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Risk & Capital Analysis

ING Groep N.V.

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RISK VIEW
Risk Analytics for Financial Institutions

Produced by the Risk Analytics team
Dynamic Strategies

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Overall Assessment: Stable

Key Findings

- ING manages capital tightly to its ~13% target: the CET1 ratio of 13.07% ranks 6 of 7 in the European peer group and leaves 197bps of headroom over the 11.10% MDA trigger, the thinnest of the 7 banks (median 271bps).(5)(14)
- Leverage is the weakest capital metric: at 4.23% ING has the lowest leverage ratio of the peer group (median 4.81%), down from 4.51% at end-2025 as the balance sheet grew by EUR 106bn in six months, against a 3.60% overall requirement.(5)
- Profitability has turned up: H1 2026 RoTE of 15.3% (17.0% in 2Q2026) ranks 3 of 7, cost/income improved to 52.1% and management upgraded its 2026 and 2027 outlook, on strong lending, deposit and fee growth.(5)
- Asset quality is a relative strength with watch points: the EBA NPL ratio of 1.54% ranks 2 of 7 and cost of risk of 17bps ranks 2 of 7, but NPL coverage is only 33.5% and Stage 2 rose to 8.2%, with Dutch mortgages at 14.0%.(5)
- Stress resilience is sound on a depletion basis but the buffer is thin: EBA 2025 fully loaded CET1 depletion was 187bps, less than BNP Paribas (235bps) and Deutsche Bank (272bps), yet the illustrative adverse path ends only 10bps above the current CET1 requirement.(10)(14)
- Liquidity is ample but tightening: the 12-month average LCR of 137% ranks 5 of 7 (peer LCR bases differ) and has fallen from 141% a year earlier, while the loan-to-deposit ratio has risen to 98% from 93%, above the peer median of 81%.(5)

Key Metrics Dashboard

Metric	Value	Status	Comment
CET1 Ratio (13.1%)	13.1%	AMBER	On ~13% target; ranks 6 of 7 peers
MDA Headroom (197bps)	197bps	AMBER	Thinnest of 7; median 271bps
Leverage Ratio (4.2%)	4.2%	AMBER	Lowest of 7; 63bps over requirement
MREL (32.5%)	32.5%	GREEN	Above 27.89% RWA requirement
LCR (137%)	137%	GREEN	12m average; down from 141% a year ago
NSFR (128%)	128%	GREEN	Ranks 3 of 7; loan/deposit 98%
NPL Ratio (1.5%)	1.54%	GREEN	EBA basis; ranks 2 of 7 peers
NPL Coverage (34%)	33.5%	AMBER	Low, reflecting a secured mortgage-heavy book
Stage 2 Ratio (8.2%)	8.2%	AMBER	Rising; Dutch mortgages 14.0%
RoTE (15.3%)	15.3%	GREEN	Ranks 3 of 7; 17.0% in 2Q2026
Cost/Income (52.1%)	52.1%	GREEN	Ranks 3 of 7; peer median 55.0%
EVE Sensitivity (10.7%)	-10.7% T1	AMBER	Parallel up shock; loss larger than prior period

Improving: capital and risk metrics trending positively. Stable: metrics broadly unchanged. Deteriorating: material weakening in key risk di

(5) ING Group 2Q2026 press release (30 July 2026) and Additional Pillar III Report 2Q2026 (KM1, OV1, CR1, IRRBB1).

(14) Peer data: RiskView H1 2026 history files, from each bank's H1 2026 results and Pillar 3 disclosures.

(10) EBA, 2025 EU-wide stress test results, 1 August 2025 (Tables A1 to A4); ING press release, 1 August 2025.

Macroeconomic Context & Business Model Outlook

The Dutch economy is slowing sharply in 2026. De Nederlandsche Bank's June projections cut real GDP growth to 0.8% in 2026 from 1.8% in 2025, with a partial recovery to 1.2% in 2027.(1) The downgrade reflects the war in the Middle East and the resulting energy price shock, which squeezes real incomes and business investment; government spending on healthcare and defence is the main growth driver this year. HICP inflation is projected at 2.7% in 2026 and 2.3% in 2027, while unemployment drifts up from 3.9% to 4.2%, a loosening rather than a break in a very tight labour market. House price growth slows from 8.6% to 3.5%, relevant for ING's largest single portfolio, Dutch residential mortgages.

ING's other two home markets are weaker still. The Bundesbank projects German GDP growth of only 0.5% in 2026 and 0.8% in 2027, with inflation of 2.9%.(3) The National Bank of Belgium expects growth to dip to 0.6% in 2026, with unemployment rising to 6.6% and inflation peaking at 3.4%.(2)

Monetary policy has turned. After holding the deposit facility rate at 2.00% from June 2025, the ECB raised it by 25bps to 2.25% in June 2026 and by a further 25bps to 2.50% on 10 September 2026 (effective 16 September), citing energy-driven inflation well above target.(4) For a deposit-funded, NII-dependent bank this is a tailwind for liability margins, but it raises the value of the economic value of equity (EVE) sensitivity discussed in Section 4 and increases the risk of second-order credit effects in energy-intensive sectors.

Macro Projections: Netherlands, Belgium, Germany and the Euro Area

Indicator	2024	2025	2026E	2027E	Source
Netherlands GDP	n/a	1.8%	0.8%	1.2%	DNB (1)
Netherlands HICP	n/a	3.0%	2.7%	2.3%	DNB (1)
NL unemployment	n/a	3.9%	4.1%	4.2%	DNB (1)
NL house prices	n/a	8.6%	3.5%	3.0%	DNB (1)
Belgium GDP	1.1%	1.0%	0.6%	1.1%	NBB (2)
Belgium HICP	4.3%	3.0%	3.4%	2.3%	NBB (2)
Belgium unemployment	5.8%	6.2%	6.6%	6.6%	NBB (2)
Germany GDP	n/a	n/a	0.5%	0.8%	Bundesbank (3)
Germany HICP	n/a	n/a	2.9%	2.7%	Bundesbank (3)
Euro area GDP	0.9%	1.5%	0.8%	1.2%	Eurosystem (13)
Euro area HICP	2.4%	2.1%	3.0%	2.3%	Eurosystem (13)
3M Euribor (assumed)	n/a	2.2%	2.4%	2.8%	Eurosystem (2)

Medium-Term Outlook for ING's Business Model

- Rates are a tailwind, not a free lunch: the ECB hikes lift liability NII, which already rose 14% year-on-year in 2Q2026 on higher deposit volumes and a replicating portfolio that reprices gradually. The same repricing lag means the benefit arrives over several years, while the EVE loss under a parallel up shock has grown to EUR 5.7bn.
- Dutch housing is cooling: DNB sees house price growth slowing to 3.5% in 2026 and mortgage credit growth halving. ING's Dutch mortgage book is low-LTV, but 14.0% of it already sits in Stage 2, largely interest-only loans, so a sharper correction would show up in staging before losses.
- Germany is the growth engine at risk: Retail Germany is ING's second-largest retail market and the Bundesbank's 0.5% growth forecast leaves little margin. Management is restructuring Interhyp and digitising mortgage origination, which supports volumes but not credit quality.
- Belgium carries the cost base: seasonal bank taxes and deposit guarantee contributions push Retail Belgium's first-quarter cost/income above 80%, and business lending in Belgium has the highest Stage 3 ratio of the major portfolios (3.6%). Rising Belgian unemployment adds pressure.

(1) DNB, Voorjaarsraming (spring projections), 12 June 2026: key figures table, p19.
(3) Deutsche Bundesbank, forecast for Germany, press release, 12 June 2026.
(2) National Bank of Belgium, Economic projections for Belgium, June 2026: Tables 2 to 6.
(4) ECB monetary policy decisions of 11 June and 10 September 2026; ECB key interest rates table.

- Energy-shock credit effects are the main wholesale risk: management released its EUR 94m Middle East overlay in 2Q2026 but replaced it with updated macro scenarios and a sector overlay for vulnerable industries.
- Capital velocity is the strategic lever: significant risk transfers (cumulative 16bps CET1 relief), loan sales and a shift of RWA towards Retail Banking support the upgraded RoTE outlook of above 15% for 2026, alongside fee diversification through the Goldman Sachs TFI buy-out and the Singular Bank stake.(7)(12)

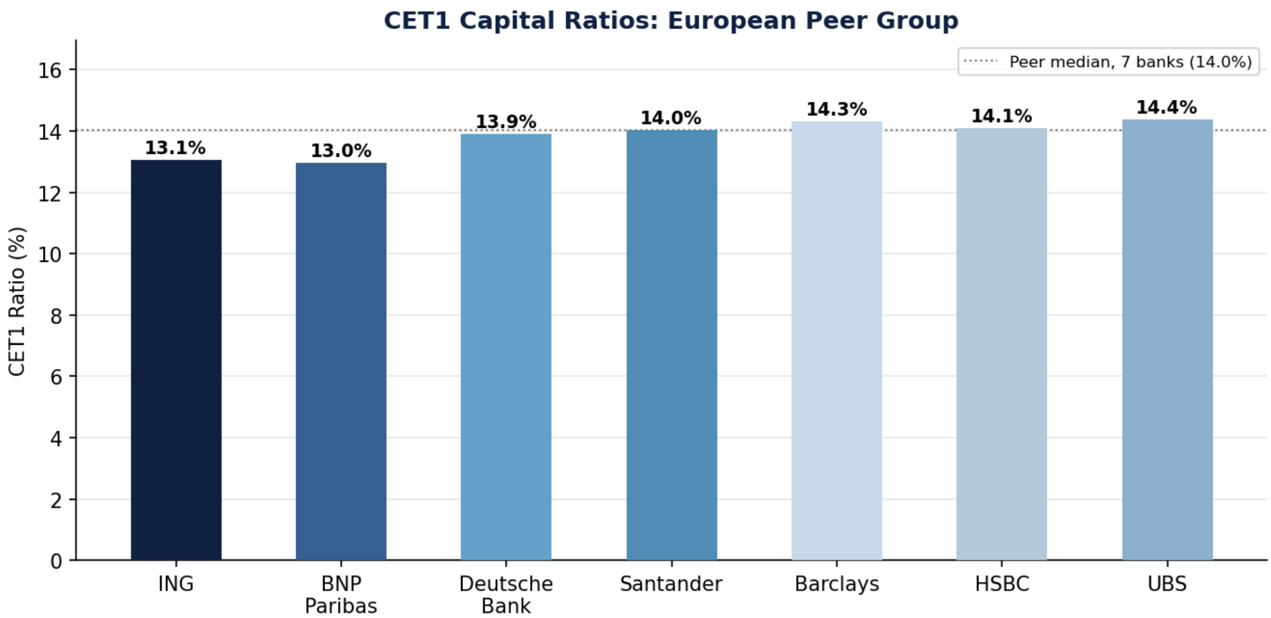
1. Capital Position

ING reported a CET1 ratio of 13.07% at 30 June 2026, a Tier 1 ratio of 15.71% and a total capital ratio of 18.69%.(5) All three sit below the peer medians (14.02%, 16.70% and 19.03%), and the CET1 ratio ranks 6 of 7.(14) This is a deliberate choice rather than erosion: management targets a CET1 ratio of around 13% and returns capital above that level through share buybacks, so the ratio has moved in a narrow band between 13.08% and 13.26% over the past year.

The consequence is the thinnest buffer to distribution restrictions in the sample. The prevailing CET1 requirement of 11.10% comprises the 4.50% Pillar 1 minimum, a 0.96% CET1 share of the 1.70% Pillar 2 requirement and a 5.64% combined buffer (2.50% conservation buffer, countercyclical and systemic risk buffers, and the 2.00% O-SII buffer, which exceeds the 1.00% G-SII buffer). Headroom of 197bps compares with a peer median of 271bps; the next-thinnest is Barclays at 210bps. Management's own fully loaded measure, against an 11.12% requirement, is 195bps or about EUR 6.7bn.(7)

The leverage ratio deserves more attention than it receives. At 4.23% it is the lowest in the peer group (median 4.81%) and it fell 28bps in the first half as total assets rose by EUR 106bn, driven by customer lending, securities and repo. Against an overall leverage requirement of 3.60%, which now includes a 0.10% Pillar 2 add-on, headroom is 63bps, or about EUR 8.0bn of Tier 1 capital. MREL resources of 32.47% of RWA exceed the 27.89% requirement comfortably, but the leverage-based MREL ratio of 8.74% against 7.20% is the binding constraint and its surplus declined during the quarter.(5)

CET1 Ratios: European Peer Group



(7) ING 2Q2026 results presentation and fixed income presentation, 30 July 2026.
(12) ING press release on its strategic investment in Singular Bank, 6 July 2026.
(5) ING Group 2Q2026 press release (30 July 2026) and Additional Pillar III Report 2Q2026 (KM1, OV1, CR1, IRRBB1).
(14) Peer data: RiskView H1 2026 history files, from each bank's H1 2026 results and Pillar 3 disclosures.

Capital Ratios Comparison

The MREL/TLAC row mixes bases: ING, Santander, Deutsche Bank and Barclays report MREL (ING's TLAC capacity is identical), BNP Paribas reports TLAC, HSBC reports TLAC summed across its resolution groups and UBS reports Swiss TLAC, so the row is indicative rather than strictly comparable.

Metric	ING	BNP Par.	Deutsche	Santander	Barclays	HSBC	UBS	Median
CET1 ratio	13.1%	13.0%	13.9%	14.0%	14.3%	14.1%	14.4%	14.0%
Tier 1 ratio	15.7%	15.5%	17.2%	15.7%	18.0%	16.7%	19.1%	16.7%
Total capital	18.7%	17.7%	19.0%	18.8%	20.3%	19.7%	19.1%	19.0%
Leverage ratio	4.2%	4.4%	4.5%	4.8%	4.9%	4.9%	5.8%	4.8%
MDA headroom	197bps	254bps	271bps	401bps	210bps	300bps	355bps	271bps
MREL/TLAC	32.5%	27.1%	36.4%	40.9%	36.7%	33.0%	38.4%	36.4%

Capital Requirements, MDA and Distributions

Distribution policy is a 50% pay-out of resilient net profit plus additional distributions to steer CET1 towards the target. Since 1Q2026 ING reserves both components outside CET1 upfront, in line with EBA guidance; the transition cost about 23bps of CET1.(8) In 2Q2026 the full EUR 1,947m net profit was reserved, yet CET1 still rose 8bps thanks to lower RWA, including EUR 1.0bn of relief from a significant risk transfer.(5) The EUR 1.0bn share buyback announced in April runs to October 2026 and an interim dividend of EUR 0.40 per share was paid in August. The requirement stack is creeping up: Pillar 2 rose from 1.65% to 1.70% after the ECB's SREP decision, and higher countercyclical buffers lifted the CET1 requirement by 4bps in the quarter. With a 197bps buffer, each further 10bps of requirement or RWA inflation is material relative to headroom.

RWA Composition (30 June 2026, EUR bn)

Risk type	EUR bn	Share	Approach / note
Credit risk (excl. CCR)	270.1	79.0%	F-IRB, A-IRB and SA
Securitisation	4.7	1.4%	After cap; SRT programme
Counterparty credit + CVA	11.7	3.4%	SA-CCR; SA and basic CVA
Market risk	10.2	3.0%	IMA and simplified SA
Operational risk	45.3	13.2%	Standardised (CRR3)
Total RWA	341.9	100.0%	Density 29.5% of total assets

Output Floor and CRR3

The CRR3 output floor is phased in at 55% in 2026 and does not bind: ING's modelled RWA remain above the floor.(5) Template CMS1 shows an output-floor base of EUR 486.5bn. On a static balance sheet, the fully phased 72.5% floor would imply RWA of about EUR 352.7bn and a CET1 ratio near 12.7%, a drag of roughly 40bps (RiskView calculation). This looks modest, but it is hard to reconcile with the EBA 2025 exercise, where ING's end-2024 CET1 ratio restated on a fully loaded CRR3 basis was 140bps below the transitional figure.(10) Part of the gap reflects the wider CRR3 package and subsequent SRTs and model changes; until management publishes a fully loaded bridge, the output floor should be treated as a medium-term headwind for a bank with large low-risk-weight Dutch mortgage and corporate books.

(8) ING Group 1Q2026 press release, 30 April 2026.
(5) ING Group 2Q2026 press release (30 July 2026) and Additional Pillar III Report 2Q2026 (KM1, OV1, CR1, IRRBB1).
(10) EBA, 2025 EU-wide stress test results, 1 August 2025 (Tables A1 to A4); ING press release, 1 August 2025.

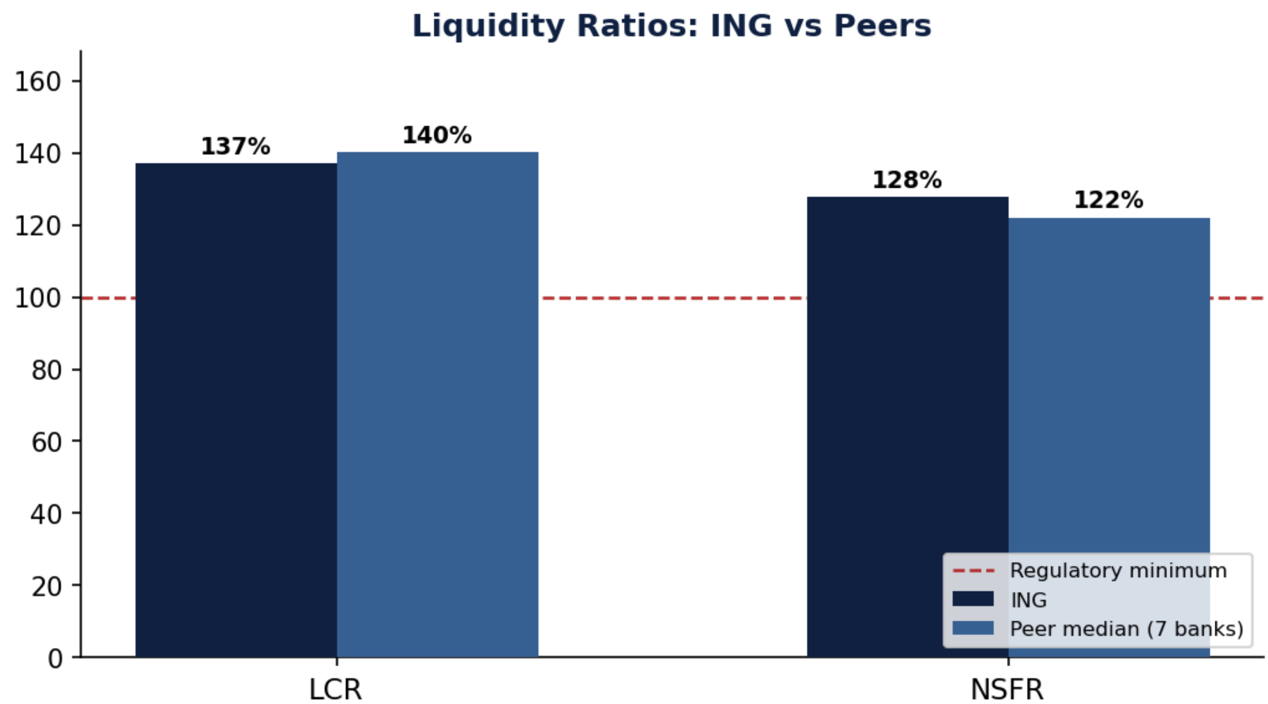
2. Liquidity Position

ING's liquidity position is sound but no longer a differentiator. The liquidity coverage ratio, reported as a 12-month moving average, was 137% at 30 June 2026, down from 141% a year earlier and ranking 5 of 7 against a peer median of 140%.(5)(14) LCR bases differ across the peer group: ING, BNP Paribas, Deutsche Bank, Barclays and HSBC report 12-month averages to 30 June 2026, Santander a 12-month average to 31 March 2026 and UBS a quarterly average. Even allowing for these differences, ING sits in the lower half of the group. The buffer itself is high quality: EUR 197.2bn of HQLA on average, about 95% of it Level 1.

Structural funding is a relative strength. The net stable funding ratio of 127.7% ranks 3 of 7 and compares with a median of 122.0%. Customer deposits of EUR 773bn fund customer loans of EUR 756bn, and private individuals provide half of total funding, a sticky, granular base typical of ING's direct-banking model.

The trend is the watch point. The loan-to-deposit ratio rose to 98% from 93% a year earlier, well above the peer median of 81%, as lending growth of EUR 30bn in the half outpaced core deposit inflows. Deposit campaigns in 2Q2026 closed part of the gap, but at a higher cost, and the NSFR has eased from 133% a year ago. None of this is a vulnerability today; it does limit ING's room to grow the balance sheet without either more wholesale funding or further leverage-ratio pressure.

Liquidity Ratios vs Peers



(5) ING Group 2Q2026 press release (30 July 2026) and Additional Pillar III Report 2Q2026 (KM1, OV1, CR1, IRRBB1).
(14) Peer data: RiskView H1 2026 history files, from each bank's H1 2026 results and Pillar 3 disclosures.

Liquidity and Funding Metrics

Metric	ING	Peer median	ING rank
LCR (ING: 12m average)	137%	140%	5 of 7
NSFR	127.7%	122.0%	3 of 7
Loan-to-deposit ratio	98%	81%	n/a
HQLA, EUR bn	197	300	n/a
Customer deposits, EUR bn	773	773	n/a
Customer loans, EUR bn	756	756	n/a

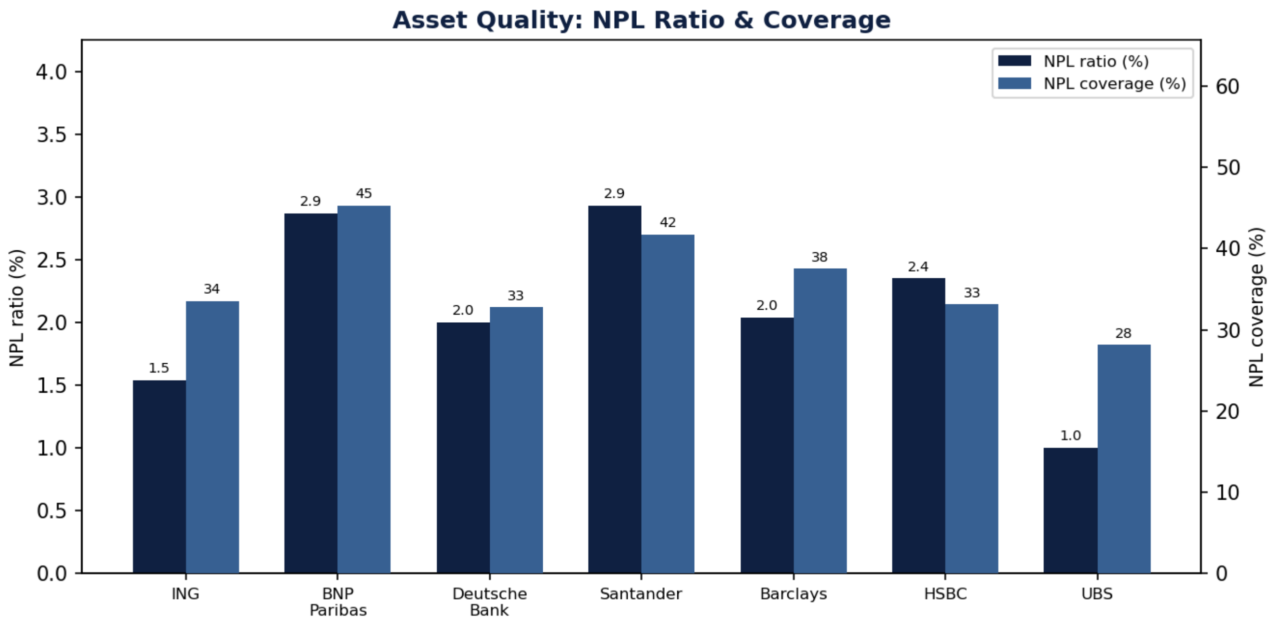
3. Asset Quality

On headline measures ING's credit quality is among the best in the peer group. The NPL ratio on the EBA definition (gross non-performing loans and advances over gross loans and advances) was 1.54% at 30 June 2026, ranking 2 of 7 against a median of 2.04%, and has been essentially flat for a year.(5)(14) Cost of risk of 17bps in the first half ranks 2 of 7 and remains below management's through-the-cycle average of about 20bps.

Two measures temper that picture. NPL coverage of 33.5% ranks 4 of 7 and is in line with the median of 33.5%, but low in absolute terms; it reflects a book dominated by secured residential mortgages with low loss given default, so it is not by itself a sign of under-provisioning. More telling is Stage 2, which rose to 8.2% of credit outstandings from 8.0% in 1Q2026, driven by mortgage model updates. Dutch residential mortgages carry a Stage 2 ratio of 14.0%, largely interest-only loans, and the rest-of-world mortgage book rose to 7.0% from 5.4% in a single quarter.

Risk costs in 2Q2026 included the full release of the EUR 94m Middle East overlay booked in 1Q2026, replaced by updated macroeconomic scenarios and a sector overlay, and a partial release of the interest-only mortgage overlay after a review.(8) Wholesale Banking risk costs rose to 27bps of lending on a limited number of Stage 3 files. The net effect is benign today, but the overlay releases mean reported cost of risk flatters the underlying trend at a time when DNB and the NBB are cutting growth forecasts.

NPL Ratio & Coverage: Peer Comparison



(5) ING Group 2Q2026 press release (30 July 2026) and Additional Pillar III Report 2Q2026 (KM1, OV1, CR1, IRRBB1).
(14) Peer data: RiskView H1 2026 history files, from each bank's H1 2026 results and Pillar 3 disclosures.
(8) ING Group 1Q2026 press release, 30 April 2026.

Asset Quality Trend

Metric	H1 2025	FY 2025	H1 2026	vs H1 2025
NPL ratio (EBA)	1.51%	1.57%	1.54%	Weaker
Cost of risk	18bps	19bps	17bps	Improved
Stage 2 ratio	n/a	n/a	8.2%	n/a
Stage 3 ratio	n/a	n/a	1.6%	n/a

Credit Quality by Portfolio

Portfolio (30 June 2026)	EUR bn	Stage 2	Stage 3
Mortgages: Netherlands	137.1	14.0%	0.5%
Mortgages: Germany	104.5	3.2%	0.6%
Mortgages: Belgium	43.7	9.1%	2.6%
Mortgages: rest of world	103.8	7.0%	0.9%
Consumer lending	30.9	8.1%	4.6%
Business lending (Retail)	121.4	10.9%	3.1%
Wholesale Banking	299.3	7.4%	1.6%
Total loan book	880.2	8.2%	1.6%

4. Market Risk & IRRBB

Traded market risk is small relative to ING's balance sheet. Market risk RWA of EUR 10.2bn are 3.0% of total RWA, the lowest share in the peer group.(14) Regulatory value-at-risk (99%, 10-day) averaged EUR 36m over the reporting period, with a maximum of EUR 54m, and stressed VaR averaged EUR 71m.(5) Financial Markets is a client-flow business; its income grew 13% year-on-year in 2Q2026 on favourable conditions, but it is not a material source of capital consumption. Pillar 3 still reports market risk under the internal model approach and the simplified standardised approach; the FRTB-based approaches are not yet applied, so FRTB remains a future recalibration rather than a current capital item.

Interest rate risk in the banking book is the material exposure, because ING is a deposit-funded, NII-dependent bank. On the supervisory shocks, net interest income would fall by EUR 1,075m under a parallel down shift (prior period EUR 905m) and rise by only EUR 404m under a parallel up shift. The down-shock loss equals about 6.6% of annualised H1 net interest income.(5) This asymmetry reflects margin floors on savings deposits: ING prices most retail savings at core rates and invests them through a replicating portfolio, so falling rates compress the deposit margin faster than rising rates widen it. The liability margin improved to 1.07% in 2Q2026, helped by that hedge programme.

The economic value of equity moves the other way. A parallel up shock would reduce EVE by EUR 5.7bn, about 10.7% of Tier 1 capital, up from EUR 4.8bn in the prior period, as long-dated fixed-rate mortgages and the replicating portfolio lengthen asset duration. With the ECB now raising rates, this is the sensitivity to monitor: it does not hit regulatory capital directly, but it bears on SREP scrutiny of IRRBB and on the value of the franchise if deposits reprice faster than modelled.

(14) Peer data: RiskView H1 2026 history files, from each bank's H1 2026 results and Pillar 3 disclosures.
(5) ING Group 2Q2026 press release (30 July 2026) and Additional Pillar III Report 2Q2026 (KM1, OV1, CR1, IRRBB1).

IRRBB Supervisory Shocks (EU IRRBB1)

Supervisory shock (EUR m)	EVE now	EVE prior	NII now	NII prior
Parallel up	-5,733	-4,817	+404	+439
Parallel down	+724	+1,003	-1,075	-905
Steepener	-381	+163	n/a	n/a
Flattener	-1,522	-1,418	n/a	n/a
Short rates up	-2,573	-2,548	n/a	n/a
Short rates down	+1,176	+1,305	n/a	n/a

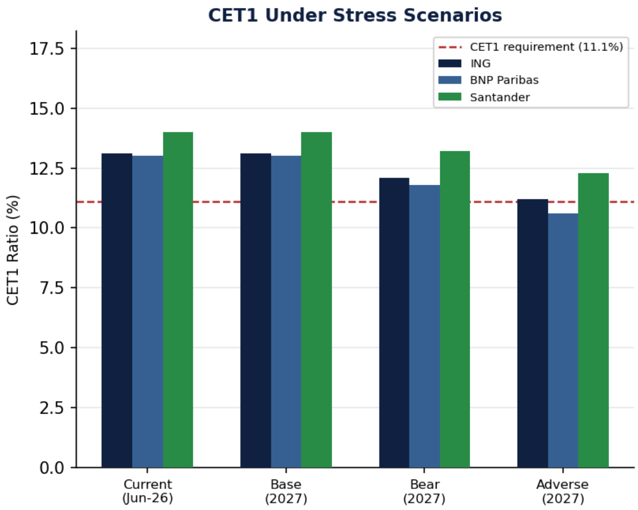
5. Stress Test & Scenario Analysis

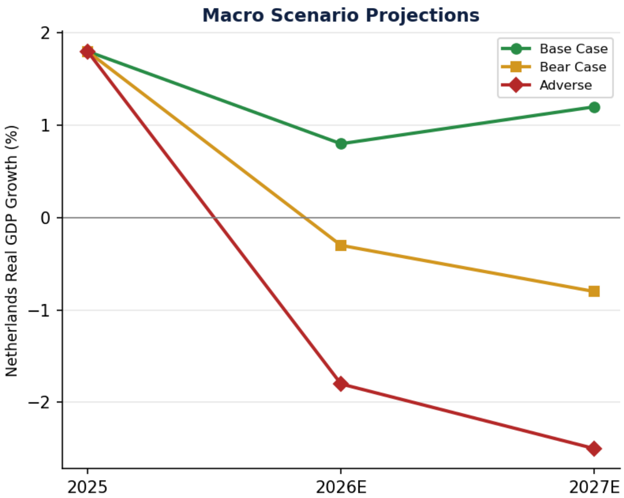
ING took part in the EBA 2025 EU-wide stress test, run on end-2024 static balance sheets over a 2025-2027 adverse scenario.(10) On a fully loaded CRR3 basis, its CET1 ratio fell from a restated 12.3% to a trough of 10.4% in 2027, a peak-to-trough depletion of 187bps. On the transitional basis the fall was from 13.7% to 10.6%, or 308bps, which compares favourably with the EU aggregate transitional depletion of 370bps. The fully loaded leverage ratio fell 52bps peak-to-trough.

Among the euro area peers on the same fully loaded peak-to-trough basis, ING's depletion is lower than Deutsche Bank's (272bps) and BNP Paribas's (235bps) and slightly higher than Santander's (173bps).(14) The result reflects ING's low-risk mortgage book and the offsetting strength of net interest income under the EBA's rate assumptions. Two cautions apply: the EBA uses a static balance sheet that ignores ING's EUR 106bn of growth since, and the gap between ING's transitional and fully loaded starting points (140bps) shows how sensitive the capital base is to CRR3 phase-in.

The illustrative scenarios below apply the common RiskView rule to the current CET1 ratio. Because ING runs close to its requirement, the adverse path of 11.2% ends only 10bps above today's 11.10% CET1 requirement, versus 229bps for Santander and 17bps for BNP Paribas. Low depletion does not compensate fully for a thin starting buffer; in practice management would suspend buybacks well before that point.

Scenario Analysis: CET1 Paths and Dutch Macro Projections





(10) EBA, 2025 EU-wide stress test results, 1 August 2025 (Tables A1 to A4); ING press release, 1 August 2025.
(14) Peer data: RiskView H1 2026 history files, from each bank's H1 2026 results and Pillar 3 disclosures.

Scenario Assumptions

Variable	Base Case	Bear Case	Adverse
NL GDP 2026	+0.8%	-0.3%	-1.8%
NL GDP 2027	+1.2%	-0.8%	-2.5%
NL unemployment 2027	4.2%	5.5%	7.0%
NL house prices 2026-27	+3.5% / +3.0%	-4% cumulative	-12% cumulative
ECB deposit rate 2027	2.50% (current)	Cut to 2.00%	Cut to 1.25%
ING NPL ratio 2027	~1.6%	~2.2%	~3.0%
ING CET1 2027	13.1%	12.1%	11.2%

Scenario Narrative

- Base Case: anchored to DNB's June 2026 projections.(1) Dutch GDP grows 0.8% in 2026 and 1.2% in 2027, unemployment edges up to 4.2% and the ECB deposit rate holds at 2.50%. Higher liability margins offset slower mortgage growth, cost of risk normalises towards 20bps and CET1 is held at 13.1% as buybacks absorb surplus capital.
- Bear Case (RiskView illustrative): the energy shock persists, Dutch and German output contracts in 2026-27, house prices fall about 4% and the ECB reverses its hikes. NII falls on margin compression, Stage 2 migration accelerates in interest-only mortgages and energy-intensive corporates, and CET1 falls to 12.1%, still above the requirement but with distributions under review.
- Adverse Scenario (RiskView illustrative, calibrated to EBA 2025 severity):(10) a deep recession with Dutch GDP down 1.8% and 2.5%, unemployment at 7% and house prices down 12%. Deducting ING's full fully loaded EBA depletion leaves CET1 at 11.2%, within 10bps of the current requirement. Management buffers, AT1 and the suspension of buybacks would be needed to stay clear of MDA restrictions.

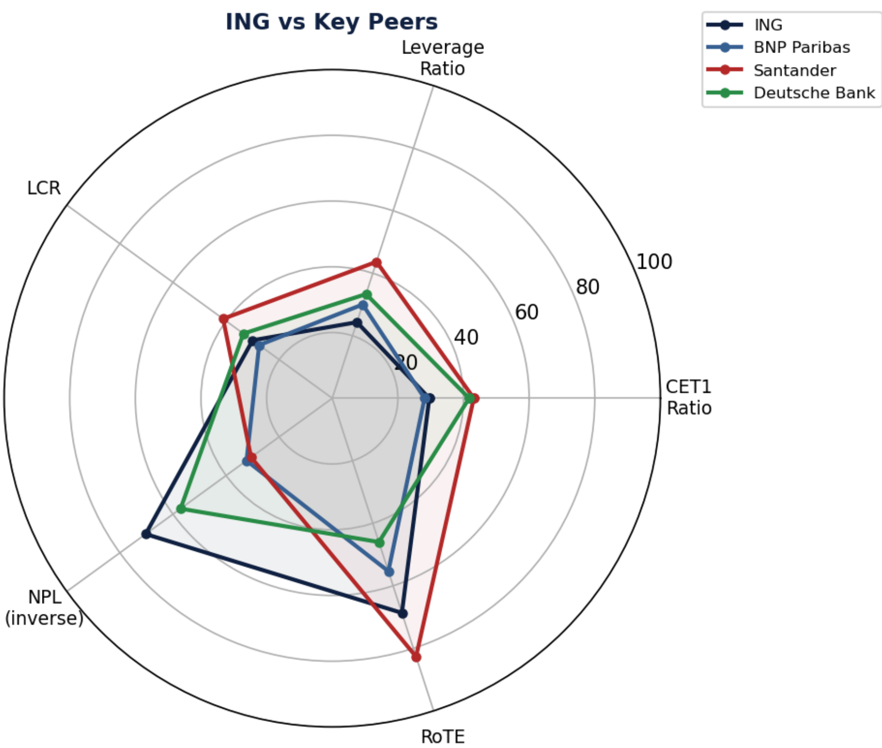
6. Peer Comparison

The peer group comprises seven European G-SIBs with H1 2026 disclosures: BNP Paribas, Deutsche Bank, Santander, Barclays, HSBC and UBS alongside ING. At EUR 1,161bn of total assets ING is the smallest of the seven, and the only one with a predominantly retail, deposit-funded model outside its home market.(14)

The table shows a clear profile: ING combines top-half returns and asset quality with bottom-half capital and leverage. It ranks 2 of 7 on NPL ratio, 3 of 7 on RoTE and 3 of 7 on cost/income, but 6 of 7 on CET1, 7 of 7 on leverage and 5 of 7 on LCR. Differences in regulatory regimes matter: UK leverage ratios exclude central bank claims, UBS reports credit-impaired rather than EBA non-performing exposures, LCRs are 12-month averages (ING, BNP Paribas, Deutsche Bank, Barclays, HSBC; Santander's to 31 March 2026) except UBS's quarterly average, and the MREL/TLAC measure mixes bases (see Appendix).

(1) DNB, Voorjaarsraming (spring projections), 12 June 2026: key figures table, p19.
(10) EBA, 2025 EU-wide stress test results, 1 August 2025 (Tables A1 to A4); ING press release, 1 August 2025.
(14) Peer data: RiskView H1 2026 history files, from each bank's H1 2026 results and Pillar 3 disclosures.

Metric	ING	BNP Par.	Deutsche	Santander	Barclays	HSBC	UBS	Median
CET1 ratio	13.1%	13.0%	13.9%	14.0%	14.3%	14.1%	14.4%	14.0%
Leverage ratio	4.2%	4.4%	4.5%	4.8%	4.9%	4.9%	5.8%	4.8%
LCR	137.0%	134.8%	140.1%	147.0%	157.7%	134.0%	177.3%	140.1%
NSFR	127.7%	108.6%	118.0%	122.0%	135.8%	140.0%	115.0%	122.0%
NPL ratio	1.5%	2.9%	2.0%	2.9%	2.0%	2.4%	1.0%	2.0%
NPL coverage	33.5%	45.3%	32.8%	41.7%	37.5%	33.1%	28.1%	33.5%
RoTE	15.3%	13.3%	11.9%	17.4%	14.8%	18.2%	13.9%	14.8%
Cost/income	52.1%	59.3%	60.9%	42.8%	55.0%	46.2%	72.7%	55.0%
Total assets, EURbn	1,161	3,084	1,521	1,954	2,008	3,018	1,498	1,954
H1 net income, EURbn	4	8	4	9	5	13	5	5



Commentary

- Santander is the closest retail-banking comparator: it runs a CET1 ratio of 14.02% with 401bps of MDA headroom and a RoTE of 17.4%, but carries an NPL ratio of 2.93% and cost of risk of 115bps, against ING's 1.54% and 17bps. ING's lower credit risk has not translated into a larger capital buffer.
- BNP Paribas has a similar CET1 ratio (12.97%) but a lower requirement (10.43%), giving 254bps of headroom. Its NPL coverage of 45.3% is double ING's, reflecting a more unsecured, consumer and corporate mix.
- Deutsche Bank shows more CET1 (13.92%) but weaker returns (RoTE 11.9%, cost/income 60.9%) and the largest EBA depletion among the euro area peers (272bps). ING's model is structurally more profitable per unit of risk.
- HSBC leads on RoTE at 18.2% and UBS on leverage at 5.8%. ING's leverage gap to the median (58bps) is its largest relative weakness, and it is not explained by UK central bank exemptions alone, as the euro area banks are also higher.
- ING's loan-to-deposit ratio of 98% is second only to Santander's 101%, compared with 56% at HSBC. ING deploys its deposits into loans more fully than most peers, supporting returns but leaving less structural liquidity slack.

7. Year-over-Year Changes

Compared with H1 2025, ING's profitability and efficiency improved markedly while capital, leverage and liquidity ratios edged lower. The pattern is consistent with a bank using its capital more actively: lending growth, buybacks and a more conservative dividend reserving approach absorbed the higher earnings.(5)(11)

Metric	H1 2025	FY 2025	H1 2026	vs H1 2025
CET1 ratio	13.3%	13.1%	13.1%	Weaker
Leverage ratio	4.3%	4.5%	4.2%	Weaker
LCR	141.0%	140.0%	137.0%	Weaker
NPL ratio	1.5%	1.6%	1.5%	Weaker
RoTE	13.3%	13.6%	15.3%	Improved
Cost/income	55.0%	54.6%	52.1%	Improved

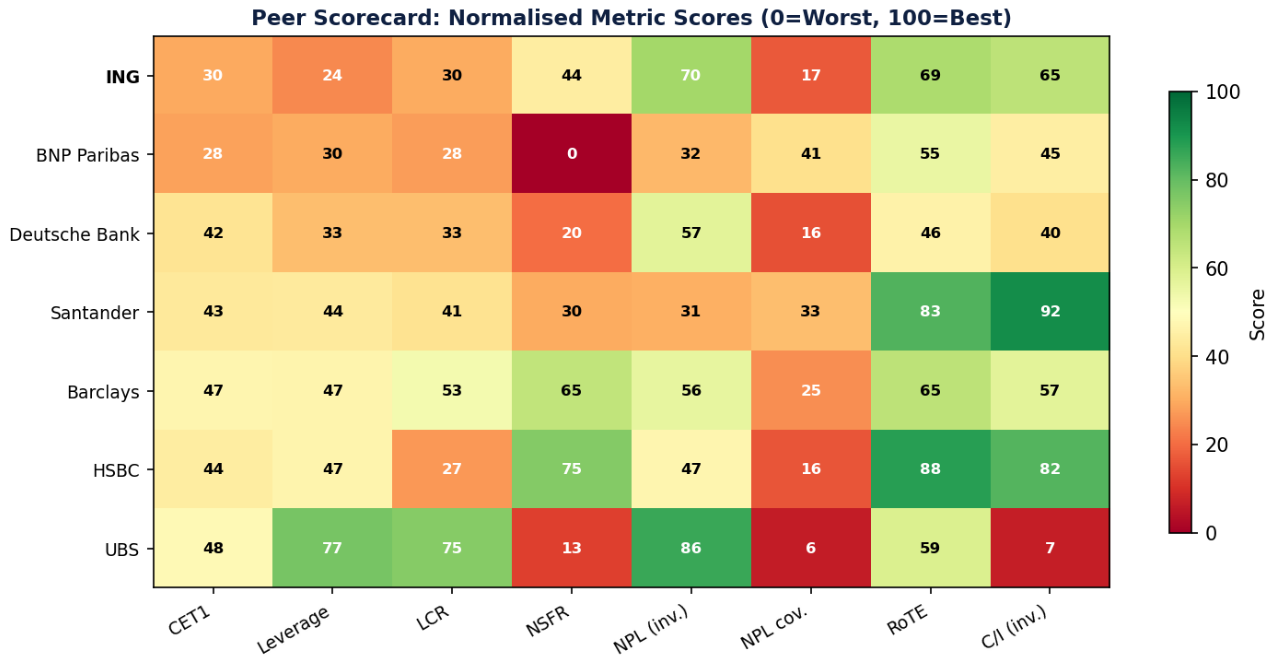
- CET1 fell 19bps to 13.07%, reflecting upfront reserving of distributions (about 23bps at transition in 1Q2026) and continued buybacks, partly offset by SRT-driven RWA relief.(8)
- The leverage ratio was 5bps lower than a year earlier but 28bps below end-2025, as the balance sheet expanded rapidly in the first half.
- RoTE rose 200bps to 15.3% and cost/income improved 290bps to 52.1% on 11% higher commercial NII and 13% fee growth; ING switched from RoE to RoTE in 2026 and restated prior periods.
- Asset quality was stable (NPL 1.51% to 1.54%), while the LCR declined from 141% to 137% as lending growth outpaced deposits.(9)

8. Potential Improvements

ING is a profitable, low-risk bank whose main weaknesses are balance-sheet efficiency trade-offs rather than asset quality. The following improvements would strengthen its resilience without compromising the return profile that sets it apart from most European peers.

(5) ING Group 2Q2026 press release (30 July 2026) and Additional Pillar III Report 2Q2026 (KM1, OV1, CR1, IRRBB1).
(11) ING Group 2Q2025 press release (31 July 2025) and 2Q2025 Pillar III disclosures (EU CR1).
(8) ING Group 1Q2026 press release, 30 April 2026.
(9) ING Group FY2025 press release (29 January 2026) and Additional Pillar III Report 2025 (EU CR1).

Scorecard: ING vs European Peers

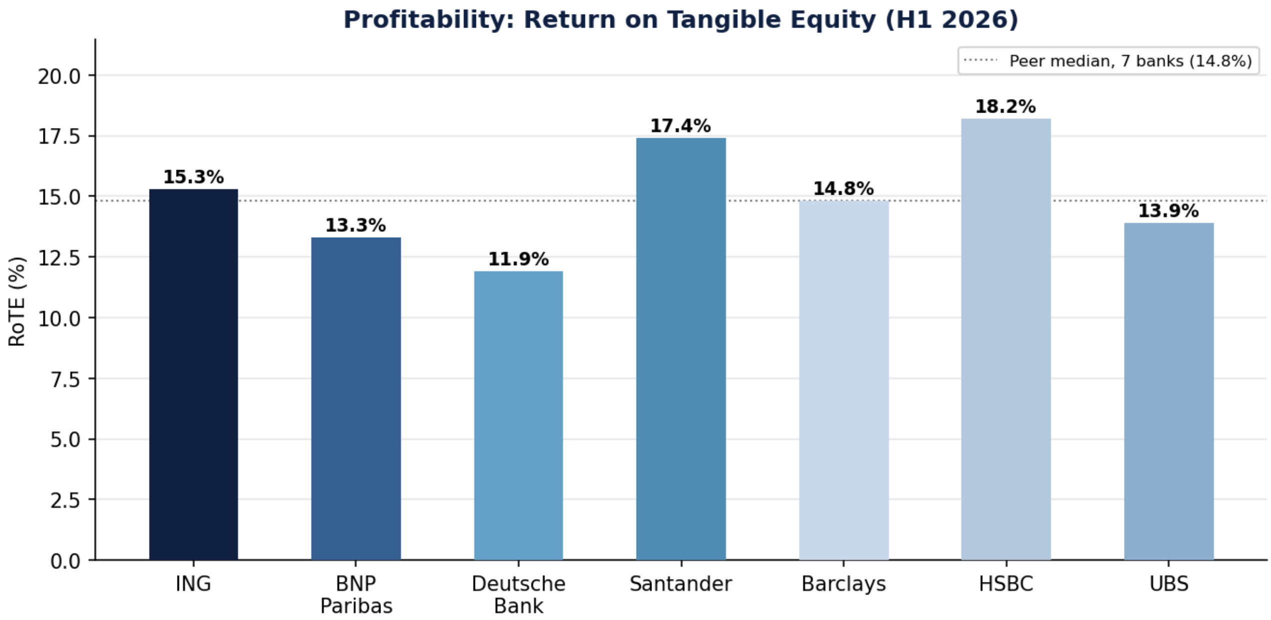


ING: Areas for Improvement

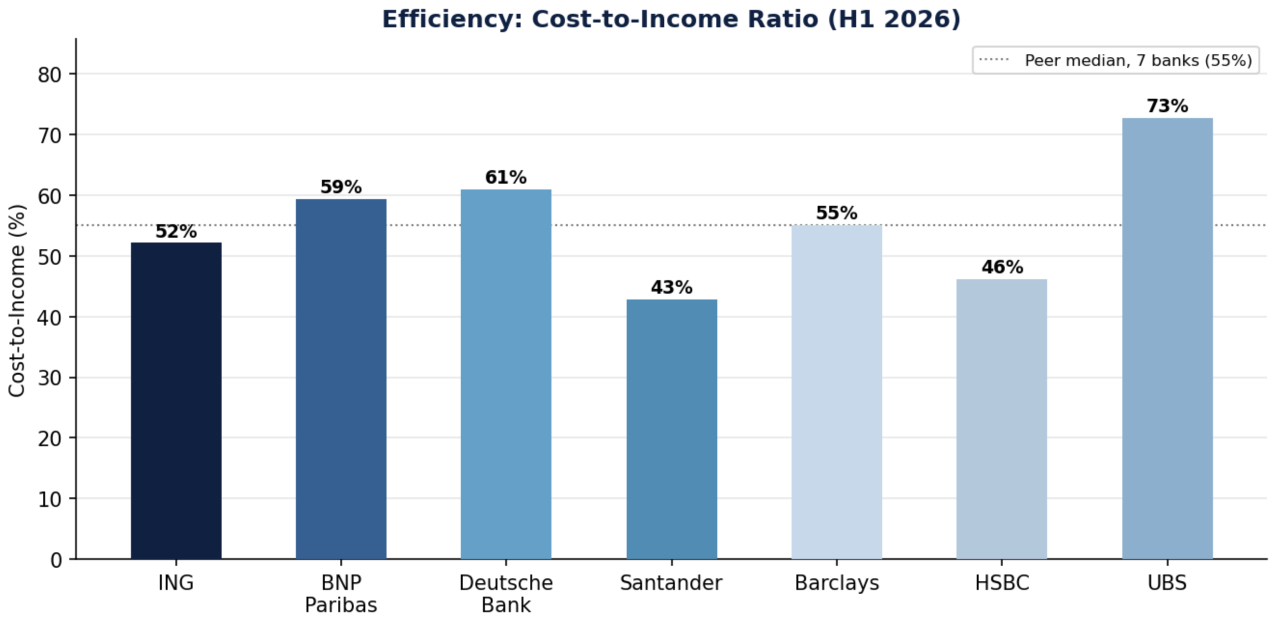
- Rebuild leverage headroom: at 4.23% ING has the lowest leverage ratio in the peer group and only 63bps above its requirement. Pacing buybacks to balance-sheet growth, or adding AT1, would stop leverage becoming the binding constraint as low-risk-weight mortgages and repo expand.
- Hold a larger management buffer above the MDA trigger: 197bps is the thinnest buffer of the seven banks, and SREP and buffer increases have lifted the CET1 requirement in each of the last four quarters, from 10.74% at 30 June 2025 to 11.10%. A buffer closer to the peer median of 271bps would reduce the risk of distribution restrictions under stress.
- Publish a fully loaded CRR3 bridge: reconciling the 140bps EBA restatement gap with the roughly 40bps output-floor effect implied by CMS1 would remove a material uncertainty over ING's long-run capital base.
- Address interest-only mortgage risk in the Netherlands: a 14.0% Stage 2 ratio on the Dutch mortgage book warrants a proactive refinancing programme and clearer disclosure of the staging drivers and model updates.
- Extend IRRBB disclosure: the EVE loss under a parallel up shock has risen to about 10.7% of Tier 1. Disclosing replicating portfolio duration, deposit beta assumptions and management NII-at-risk would help investors assess the rate exposure as the ECB tightens.
- Slow the rise in the loan-to-deposit ratio: at 98%, up from 93% a year ago, lending growth is outrunning deposits. Deposit gathering in Germany and other growth markets should keep pace with mortgage origination to protect the LCR and NSFR.
- Complete the Russia exit: the pending sale carries an expected post-tax loss of about EUR 0.8bn that is excluded from management's outlook; closing it would remove a recurring source of legal, sanctions and reputational risk.(9)
- Improve disclosure timeliness and comparability: the H1 2026 Pillar 3 report appeared about five weeks after results, and the 2026 switch from RoE to RoTE complicates multi-year comparison; publishing Pillar 3 with results and a reconciled history would aid market discipline.

(9) ING Group FY2025 press release (29 January 2026) and Additional Pillar III Report 2025 (EU CR1).

Profitability: Return on Tangible Equity



Efficiency: Cost-to-Income Ratio



Appendix

Data Sources

- (1) DNB, Voorjaarsraming (spring projections), 12 June 2026: key figures table, p19.
- (2) National Bank of Belgium, Economic projections for Belgium, June 2026: Tables 2 to 6.
- (3) Deutsche Bundesbank, forecast for Germany, press release, 12 June 2026.
- (4) ECB monetary policy decisions of 11 June and 10 September 2026; ECB key interest rates table.

- (5) ING Group 2Q2026 press release (30 July 2026) and Additional Pillar III Report 2Q2026 (KM1, OV1, CR1, IRRBB1).
- (6) ING Group condensed consolidated interim financial information, six months to 30 June 2026.
- (7) ING 2Q2026 results presentation and fixed income presentation, 30 July 2026.
- (8) ING Group 1Q2026 press release, 30 April 2026.
- (9) ING Group FY2025 press release (29 January 2026) and Additional Pillar III Report 2025 (EU CR1).
- (10) EBA, 2025 EU-wide stress test results, 1 August 2025 (Tables A1 to A4); ING press release, 1 August 2025.
- (11) ING Group 2Q2025 press release (31 July 2025) and 2Q2025 Pillar III disclosures (EU CR1).
- (12) ING press release on its strategic investment in Singular Bank, 6 July 2026.
- (13) Eurosystem staff macroeconomic projections for the euro area, June 2026.
- (14) Peer data: RiskView H1 2026 history files, from each bank's H1 2026 results and Pillar 3 disclosures.

Methodology Notes

Data basis: ING figures are taken from the H1 2026 press release, the Additional Pillar III Report for 30 June 2026, the condensed consolidated interim financial information and the results presentations, all published by ING; every figure is recorded with its source pointer in RiskView's analyst audit log. Peer figures for BNP Paribas, Deutsche Bank, Santander, Barclays, HSBC and UBS come from RiskView's cited H1 2026 history files built from each bank's own H1 2026 disclosures, so every RiskView report quotes identical peer values. The ING NPL ratio and coverage are RiskView calculations from template EU CR1; MDA headroom is the CET1 ratio less the prevailing CET1 requirement; RoTE and cost/income are as reported for the first half, annualised by the bank.

Definitional caveats: NPL definitions differ, with EU banks shown on the EBA non-performing basis and UK and Swiss banks on credit-impaired or Stage 3 bases. LCR bases differ across the peer group: ING, BNP Paribas, Deutsche Bank, Barclays and HSBC report 12-month averages to 30 June 2026, Santander a 12-month average to 31 March 2026 and UBS a quarterly average. The MREL/TLAC row mixes bases: ING, Santander, Deutsche Bank and Barclays report MREL (ING's TLAC capacity is identical), BNP Paribas reports TLAC, HSBC reports TLAC summed across its resolution groups and UBS reports Swiss TLAC, so the row is indicative rather than strictly comparable. CET1 ratios are as reported (CRR3 transitional where applicable; ING's transitional and fully loaded ratios are currently the same because the output floor does not bind). UK leverage ratios exclude central bank claims and are not directly comparable with EU leverage ratios. Absolute amounts are converted to euros using ECB euro foreign exchange reference rates, 30 June 2026 (EUR 1 = USD 1.1394 = GBP 0.86178).

Scorecard and radar scores are linear 0-100 scores on fixed ranges shared by every RiskView H1 2026 European report, capped at 0 and 100: CET1 11-18 (higher is better); Leverage 3.5-6.5 (higher is better); LCR 110-200 (higher is better); NSFR 110-150 (higher is better); NPL (inv.) 0.5-4 (lower is better); NPL cov. 25-75 (higher is better); RoTE 5-20 (higher is better); C/I (inv.) 40-75 (lower is better).

Illustrative CET1 paths (RiskView estimates, not bank or supervisory projections) use one rule for every bank so peer bars match across reports: Base holds CET1 at its 30 June 2026 level (organic capital generation offsets distributions); Bear deducts half, and Adverse the full, CET1 depletion from the bank's latest published regulatory stress test (EBA 2025 for EU banks, Bank of England 2025 for UK banks, Federal Reserve 2026 for UBS's US intermediate holding company). Stress tests differ in scope, horizon and methodology, so the paths indicate relative resilience rather than forecasts. The Netherlands base case is anchored to DNB's June 2026 projections; the bear and adverse macro paths are RiskView illustrations. The output-floor estimate is a static RiskView calculation from CMS1 and does not represent management guidance.

Glossary

CET1	Common Equity Tier 1 capital, the highest-quality regulatory capital
MDA	Maximum Distributable Amount; restrictions apply below the combined buffer requirement
P2R	Pillar 2 Requirement set by the ECB through the SREP (1.70% for ING in 2026)
O-SII buffer	Buffer for other systemically important institutions (2.00% for ING, set by DNB)
MREL	Minimum requirement for own funds and eligible liabilities, set by the SRB
SRT	Significant risk transfer: securitisation that reduces RWA
Output floor	CRR3 rule capping IRB RWA at 72.5% of standardised RWA when fully phased in (2030)

IRRBB	Interest rate risk in the banking book
EVE	Economic value of equity; present value sensitivity of banking-book positions to rate shocks
Replicating port.	Hedge portfolio that invests non-maturing deposits across tenors to stabilise margins
Stage 2	IFRS 9 exposures with a significant increase in credit risk, on lifetime expected loss
RoTE	Return on tangible equity: annualised net result over average tangible equity
NII	Net interest income
CPRI	Credit and political risk insurance used to reduce wholesale credit RWA

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