

# ING posts 1Q2020 net result of €670 million

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## ING actively supporting customers, employees and society during Covid-19 pandemic

- With most staff working from home, ING is actively supporting customers, employees and communities and engaging with governments and regulators to support recovery
- Net core lending increased by €12.3 billion in 1Q2020, largely reflecting liquidity provided in late March; net customer deposit inflow amounted to €9.2 billion

## ING 1Q2020 result before tax of €1,017 million, 35.7% lower than in 1Q2019

- Result reflects higher risk costs and negative valuation adjustments as a result of market volatility and the expected future economic impact of the Covid-19 pandemic
- Net interest income remained resilient; net fee and commission income increased on higher brokerage trades
- Four-quarter rolling ROE was 8.4% and CET1 ratio stood at 14.0%, reflecting impacts on capital caused by volatility at the end of March and includes the impact of the new Definition of Default on RWA

### CEO statement

"The Covid-19 pandemic is profoundly affecting society and the economy throughout the world, and it will continue to do so for some time," said Ralph Hamers, CEO of ING Group. "As a globally operating bank, ING is affected in a number of ways, including through the impact the pandemic has on our customers, employees and the communities where we operate.

"In line with our purpose to empower customers, we're taking actions to do our part in supporting retail and wholesale banking customers to adapt to this new situation. That includes offering payment holidays in a number of countries, which allow our customers to postpone loan repayments. We're also working with our corporate clients to deliver tailor-made solutions for their particular challenges. But it's also about the basics of ensuring the availability of banking services through our mobile and digital channels. And this also involves things like making it easier to perform contactless payments by increasing limits and providing information and help for customers so they can learn how to do more of their banking through mobile and digital channels.

"The health and safety of our employees is a top priority. We have smoothly transitioned to a situation where around 80 percent of staff are now working from home. We support them with tools to enable them to work from home and offer guidance to help them deal effectively with the challenges that this can bring. And we've limited the number of employees in branches by keeping fewer branches open at this time and by reducing hours, while maintaining access to this channel.

"The Covid-19 pandemic also requires us to take actions to responsibly manage our business so we can deal with its impact. ING's commercial performance in the first quarter was broadly in line with the year-earlier period, and we showed stable net interest income and strong improvement in fee income. Our operational performance demonstrated the strength of our business model. However, we also saw substantially increased loan loss provisioning, including provisioning for the impact of the deteriorating macro-economic environment. This, together with fair value movements reflecting market volatility, resulted in a lower net result for the quarter.

"Given the uncertainty in the current environment we will need to look closely at our cost base to ensure that our expenses optimally support our strategic priorities and other areas of high importance, such as our ongoing know your customer (KYC) efforts. At the same time, ING is well capitalised and has a very stable funding base. This gives us the flexibility to support our customers and society during this crisis and work together with governments and regulators towards a recovery. Following the recommendation of the ECB, we have suspended dividend payments until at least 1 October.

"While we now find ourselves in a period of great uncertainty, I remain confident about ING's future. Since launching our Think Forward strategy in 2014, we've been among the leaders in digital banking and we offer a differentiating customer experience, as shown by our growing number of customers and the increasing amount of business they do with us. Our ability to grow and diversify income, our large and stable deposit base and our well-diversified loan book are a strong combination supporting our balance sheet and future profitability. This provides a solid and sustainable foundation on which to continue to support our customers and play our role in society, now and in the future."

#### Further information

All publications related to ING's 1Q 2020 results can be found at [www.ing.com/1q2020](http://www.ing.com/1q2020), including a video with Ralph Hamers. The video is also available on [YouTube](https://www.youtube.com/watch?v=1q2020). Additional financial information is available at [www.ing.com/qr](http://www.ing.com/qr):

- Full ING Group 1Q2020 press release ([PDF](#))
- ING Group analyst presentation ([PDF](#), also available via [SlideShare](#))
- ING Group historical trend data ([PDF](#), [XLS](#))

For further information on ING, please visit [www.ing.com](http://www.ing.com). Frequent news updates can be found in the [Newsroom](#) or via the [@ING\\_news](#) Twitter feed. Photos of ING operations, buildings and its executives are available for download at [Flickr](#). ING presentations are available at [SlideShare](#).

#### Investor conference call, Media conference call and webcasts

Ralph Hamers, Tanate Phutrakul and Steven van Rijswijk will discuss the results in an Investor conference call on 8 May 2020 at 9:00 a.m. CET. Members of the investment community can join the conference call at +31 20 341 8223 (NL), +44 203 365 3209 (UK) or +1 866 349 6092 (US) and via live audio webcast at [www.ing.com](http://www.ing.com).

Ralph Hamers, Tanate Phutrakul and Steven van Rijswijk will also discuss the results in a media conference call on 8 May 2020 at 11:00 a.m. CET. Journalists are welcome to join the conference call via +31 20 531 5843 (NL) or +44 203 365 3210 (UK). The meeting can also be followed via live audio webcast at [www.ing.com](http://www.ing.com).

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#### ING Profile

ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank. The purpose of ING Bank is empowering people to stay a step ahead in life and in business. ING Bank's more than 55,000 employees offer retail and wholesale banking services to customers in over 40 countries.

ING Group shares are listed on the exchanges of Amsterdam (INGA NA, INGA.AS), Brussels and on the New York Stock Exchange (ADRs: ING US, ING.N).

Sustainability forms an integral part of ING's strategy, evidenced by ING's leading position in sector benchmarks by Sustainalytics and MSCI and our 'A-list' rating by CDP. ING Group shares are included in major sustainability and Environmental, Social and Governance (ESG) index products of leading providers STOXX, Morningstar and FTSE Russell.

## IMPORTANT LEGAL INFORMATION

Elements of this press release contain or may contain information about ING Groep N.V. and/or ING Bank N.V. within the meaning of Article 7(1) to (4) of EU Regulation No 596/2014.

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 2019 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, in particular economic conditions in ING's core markets, including changes affecting currency exchange rates, (2) the effects of the Covid-19 pandemic and related response measures, including lockdowns and travel restrictions, on economic conditions in countries in which ING operates, on ING's business and operations and on ING's employees, customers and counterparties, (3) changes affecting interest rate levels, (4) any default of a major market participant and related market disruption, (5) changes in performance of financial markets, including in Europe and developing markets, (6) changes in the fiscal position and the future economic performance of the United States, including potential consequences of a downgrade of the sovereign credit rating of the US government, (7) consequences of the United Kingdom's withdrawal from the European Union, (8) changes in or discontinuation of 'benchmark' indices, (9) inflation and deflation in our principal markets, (10) changes in conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness, (11) failures of banks falling under the scope of state compensation schemes, (12) non-compliance with or changes in laws and regulations, including those financial services and tax laws, and the interpretation and application thereof, (13) geopolitical risks, political instabilities and policies and actions of governmental and regulatory authorities, (14) ING's ability to meet minimum capital and other prudential regulatory requirements, (15) outcome of current and future litigation, enforcement proceedings, investigations or other regulatory actions, including claims by customers, (16) operational 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, (17) risks and challenges related to cybercrime including the effects of cyber- attacks and changes in legislation and regulation related to cybersecurity and data privacy, (18) changes in general competitive factors, (19) the inability to protect our intellectual property and infringement claims by third parties, (20) changes in credit ratings, (21) business, operational, regulatory, reputation and other risks and challenges in connection with climate change, (22) inability to attract and retain key personnel, (23) future liabilities under defined benefit retirement plans, (24) failure to manage business risks, including in connection with use of models, use of derivatives, or maintaining appropriate policies and guidelines, (25) 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, (26) 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](http://www.ING.com).

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**Attachment**

- I [Ful ING Group 1Q2020 Results Press Release \(PDF\)](#)