

**ING Groep NV**

ING Groep is a global financial institution that provides banking services. Following the sale of its remaining stakes in insurance operations, ING has become a pure bank with a European retail focus, combined with global Commercial Banking activity. Revenues declined 5% y/y to EUR4.4bn. Adj. NII was 4% better than cons. (+8% y/y; with a further upward trajectory expected due to rising interest rates), while fees (-1% y/y, with strong growth in daily banking almost completely offset by lower investment product fees, while lending fees were slightly lower and wholesale fees were stable y/y) were slightly softer. Investment income rose 50% y/y to EUR111m on dividend income from investments. Adj. NII (included the ECB's funding rate benefit of EUR71m, but excluding a one-off item of EUR343m reserved for the credit-holiday regulation in Poland) benefitted from an accelerated recovery in liability margins as interest rates increased. The adj. net interest margin improved 4bps y/y to 1.42% (+6bp q/q), while loans grew 5% y/y (+1% q/q; aided by both mortgages and retail loans) and deposits rose 7% y/y (+3% q/q). Net profits of EUR979m (-28% y/y; ROE of 7.7%; pre-provision profit: -9% y/y) missed cons. by 5%, primarily due to oneoffs of EUR651m (including the aforementioned EUR343 item and EUR288m hedging loss that will reverse over time) and slightly softer costs (-2% y/y) and loan loss provisions (10x Q3 2021), partly offset by better adj. NII. The cost/income ratio deteriorated 1.8ppt y/y to 59.6%. Risk costs inched up 12bps q/q to 25bps of average loans (vs 3bps in Q3 2021), half of which is defensively reserved for performing loans. The common equity tier-1 (CET1) ratio was flat q/q at a solid 14.7%. Positively, management announced a EUR1.5bn share buyback programme (3.7% of market cap.), which will reduce the CET-1 ratio to 14.3%, but it is still well above the 12.5% target, thus leaving considerable excess capital (ca EUR6bn, ca 15% of market cap.). It also reconfirmed that it would gradually reduce the ratio towards 12.5% and remain committed to returning excess capital over the next three years. Russia-related exposure declined by EUR0.8bn q/q to EUR3.8bn, of which EUR0.6bn was onshore and EUR3.2bn was offshore.

Corporate Ratings		Periodicity	Fiscal Quarterly	Currency	Default	Parent/Consolidated			C	Data	Adjusted (if Available)			
S&P	A-													
Outlook	Stable													
Moody's	-													
Outlook	Stable													
Fitch	A+													
Outlook	Stable													
CDS Data														
5 YR CDS	78.56													
% 3 Months	-2.07													
% 6 Months	-9.34													
% 1 Year	92.71													
52 Week Low	35.67													
52 Week High	113.94													
Profitability		Balance Sheet Summary		03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
EBIT	--	Total Current Assets		--	--	--	--	--	--	--	--	--	--	--
Operating Margin	28.80	Total Long-Term Assets		--	--	--	--	--	--	--	--	--	--	--
Pretax Margin	28.80	Total Assets		#####	#####	#####	#####	#####	#####	951,290.0	988,751.0	978,246.0	980,870.0	937,275.0
Return on Assets	0.36	Total Current Liabilities		--	--	--	--	--	--	--	--	--	--	--
Return on Common Equity	6.83	Total Long-Term Liabilities		--	--	--	--	--	--	--	--	--	--	--
Return on Capital	1.28	Total Liabilities		#####	#####	#####	#####	#####	#####	968,022.0	953,846.0	896,636.0	932,367.0	921,037.0
Asset turnover	0.03	Total Shareholders' Equity		51,670.0	51,670.0	52,042.0	54,076.0	54,654.0	56,384.0	57,209.0	55,983.0	57,209.0	55,983.0	55,659.0
		Shares Outstanding		3,725.6	3,725.6	3,743.1	3,766.4	3,903.9	3,903.7	3,903.3	3,903.3	3,903.3	3,903.3	3,900.1
		Book Value per Share		13.7	14.1	13.8	13.8	13.8	14.2	13.8	14.2	14.4	14.1	14.0
		Tangible Book Value / Sh		13.5	13.5	13.5	13.5	13.9	13.5	13.9	14.1	13.8	13.8	13.7
		Shareholder Equity/Total Liab		4.9	4.9	5.1	5.4	5.7	5.7	5.7	5.8	5.7	5.7	5.9
Structure		Cash Flow Summary		03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Current Ratio	--	Net Income		1,030.0	963.0	3,531.0	979.0	1,178.0	429.0	945.0	1,367.0	1,459.0	1,005.0	727.0
Quick Ratio	--	Depreciation and Amortization		--	--	--	--	--	--	--	--	--	--	--
Total Debt to Total Assets	23.93	Change in Working Capital		--	--	--	--	--	--	--	--	--	--	--
Total Debt to Com Equity	494.00	Cash - Operating Activities		--	--	--	--	1,380.0	--	--	--	--	--	--
Acct Receivable Turnover	--	Capital Expenditures		--	--	--	--	--	--	--	--	--	--	--
Inventory Turnover	--	Cash - Investing Activities		--	--	--	--	--	--	--	--	--	--	--
Gross Margin	--	Cash - Financing Activities		--	--	--	--	--	--	--	--	--	--	--
EBIT / Total Inter	--	Net Changes in Cash		--	--	--	--	1,380.0	--	--	--	--	--	--
		Free Cash Flow		--	--	--	--	--	--	--	--	--	--	--
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