1 (NEW)	24.03.2020	A / - / BBB- / BB+
PSU / NPS / T2 / AT1	29.10.2020	A / - / BBB / BB+
PSU / NPS / T2 / AT1	23.09.2021	A / - / BBB- / BB+
PSU / NPS / T2 / AT1	15.12.2022	A / - / BBB- / BB+
PSU / NPS / T2 / AT1	29.09.2023	A+ / - / BBB / BBB-

Tables Group (if applicable)

Figure 2: Income statement[1] | Source: eValueRate / CRA

Income Statement (EUR m)	2022	%	2021	2020	2019
Income					
Net Interest Income	13.756	+1,0	13.615	13.604	14.078
Net Fee & Commission Income	3.586	+2,0	3.517	3.011	2.868
Net Insurance Income	-	-	-	-	-
Net Trading & Fair Value Income	1.528	+71,3	892	1.065	837
Equity Accounted Results	92	-34,8	141	66	82
Dividends from Equity Instruments	149	+22,1	122	107	115
Other Income	-	-	235	21	244
Operating Income	**19.111**	**+3,2**	**18.522**	**17.874**	**18.224**
Expense					
Depreciation and Amortisation	790	-17,3	955	1.076	847
Personnel Expense	6.152	+3,6	5.941	5.812	5.755
Tech & Communications Expense	849	+3,7	819	850	805
Marketing and Promotion Expense	331	+8,5	305	335	391
Other Provisions	287	-38,7	468	188	35
Other Expense	3.153	+16,6	2.704	2.581	2.520
Operating Expense	**11.562**	**+3,3**	**11.192**	**10.842**	**10.353**
Operating Profit & Impairment					
Operating Profit	**7.549**	**+3,0**	**7.330**	**7.032**	**7.871**
Cost of Risk / Impairment	2.053	> +100	519	2.910	1.154
Net Income					
Non-Recurring Income	6	-	0	0	119
Non-Recurring Expense	-	-	29	313	2
Pre-tax Profit	**5.502**	**-18,9**	**6.782**	**3.809**	**6.834**
Income Tax Expense	1.725	-8,1	1.877	1.246	1.955
Discontinued Operations	-	-	-	-	-
Net Profit	**3.777**	**-23,0**	**4.905**	**2.563**	**4.879**
Attributable to minority interest (non-controlling interest)	102	-20,3	128	78	99
Attributable to owners of the parent	3.674	-23,1	4.776	2.485	4.781

Figure 3: Key earnings figures| Source: eValueRate / CRA and Pillar III

Income Ratios (%)	2022	%	2021	2020	2019
Cost Income Ratio (CIR)	60,50	+0,07	60,43	60,66	56,81
Cost Income Ratio ex. Trading (CIRex)	65,76	+2,27	63,48	64,50	59,54
Return on Assets (ROA)	0,39	-0,13	0,52	0,27	0,55
Return on Equity (ROE)	7,49	-1,48	8,97	4,60	8,93
Return on Assets before Taxes (ROAbT)	0,57	-0,14	0,71	0,41	0,77
Return on Equity before Taxes (ROEbT)	10,91	-1,50	12,41	6,84	12,50
Return on Risk-Weighted Assets (RORWA)	1,14	-0,43	1,57	0,84	1,49
Return on Risk-Weighted Assets before Taxes (RORWAbT)	1,66	-0,51	2,17	1,24	2,09
Net Financial Margin (NFM)	1,61	+0,06	1,55	1,59	1,70
Pre-Impairment Operating Profit / Assets	0,78	+0,01	0,77	0,75	0,88

Change in %-Points

[1] Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets| Source: eValueRate / CRA

Assets (EUR m)	2022	%	2021	2020	2019
Cash and Balances with Central Banks	87.615	-19,2	108.472	113.607	56.387
Net Loans to Banks	20.112	-9,3	22.179	21.348	27.990
Net Loans to Customers	634.200	+1,1	627.437	597.552	611.585
Total Securities	101.529	-5,8	107.819	102.977	96.878
Total Derivative Assets	34.734	+63,1	21.299	30.822	23.951
Other Financial Assets	73.586	+43,4	51.323	58.175	60.077
Financial Assets	**951.776**	**+1,4**	**938.529**	**924.481**	**876.868**
Equity Accounted Investments	1.500	-5,5	1.587	1.475	1.790
Other Investments	18	-30,8	26	20	46
Insurance Assets	-	-	-	-	-
Non-current Assets & Discontinued Ops	34	-34,6	52	72	98
Tangible and Intangible Assets	3.548	-3,4	3.671	4.235	5.088
Tax Assets	2.145	+42,4	1.506	1.192	981
Total Other Assets	8.796	+48,6	5.919	5.800	6.873
Total Assets	**967.817**	**+1,7**	**951.290**	**937.275**	**891.744**

Figure 5: Development of asset quality| Source: eValueRate / CRA and Pillar III

Asset Ratios (%)	2022	%	2021	2020	2019
Net Loans to Customers / Assets	65,53	-0,43	65,96	63,75	68,58
Risk-weighted Assets[1] / Assets	34,25	+1,34	32,91	32,68	0,00
NPL[2]/ Loans to Customers[3]	1,68	-0,10	1,78	2,23	1,76
NPL[2]/ Risk-weighted Assets[1]	3,39	-0,26	3,65	4,20	3,18
Potential Problem Loans[4]/ Loans to Customers[3]	8,69	+2,22	6,47	9,12	6,18
Reserves[5]/ NPL[2]	78,66	-4,92	83,58	76,14	81,95
Cost of Risk / Loans to Customers[3]	0,31	+0,23	0,08	0,50	0,20
Cost of Risk / Risk-weighted Assets[1]	0,62	+0,45	0,17	0,95	0,35
Cost of Risk / Total Assets	0,21	+0,16	0,05	0,31	0,13

Change in %-Points

1 RWA: Pillar 3, EU CR1
2 NPL: Gross; Non-Performing Loans of the categories Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
3 Loans to Customers: Gross; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
4 Potential Problem Loans: Stage 2; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
5 Reserves: Impairment & Provisions and Collateral & Guarantees; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

Figure 6: Development of refinancing and capital adequacy| Source: eValueRate / CRA

Liabilities (EUR m)	2022	%	2021	2020	2019
Total Deposits from Banks	52.823	-34,7	80.954	76.127	34.621
Total Deposits from Customers	642.180	+3,8	618.587	610.793	576.093
Total Debt	118.323	+3,1	114.794	104.404	143.415
Derivative Liabilities	33.917	+64,3	20.646	27.366	23.541
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	54.881	+16,9	46.948	49.703	44.647
Total Financial Liabilities	**902.124**	**+2,3**	**881.929**	**868.393**	**822.317**
Insurance Liabilities	-	-	-	-	-
Non-current Liabilities & Discontinued Ops	-	-	-	-	-
Tax Liabilities	582	-33,4	874	926	1.249
Provisions	1.220	-5,6	1.293	1.124	1.255
Total Other Liabilities	13.478	+7,5	12.540	11.172	12.260
Total Liabilities	**917.404**	**+2,3**	**896.636**	**881.615**	**837.081**
Total Equity	**50.413**	**-7,8**	**54.654**	**55.660**	**54.663**
Total Liabilities and Equity	**967.817**	**+1,7**	**951.290**	**937.275**	**891.744**

Figure 7: Development of capital and liquidity ratios | Source: eValueRate / CRA and Pillar III

Capital Ratios and Liquidity (%)	2022	%	2021	2020	2019
Total Equity / Total Assets	5,21	-0,54	5,75	5,94	6,13
Leverage Ratio[1]	5,11	-0,83	5,94	4,81	4,60
Common Equity Tier 1 Ratio (CET1)[2]	14,47	-1,43	15,89	15,45	14,57
Tier 1 Ratio (CET1 + AT1)[2]	16,38	-1,70	18,09	17,31	16,70
Total Capital Ratio (CET1 + AT1 + T2)[2]	19,40	-1,61	21,02	20,09	19,09
CET1 Minimum Capital Requirements[1]	10,58	+0,07	10,51	10,50	11,06
Net Stable Funding Ratio (NSFR)[1]	132,00	-5,11	137,11	n/a	n/a
Liquidity Coverage Ratio (LCR)[1]	134,00	-5,00	139,00	137,14	126,67

Change in %-Points

1 Pillar 3 EU KM1
2 Regulatory Capital Ratios: Pillar 3 EU KM1

Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following table clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website www.creditreform-rating.de. The rating was carried out on the basis of the following methodologies and Rating Criteria and Definitions (v1.3):

- Bank ratings (v3.2)
- Rating of bank capital and unsecured debt instruments (v2.1)
- Environmental, Social and Governance Score for Banks (v1.0)

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions are published on our homepage:

https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html

On 29 September 2023, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to ING Groep N.V. and its subsidiaries, and the preliminary rating report was made available to the bank. There was no change in the rating.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

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1. Aggregated data base by eValueRate

2. Annual Report and interim reports

3. Investors relations information and other publications

4. Website of the rated bank

5. Public and internal market analyses

6. Internet research

There are no other attributes and limitations of the credit rating or rating outlook other than displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

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