Dated 26 March 2021

ING BANK N.V.

(*A limited liability company (naamloze vennootschap) incorporated in The Netherlands with its statutory seat in Amsterdam)*

REGISTRATION DOCUMENT

This document constitutes a registration document, as supplemented from time to time (the "**Registration Document**") for the purpose of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") in relation to ING Bank N.V. (the "**Issuer**" or "**ING Bank**") and has been drawn up in accordance with Annex 6 of the Commission Delegated Regulation (EU) 2019/980, as amended.

This Registration Document has been approved by the Netherlands Authority for the Financial Markets (the "**AFM**") on 26 March 2021 in its capacity as competent authority pursuant to Article 20 of the Prospectus Regulation. Together with any securities note for non-equity securities, as supplemented or replaced from time to time (each a "**Securities Note**") of the Issuer, in each case, this Registration Document forms part of any prospectus of the Issuer consisting of separate documents within the meaning of the Prospectus Regulation in respect of the relevant securities (this Registration Document together with the respective Securities Note, in each case the "**Prospectus**"). **The AFM only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.**

Investors should have regard to the risk factors described under the section headed "*Risk Factors*" in this Registration Document. This Registration Document does not describe all of the risks regarding the Issuer, but the Issuer believes that all material and specific risks relating to it have been described.

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RISK FACTORS

Any of the risks described below could have a material adverse effect on the business activities, financial condition, results and prospects of ING. The Issuer may face a number of the risks described below simultaneously and, where a cross-reference to another risk is included, the risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and investors should carefully consider all of the risk factors set out in this section. Additional risks of which the Issuer is not presently aware, or that are, as at the date of this Registration Document, viewed as immaterial, could also affect the business operations of ING and have a material adverse effect on ING's business activities, financial condition, results and prospects. The market price of ING shares or other securities could decline due to any of those risks including the risks described below, and investors could lose all or part of their investments.

Although the most material risk factors have been presented first within each category, the order in which the remaining risk factors are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Issuer's business, results, financial condition and prospects.

ING Group is a holding company whose principal asset is its investments in the capital stock of ING Bank, its primary banking subsidiary. As a result, the risks applicable to ING Bank are substantially similar to those impacting ING Group.

1 Risks related to financial conditions, market environment and general economic trends

ING's revenues and earnings are affected by the volatility and strength of the economic, business, liquidity, funding and capital markets environments of the various geographic regions in which it conducts business, as well as by changes in customer behaviour in these regions, and an adverse change in any one region could have an impact on its business, results and financial condition.

Because ING is a multinational banking and financial services corporation, with a global presence and serving around 39.3 million customers, corporate clients and financial institutions in over 40 countries, ING's business, results and financial condition may be significantly impacted by turmoil and volatility in the worldwide financial markets or in the particular geographic areas in which the Issuer operates. In Retail Banking, ING's products include savings, payments, investments, loans and mortgages in most of the Issuer's retail markets. In Wholesale Banking, the Issuer provides specialised lending, tailored corporate finance, debt and equity market solutions, payments & cash management, trade and treasury services. As a result, negative developments in financial markets and/or countries or regions in which the Issuer operates have in the past had and may in the future have a material adverse impact on its business, results and financial condition, including as a result of the potential consequences listed below.

Factors such as interest rates, securities prices, credit spreads, liquidity spreads, exchange rates, consumer spending, changes in client behaviour, business investment, real estate values and private equity valuations, government spending, inflation or deflation, the volatility and strength of the capital markets, political events and trends, terrorism, pandemics and epidemics (such as Covid-19, as described in greater detail below in the interdependent risk factor '*–ING's business, results and financial condition have been, and are likely to continue to be, adversely affected by the Covid-19 pandemic*') or other widespread health emergencies all impact the business and economic environment and, ultimately, the Issuer's solvency, liquidity and the amount and profitability of business the Issuer conducts in a specific geographic region. Certain of these risks are often experienced globally as well as in specific geographic regions and are described in greater detail below in the interdependent risk factors *'–Interest rate volatility and other interest rate changes may adversely affect the Issuer's business, results and financial condition'*, *'–Inflation and deflation may negatively affect the Issuer's* *business, results and financial condition'*, *'–Market conditions, including those observed over the past few years, and the application of IFRS 9 may increase the risk of loans being impaired and have a negative effect on the Issuer's results and financial condition'* and *'–Continued risk of political instability and fiscal uncertainty in Europe and the United States, as well as ongoing volatility in the financial markets and the economy generally have adversely affected, and may continue to adversely affect, the Issuer's business, results and financial condition'*. All of these are factors in local and regional economies as well as in the global economy, and the Issuer may be affected by changes in any one of these factors in any one country or region, and more if more of these factors occur simultaneously and/or in multiple countries or regions or on a global scale.

In case one or more of the factors mentioned above adversely affects the profitability of the Issuer's business, this might also result, among other things, in the following:

- reserve and provisions inadequacies, which could ultimately be realised through profit and loss and shareholders' equity;
- the write-down of tax assets impacting net results and/or equity;
- impairment expenses related to goodwill and other intangible assets, impacting net result; and/or
- movements in risk weighted assets for the determination of required capital.

In particular, the Issuer is exposed to financial, economic, market and political conditions in the Benelux countries and Germany, from which it derives a significant portion of its revenues in both Retail Banking and Wholesale Banking, and which present risks of economic downturn. Though less material, the Issuer also derives substantial revenues in the following geographic regions: Turkey, Eastern Europe (primarily Poland among others), Southern Europe (primarily Spain among others), East Asia (primarily Singapore among others) and Australia which also present risks of economic downturn. In an economic downturn, the Issuer expects that higher unemployment, lower family income, lower corporate earnings, higher corporate and private debt defaults, lower business investments and lower consumer spending would adversely affect the demand for banking products, and that ING may need to increase its reserves and provisions, each of which may result in overall lower earnings. The impact of the Covid-19 pandemic, as an example of an economic downturn, as well as the substantial monetary and government measures, are still materialising and expected to continue to affect ING's business. For more information, see the interdependent risk factor "*– ING's business, results and financial condition have been, and are likely to continue to be, adversely affected by the Covid-19 pandemic*". Securities prices, real estate values and private equity valuations may also be adversely impacted, and any such losses would be realised through profit and loss and shareholders' equity. The Issuer also offers a number of financial products that expose it to risks associated with fluctuations in interest rates, securities prices, corporate and private default rates, the value of real estate assets, exchange rates and credit spreads.

For further information on ING's exposure to particular geographic areas, see Note 33 'Information on geographical areas' in the 2020 Annual Report, which is incorporated by reference into this Registration Document.

ING's business, results and financial condition have been, and are likely to continue to be, adversely affected by the Covid-19 pandemic.

The Covid-19 pandemic and the related response measures introduced by various national and local governmental authorities aimed at preventing the further spread of the disease (such as bans on public events with over a certain number of attendees, closures of places where larger groups of people gather such as schools, sports facilities, bars and restaurants, lockdowns, border controls and travel and other restrictions) have disrupted the normal flow of business operations in those countries and regions where ING and its customers and counterparties operate (such as, among others, Benelux, Germany, France, Italy, Spain, the U.K. and the U.S.). This disruption has adversely affected, and will likely continue to adversely affect, global economic growth, supply chains, manufacturing, tourism, consumer spending, asset prices and unemployment levels, and has resulted in volatility and uncertainty across the global economy and financial markets, as described under the heading '*Description of ING Bank N.V. – Significant Developments in 2020*'. Please also refer to the interdependent risk factor '*–ING's revenues and earnings are affected by the volatility and strength of the economic, business, liquidity, funding and capital markets environments of the various geographic regions in which it conducts business, and an adverse change in any one region could have an impact on its business, results and financial condition*' for a further description of how ING's business, results and financial condition may be materially adversely impacted by developments in regional or global economic conditions.

In addition to the measures aimed at preventing the further spread of Covid-19, governments and central banks around the world have also introduced measures aimed at mitigating the economic consequences of the pandemic and related response measures, such as guarantee schemes, compensation schemes and cutting interest rates. For example, the Dutch government has implemented economic measures aimed at protecting jobs, households' wages and companies, e.g., by way of tax payment holidays, guarantee schemes and a compensation scheme for heavily affected sectors in the economy. These announced measures and any additional measures, including any payment holidays with respect to mortgages or other loans, have had and may continue to have a significant impact on ING's customers and other counterparties.

Governments, regulators and central banks (including the ECB), have also announced that they are taking or considering measures seeking to safeguard the stability of the financial sector, to prevent lending to the business sector from being jeopardised and to ensure the payment system continues to function properly, as described under the heading '*Description of ING Bank N.V. – Significant Developments in 2020*'. As at the date of this Registration Document, the ECB allows banks to operate below the level of capital required by the Pillar 2 Guidance, capital conservation buffer and the liquidity coverage ratio, and banks are also permitted to use a portion of their capital instruments that do not qualify as CET1 capital, to meet the Pillar 2 Requirements. Several countries also released or reduced countercyclical buffers (CCyB). The ECB has also issued a recommendation to the banks that it supervises that such banks should exercise extreme prudence when deciding on or paying out dividends or performing share buy-backs until 30 September 2021. However, it is not certain whether these or future measures will be extended or maintained for a sufficient period of time, or whether such measures will be successful in mitigating the economic consequences of the pandemic and related response measures. If the pandemic is prolonged or the actions are unsuccessful, additional actions by governments and central banks may follow and the adverse impact on the global economy will deepen, and ING's business, results and financial condition may be materially adversely affected.

In 2020, the Covid-19 pandemic affected all of ING's businesses, including lower or negative interest rates, lower oil prices and credit deterioration of loans to ING's customers. These effects have also resulted in an increase in the allowance for credit losses and impairments on non-financial assets, and reduced net interest income due to lower interest rates. While these effects were partly offset by resilient fee and commission income in 2020, this level of activity may not persist in future periods. With Covid-19 infection rates having recently increased, especially in some European countries, and further lockdown measures having been reintroduced, this may result in changes in government responses and further downside risk towards macro-economic developments, with possibly a deeper risk aversion and a delayed recovery. These developments may result in further negative impact on ING's business, results and financial condition.

In 2020, ING also took certain measures to support customers impacted by the Covid-19 pandemic, including payment holidays, offering credit facilities to business clients under government guarantee schemes and providing liquidity under credit facilities to large corporate clients. Although, following supervisory guidelines, payment holidays do not automatically trigger an immediate classification of the loans as in default or as forborne, the credit quality of these loans will be monitored for future transitions into Stage 2 and could result in increased risk costs and additional risk weighted assets in future periods. As of 31 December 2020, in line with the European Banking Association (EBA) moratoria guidelines, ING has a total amount of €19.4 billion of payment holidays or 2.6% of total credit outstandings, granted to approximately 196,000 customers. While these customers are located across nearly all countries in which ING operates, over 55% of these customers are in the Netherlands and Belgium. ING also recorded €2,675 million of net additions to loan loss provisions in 2020 compared with €1,120 million in 2019. The 2020 risk costs were severely impacted by a combination of increased collective provisioning reflecting worsened macro-economic indicators due to the Covid-19 pandemic, higher Individual Stage 3 provisions, and negative rating migration. Should these global economic conditions be prolonged or worsen, or should the pandemic lead to additional market disruptions, ING may experience more client defaults and further additions to loan loss provisions. In these circumstances, ING may also experience reduced client activity and demand for its products and services, increased utilization of lending commitments and higher credit and valuation adjustments on financial assets. In addition, persistently low interest rates for a longer period, as well as a potential further decline in interest rates might result in further decreases in net interest income. These factors and other consequences of the Covid-19 pandemic may materially adversely affect ING's business, results and financial condition.

ING's capital and liquidity position may also be adversely impacted by the Covid-19 pandemic and related response measures, including as a result of changes in future levels of savings and deposits from customers, changes in asset quality, and the effects of government or regulatory responses to the pandemic, and may require changes to ING's funding structure, impact ING's ability to comply with regulatory capital requirements and adversely affect ING's cost of capital and credit rating. Any of the foregoing developments may have a material adverse impact on ING's business, results and financial condition.

As of 31 December 2020, most of ING's staff continue to work from home. Since May 2020, staff in various countries have started rotation schemes to return to work in the office in a controlled manner, taking into account local circumstances and any applicable government measures (including with respect to social distancing). This controlled office opening process is expected to allow for essential face-to-face meetings. However, with Covid-19 infection rates having recently increased, ING expects that more staff will again work from home. Due to the uncertainties relating to the future development of the Covid-19 pandemic, it is not certain when ING's employees may be generally expected or permitted to return to ING's offices. If due to illness, technical limitations or other restrictions in connection with the pandemic, employees are unable to work or are not able to operate as effectively and efficiently as they did in the office, this may adversely affect ING's business, results and financial condition.

In addition, a situation in which most or some of ING's employees continue working from home may raise operational risks, including with respect to information security, data protection, availability of key systems and infrastructure integrity. There is also a risk that ING will not be effective in implementing regulatory or strategic change programmes in the current environment. The Covid-19 pandemic has led to new banking behaviour from customers. There has been an increase in the digital behaviour of ING's customers leading to reduced traffic in branches. Over 80% of its customers now interact with ING via digital channels only. Criminals are also taking advantage of the Covid-19 pandemic to carry out financial fraud and exploitation scams, with examples including advertising and trafficking in counterfeit medicines, offering fraudulent investment opportunities, fundraising for fake charities and engaging in phishing schemes that prey on virus-related fears. National authorities and international bodies (including the Financial Action Task Force) warn citizens and businesses against impostor, investment and product scams. Although ING has organised a Covid-19 taskforce to identify and analyse new behavioural patterns, leading to new cases of unusual transactions being reported to the relevant authorities, new banking behaviours may result in additional Know Your Customer (KYC) risks. If any of these risks were to materialise that may adversely affect ING's business, results and financial condition.

The duration of the pandemic and the impact of measures taken in response by governmental authorities, central banks and other third parties, whether direct or indirect, such as by increasing sovereign debt of certain countries which may result in increased volatility and widening credit spreads, remain uncertain. Therefore, it is difficult to predict the extent to which ING's business, results and financial condition, as well as ING's ability to access capital and liquidity on financial terms acceptable to ING, may be materially adversely affected.

Interest rate volatility and other interest rate changes may adversely affect the Issuer's business, results and financial condition.

Changes in prevailing interest rates may negatively affect the Issuer's business, including the level of net interest revenue the Issuer earns, and the levels of deposits and the demand for loans. A sustained increase in the inflation rate in the Issuer's principal markets may also negatively affect its business, results and financial condition. For example, a sustained increase in the inflation rate may result in an increase in nominal market interest rates. A failure to accurately anticipate higher inflation and factor it into the Issuer's product pricing assumptions may result in mispricing of its products, which could materially and adversely impact its results. On the other hand, recent concerns regarding negative interest rates and the low level of interest rates generally may negatively impact the Issuer's net interest income, which may have an adverse impact on its profitability.

A prolonged period of low interest rates, and in some instances negative interest rates, has resulted in, and may continue to result in:

- lower earnings over time on investments, as reinvestments will earn lower rates;
- increased prepayment or redemption of mortgages and fixed maturity securities in the Issuer investment portfolios, as well as increased prepayments of corporate loans. This as borrowers seek to borrow at lower interest rates potentially combined with lower credit spreads. Consequently, the Issuer may be required to reinvest the proceeds into assets at lower interest rates;
- lower profitability as the result of a decrease in the spread between client rates earned on assets and client rates paid on savings, current account and other liabilities;
- higher costs for certain derivative instruments that may be used to hedge certain of the Issuer's product risks;
- lower profitability since the Issuer may not be able to fully track the decline in interest rates in its savings rates;
- lower profitability since the Issuer may not always be entitled to impose surcharges to customers to compensate for the decline in interest rates;
- lower profitability since the Issuer may have to pay a higher premium for the defined contribution scheme in the Netherlands for which the premium paid is dependent on interest rate developments and the Dutch Central Bank's ("**DNB's**") methodology for determining the ultimate forward rate;
- lower interest rates may cause asset margins to decrease thereby lowering the Issuer's results. This may for example be the consequence of increased competition for investments as result of the low rates, thereby driving margins down; and/or
- (depending on the position) a significant collateral posting requirement associated with the Issuer's interest rate hedge programmes, which could materially and adversely affect liquidity and its profitability.

The foregoing impacts have been and may be further amplified in a negative interest rate environment, since the Issuer may not be able to earn interest on its assets (including reserves). In addition, ING has earned, and may continue to earn, negative interest on certain of its assets (including cash balances, loans and bonds), while still paying positive interest or no interest to others to hold its liabilities, resulting in an adverse impact on its credit spread and lowering of its net interest income. Furthermore, in the event that a negative interest rate environment results in ING's depositors being forced to pay interest to ING to hold cash deposits, some depositors may choose to withdraw their deposits rather than pay interest to ING, which would have an adverse effect on ING's reputation, business, results and financial condition. For example, in March 2020, the U.S. Federal Reserve cut the benchmark U.S. interest rate in response to the Covid-19 pandemic and related impacts on the economy and financial markets. On 1 January 2021, ING announced that it will charge negative interest to clients on current and deposit accounts exceeding €250,000 (such negative interest will only apply to the amount by which the current or deposit account exceeds €250,000). Such declines in interest rates in the United States or other markets in which ING and its customers and counterparties operate may have a significant adverse effect on ING's business and operations.

Alternatively, any period of rapidly increasing interest rates may result in:

- a decrease in the demand for loans;
- higher interest rates to be paid on client deposits and on debt securities that the Issuer has issued or may issue on the financial markets from time to time to finance its operations, which would increase its interest expenses and reduce its results;
- higher interest rates which can lead to lower investment prices and reduce the revaluation reserves, thereby lowering IFRS equity and the capital ratios. Also the lower securities value leads to a loss of liquidity generating capacity which needs to be compensated by attracting new liquidity generating capacity which reduces the Issuer's results;
- prepayment losses if prepayment rates are lower than expected or if interest rates increase too rapidly to adjust the accompanying hedges; and/or
- (depending on the position) a significant collateral posting requirement associated with the Issuer's interest rate hedge programme.

The default of a major market participant could disrupt the markets and may have an adverse effect on the Issuer's business, results and financial condition.

Within the financial services industry, the severe distress or default of any one institution (including sovereigns and central counterparties (CCPs)) could lead to defaults by, or the severe distress of, other market participants. While prudential regulation may reduce the probability of a default by a major financial institution, the actual occurrence of such a default could have a material adverse impact on ING. Such distress of, or default by, a major financial institution could disrupt markets or clearance and settlement systems and lead to a chain of defaults by other financial institutions, since the commercial and financial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Also, the perceived lack of creditworthiness of a sovereign or a major financial institution (or a default by any such entity) may lead to market-wide liquidity problems and losses or defaults by the Issuer or by other institutions. This risk is sometimes referred to as 'systemic risk' and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Issuer interacts on a daily basis and financial instruments of sovereigns in which it invests. Systemic risk could impact ING directly, by exposing it to material credit losses on transactions with defaulting counterparties or indirectly by significantly reducing the available market liquidity on which ING and its lending customers depend to fund their operations and/or leading to a write down of loans or securities held by ING. In addition, ING may also be faced with additional open market risk for which hedging or mitigation strategies may not be available or effective (either by hedges eliminated by defaulting counterparties, or reduced market liquidity). Systemic risk could have a material adverse effect on ING's ability to raise new funding and on ING's business, results and financial condition. In addition, such distress or failure could impact future product sales as a potential result of reduced confidence in the financial services industry.

Continued risk of political instability and fiscal uncertainty in Europe and the United States, as well as ongoing volatility in the financial markets and the economy generally have adversely affected, and may continue to adversely affect, the Issuer's business, results and financial condition.

The Issuer's global business and results are materially affected by conditions in the global capital markets and the economy generally. In Europe, there are continuing concerns over weaker economic conditions, levels of unemployment, the availability and cost of credit, credit spreads, and the impact of continued quantitative easing within the Eurozone through bond repurchases and the ECB's targeted longer-term refinancing operation ("**TLTRO**"). In addition, geopolitical issues, including trade tensions between the US and China, increasing protectionism between key countries, and issues with respect to the Middle East, Russia/Ukraine and North Korea may all contribute to adverse developments in the global capital markets and the economy generally.

Adverse developments in the market have included, for example, temporary decrease in liquidity, increased price volatility, credit downgrade events, and increased probability of default for fixed income securities. Moreover, there is a risk that an adverse credit event at one or more European sovereign debtors (including a credit rating downgrade or a default) could trigger a broader economic downturn in Europe and elsewhere. In addition, the confluence of these and other factors has resulted in volatile foreign exchange markets. International equity markets have also continued to experience heightened volatility and turmoil, with issuers, including the Issuer, that have exposure to the real estate, mortgage, private equity and credit markets particularly affected. These events, market upheavals and continuing risks, including high levels of volatility, have had and may continue to have an adverse effect on the Issuer's results, in part because it has a large investment portfolio.

There is also continued uncertainty over the long-term outlook for the tax, spending and borrowing policies of the US, the future economic performance of the US within the global economy and any potential future budgetary restrictions in the US, with a potential impact on a future sovereign credit ratings downgrade of the US government, including the rating of US Treasury securities. A downgrade of US Treasury securities could also impact the ratings and perceived creditworthiness of instruments issued, insured or guaranteed by institutions, agencies or instrumentalities directly linked to the US government. US Treasury securities and other US government-linked securities are key assets on the balance sheets of many financial institutions and are widely used as collateral by financial institutions to meet their day-to-day cash flows in the short-term debt market. The impact of any further downgrades to the sovereign credit rating of the US government or a default by the US government on its debt obligations would create broader financial turmoil and uncertainty, which would weigh heavily on the global financial system and could consequently result in a significant adverse impact to the Issuer's business and operations.

In many cases, the markets for investments and instruments have been and remain illiquid, and issues relating to counterparty credit ratings and other factors have exacerbated pricing and valuation uncertainties. Valuation of such investments and instruments is a complex process involving the consideration of market transactions, pricing models, management judgment and other factors, and is also impacted by external factors, such as underlying mortgage default rates, interest rates, rating agency actions and property valuations. Historically these factors have resulted in, among other things, valuation and impairment issues in connection with the Issuer's exposures to European sovereign debt and other investments.

Any of these general developments in global financial and political conditions could negatively impact to the Issuer's business, results and financial condition in future periods.

Discontinuation of or changes to 'benchmark' indices may negatively affect the Issuer's business, results and financial condition.

Financial markets have historically relied on Interbank Offered Rates ("**IBORs**") benchmarks, such as the London Interbank Offered Rate ("**LIBOR**"), the Euro OverNight Index Average ("**EONIA**"), the Euro Interbank Offered Rate ("**EURIBOR**"). These interest rate 'benchmarks' have been the subject of ongoing national and international regulatory reform. For example, ICE Benchmark Administration ("**IBA**"), as the administrator of LIBOR, issued a consultation with respect to its plans for the cessation of most LIBOR rates at the end of 2021, with an 18 month extension proposed for USD LIBOR, one of the most widely used LIBOR rates. EONIA will cease to be published by 1 January 2022 and the European Money Markets Institute (EONIA's administrator) has indicated that EONIA cannot be used in any contracts that may be outstanding as of 1 January 2022. Following the implementation of such reforms, the manner of administration of benchmarks may change, with the result that they may perform or be calculated differently than in the past, or such benchmarks may cease to exist entirely, or there could be other consequences which cannot be predicted.

Public authorities have initiated industry working groups in various jurisdictions to develop and recommend alternative rates that could serve as replacements when such rates cease to exist or materially change. This is commonly referred to as a fallback rate. The US Federal Reserve's Alternative Reference Rates Committee (commonly referred to as "**ARRC**") has recommended adoption of the Secured Overnight Financing Rate (commonly referred to as "**SOFR**") as an alternative to US dollar LIBOR, and the limited extension announced by the IBA has eased the timeline for the transition of existing contracts referencing USD LIBOR. For EURIBOR, the Working Group on Euro Risk-Free Rates is continuing its work on developing recommended fallback rates based on the "euro short-term rate ("**€STR**")". €STR is being published and is now widely used, and calculation of the EONIA benchmark described above has been modified to refer to the €STR benchmark until the EONIA benchmark is discontinued.

Public authorities have also recognised that certain LIBOR contracts do not contain any alternatives, contain inappropriate alternatives, or cannot be renegotiated or amended prior to the expected cessation of LIBOR. In response to this challenge, the FCA, as the supervisor of LIBOR, plans to make use of the proposed powers granted to them to enable continued publication of a "synthetic" LIBOR using a different methodology and inputs, which may help reduce disruption to holders of tough legacy contracts. However, there is no certainty as to whether the FCA will exercise these powers or what form the revised methodology would take, and the FCA has consequently encouraged users of LIBOR to renegotiate or amend as many contracts as possible before the relevant LIBOR ceases. In response, the European Commission has announced various legislative fixes, that most notably reduce the scope for potential conflict with the solutions proposed by other jurisdictions. However, there is no guarantee that regulators will implement measures to address such legacy contracts, or that such measures will be effective in avoiding business disruption or contractual disputes.

The potential discontinuation of the interest rate benchmarks or any other benchmark, or changes in the methodology or manner of administration of any benchmark, could result in a number of risks for the Group, its clients, and the financial services industry more widely. These risks include legal risks in relation to changes required to documentation for new and existing transactions. The Group may also be exposed to operational risks or incur additional costs due to the potential requirement to adapt IT systems, trade reporting infrastructure and operational processes, or in relation to communications with clients or other parties and engagement during the transition period. In addition to the heightened conduct and operational risks, the process of adopting new reference rates may expose the Group to an increased level of financial risk, such as potential earnings volatility resulting from contract modifications and changes in hedge accounting relationships.

As at the date of this Registration Document, it is not possible to determine the full impact of such changes on the Group, and the implementation of alternative benchmark rates may have a material adverse effect on the Issuer's business, results and financial condition.

Inflation and deflation may negatively affect the Issuer's business, results and financial condition.

A sustained increase in the inflation rate in the Issuer's principal markets would have multiple impacts on the Issuer and may negatively affect the Issuer's business, results and financial condition. For example, a sustained increase in the inflation rate may result in an increase in market interest rates, which may:

- decrease the estimated fair value of certain fixed income securities that ING holds in its investment portfolios, resulting in:
- reduced levels of unrealised capital gains available to the Issuer, which could negatively impact ING's solvency position and net income, and/or
- a decrease in collateral values,
- result in increased withdrawal of certain savings products, particularly those with fixed rates below market rates, and
- require the Issuer, as an issuer of securities, to pay higher interest rates on debt securities that the Issuer issues in the financial markets from time to time to finance its operations, which would increase its interest expenses and reduce its results.

A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. A sustained decline in equity markets may:

- result in impairment charges to equity securities that the Issuer holds in its investment portfolios and reduced levels of unrealised capital gains available to the Issuer which would reduce its net income, and
- lower the value of the Issuer's equity investments impacting its capital position.

In addition, a failure to accurately anticipate higher inflation and factor it into the Issuer's product pricing may result in a systemic mispricing of its products, which would negatively impact its results.

On the other hand, deflation experienced in the Issuer's principal markets may also adversely affect its financial performance. In recent years, the risk of low inflation and even deflation (i.e., a continued period with negative rates of inflation) in the Eurozone has materialised. Deflation may erode collateral values and diminish the quality of loans and cause a decrease in borrowing levels, which would negatively affect the Issuer's business and results.

Market conditions, including those observed over the past few years, and the application of IFRS 9 may increase the risk of loans being impaired and have a negative effect on the Issuer's results and financial condition.

The Issuer is exposed to the risk that its borrowers (including sovereigns) may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. The Issuer may see adverse changes in the credit quality of its borrowers and counterparties, for example, as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors. This may lead to impairment charges on loans and other assets, higher costs and additions to loan loss provisions. A significant increase in the size of the Issuer's provision for loan losses could have a material adverse effect on its business, results and financial condition. Also see the interdependent risk factor

'–ING's business, results and financial condition have been, and are likely to continue to be, adversely affected by the Covid-19 pandemic'. As set out there, ING expects to be affected by the Covid-19 pandemic through its impact on, among others, the financial condition of its customers or other counterparties.

IFRS 9 'Financial Instruments' became effective as per 1 January 2018 and results in loan loss provisions that may be recognised earlier, on a more forward looking basis and on a broader scope of financial instruments than was previously the case under IAS 39. The Issuer has applied the classification, measurement, and impairment requirements retrospectively by adjusting the opening balance sheet and opening equity as at 1 January 2018. As a result of applying IFRS 9, a shift in the forward looking consensus view of economic conditions may materially impact the models used to calculate loan loss provisions under IFRS 9 and cause more volatility in, or higher levels of, loan loss provisions, any of which could adversely affect the Group's results, financial condition or regulatory capital position.

Economic and other factors could lead to contraction in the residential mortgage and commercial lending market and to decreases in residential and commercial property prices, which could generate substantial increases in impairment losses. Additionally, continuing low oil prices could have an influence on the repayment capacity of certain corporate borrowers active in the oil and oil related services industries.

The Issuer may incur losses due to failures of banks falling under the scope of state compensation schemes.

While prudential regulation is intended to minimise the risk of bank failures, in the event such a failure occurs, given the Issuer's size, the Issuer may incur significant compensation payments to be made under the Dutch Deposit Guarantee Scheme (DGS), which it may be unable to recover from the bankrupt estate, and therefore the consequences of any future failure of such a bank could be significant to ING. Such costs and the associated costs to be borne by the Issuer may have a material adverse effect on its results and financial condition. On the basis of the EU Directive on deposit guarantee schemes, ING pays quarterly risk-weighted contributions into a DGS-fund. The DGS-fund is to grow to a target size of 0.8% of all deposits guaranteed under the DGS, which is expected to be reached in July 2024. In case of failure of a Dutch bank, depositor compensation is paid from the DGS-fund. If the available financial means of the fund are insufficient, Dutch banks, including ING, may be required pay to extraordinary ex-post contributions not exceeding 0.5% of their covered deposits per calendar year. In exceptional circumstances and with the consent of the competent authority, higher contributions may be required. However, extraordinary ex-post contributions may be temporarily deferred if, and for so long as, they would jeopardise the solvency or liquidity of a bank. Depending on the size of the failed bank, the available financial means in the fund, and the required additional financial means, the impact of the extraordinary ex-post contributions on ING may be material.

Since 2015, the EU has been discussing the introduction of a pan-European deposit guarantee scheme ("**EDIS**"), (partly) replacing or complementing national compensation schemes in two or three phases. Proposals contain elements of (re)insurance, mutual lending and mutualisation of funds. The new model is intended to be 'overall cost-neutral'. Discussions have continued in 2020, but it remains uncertain when EDIS will be introduced and, if introduced, what impact EDIS would have on ING's business and operations.

2 Risks related to the regulation and supervision of the Group

Non-compliance with laws and/or regulations concerning financial services or financial institutions, including with respect to financial economic crimes, could result in fines and other liabilities, penalties or consequences for the Issuer, which could materially affect the Issuer's business and reduce its profitability.

The Issuer has faced, and in the future may continue to face, the risk of consequences in connection with non-compliance with applicable laws and regulations. For additional information on legal proceedings, see '*General Information - Litigation*' section. There are a number of risks in areas where applicable regulations may be unclear, subject to multiple interpretations or under development, or where regulations may conflict with one another, or where regulators revise their previous guidance or courts overturn previous rulings, which could result in the Issuer's failure to meet applicable standards. Regulators and other authorities have the power to bring administrative or judicial proceedings against the Issuer, which could result, among other things, in suspension or revocation of its licences, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action, which could materially harm its results and financial condition. If the Issuer fails to address, or appears to fail to address, any of these matters appropriately, its reputation could be harmed and it could be subject to additional legal risk, which could, in turn, increase the size and number of claims and damages brought against the Issuer or subject it to enforcement actions, fines and penalties.

Furthermore, as a financial institution, the Issuer is exposed to the risk of unintentional involvement in criminal activity in connection with the commission of financial economic crimes, including with respect to money laundering and the funding of terrorist and other criminal activities. The failure or perceived failure by the Issuer to comply with legal and regulatory requirements with respect to financial economic crimes may result in adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions, which may have a material adverse effect on the Issuer's business, results, financial condition and/or prospects in any given period. For further discussion of the impact of litigation, enforcement proceedings, investigations or other regulatory actions with respect to financial economic crimes, see "*– The Issuer may be subject to litigation, enforcement proceedings, investigations or other regulatory actions, and adverse publicity*" below.

Changes in laws and/or regulations governing financial services or financial institutions or the application of such laws and/or regulations may increase the Issuer's operating costs and limit its activities.

The Issuer is subject to detailed banking laws and financial regulation in the jurisdictions in which ING conducts business. Regulation of the industries in which the Issuer operates is becoming increasingly more extensive and complex, while also attracting regulatory scrutiny. Compliance with applicable and new laws and regulations is resources-intensive, and may materially increase the Issuer's operating costs. Moreover, these regulations, intended to protect ING's clients, markets and society as a whole, can limit the Issuer's activities, among others, through stricter net capital, market conduct and transparency requirements and restrictions on the businesses in which ING can operate or invest.

The Issuer's revenues and profitability and those of its competitors have been and will continue to be impacted by requirements relating to capital, additional loss-absorbing capacity, leverage, minimum liquidity and long-term funding levels, requirements related to resolution and recovery planning, derivatives clearing and margin rules and levels of regulatory oversight, as well as limitations on which and, if permitted, how certain business activities may be carried out by financial institutions.

On 5 March 2021, the FCA published a statement announcing the dates that panel bank submissions for all LIBOR settings will cease, after which representative LIBOR rates will no longer be available. All LIBOR settings will either cease to be provided or will no longer be representative on the following dates:

- Immediately after 31 December 2021 for all sterling, euro, Swiss franc, and Japanese yen settings, and the 1-week and 2-month US dollar settings.
- Immediately after 30 June 2023 for the remaining USD settings.

The Issuer is subject to additional legal and regulatory risk in certain countries where ING operates with less developed or predictable legal and regulatory frameworks.

In certain countries in which ING operates, judiciary and dispute resolution systems may be less effective. As a result, in case of a breach of contract, the Issuer may have difficulties in making and enforcing claims against contractual counterparties and, if claims are made against it, the Issuer might encounter difficulties in mounting a defence against such allegations. If the Issuer becomes party to legal proceedings in a market with an insufficiently developed judicial system, it could have an adverse effect on its operations and net results.

In addition, as a result of the Issuer's operations in certain countries, the Issuer is subject to risks of possible nationalisation, expropriation, price controls, exchange controls and other restrictive government actions, as well as the outbreak of hostilities and or war, in these markets. Furthermore, the current economic environment in certain countries in which the Issuer operates may increase the likelihood for regulatory initiatives to enhance consumer protection or to protect homeowners from foreclosures. Any such regulatory initiative could have an adverse impact on the Issuer's ability to protect its economic interest, for instance in the event of defaults on residential mortgages.

The Issuer is subject to the regulatory supervision of the ECB and other regulators with extensive supervisory and investigatory powers.

In its capacity as prudential bank supervisor in the EU, the ECB has extensive supervisory and investigatory powers, including the ability to issue requests for information, to conduct regulatory investigations and on-site inspections, and to impose monetary and other sanctions. For example, under the Single Supervisory Mechanism ("**SSM**"), the regulators with jurisdiction over the Issuer, including the ECB, may conduct stress tests and have discretion to impose capital surcharges on financial institutions for risks that are not otherwise recognised in risk-weighted assets or other surcharges depending on the individual situation of the bank and take or require other measures, such as restrictions on or changes to the Issuer's business. Competent authorities may also, if the Issuer fails to comply with regulatory requirements, in particular with supervisory actions, minimum capital requirements (including buffer requirements) or with liquidity requirements, or if there are shortcomings in its governance and risk management processes, prohibit the Issuer from making dividend payments to shareholders or distributions to holders of its regulatory capital instruments. Generally, a failure to comply with prudential or conduct regulations could have a material adverse effect on the Issuer's business, results and financial condition.

The regulatory consequences of the United Kingdom's withdrawal from the European Union may have adverse effects on the Issuer's business, results and financial condition.

On 24 December 2020, the United Kingdom and the EU agreed to the EU-UK Trade and Cooperation Agreement (the "**TCA**") in connection with the departure of the UK from the EU (commonly referred to as 'Brexit'). However, the financial services provisions of the TCA are very limited, as a result, UK-based financial services providers lost EU passporting rights as of 1 January 2021 and EU-UK financial services are now subject to unilateral equivalence decisions. EU and UK regulators have, however, taken certain measures to address overall financial stability risks, such as the temporary extension by the EU of equivalence recognition to UK-based central counterparties (UK CCPs) through to 30 June 2022. There is, however, no guarantee that such equivalence decisions will be issued by the EU or the UK in the future, or that any extensions or renewals of temporary equivalence decisions or similar transitional arrangements will be made by the EU or the UK in the future. The absence of such equivalence decisions for financial services could have a negative impact on ING's activities, with the absence of future UK CCPs recognition expected to increase costs for both ING and its financial markets customers. In addition, Brexit has required and will require other changes to ING's business and operations, including requiring ING to apply for a third country branch banking licenses in the UK for which ECB conditions and PRA & FCA authorisation decisions remain pending. ING is also progressing the move of certain financial markets activities from London to Amsterdam in light of ECB's supervisory expectations on booking models as a result of Brexit. The regulatory impact of Brexit continues to present material risks and uncertainties, particularly as to how regulations may diverge between the EU and the UK, which could materially increase ING's compliance costs and have a material adverse effect on ING's business, results and financial condition.

Failure to meet minimum capital and other prudential regulatory requirements as applicable to the Issuer from time to time may have a material adverse effect on its business, results and financial condition and on its ability to make payments on certain of its securities.

The Issuer is subject to a variety of regulations that require the Issuer to comply with minimum requirements for capital (own funds) and additional loss absorbing capacity, as well as for liquidity, and to comply with leverage restrictions.

In addition, such capital, liquidity and leverage requirements and their application and interpretation may change. Any changes may require the Issuer to maintain more capital or to raise a different type of capital by disqualifying existing capital instruments from continued inclusion in regulatory capital, requiring replacement with new capital instruments that meet the new criteria. Sometimes changes are introduced subject to a transitional period during which the new requirements are being phased in, gradually progressing to a fully phased-in, or fully-loaded, application of the requirements.

Any failure to comply with these requirements, or to adapt to changes in such requirements, may have a material adverse effect on the Issuer's business, results and financial condition, and may require the Issuer to seek additional capital. Failure to meet minimum capital or other prudential requirements may also result in ING being prohibited from making payments on certain of its securities. Because implementation phases and transposition into EU or national regulation where required may often involve a lengthy period, the impact of changes in capital, liquidity and leverage regulations on the Issuer's business, results and financial condition, and on its ability to make payments on certain of its securities, is often unclear.

The Issuer's US commodities and derivatives business is subject to CFTC and SEC regulation under the Dodd-Frank Act.

The Issuer's affiliate ING Capital Markets LLC is registered with the Commodity Futures Trading Commission ("**CFTC**") as a swap dealer and is subject to CFTC regulation of the off-exchange derivatives market pursuant to Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"). Operating as a swap dealer requires compliance with CFTC regulatory requirements, which may be burdensome, impose additional compliance costs and could adversely affect the profitability of this business, as well as exposing ING to the risk of non-compliance with these regulations.

ING Capital Markets LLC is also expected to register with the SEC as a security-based swap dealer pursuant to Dodd-Frank and SEC regulations enacted thereunder effective 1 November 2021. SEC registration may increase ING Capital Markets LLC's operational costs as a result of compliance, margin, capital and other requirements, and result in a substantial portion or all of ING's security-based swap activities with U.S. persons being conducted through ING Capital Markets LLC. These registration and related requirements may also reduce trading activity, reduce market liquidity and increase volatility in the relevant markets.

In addition, new position limits under Dodd-Frank applicable to the derivatives market generally for uncleared swaps referencing any of twenty-five commodity futures contracts could limit ING's position sizes in these swaps and similarly limit the ability of counterparties to utilise certain of ING's products to the extent that hedging exemptions from the position limits are unavailable. Such regulation of the derivative markets and market participants will likely result in increased cost of hedging and other trading activities, both for ING and its customers, which could expose the Issuer's business to greater risk and could reduce the size and profitability of its customer business. The imposition of these regulatory restrictions and requirements, could also result in reduced market liquidity, which could in turn increase market volatility and the risks and costs of hedging and other trading activities. Any of the foregoing factors, and any further regulatory developments with respect to commodities and derivatives, could have a material impact on the Issuer's business, results and financial condition.

The Issuer is subject to several bank recovery and resolution regimes that include statutory write down and conversion as well as other powers, which remains subject to significant uncertainties as to scope and impact on it.

The Issuer is subject to several recovery and resolution regimes, including the Single Resolution Mechanism ("**SRM'**), the Bank Recovery and Resolution Directive ("**BRRD**") as implemented in national legislation, and the Dutch 'Intervention Act' (*Wet bijzondere maatregelen financiële ondernemingen*. as implemented in the Dutch Financial Supervision Act). The SRM applies to banks that are supervised by the ECB under the SSM, with the aim of ensuring an orderly resolution of failing banks at minimum costs for taxpayers and the real economy. The BRRD establishes a common framework for the recovery and resolution of banks within the European Union, with the aim of providing supervisory authorities and resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

In addition, the Intervention Act confers wide-ranging powers to the Dutch Minister of Finance, including, among other things, in relation to shares and other securities issued by the Issuer or with its cooperation or other claims on it (including, without limitation, expropriation thereof) if there is a serious and immediate threat to the stability of the financial system.

Any application of statutory write-down and conversion or other powers would not be expected to constitute an event of default under the Issuer's securities entitling holders to seek repayment. If any of these powers were to be exercised in respect of the Issuer, there could be a material adverse effect on both the Issuer and on holders of its securities, including through a material adverse effect on credit ratings and/or the price of its securities. Investors in the Issuer's securities may lose their investment if resolution measures are taken under current or future regimes.

For further discussion of the impact of bank recovery and resolution regimes on ING, see '*Description of ING Bank N.V.—Regulation and Supervision—Bank Recovery and Resolution Directive*' section.

3 Risks related to litigation, enforcement proceedings and investigations and to changes in tax laws

The Issuer may be subject to litigation, enforcement proceedings, investigations or other regulatory actions, and adverse publicity.

The Issuer is involved in governmental, regulatory, arbitration and legal proceedings and investigations involving claims by and against the Issuer which arise in the ordinary course of its businesses, including in connection with its activities as financial services provider, employer, investor and taxpayer. As a financial institution, the Issuer is subject to specific laws and regulations governing financial services or financial institutions. See the interdependent risk factor '*– Changes in laws and/or regulations governing financial services or financial institutions or the application of such laws and/or regulations may increase the Issuer's operating costs and limit its activities*' above. Financial reporting irregularities involving other large and well-known companies, possible findings of government authorities in various jurisdictions which are investigating several rate-setting processes, notifications made by whistleblowers, increasing regulatory and law enforcement scrutiny of 'know your customer' anti-money laundering, tax evasion, prohibited transactions with countries or persons subject to sanctions, and bribery or other anti-corruption measures and anti-terrorist-financing procedures and their effectiveness, regulatory investigations of the banking industry, and litigation that arises from the failure or perceived failure by the Issuer to comply with legal, regulatory, tax and compliance requirements could result in adverse publicity and reputational harm, lead to increased regulatory supervision, affect its ability to attract and retain customers and maintain access to the capital markets, result in cease and desist orders, claims, enforcement actions, fines and civil and criminal penalties, other disciplinary action or have other material adverse effects on the Issuer in ways that are not predictable. Some claims and allegations may be brought by or on behalf of a class and claimants may seek large or indeterminate amounts of damages, including compensatory, liquidated, treble and punitive damages. The Issuer's reserves for litigation liabilities may prove to be inadequate. Claims and allegations, should they become public, need not be well founded, true or successful to have a negative impact on the Issuer's reputation. In addition, press reports and other public statements that assert some form of wrongdoing could result in inquiries or investigations by regulators, legislators and law enforcement officials, and responding to these inquiries and investigations, regardless of their ultimate outcome, is time consuming and expensive. Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Issuer's business, results, financial condition and/or prospects in any given period. For additional information with respect to specific proceedings, see *'General Information – Litigation'* section.

The Issuer is subject to different tax regulations in each of the jurisdictions where ING conducts business, and are exposed to changes in tax laws, and risks of non-compliance with or proceedings or investigations with respect to, tax laws.

Changes in tax laws (including case law) could increase the Issuer's taxes and its effective tax rates and could materially impact its tax receivables and liabilities as well as deferred tax assets and deferred tax liabilities, which could have a material adverse effect on its business, results and financial condition. Changes in tax laws could also make certain ING products less attractive, which could have adverse consequences for its businesses and results. Because of the geographic spread of its business, ING may be subject to tax audits, investigations and procedures in numerous jurisdictions at any point in time. Although the Issuer believes that it has adequately provided for all its tax positions, the ultimate resolution of these audits, investigations and procedures may result in liabilities which are different from the amounts recognised.

In addition, increased bank taxes in countries where the Group is active result in increased taxes on the Issuer, which could negatively impact the Issuer's operations, financial condition and liquidity.

ING may be subject to withholding tax if it fails to comply with the Foreign Account Tax Compliance Act ("FATCA") and other US withholding tax regulations.

Due to the nature of its business, ING is subject to various provisions of US tax law. These include FATCA, which requires ING to provide certain information for the US Internal Revenue Service ("**IRS**") and the Qualified Intermediary ("**QI**") requirements, which require withholding tax on certain non US-source payments. Failure to comply with FATCA and/or QI requirements and regulations could also harm the Issuer's reputation and could subject the Group to enforcement actions, fines and penalties, which could have a material adverse effect on its business, reputation, revenues, results, financial condition and prospects. For additional information with respect to specific proceedings, see '*General Information – Litigation*' section.

ING is exposed to the risk of claims from customers who feel misled or treated unfairly because of advice or information received.

The Issuer's products and services, including banking products and advice services for third-party products are exposed to claims from customers who might allege that they have received misleading advice or other information from advisers (both internal and external) as to which products were most appropriate for them, or that the terms and conditions of the products, the nature of the products or the circumstances under which the products were sold, were misrepresented to them. When new financial products are brought to the market, ING engages in a multidisciplinary product approval process in connection with the development and distribution of such products, including production of appropriate marketing and communication materials. Notwithstanding these processes, customers may make claims against ING if the products do not meet their expectations. Customer protection regulations, as well as changes in interpretation and perception by both the public at large and governmental authorities of acceptable market practices, influence customer expectations.

Products distributed through person-to-person sales forces have a higher exposure to such claims as the sales forces may provide face-to-face financial planning and advisory services. Complaints may also arise if customers feel that they have not been treated reasonably or fairly, or that the duty of care has not been complied with. While a considerable amount of time and resources have been invested in reviewing and assessing historical sales practices and products that were sold in the past, and in the maintenance of risk management, legal and compliance procedures to monitor current sales practices, there can be no assurance that all of the issues associated with current and historical sales practices have been or will be identified, nor that any issues already identified will not be more widespread than presently estimated.

The negative publicity associated with any sales practices, any compensation payable in respect of any such issues and regulatory changes resulting from such issues, has had and could have a material adverse effect on the Issuer's reputation, business, results, financial condition and prospects. For additional information regarding legal proceedings or claims, see '*General Information – Litigation*' section.

4 Risks related to the Group's business and operations

Operational risks, such as systems disruptions or failures, breaches of security, cyberattacks, human error, changes in operational practices, inadequate controls including in respect of third parties with which the Issuer does business, natural disasters or outbreaks of communicable diseases may adversely impact its reputation, business and results.

The Issuer faces the risk that the design and operating effectiveness of its controls and procedures may prove to be inadequate. Operational risks are inherent to the Issuer's business. The Issuer's businesses depends on the ability to process a large number of transactions efficiently and accurately. In addition, ING routinely transmits, receives and stores personal, confidential and proprietary information by email and other electronic means. Although ING endeavours to safeguard its systems and processes, losses can result from inadequately trained or skilled personnel, IT failures (including due to a computer virus or a failure to anticipate or prevent cyberattacks or other attempts to gain unauthorised access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or impairing operational performance, or security breaches by third parties), inadequate or failed internal control processes and systems, regulatory breaches, human errors, employee misconduct, including fraud, or from natural disasters or other external events that interrupt normal business operations. Such losses may adversely affect its reputation, business and results. ING depends on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The equipment and software used in ING's computer systems and networks may not always be capable of processing, storing or transmitting information as expected. Despite ING's business continuity plans and procedures, certain of ING's computer systems and networks may have insufficient recovery capabilities in the event of a malfunction or loss of data. As part of ING's Think Forward strategy, ING is consistently managing and monitoring ING's IT risk profile globally. ING is subject to increasing regulatory requirements including EU General Data Protection Regulation ("**GDPR**') and EU Payment Services Directive ("**PSD2**"). Failure to appropriately manage and monitor ING's IT risk profile could affect ING's ability to comply with these regulatory requirements, to securely and efficiently serve its clients or to timely, completely or accurately process, store and transmit information, and may adversely impact its reputation, business and results. For further description of the particular risks associated with cybercrime, which is a specific risk to ING as a result of its strategic focus on technology and innovation, see the interdependent risk factor '*–The Issuer is subject to increasing risks related to cybercrime and compliance with cybersecurity regulation*' below.

Widespread outbreaks of communicable diseases may impact the health of ING's employees, increasing absenteeism, or may cause a significant increase in the utilisation of health benefits offered to its employees, either or both of which could adversely impact its business. Also see the interdependent risk factor above '*– ING's business, results and financial condition have been, and are likely to continue to be, adversely affected* *by the Covid-19 pandemic'*. As set out there, ING expects to be affected by the Covid-19 pandemic through its impact on, among others, its employees. ING also faces physical risks, including natural disasters as a direct result of climate change, such as extreme weather events or rising water levels, which could have a material adverse effect on its operations, particularly where its headquarters may be impacted. For further description of the risks associated herewith, see the interdependent risk factor *'–The Issuer may be exposed to business, operational, regulatory, reputational and other risks in connection with climate change'* below. In addition, other events including unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities, and its operations may be subject to losses resulting from such disruptions. Losses can result from destruction or impairment of property, financial assets, trading positions, and the loss of key personnel. If ING's business continuity plans are not able to be implemented, are not effective or do not sufficiently take such events into account, losses may increase further.

The Issuer is subject to increasing risks related to cybercrime and compliance with cybersecurity regulation.

Like other financial institutions and global companies, ING is regularly the target of cyberattacks, which is a specific risk to ING as a result of its strategic focus on technology and innovation. In particular, threats from Distributed Denial of Service ("**DdoS"**), targeted attacks (also called Advanced Persistent Threats) and Ransomware intensify worldwide, and attempts to gain unauthorised access and the techniques used for such attacks are increasingly sophisticated. ING has faced, and expect to continue to face, an increasing number of cyberattacks (both successful and unsuccessful) as it has further digitalised. This includes the continuing expansion of ING's mobile- and other internet-based products and services, as well as its usage and reliance on cloud technology. In particular, ING is regularly subject to DDoS attacks, which are becoming increasingly sophisticated. For example, in 2020 ING experienced DDoS attacks in Turkey and Belgium. However, to date ING has not experienced a material loss of revenue or data due to cybercrime.

Cybersecurity, customer data and data privacy have become the subject of increasing legislative and regulatory focus. The EU's second Payment Services Directive ("**PSD2**") and GDPR are examples of such regulations. In certain locations where ING is active, there are additional local regulatory requirements and legislation on top of EU regulations that must be followed for business conducted in that jurisdiction. Some of these legislations and regulations may be conflicting due to local regulatory interpretations. ING may become subject to new EU and local legislation or regulation concerning cybersecurity, security of customer data in general or the privacy of information it may store or maintain. Compliance with such new legislation or regulation could increase the Group's compliance cost. Failure to comply with new and existing legislation or regulation could harm ING's reputation and could subject the Group to enforcement actions, fines and penalties.

ING may be exposed to the risks of misappropriation, unauthorised access, computer viruses or other malicious code, cyberattacks and other external attacks or internal breaches that could have a security impact. These events could also jeopardise ING's confidential information or that of its clients or its counterparties and this could be exacerbated by the increase in data protection requirements as a result of GDPR. These events can potentially result in financial loss and harm to ING's reputation, hinder its operational effectiveness, result in regulatory censure, compensation costs or fines resulting from regulatory investigations and could have a material adverse effect on its business, reputation, revenues, results, financial condition and prospects. Even when ING is successful in defending against cyberattacks, such defence may consume significant resources or impose significant additional costs on ING.

Because the Issuer operates in highly competitive markets, including its home market, it may not be able to increase or maintain its market share, which may have an adverse effect on its results.

There is substantial competition in the Netherlands and the other countries in which the Issuer does business for the types of wholesale banking, retail banking, investment banking and other products and services it provides. Customer loyalty and retention can be influenced by a number of factors, including brand recognition, reputation, relative service levels, the prices and attributes of products and services, scope of distribution, credit ratings and actions taken by existing or new competitors (including non-bank or financial technology competitors). A decline in the Issuer‘s competitive position as to one or more of these factors could adversely impact ING’s ability to maintain or further increase its market share, which would adversely affect its results. Such competition is most pronounced in the Issuer’s more mature markets of the Netherlands, Belgium, the rest of Western Europe and Australia. In recent years, however, competition in emerging markets, such as Asia and Central and Eastern Europe, has also increased as large financial services companies from more developed countries have sought to establish themselves in markets which are perceived to offer higher growth potential, and as local institutions have become more sophisticated and competitive and proceeded to form alliances, mergers or strategic relationships with the Issuer’s competitors. The Netherlands is the Issuer’s largest market. The Issuer’s main competitors in the banking sector in the Netherlands are ABN AMRO Bank and Rabobank.

Competition could also increase due to new entrants (including non-bank and financial technology competitors) in the markets that may have new operating models that are not burdened by potentially costly legacy operations and that are subject to reduced regulation. New entrants may rely on new technologies, advanced data and analytic tools, lower cost to serve, reduced regulatory burden and/or faster processes in order to challenge traditional banks. Developments in technology has also accelerated the use of new business models, and ING may not be successful in adapting to this pace of change or may incur significant costs in adapting its business and operations to meet such changes. For example, new business models have been observed in retail payments, consumer and commercial lending (such as peer-to-peer lending), foreign exchange and low-cost investment advisory services. In particular, the emergence of disintermediation in the financial sector resulting from new banking, lending and payment solutions offered by rapidly evolving incumbents, challengers and new entrants, in particular with respect to payment services and products, and the introduction of disruptive technology may impede the Issuer’s ability to grow or retain its market share and impact its revenues and profitability.

Increasing competition in the markets in which the Issuer operates (including from non-banks and financial technology competitors) may significantly impact its results if the Issuer is unable to match the products and services offered by its competitors. Future economic turmoil may accelerate additional consolidation activity. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms or have declared bankruptcy. These developments could result in the Issuer’s competitors gaining greater access to capital and liquidity, expanding their ranges of products and services, or gaining geographic diversity. The Issuer may experience pricing pressures as a result of these factors in the event that some of its competitors seek to increase market share by reducing prices.

The Issuer may not always be able to protect its intellectual property developed in its products and services and may be subject to infringement claims, which could adversely impact its core business, inhibit efforts to monetise its internal innovations and restrict its ability to capitalise on future opportunities.

In the conduct of its business, ING relies on a combination of contractual rights with third parties and copyright, trademark, trade name, patent and trade secret laws to establish and protect its intellectual property, which ING develops in connection with its products and services. Third parties may infringe or misappropriate ING’s intellectual property. ING may have to litigate to enforce and protect its copyrights, trademarks, trade names, patents, trade secrets and know-how or to determine their scope, validity or enforceability. In that event, the Issuer may be required to incur significant costs, and its efforts may not prove successful. The inability to secure or protect its intellectual property assets could have an adverse effect on its core business and its ability to compete, including through the monetization of its internal innovations.

The Issuer may also be subject to claims made by third parties for (1) patent, trademark or copyright infringement, (2) breach of copyright, trademark or licence usage rights, or (3) misappropriation of trade secrets.

Any such claims and any resulting litigation could result in significant expense and liability for damages. If the Issuer were found to have infringed or misappropriated a third-party patent or other intellectual property right, the Issuer could in some circumstances be enjoined from providing certain products or services to its customers or from utilizing and benefiting from certain methods, processes, copyrights, trademarks, trade secrets or licences. Alternatively, the Issuer could be required to enter into costly licensing arrangements with third parties or to implement a costly workaround. Any of these scenarios could have a material adverse effect on the Issuer's business and results and could restrict its ability to pursue future business opportunities.

The inability of counterparties to meet their financial obligations or the Issuer's inability to fully enforce its rights against counterparties could have a material adverse effect on the Issuer's results.

Third parties that have payment obligations to the Issuer, or obligations to return money, securities or other assets, may not pay or perform under their obligations. These parties include the issuers and guarantors (including sovereigns) of securities the Issuer holds, borrowers under loans originated, reinsurers, customers, trading counterparties, securities lending and repurchase counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. Defaults by one or more of these parties on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, continuing low oil or other commodity prices, operational failure or other factors, or even rumours about potential defaults by one or more of these parties or regarding a severe distress of the financial services industry generally, could have a material adverse effect on the Issuer's results, financial condition and liquidity. Given the high level of interdependence between financial institutions, the Issuer is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of sovereigns and other financial services institutions. This is particularly relevant to the Issuer's franchise as an important and large counterparty in equity, fixed income and foreign exchange markets, including related derivatives.

The Issuer routinely executes a high volume of transactions, such as unsecured debt instruments, derivative transactions and equity investments with counterparties and customers in the financial services industry, including brokers and dealers, commercial and investment banks, mutual and hedge funds, insurance companies, institutional clients, futures clearing merchants, swap dealers, and other institutions, resulting in large periodic settlement amounts, which may result in it having significant credit exposure to one or more of such counterparties or customers. As a result, the Issuer could face concentration risk with respect to liabilities or amounts it expects to collect from specific counterparties and customers. The Issuer is exposed to increased counterparty risk as a result of recent financial institution failures and weakness and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. A default by, or even concerns about the creditworthiness of, one or more of these counterparties or customers or other financial services institutions could therefore have an adverse effect on the Issuer's results or liquidity.

With respect to secured transactions, the Issuer's credit risk may be exacerbated when the collateral held by the Issuer cannot be liquidated or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to it. The Issuer also has exposure to a number of financial institutions in the form of unsecured debt instruments, derivative transactions and equity investments. For example, ING holds certain hybrid regulatory capital instruments issued by financial institutions which permit the issuer to cancel coupon payments on the occurrence of certain events or at their option. The EC has indicated that, in certain circumstances, it may require these financial institutions to cancel payment. If this were to happen, the Issuer expects that such instruments may experience ratings downgrades and/or a drop in value and it may have to treat them as impaired, which could result in significant losses. There is no assurance that losses on, or impairments to the carrying value of, these assets would not materially and adversely affect the Issuer's business, results or financial condition.

In addition, the Issuer is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations the Issuer holds could result in losses and/ or adversely affect its ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of its counterparties could also have a negative impact on the Issuer's income and risk weighting, leading to increased capital requirements. While in many cases the Issuer is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral it is entitled to receive and the value of pledged assets. Also in this case, its credit risk may also be exacerbated when the collateral the Issuer holds cannot be liquidated at prices sufficient to recover the full amount of the loan or derivative exposure due to it, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those experienced during the financial crisis of 2008. The termination of contracts and the foreclosure on collateral may subject the Issuer to claims. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity. Any of these developments or losses could materially and adversely affect the Issuer's business, results, financial condition, and/or prospects.

Ratings are important to the Issuer's business for a number of reasons, and a downgrade or a potential downgrade in the Issuer's credit ratings could have an adverse impact on its results and net results.

Credit ratings represent the opinions of rating agencies regarding an entity's ability to repay its indebtedness. The Issuer's credit ratings are important to its ability to raise capital and funding through the issuance of debt and to the cost of such financing. In the event of a downgrade, the cost of issuing debt will increase, having an adverse effect on its net results. Certain institutional investors may also be obliged to withdraw their deposits from ING following a downgrade, which could have an adverse effect on the Issuer's liquidity. They can also have lower risk appitate for the Issuer's debt securities, leading to lower purchases of (newly issued) debt securities. The Issuer has credit ratings from S&P, Moody's Investor Service and Fitch Ratings. Each of the rating agencies reviews its ratings and rating methodologies on a recurring basis and may decide on a downgrade at any time.

As rating agencies continue to evaluate the financial services industry, it is possible that rating agencies will heighten the level of scrutiny that they apply to financial institutions, increase the frequency and scope of their credit reviews, request additional information from the companies that they rate and potentially adjust upward the capital and other requirements employed in the rating agency models for maintenance of certain ratings levels. It is possible that the outcome of any such review of the Issuer would have additional adverse ratings consequences, which could have a material adverse effect on its results and financial condition. The Issuer may need to take actions in response to changing standards or capital requirements set by any of the rating agencies, which could cause its business and operations to suffer. The Issuer cannot predict what additional actions rating agencies may take, or what actions it may take in response to the actions of rating agencies.

Furthermore, the Issuer's assets are risk-weighted. Downgrades of these assets could result in a higher risk-weighting, which may result in higher capital requirements. This may impact net earnings and the return on capital, and may have an adverse impact on the Issuer's competitive position.

The Issuer may be exposed to business, operational, regulatory, reputational and other risks in connection with climate change.

Climate change is an area of significant focus for governments and regulators, investors and ING's customers, and developments with respect to climate change topics may expose ING to significant risks. The perception of climate change as a risk by civil society, shareholders, governments and other stakeholders continues to increase, including in relation to the financial sector's operations and strategy, and international actions regulating or restricting CO_2 emissions, such as the Paris agreement, may also result in financial institutions coming under increased pressure from such stakeholders regarding the management and disclosure of their climate risks and related lending and investment activities. For further information regarding the alignment of ING's lending portfolio with its climate-related goals, see '*Description of ING Bank N.V. – ING Strategy – Responsible finance*' section.

For a description of the physical risks to the Issuer's business resulting from natural disasters as a result of climate change, see the interdependent risk factor *'–Operational risks, such as systems disruptions or failures, breaches of security, cyberattacks, human error, changes in operational practices, inadequate controls including in respect of third parties with which the Issuer does business, natural disasters or outbreaks of communicable diseases may adversely impact the Issuer's reputation, business and results*' above.

An inability to retain or attract key personnel may affect the Issuer's business and results.

The Issuer relies to a considerable extent on the quality of its senior management, such as members of the executive committee, and management in the jurisdictions which are material to ING's business and operations. The success of the Issuer's operations is dependent, among other things, on its ability to attract and retain highly qualified personnel. Competition for key personnel in most countries in which the Issuer operates, and globally for senior management, is intense. The Issuer's ability to attract and retain key personnel, in senior management and in particular areas such as technology and operational management, client relationship management, finance, risk and product development, is dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent.

The (increasing) restrictions on remuneration, plus the public and political scrutiny especially in the Netherlands, will continue to have an impact on existing the Issuer remuneration policies and individual remuneration packages for personnel. For example, under the EU's amended Shareholder Rights Directive, known as 'SRD II', which came into effect on 10 June 2019, ING is required to hold a shareholder (binding) vote on ING's Management Board Banking remuneration policy and Supervisory Board remuneration policy at least every four years. Furthermore the shareholders have an advisory vote on ING's remuneration report annually. This may restrict the Issuer's ability to offer competitive compensation compared with companies (financial and/or non-financial) that are not subject to such restrictions and it could adversely affect the Issuer's ability to retain or attract key personnel, which, in turn, may affect the Issuer's business and results.

The Issuer may incur further liabilities in respect of its defined benefit retirement plans if the value of plan assets is not sufficient to cover potential obligations, including as a result of differences between actual results and underlying actuarial assumptions and models.

ING Group companies operate various defined benefit retirement plans covering the post-employment benefits of a number of the Issuer's employees. The liability recognised in the Issuer's consolidated balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligations at the balance sheet date, less the fair value of each plan's assets, together with adjustments for unrecognised actuarial gains and losses and unrecognised past service costs. The Issuer determines its defined benefit plan obligations based on internal and external actuarial models and calculations using the projected unit credit method. Inherent in these actuarial models are assumptions, including discount rates, rates of increase in future salary and benefit levels, mortality rates and consumer price index. These assumptions are based on available market data and are updated annually. Nevertheless, the actuarial assumptions may differ significantly from actual results due to changes in market conditions, economic and mortality trends and other assumptions. Any changes in these assumptions could have a significant impact on the Issuer's present and future liabilities to and costs associated with its defined benefit plans.

5 Risks related to the Group's risk management practices

Risks relating to the Issuer's use of quantitative models or assumptions to model client behaviour for the purposes of its market calculations may adversely impact its reputation or results.

The Issuer uses quantitative methods, systems or approaches that apply statistical, economic financial, or mathematical theories, techniques and assumptions to process input data into quantitative estimates. Errors in the development, implementation, use or interpretation of such models, or from incomplete or incorrect data, can lead to inaccurate, noncompliant or misinterpreted model outputs, which may adversely impact the Issuer's reputation and results. In addition, the Issuer uses assumptions in order to model client behaviour for the risk calculations in its banking books. Assumptions are used to determine the interest rate risk profile of savings and current accounts and to estimate the embedded option risk in the mortgage and investment portfolios. Assumptions based on past client behaviour may not always be a reliable indicator of future behaviour. The realisation or use of different assumptions to determine client behaviour could have a material adverse effect on the calculated risk figures and, ultimately, the Issuer's future results or reputation. Furthermore, the Issuer may be subject to risks related to changes in the laws and regulations governing the risk management practices of financial institutions. For further information, see the interdependent risk factor '*Risks related to the regulation and supervision of the Group – Changes in laws and/or regulations governing financial services or financial institutions or the application of such laws and/or regulations may increase the Issuer's operating costs and limit its activities*' above. As noted there, regulation of the industries in which the Issuer operates is becoming increasingly more extensive and complex, while also attracting regulatory scrutiny. Compliance failures may lead to changes in the laws and regulations governing the risk management practices and materially increase the Issuer's operating costs.

The Issuer may be unable to manage its risks successfully through derivatives.

The Issuer employs various economic hedging strategies with the objective of mitigating the market risks that are inherent in its business and operations. These risks include currency fluctuations, changes in the fair value of its investments, the impact of interest rates, equity markets and credit spread changes, the occurrence of credit defaults and changes in client behaviour. The Issuer seeks to control these risks by, among other things, entering into a number of derivative instruments, such as swaps, options, futures and forward contracts, including, from time to time, macro hedges for parts of its business, either directly as a counterparty or as a credit support provider to affiliate counterparties. Developing an effective strategy for dealing with these risks is complex, and no strategy can completely insulate the Issuer from risks associated with those fluctuations. The Issuer's hedging strategies also rely on assumptions and projections regarding its assets, liabilities, general market factors and the creditworthiness of its counterparties that may prove to be incorrect or prove to be inadequate. Accordingly, the Issuer's hedging activities may not have the desired beneficial impact on its results or financial condition. Poorly designed strategies or improperly executed transactions could actually increase the Issuer's risks and losses. Hedging strategies involve transaction costs and other costs, and if the Issuer terminates a hedging arrangement, it may also be required to pay additional costs, such as transaction fees or breakage costs. There have been periods in the past, and it is likely that there will be periods in the future, during which the Issuer has incurred or may incur losses on transactions, possibly significant, after taking into account its hedging strategies. Further, the nature and timing of the Issuer's hedging transactions could actually increase its risk and losses. Hedging instruments the Issuer uses to manage product and other risks might not perform as intended or expected, which could result in higher (un)realised losses, such as credit value adjustment risks or unexpected P&L effects, and unanticipated cash needs to collateralise or settle such transactions. Adverse market conditions can limit the availability and increase the costs of hedging instruments, and such costs may not be recovered in the pricing of the underlying products being hedged. In addition, hedging counterparties may fail to perform their obligations, resulting in unhedged exposures and losses on positions that are not collateralised. As such, the Issuer's hedging strategies and the derivatives that it uses or may use may not adequately mitigate or offset the risks they intend to cover, and its hedging transactions may result in losses.

The Issuer's hedging strategy additionally relies on the assumption that hedging counterparties remain able and willing to provide the hedges required by its strategy. Increased regulation, market shocks, worsening market conditions (whether due to the ongoing euro crisis or otherwise), and/or other factors that affect or are perceived to affect the financial condition, liquidity and creditworthiness of the Issuer may reduce the ability and/or willingness of such counterparties to engage in hedging contracts with it and/or other parties, affecting the Issuer's overall ability to hedge its risks and adversely affecting its business, results and financial condition.

6 Risks related to the Group's liquidity and financing activities

The Issuer depends on the capital and credit markets, as well as customer deposits, to provide the liquidity and capital required to fund its operations, and adverse conditions in the capital and credit markets, or significant withdrawals of customer deposits, may impact its liquidity, borrowing and capital positions, as well as the cost of liquidity, borrowings and capital.

Adverse capital market conditions have in the past affected, and may in the future affect, the Issuer's cost of borrowed funds and its ability to borrow on a secured and unsecured basis, thereby impacting its ability to support and/or grow its businesses. Furthermore, although interest rates are at or near historically low levels, since the recent financial crisis, the Issuer has experienced increased funding costs due in part to the withdrawal of perceived government support of such institutions in the event of future financial crises. In addition, liquidity in the financial markets has also been negatively impacted as market participants and market practices and structures adjust to new regulations.

The Issuer needs liquidity to fund new and recurring business, to pay its operating expenses, interest on its debt and dividends on its capital stock, maintain its securities lending activities and replace certain maturing liabilities. Without sufficient liquidity, the Issuer will be forced to curtail its operations and its business will suffer. The principal sources of the Issuer's funding include a variety of short- and long-term instruments, including deposit fund, repurchase agreements, commercial paper, medium- and long-term debt, subordinated debt securities, capital securities and shareholders' equity.

In addition, because the Issuer relies on customer deposits to fund its business and operations, the confidence of customers in financial institutions may be tested in a manner that may adversely impact its liquidity and capital position. Consumer confidence in financial institutions may, for example, decrease due to the Issuer or its competitors' failure to communicate to customers the terms of, and the benefits to customers of, complex or high-fee financial products. Reduced confidence could have an adverse effect on the Issuer's liquidity and capital position through withdrawal of deposits, in addition to its revenues and results. Because a significant percentage of its customer deposit base is originated via Internet banking, a loss of customer confidence may result in a rapid withdrawal of deposits over the Internet.

In the event that the Issuer's current resources do not satisfy its needs, it may need to seek additional financing. The availability of additional financing will depend on a variety of factors, such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, the Issuer's credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of its long- or short-term financial prospects. Similarly, the Issuer's access to funds may be limited if regulatory authorities or rating agencies take negative actions against the Issuer. If the Issuer's internal sources of liquidity prove to be insufficient, there is a risk that the Issuer may not be able to successfully obtain additional financing on favourable terms, or at all. Any actions the Issuer might take to access financing may, in turn, cause rating agencies to re-evaluate its ratings.

Disruptions, uncertainty or volatility in the capital and credit markets may also limit the Issuer's access to capital. Such market conditions may in the future limit the Issuer's ability to raise additional capital to support business growth, or to counterbalance the consequences of losses or increased regulatory capital and rating agency capital requirements. This could force the Issuer to (i) delay raising capital, (ii) reduce, cancel or postpone payment of dividends on its shares, (iii) reduce, cancel or postpone interest payments on its other securities, (iv) issue capital of different types or under different terms than the Issuer would otherwise, or (v) incur a higher cost of capital than in a more stable market environment. This would have the potential to decrease both the Issuer's profitability and its financial flexibility. The Issuer's results, financial condition, cash flows, regulatory capital and rating agency capital position could be materially adversely affected by disruptions in the financial markets.

Furthermore, regulatory liquidity requirements in certain jurisdictions in which the Issuer operates are becoming more stringent, undermining its efforts to maintain centralised management of its liquidity. These developments may cause trapped pools of liquidity and capital, resulting in inefficiencies in the cost of managing the Issuer's liquidity and solvency, and hinder its efforts to integrate its balance sheet. An example of such trapped liquidity includes the Issuer's operations in Germany where German regulations impose separate liquidity requirements that restrict the Issuer's ability to move a liquidity surplus out of the German subsidiary.

IMPORTANT NOTICES

This Registration Document has been prepared for the purpose of giving information with respect to ING Bank N.V. which, according to the particular nature of ING Bank N.V. and the securities which it may offer to the public within a member state ("**Member State**") of the European Economic Area (the "**EEA**") or apply to have admitted to trading on a regulated market situated or operating within such a Member State, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of ING Bank N.V.

In this Registration Document, unless otherwise stated or the context otherwise requires, references to the "**Issuer**" are to ING Bank N.V., references to "**ING Bank**" are to ING Bank N.V. and its subsidiaries, references to "**ING Group**" are to ING Groep N.V. and references to "**ING**" or the "**Group**" are to ING Group and its subsidiaries.

The Issuer accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Issuer, the information contained in this Registration Document is in accordance with the facts and makes no omission likely to affect the import of such information.

No person has been authorised to give any information or to make any representation not contained in or incorporated by reference into this Registration Document and the Issuer takes no responsibility for, and can provide no assurance as to the reliability of, information that any other person may give.

This Registration Document should not be considered as a recommendation by the Issuer that any recipient of this Registration Document should purchase any securities of the Issuer. Each investor contemplating purchasing any securities of the Issuer should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Registration Document does not constitute an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any securities of the Issuer.

The delivery of this Registration Document shall not in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. Investors should carefully review and evaluate, *inter alia*, the most recent financial disclosure of the Issuer from time to time incorporated by reference into this Registration Document when deciding whether or not to purchase any securities of the Issuer.

The distribution of this Registration Document and the offer or sale of any securities of the Issuer may be restricted by law in certain jurisdictions. Persons into whose possession this Registration Document or any securities of the Issuer come must inform themselves about, and observe, any such restrictions.

Any securities to be issued by the Issuer in connection with this Registration Document have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States ("**U.S.**"). Accordingly, any such securities may not be offered, sold, pledged or otherwise transferred within the U.S. or to or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws.

Any securities to be issued by the Issuer in connection with this Registration Document have not been approved or disapproved by the U.S. Securities and Exchange Commission ("**SEC**"), any state securities commission in the U.S. or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of any such securities or the accuracy or the adequacy of this Registration Document. Any representation to the contrary is a criminal offence in the U.S.

FORWARD-LOOKING STATEMENTS

This Registration Document includes or incorporates by reference forward-looking statements All statements other than statements of historical fact included or incorporated by reference into this Registration Document, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. These forward-looking statements speak only as of the date of this Registration Document or as of such earlier date at which such statements are expressed to be given. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

GENERAL

All references in the Prospectus to "**U.S. dollars**", "**U.S.$**" and "**$**" refer to the lawful currency of the United States, those to "**Sterling**", "**£**", "**GBP**" and "**STG**" refer to the lawful currency of the United Kingdom those to "**euro**", "**€**" and "**EUR**" refer to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, and those to "**Swiss Francs**" or "**CHF**" refer to the lawful currency of Switzerland.

In this Registration Document and any document incorporated herein by reference, references to websites or uniform resource locators ("**URLs**") are deemed inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Registration Document.

Any website referred to in this document does not form part of this Registration Document and has not been scrutinised or approved by the AFM.

DOCUMENTS INCORPORATED BY REFERENCE

The following (parts of the following) documents, which have previously been published or are published simultaneously with this Registration Document and have been approved by the AFM or filed with it, shall be deemed to be incorporated in, and to form part of, this Registration Document; this Registration Document should be read and construed in conjunction with such (parts of the) documents:

	Document/Heading	**Page reference in the relevant document**
(a)	the publicly available annual report in respect of the year ended 31 December 2020 (the "**2020 Annual Report**") (containing the audited consolidated financial statements of the Issuer in respect of the year ended 31 December 2020) (which can be obtained here)	
	Introduction - our business	4 - 7
	Strategy and performance	8 - 29
	Risk Management (including, without limitation, "Environmental, social and governance risk")	30 - 133
	Consolidated financial statements (including, without limitation, "Notes to the consolidated financial statements")	154 - 274
	Other information and appendices – Independent auditor's report with respect to the consolidated financial statements	294 - 300
(b)	the publicly available annual report in respect of the year ended 31 December 2019 (the "**2019 Annual Report**") (containing the audited consolidated financial statements of the Issuer in respect of the year ended 31 December 2019) (which can be obtained here)	
	Report of the Management Board – Climate change	16 – 17
	Risk Management (including, without limitation, "Environmental and Social Risk Framework")	49 – 135
	Consolidated financial statements (including, without limitation, "Notes to the consolidated financial statements")	138 – 264
	Other information and appendices – Independent auditor's report with respect to the consolidated financial statements	285 – 291
(c)	the publicly available annual report in respect of the year ended 31 December 2018 (the "**2018 Annual Report**") (containing the audited consolidated financial statements of the Issuer in respect of the year ended 31 December 2018) (which can be obtained here)	
	Consolidated financial statements (including, without limitation, "Notes to the consolidated financial statements")	43 – 258
	Other information and appendices – Independent auditor's report with respect to the consolidated financial statements	279 – 286

Any statement contained in a document which is deemed to be incorporated by reference into this Registration Document shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a later statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Those parts of the 2020 Annual Report, 2019 Annual Report and 2018 Annual Report which are not explicitly listed in the table above are not incorporated by reference into this Registration Document as these parts are either not relevant for investors or the relevant information is included elsewhere in this Registration Document. Any documents themselves incorporated by reference into the documents incorporated by reference into this Registration Document shall not form part of this Registration Document.

The Issuer will provide, without charge, to each person to whom a copy of this Registration Document has been delivered in accordance with applicable law, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Requests for such documents should be directed to the Issuer at Foppingadreef 7, 1102 BD Amsterdam, the Netherlands. In addition, this Registration Document and any document which is incorporated herein by reference will be made available on the website of ING (https://www.ingmarkets.com/downloads/800/debt-issuance-programme (for this Registration Document), https://www.ing.com/Investor-relations/Financial-performance/Annual-reports.htm (for the annual reports) and https://www.ing.com/about-us/corporate-governance/legal-structure-and-regulators.htm (for the Articles of Association)).

DOCUMENTS AVAILABLE FOR INSPECTION

So long as this Registration Document is valid as described in Article 12 of the Prospectus Regulation, in addition to the documents incorporated by reference into this Registration Document, electronic versions of the following documents will be available on the Issuer's website (see the links set out below):

(i) the Articles of Association, which can be obtained here;

(ii) the 2020 Annual Report (containing the parts incorporated by reference into this Registration Document as indicated under "Documents Incorporated by Reference" above), which can be obtained here;

(iii) the 2019 Annual Report (containing the parts incorporated by reference into this Registration Document as indicated under "Documents Incorporated by Reference" above), which can be obtained here;

(iv) the 2018 Annual Report (containing the parts incorporated by reference into this Registration Document as indicated under "Documents Incorporated by Reference" above), which can be obtained here;

(v) this Registration Document and any supplement to this Registration Document, which can be obtained here; and

(vi) (a) any securities note relating to securities to be issued by the Issuer under a Prospectus that includes this Registration Document and any supplement thereto and (b) any summary of the individual issue annexed to the relevant final terms for the securities to be issued by the Issuer, which can be obtained here (for any subordinated securities), here (for any senior securities) and here (for any green securities).

SUPPLEMENTS

If there is a significant new factor, material mistake or material inaccuracy relating to the information included in any Prospectus consisting of separate documents (i.e. this Registration Document, the respective Securities Note and, where applicable, the respective summary) which may affect the assessment of any securities described in such Prospectus and which arises or is noted between the time when the relevant Prospectus is approved and the closing of the offer period of such securities or the time when trading of such securities on a regulated market begins, whichever occurs later, the Issuer shall prepare a supplement to the Prospectus for use in connection with any subsequent offering of securities to be offered to the public in the EEA or to be admitted to trading on a regulated market within the EEA and shall supply to the AFM and, where applicable, the stock exchange operating the relevant market such number of copies of such supplement or replacement document as relevant applicable legislation may require.

If there is a significant new factor, material mistake or material inaccuracy only concerning the information contained in this Registration Document and this Registration Document is simultaneously used as a constituent part of several Prospectuses, the Issuer shall prepare only one supplement to this Registration Document. In that case, the supplement shall mention all the Prospectuses to which it relates.

Furthermore, in the event that the Issuer prepares and submits for approval a Securities Note and a summary, where applicable, in respect of securities that are to be offered to the public and/or admitted to trading on a regulated market within the EEA and, since the date of this Registration Document, there has been a significant new factor, material mistake or material inaccuracy relating to the information included in this Registration Document which is capable of affecting the assessment of such securities, the Issuer shall prepare and submit for approval a supplement to this Registration Document, at the latest at the same time as the relevant Securities Note and the summary, where applicable.

DESCRIPTION OF ING BANK N.V.

General

ING Bank N.V. (also called "**ING Bank**") is part of ING Groep N.V. (also called "**ING Group**"), the holding company for a broad spectrum of companies (together, called "**ING**"). ING Group holds all shares of ING Bank N.V., which is a non-listed 100% subsidiary of ING Group.

ING is a holding company incorporated in 1991 under the laws of the Netherlands. It is a global financial institution with a strong European base, offering retail and wholesale banking services to 39 million customers in over 40 countries. ING draws on its experience and expertise, its commitment to excellent service and its global scale to meet the needs of a broad customer base, comprising individuals, families, small businesses, large corporations, institutions and governments. ING has more than 55,000 employees.

ING's purpose is to empower customers to stay ahead in life and in business. To deliver on this, ING promises to make banking clear and easy, anytime, anywhere, and to continue to improve.

ING Bank serves retail customers in Europe, Asia and Australia and Wholesale Banking clients worldwide. Its reporting structure reflects the two main business lines through which it is active: Retail Banking and Wholesale Banking.

In most Retail markets, ING provides a full range of consumer banking products and services covering payments, mortgages, savings, investments and loans. Retail Banking serves individuals as well as Business Banking customers – self-employed entrepreneurs, micro businesses, small-to-medium enterprises (SMEs) and mid-corporate companies.

Wholesale Banking offers corporate clients, governments and financial institutions advisory value propositions such as specialised lending, tailored corporate finance, green structuring and debt and equity-market solutions. It also serves their daily banking needs with payments and cash management, trade and treasury services.

ING Bank aims to be the primary bank for its customers. In Retail Banking, primary customers are those with multiple active ING products, including a current account with recurrent income such as a salary. In Wholesale Banking these are active clients with lending and daily banking products and at least one other product generating recurring revenues.

ING is active in three market categories defined as Market Leaders, Challengers Markets and Growth Markets. Market Leaders are Belgium, the Netherlands and Luxembourg. These are leading retail and wholesale banks. Here ING is aiming for a cross-border customer interaction platform with a mobile-first customer experience and cost efficiency.

ING's Challengers Markets are Australia, Austria, Czech Republic, France, Germany, Italy and Spain. These are primarily digital banks with a uniform, mobile-first customer experience. ING's priority is to diversify its product offering.

Growth Markets are Poland, Romania, Turkey, the Philippines and ING's stakes in Asia. These are universal banks in economies with high growth potential. ING is developing a differentiating customer experience based on a mobile-first approach.

Incorporation and History

ING Bank N.V. was incorporated under Dutch law in the Netherlands on 12 November 1927 for an indefinite duration in the form of a public limited company as Nederlandsche Middenstandsbank N.V. ("**NMB Bank**").

As result of the merger on equal terms of Nationale-Nederlanden and NMB Postbank Groep, ING Groep N.V. was created in 1991 as holding company allowing separate insurance and banking supervision. In 2011 insurance and banking activities were split operationally; divestment of insurance completed in April 2016.

ING Bank N.V. is a limited liability company (*naamloze vennootschap*). The registered office of ING Bank N.V. is at Bijlmerdreef 106, 1102 CT Amsterdam, the Netherlands (telephone number: +31 20 563 9111). ING Bank N.V. is registered at the Dutch Trade Register of the Chamber of Commerce under no. 33031431 and its corporate seat is in Amsterdam, the Netherlands. The legal entity identifier (LEI) of ING Bank N.V. is 3TK20IVIUJ8J3ZU0QE75. The Articles of Association of ING Bank N.V. were last amended by notarial deed executed on 13 December 2013. According to Article 2 of its Articles of Association, the objects of ING Bank N.V. are to conduct the banking business in the widest sense, including insurance brokerage, to acquire, build and operate real estate, to participate in, manage, finance and furnish personal or real security for the obligations of and provide services to other enterprises and institutions of any kind, but in particular enterprises and institutions which engage in lending, investments and/or other financial services, and to engage in any activity which may be related or conducive to the foregoing.

As a non-listed company, ING Bank N.V. is not bound by the Dutch Corporate Governance Code (the "**Code**"). ING Group, as the listed holding company of ING Bank N.V., is in compliance with the Code. However, ING Bank is bound to the Dutch Banking Code ("**Banking Code"**). The Banking Code is a form of self-regulation that took effect on 1 January 2010 on a 'comply or explain' basis. The updated Banking Code came into effect on 1 January 2015. Just like its predecessor, the revised version of the Banking Code, is applicable to ING Bank. ING Bank will publish its application of the Banking Code for the financial year 2020 on its corporate website www.ing.com on 11 March 2021.

Supervisory Board and Management Board Banking

ING Bank N.V. has a two-tier board system, consisting of a Supervisory Board and a Management Board Banking. All members of the Supervisory Board are independent within the meaning of the Code. The task of the Supervisory Board is to supervise the policy of the Management Board Banking and the general course of events at ING Bank and to assist the Management Board Banking by providing advice. The Management Board Banking is responsible for the daily management of ING Bank N.V.

As at the date of this Registration Document, the composition of the Supervisory Board and the Management Board Banking is as follows:

- Supervisory Board: G.J. (Hans) Wijers (chairman), A.M.G. (Mike) Rees (vice-chairman), J.P. (Jan Peter) Balkenende, J. (Juan) Colombás, M. (Mariana) Gheorghe, M. (Margarete) Haase, H.A.H. (Herman) Hulst, H.H.J.G. (Harold) Naus and H.W.P.M.A. (Herna) Verhagen. The Supervisory Board will propose to the shareholders to appoint Lodewijk van den Bergh as member of the Supervisory Board of ING Group at the Annual General Meeting on 26 April 2021. Jan Peter Balkenende will retire from the Supervisory Board at the end of the AGM on 26 April 2021. See *"– Proposed changes to the Management Board Banking and the Supervisory Board*" below for more information.

- Management Board Banking: S.J.A. (Steven) van Rijswijk (chairman), (CRO), T. (Tanate) Phutrakul (CFO), L. (Ljiljana) Cortan, P. (Pinar) Abay, A. (Aris) Bogdaneris and R.M.M. (Roel) Louwhoff (COO). Andrew Bester will be appointed member of the Management Board Banking and head of Wholesale Banking as of 6 April 2021. See *"– Proposed changes to the Management Board Banking and the Supervisory Board*" below for more information.

The business address of all members of the Supervisory Board and the Management Board Banking is: ING Bank N.V., Bijlmerdreef 106, 1102 CT Amsterdam, the Netherlands.

In order to avoid potential conflicts of interest, ING Bank N.V. has a policy that members of its Management Board Banking do not accept corporate directorships with listed companies outside ING. As a result, and given the different fields of business of each company, ING believes that there is no potential conflict of interest.

Details of relationships that members of the Management Board Banking may have with ING Group subsidiaries as ordinary, private individuals are not reported, with the exception of information on any loans that may have been granted to them. In all these cases, the company complies with the best-practice provisions of the Code.

There are no potential conflicts of interest between any duties owed by the members of the Supervisory Board or the Management Board Banking to ING Bank N.V. and any private interests or other duties which such persons may have.

Listed below are the most relevant ancillary positions performed by members of the Supervisory Board outside ING.

Wijers, G.J.

Member of the Supervisory Board of Hal Holding N.V.

Member of the Temasek European Advisory Panel of Temasek Holdings Private Limited

Rees, A.M.G.

Non-executive chairman of Athla Capital Management Ltd.

Non-executive chairman of Travelex Topco Limited

Non-executive chairman of Satsanga Fintech Holdings

Non-executive chairman of Mauritius Africa FinTech Hub

Balkenende, J.P.

Professor of governance, institutions and internationalisation at Erasmus University Rotterdam (the Netherlands)

External senior adviser to EY

Member of the Supervisory Board of Goldschmeding Foundation

Chairman of the Board Maatschappelijke Alliantie (the Netherlands)

Chairman of the Board of Noaber Foundation

Colombás, J.

None

Gheorghe, M.

Non-executive director of ContourGlobal Plc

Member of the Advisory Council of the Bucharest Academy of Economic Studies, Romania

Haase, M.

Member of the Supervisory Board and chairwoman of the Audit Committee of Fraport AG

Member of the Supervisory Board and chairwoman of the Audit Committee of Osram Licht AG

Member of the Supervisory Board and chairwoman of the Audit Committee of Marquard & Bahls AG

Chairwoman of the Employers Association of Kölnmetall

Member of the German Corporate Governance Committee

Hulst, H.A.H.

None

Naus, H.H.J.G.
CEO of Cardano Risk Management B.V.

CFO of Cardano Holding Ltd

Chairman of the Curatorium VU Amsterdam "Risk Management for Financial Institutions"

Verhagen, H.W.P.M.A.
CEO of PostNL N.V.

Non-executive board member and chairwoman of the nomination committee of Rexel SA

Member of the Supervisory Board and member of the audit committee of Het Concertgebouw N.V.

Member of the advisory council of Goldschmeding Foundation

Member of the Board of VNO-NCW (inherent to her position at PostNL N.V.)

Proposed changes to the Management Board Banking and the Supervisory Board

Ralph Hamers stepped down from his position as CEO and chairman of the Executive Board of ING Group and of the Management Board Banking of the Issuer as of 30 June 2020. He was succeeded by Steven van Rijswijk. Andrew Bester will be appointed member of the Management Board Banking and head of Wholesale Banking as of 6 April 2021, succeeding Isabel Fernandez, who stepped down effective 31 December 2020. The Supervisory Board will propose to the shareholders to appoint Ljiljana Čortan as CRO and member of the Executive Board of ING Group at the AGM on 26 April 2021. The Supervisory Board will also propose to the shareholders to appoint Lodewijk Hijmans van den Bergh as member of the Supervisory Board. Jan Peter Balkenende will on his request retire from the Supervisory Board at the end of the AGM on 26 April 2021 to focus on other future activities. Eric Boyer de la Giroday and Hermann-Josef Lamberti retired from the Supervisory Board effective from the close of the AGM of 28 April 2020. Juan Colombás, Herman Hulst and Harold Naus were appointed by the AGM of 28 April 2020. The appointments of Herman Hulst and Harold Naus became effective on 28 April 2020. The appointment of Juan Colombás became effective on 1 October 2020.

Permanent Committees of the Supervisory Board

The Supervisory Board has four permanent committees: the Risk Committee, the Audit Committee, the Nomination and Corporate Governance Committee and the Remuneration Committee.

Separate charters have been drawn up for the Risk Committee, the Audit Committee, the Nomination and Corporate Governance Committee and the Remuneration Committee. These charters are available on the website of ING (www.ing.com) (but are not incorporated by reference into, and do not form part of, this Registration Document). A short description of the duties of the four permanent committees follows below.

The Risk Committee assists and advises the Supervisory Board with the performance of its duties in relation to overseeing (i) the setting and monitoring of ING's risk appetite and risk strategy for all types of risk including but not limited to financial and non-financial risk, (ii) the effectiveness of the internal risk management and control systems and (iii) other related risk management topics. The Risk Committee shall prepare the discussions within and decisions of the Supervisory Board on such matters. The members of the Risk Committee are: Mike Rees (chairman), Jan Peter Balkenende, Juan Colombás, Mariana Gheorghe, Margarete Haase, Herman Hulst, Harold Naus and Hans Wijers.

The Audit Committee assists and advises the Supervisory Board with the performance of its duties in relation to the integrity and the quality of the Issuer's financial reporting and related effectiveness on the Issuer's internal risk management and control systems and shall prepare the discussions within and the decisions of the Supervisory Board on such matters. The members of the Audit Committee are: Margarete Haase (chairwoman), Juan Colombás, Herman Hulst, Mike Rees and Hans Wijers.

The appointment of Margarete Haase as supervisory board member became effective as of 1 May 2018 (as decided by the Supervisory Board in January 2018) and as of that date Margarete Haase is considered a financial expert as defined by the SEC in its final rules implementing Section 407 of the Sarbanes-Oxley Act of 2002.

The Nomination and Corporate Governance Committee assists the Supervisory Board with the performance of its duties in relation to selection and nomination of, among others, the Supervisory Board members and Management Board Banking members, talent management and the effectiveness of the Issuer's governance arrangements and shall prepare the discussions with and decisions of the Supervisory Board on such matters. The members of the Nomination and Corporate Governance Committee are: Hans Wijers (chairman), Mariana Gheorghe and Herna Verhagen.

The Remuneration Committee assists the Supervisory Board with the performance of its duties in relation to remuneration policies and the application and compliance thereof and shall prepare the discussion within and decisions of the Supervisory Board on such matters. In doing so, the Remuneration Committee will take into account the adequacy of information provided to shareholders on remuneration policies and practices. The members of the Remuneration Committee are: Herna Verhagen (chairwoman), Mariana Gheorghe Harold Naus and Hans Wijers.

THREE-YEAR KEY CONSOLIDATED FIGURES FOR ING BANK N.V.[1]

	2020	2019	2018
Balance sheet			
Total assets	937,379	891,910	887,012
Total equity	48,697	47,817	44,976
Deposits and funds borrowed[2]	776,809	734,957	719,783
Loans and advances	598,306	611,907	592,328
Results			
Total income	17,645	18,295	18,102
Operating expenses	11,160	10,343	10,695
Additions to loan loss provisions	2,675	1,120	656
Result before tax	3,810	6,831	6,751
Taxation	1,317	1,889	2,036
Net result (before non-controlling interests)	2,493	4,942	4,715
Attributable to Shareholders of the parent	2,415	4,843	4,607
Ratios (in per cent.)			
BIS ratio[3]	18.96	17.90	17.22
Tier 1 ratio[4]	15.90	15.14	14.55

Notes:

(1) These figures have been derived from the audited consolidated financial statements of ING Bank N.V. in respect of the financial years ended 31 December 2020, 2019 and 2018, respectively. Amounts may not add up due to rounding.

(2) Figures including Banks and Debt securities.

(3) BIS ratio = BIS capital as a percentage of Risk Weighted Assets (as of the year 2015 based on Basel III phased-in).

(4) Tier 1 ratio = Available Tier 1 capital as a percentage of Risk Weighted Assets

Share Capital and Preference Shares

As at the date of this Registration Document, the authorised capital of ING Bank N.V. amounted to one billion, eight hundred and eight million euros (EUR 1,808,000,000) and was divided as follows:

a. one billion, five hundred and ninety-nine million, nine hundred and ninety-nine thousand, nine hundred and fifty (1,599,999,950) ordinary shares, each having a nominal value of one euro and thirteen cents (EUR 1.13); and

b. fifty (50) preference shares, each having a nominal value of one euro and thirteen cents (EUR 1,13), divided into twenty-six (26) series, each designated by a different letter, of which series A, B, D, and E each consists of one (1) preference share, series F to Y inclusive each consists of two (2) preference shares and series C and Z each consists of three (3) preference shares, each series of preference shares counting as a separate class of share.

The issued and paid-up capital amounted to EUR 525 million, consisting of 465 million ordinary shares and seven preference shares at 31 December 2020.

Significant Developments in 2020

On 19 February 2020, ING announced that its CEO Ralph Hamers will step down from his position and leave ING as of 30 June 2020. On 19 June 2020, ING announced that Steven van Rijswijk will succeed Ralph Hamers as CEO and Chairman of the Executive Board of ING Group. The Supervisory Board has appointed Steven van Rijswijk effective 1 July 2020.

In late-2019, a highly-infectious novel coronavirus named Covid-19 was first identified in Wuhan, PRC. Spreading quickly to other regions of the world, Covid-19 was declared a global pandemic by the World Health Organization on 11 March 2020. Various countries and local governmental authorities across the world have introduced measures aimed at preventing the further spread of Covid-19, such as bans on public events with over a certain number of attendees, closures of places where larger groups of people gather such as schools, sports facilities and bars and restaurants, lockdowns, border controls and travel and other restrictions. Such measures have disrupted the normal flow of business operations in those countries and regions, which include countries and regions where ING and its customers and counterparties operate (such as, among others, Benelux, Germany, France, Italy, Spain, the U.K. and the U.S.), affected global supply chains, global manufacturing, tourism, consumer spending and asset prices, and resulted in volatility and uncertainty across the global economy and financial markets.

In addition to measures aimed at preventing the further spread of the Covid-19 virus, governments in various countries have introduced measures aimed at mitigating the economic consequences of the outbreak. For example, the Dutch government has announced economic measures aimed at protecting jobs, households' wages and companies, e.g., by way of tax payment holidays, guarantee schemes and a compensation scheme for heavily affected sectors in the economy. These announced measures and any additional measures, including any payment holidays with respect to mortgages or other loans, may have a significant impact on ING's customers and other counterparties.

Governments, regulators and central banks, including the European Central Bank ("**ECB**") and DNB, have also announced that they are taking or considering measures seeking to safeguard the stability of the financial sector, to prevent lending to the business sector from being jeopardised and to ensure the payment system continues to function properly. For example, in a press release issued on 17 March 2020, DNB announced that it had decided to temporarily give banks additional leeway to continue business lending and absorb potential losses. In this context, the introduction of a floor for mortgage loan risk weighting has been postponed. Furthermore, for ING the systemic buffer has been lowered from 3.0% of global risk-weighted exposures to 2.5%. DNB indicated that these measures will remain in force as long as necessary. The DNB also announced that, once the situation is back to normal, DNB will compensate the systemic buffers reduction by gradually increasing the countercyclical capital buffer to bring capital requirements back to the previous level.

ING is monitoring the ongoing Covid-19 pandemic carefully as it evolves to understand the impact on its people and business which could have a material adverse effect on ING's business and operations.

On 9 December 2020, the Court of Appeal in The Hague issued its final ruling in the legal proceeding resulting from a third party complaint regarding the prosecutor's decision to enter into a settlement agreement with ING in September 2018, related to shortcomings in the execution of policies to prevent financial economic crime at ING Netherlands. In its ruling the Court upholds the prosecutors' decision to enter into the settlement agreement with ING. However, in a separate ruling, the Court ordered the prosecution of ING's former CEO, Ralph Hamers.

Significant Developments in 2021

On 18 February 2021, ING announced that it intends to withdraw from the retail banking market in the Czech Republic. The ambition is for ING to stop all its retail activities in this market by the end of 2021. ING will remain active in the Czech Republic as a provider of wholesale banking products and services. An agreement between ING Czech Republic and Raiffeisenbank Czech Republic has been secured to ensure ING's customers in the Czech Republic can continue to meet their banking needs. This agreement is pending regulatory approval.

On 2 March 2021, ING announced that it is reviewing the strategic options for its Retail Banking operations in Austria with the aim of exiting this market by the end of 2021. The scope of the review focuses solely on ING's retail business. ING will continue its Wholesale Banking activities in Austria. As a first step, in June 2021, ING will discontinue its savings-only offering for customers in Austria. As it exits the local retail banking market, ING will make sure its customers are fully supported throughout. Any further measures pertaining to ING's retail operations in Austria will be closely coordinated with local regulators.

ING strategy

Think Forward

ING's Think Forward strategy is built around its purpose to empower people to stay a step ahead in life and in business and its customer promise to make banking clear and easy, anytime, anywhere, empower, and keep getting better.

Think Forward guides ING's response to the challenges and opportunities presented by developments inside and outside the bank and helps it focus on the elements it needs to be successful. In particular, how to master the digital customer experience. Customer experience is the key differentiator in an increasingly digital world in which expectations are being shaped by people's interactions online and on their smartphones.

The Covid-19 pandemic amplified society's growing reliance on the online economy and accelerated market trends like the shift to mobile banking and contactless payments. The opening of the European payments market under the PSD2 directive further spurred competition from new non-bank providers such as third party mobile and online payment platforms like ApplePay and Alipay.

These developments reinforced the relevance of ING's data-driven, mobile-first approach. It accelerated the urgency of implementing end-to-end digitalisation, both to meet the growing demand for mobile banking and to enhance operational excellence, which ensures customers can do their daily banking without disruption, even during the global lockdowns. Linked to this is the need to master data to truly understand and anticipate customers' evolving needs and finding innovative ways to add value, also in areas beyond banking.

These are the strategic priorities that aim to create the differentiated customer experience and deepen the customer relationship.

Another factor influencing ING's business in 2020 was the ongoing negative interest rate environment in the eurozone and low interest rates elsewhere, which continued to erode margins on customer deposits, putting pressure on net interest income. Loan demand in a number of markets weakened during the pandemic due to strong direct government support, while the inflow of customer deposits accelerated and interest rates in non-eurozone countries significantly reduced. In response, ING introduced negative interest rates for retail customers in some markets and increased its focus on income diversification with strong fee income growth, particularly in retail investment products.

Platform approach

While many businesses struggled to survive the global lockdowns in 2020, Big Tech companies thrived. ING's competitive landscape is increasingly shaped by these companies, which offer an engaging digital experience on an open platform that meets a range of needs in one go-to digital ecosystem. Platform providers are all about customer experience. They use data and advanced analytics to pinpoint what people need and partner with third parties to meet this with fitting products and services, ensuring customers come back for more. Platforms are empowering. To remain relevant, ING has to be on the platforms where its (future) customers are, while maintaining the highest possible standards of integrity.

Open banking creates opportunities for ING to add value for customers by connecting to the products and services of others, also in areas beyond banking.

When it comes to platforms, ING is developing its own business solutions. It is building its own platforms, some of which have evolved into stand-alone platforms. It is investing in independent initiatives and it is connecting to third-party platforms offering relevant products and services.

Building a universal digital bank

To accelerate the execution of its Think Forward strategy, ING launched a series of transformation programmes in 2016 to unite similar businesses and bring the bank closer to one mobile-first digital platform offering one ING experience everywhere. These are Unite be+nl, to combine the Netherlands and Belgium, which runs until the end of H1 2021; Maggie (formerly Model Bank) to standardise the customer experience and product offering in four Challengers markets - Czech Republic, France, Italy and Spain, which was stopped in November 2020; Welcome, to digitalise ING in Germany, which was completed in 2019; and WTOM, which has come to a natural conclusion in 2020 having achieved cost, risk and income benefits for the Wholesale Banking franchise.

Given the corona-virus related economic headwinds and the learnings from the complexities and costs of cross-border systems and product integration, ING decided to refocus its activities in 2020 to ensure faster customer delivery and a continuously improving end-to-end digital customer experience. This underpinned the decision in November 2020 to stop the Maggie programme.

To become a leading, data-driven digital bank, ING will focus on using its global technology foundation (shared data lakes, cloud infrastructure and modular IT build blocks), reusing already developed mobile app components and rolling out global digital product offerings in the areas of investments and consumer lending. When identifying areas to build cross-border capabilities, ING will weigh up impact versus complexity with the aim of increasing scalability and delivering speed. In this way it only needs to develop once for multiple countries and can create sustainable competitive advantage, accelerate customer engagement and business impact.

The creation of one global Retail Banking management team in 2020 is the latest step in ING's journey to unify and harmonise its approach in all Retail markets – including the Business Banking segment serving small and medium-sized enterprises and mid-corporate clients – and will further reinforce alignment, improve prioritisation and accelerate digitalisation.

In addition, ING announced in 2020 that it is combining all its innovation activities into a dedicated business area called ING Neo, which will help sharpen its focus and create more impact.

Innovation

ING relies on innovation to develop truly disruptive products, services and experiences that enable it to remain relevant to its customers and live up to its purpose, also in areas beyond banking.

Innovative ideas come from inside and outside ING. Employees are encouraged to think creatively through initiatives like the bank-wide Innovation Bootcamp, ING's customised PACE innovation methodology, and the ING Innovation Fund, which supports employees to turn their breakthrough ideas into reality.

ING also invests in, partners with and collaborates with others to accelerate the development of innovative solutions. This includes companies like robo advisor Scalable Capital and Eigen, a natural language processing fintech company that applies machine learning in areas such as corporate lending and SME banking. ING Ventures invests in early-stage companies with disruptive technologies, such as WeLab (automated consumer loans in China and Hong Kong) and Fintonic (Spanish finance app), while ING Labs in Amsterdam, Brussels, London and Singapore is an incubator for promising scale-ups, each with its own specific value spaces that match local expertise and ecosystems. As at the date of this Registration Document, ING has more than 200 partnerships.

Mastering data

ING has identified data fluency as one of the ‘Big 6’ capabilities it needs to succeed. The others are customer experience, leadership, non-financial risk management, cybersecurity and operations management.

Among other things, ING uses data to personalise customer interactions and gain insights to deliver a differentiating experience; for models that help it manage capital, risk-weighted assets and risk management; to fight money laundering and other financial economic crime; and to drive innovation using artificial intelligence and robotics solutions.

However, to make data meaningful it needs to be sorted, harmonised and put into context. The accuracy of ING’s models relies heavily on the quality of the data used to develop them. It is essential to have one common approach for using and storing data. ING’s data management strategy includes standardised data definitions (ING Esperanto) and data models (Esperanto Warehouse Model), which contribute to the availability, quality, integrity, usability, control and governance of its data. In 2020, ING focused on further improving data quality and accessibility, which means getting good quality data properly ingested into shared data lakes.

Becoming a truly data-driven organisation requires ING to step up its analytics capabilities. This means promoting data fluency among employees and strengthening its analytics delivery. ING has an Analytics Academy to enhance its data science capabilities, it added an analytics track to its International Talent Programme for graduates, and ING collaborates with academic institutions like Dutch Delft University of Technology (TU Delft) on artificial intelligence research.

At the same time, ING acknowledges the need to protect people’s privacy and ensures that its data is secure and protected from loss, misuse or theft ING also acknowledges the need to handle data safely and remain transparent about how it is used.

Safe, secure and compliant

ING takes its responsibility as a gatekeeper to the financial system extremely seriously. Since 2017, ING has been working to further enhance the management of compliance risks and embed stronger awareness across the organisation, especially when it comes to Know Your Customer (KYC) and financial crime-related policies, procedures and processes.

As ING operates in a dynamic and challenging environment, it is continuously learning and improving, while getting to a more sustainable and mature level in exercising its role as a gatekeeper that fights financial economic crime. Keeping the bank safe, secure and compliant is a top priority. In 2020, ING joined forces with four other Dutch banks to monitor transactions in the Netherlands in the collective fight against money laundering; it stepped up training of its KYC professionals with internationally recognised certification; and connected all ING countries in scope to a digital pre-screening transaction tool as part of its standardisation efforts.

Responsible finance

As a bank, ING has a role in promoting and supporting economic, social and environmental progress. Two areas where it can have the biggest impact are climate action and financial health.

To promote people’s financial health, ING focuses on giving them the knowledge and tools to make informed decisions about their finances and, through its financing, ING seeks to positively influence society’s transition to a more sustainable, low-carbon economy. One of the important ways it does that is through its Terra approach to steer the impact of ING's lending portfolio to support the Paris Climate Agreement's goal to limit the rise of global temperatures to well below two degrees Celsius.

Terra is based on collaboration and ING worked with other banks to develop the open-source methodology used to measure progress in each of the nine sectors most responsible for climate change. In 2020, ING released its second progress report on Terra, which includes quantitative results and targets for all nine sectors – up from five a year ago.

ING also works closely with clients to support their transitions with products, finance and insights. These include green loans, sustainable improvement loans, bonds and advisory. ING is considered a pioneer in sustainable finance, having introduced the first sustainability-linked loan and made-to-measure sustainability improvement loan. In 2020, ING broke new ground with Europe's first Covid-19-related bond to raise financing for French public hospitals.

Climate change is a growing threat and in 2020 ING published its first Climate Risk Report setting out its approach to managing this emerging and strategic risk.

Elements of ING's strategy

This section describes the four strategic priorities of ING's Think Forward strategy and the four enablers for executing it.

Strategic priorities

To deliver on its Customer Promise and create a differentiating customer experience, ING has identified four strategic priorities:

1. Earning the primary relationship

By this ING means increasing the number of customers who have multiple ING products (including a current account into which a recurring income, such as a salary, is paid) or Wholesale Banking clients with anchor products such as lending and transaction services. It is closely linked to customer experience and satisfaction: the more satisfied customers are, the more likely they will choose ING for additional products and services. Over the past five years ING has consistently increased the number of primary customers.

2. *Using advanced data capabilities to understand its customers better*

Having the right data at its fingertips will enable ING to achieve many of its strategic priorities. ING uses data to personalise its customer interactions and gain insights to deliver a differentiating experience. It also helps to make sound business decisions and drives innovation. At the same time, ING wants to protect people's data and their privacy and is committed to handling data safely and being open about how it is used.

3. Increase the pace of innovation to serve changing customer needs

New technologies enable new ways to do things and disrupt the status quo. To stay relevant, it is essential for ING to evolve. This means coming up with disruptive products, services and experiences that support its strategic ambitions and keep ING a step ahead.

4. Thinking beyond traditional banking to develop new services and business models

Persistent low or negative interest rates offer savers little incentive, challenging the traditional business model of banks. Digital platforms are an opportunity to become relevant to customers by providing new products and services, also in areas beyond banking, which offer new revenue streams for ING and provide a better customer experience.

Strategic enablers

Four enablers support the implementation of ING's strategy:

1. Simplify and streamline

Standardised products, systems and processes, shared services, one IT infrastructure and one Way of Working lay the foundation for the superior digital experience ING strives to deliver. This allows ING to respond more quickly to changing customer needs and low-cost competitors by becoming more cost-effective, cost-efficient and agile, and by bringing new products and services to market faster.

2. Operational excellence

ING promises customers it will keep getting better. This includes accelerating the digitalisation of end-to-end processes for a frictionless customer experience and greater efficiency. It is also about ensuring safe and secure operations, stable IT systems and platforms and the highest standards of data security.

3. Performance culture

Delivering a differentiating customer experience requires engaged employees who are motivated to go the extra mile. ING strives to create a great employee experience and develop great leaders who can enhance performance and inspire people to deliver on its strategy. Diversity and inclusion contribute to this – people perform better when they are free to be themselves. ING does not tolerate discrimination in any form. In everything it does, ING is guided by the values and behaviours in its Orange Code and global Code of Conduct.

4. Lending capabilities

ING is seeking opportunities to broaden and diversify its retail lending capabilities in the Business Banking and consumer lending segments. In Wholesale Banking it is continuing to build on its lending capabilities in its markets, combined with its sector lending franchises and product capabilities, to build primary relationships to be able to diversity its income by generating more fees. ING is considered a pioneer in sustainable finance, having introduced the first sustainability-linked loan and a made-to-measure sustainability improvement loan.

Regulation and Supervision

The banking and broker-dealer businesses of ING are subject to detailed and comprehensive supervision in all of the jurisdictions in which ING conducts business.

Regulatory agencies and supervisors have broad administrative power and enforcement capabilities over many aspects of ING's business, which may include liquidity, capital adequacy, permitted investments, ethical issues, money laundering, anti-terrorism measures, privacy, recordkeeping, product and sale suitability, marketing and sales practices, remuneration policies, personal conduct and its own internal governance practices. Also, regulators and other supervisory authorities in the EU, the US and elsewhere continue to scrutinise payment processing and other transactions and activities of the financial services industry through laws and regulations governing such matters as money laundering, anti-terrorism financing, tax evasion, prohibited transactions with countries or persons subject to sanctions, and bribery or other anti-corruption measures.

European Regulatory framework

The Single Supervisory Mechanism ("**SSM**") – the first pillar of the Banking Union – was launched on 4 November 2014. Since that date, the European Central Bank ("**ECB**") assumed responsibility for a significant part of the prudential supervision of banking groups in the Eurozone, including ING Group and ING Bank. Under the SSM, the ECB has become the Issuer's and ING Bank's principal prudential supervisor. The ECB is amongst others responsible for tasks such as market access, compliance with capital and liquidity requirements and governance arrangements. National supervisors, including the Dutch Central Bank for ING Group and ING

Bank, remain responsible for supervision of tasks that have not been transferred to the ECB such as financial crime and payment supervision. See also '*Risk Factors – Risks related to the regulation and supervision of the Group – Changes in laws and/or regulations governing financial services or financial institutions or the application of such laws and/or regulations may increase the Issuer's operating costs and limit its activities*'.

Another significant change in the regulatory environment is the setting up of the Single Resolution Mechanism ("**SRM**"). It is the second pillar of the Banking Union. The SRM comprises the Single Resolution Board ("**SRB**") and the national resolution authorities and is fully responsible for the resolution of banks within the Eurozone as of 1 January 2016. ING has been engaging already with the Dutch national resolution authorities and the SRB for a few years with the aim of supporting the preparation of a resolution plan for ING and will continue to collaborate with the resolution authorities. The rules underpinning the SRM could have a significant impact on business models and capital structure of financial groups in order to become resolvable.

As a third pillar to the Banking Union, the EU aims at further harmonising regulations for Deposit Guarantee Schemes ("**DGS**"). Main elements are the creation of ex-ante funded DGS funds, financed by risk-weighted contributions from banks. As a next step, the EU is discussing a pan-European (or pan-banking union) DGS (the European Deposit Insurance Scheme ("**EDIS**")), (partly) replacing or complementing national compensation schemes. The progress on the EDIS proposal is slower than expected; this proposal as well as certain accompanying risk reduction measures are still being discussed in the European Parliament and in the Council.

Dutch Regulatory Framework

The Dutch regulatory system for financial supervision consists of prudential supervision – monitoring the soundness of financial institutions and the financial sector, and conduct-of-business supervision – regulating institutions' conduct in the markets. As far as prudential supervision has not been transferred to the ECB, it is exercised by the Dutch Central Bank (De Nederlandsche Bank or "**DNB**"), while conduct-of-business supervision is performed by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten* or "**AFM**"). DNB is in the lead with regard to macroprudential supervision.

Global Regulatory Environment

There is a variety of proposals for laws and regulations that could impact ING globally, in particular those made by the Financial Stability Board and the Basel Committee on Banking Supervision at the transnational level and an expanding series of supranational directives and national legislation in the European Union (see '*Risk Factors – Risks related to the regulation and supervision of the Group – Changes in laws and/or regulations governing financial services or financial institutions or the application of such laws and/or regulations may increase the Issuer's operating costs and limit its activities*'). The aggregated impact and possible interaction of all of these proposals are hard to determine, and it may be difficult to reconcile them where they are not aligned. The financial industry has also taken initiatives by means of guidelines and self-regulatory initiatives.

Dodd-Frank Act and other US Regulations

ING Bank has a limited direct presence in the United States through the ING Bank Representative Offices in New York and Dallas, Texas. Although the offices' activities are strictly limited to essentially that of a marketing agent of bank products and services and a facilitator (i.e. the offices may not take deposits or execute any transactions), the offices are subject to the regulation of the State of New York Department of Financial Services and the Texas Department of Banking, as well as the Federal Reserve. ING Bank also has a subsidiary in the United States, ING Financial Holdings Corporation, which through several operating subsidiaries (one of which is registered with the CFTC as a swap dealer and another of which is registered with the U.S. Securities and Exchange Commission as a securities broker-dealer) offers various financial products, including lending, and financial markets products. These entities do not accept deposits in the United States on their own behalf or on behalf of ING Bank N.V.

The Dodd-Frank Act, which became law on 21 July 2010, represented a significant overhaul in the regulation of U.S. financial institutions and markets. The primary impact on ING is through the establishment of a regulatory regime for the off-exchange derivatives market, pursuant to Title VII of the Dodd-Frank Act.

Among other things, the Dodd-Frank Act and regulations enacted thereunder require swap dealers to register with the CFTC (the primary swaps regulator in the U.S.) as 'swap dealers' and be subject to CFTC regulation and oversight. The ING subsidiary, ING Capital Markets LLC, is registered as a swap dealer. As a registered entity, it is subject to business conduct, record-keeping and reporting requirements, as well as margin requirements and capital requirements, which will become effective in late 2021. In addition to the obligations imposed on registrants (such as swap dealers) other requirements relating to reporting, clearing, and on-facility trading have been imposed for much of the off-exchange derivatives market. It is possible that registration, execution, clearing, margin, capital and business conduct compliance requirements will increase the costs of and restrict participation in the derivative markets. These rules could therefore restrict trading activity, reducing trading opportunities and market liquidity, potentially increasing the cost of hedging transactions and the volatility of the relevant markets. This could adversely affect the business of ING in these markets.

The Dodd-Frank Act and SEC regulations enacted thereunder, effective 1 November 2021, also require security-based swap dealers to register with the SEC. The SEC has adopted regulations, among others, establishing registration, reporting, risk management, business conduct, and margin and capital requirements for security-based swaps. ING Capital Markets is expected to be registered with the SEC as a security-based swap dealer. Registration could increase ING Capital Markets LLC's operational costs, reduce trading activity and market liquidity, and increase volatility of the relevant markets. It will also result in a substantial portion or all of ING's security-based swap activities with U.S. persons being conducted through ING Capital Markets LLC.

In addition, new position limits requirements for uncleared swaps referencing any of twenty-five commodity futures contracts for market participants could limit ING's position sizes in these swaps referencing specified physical commodities and similarly limit the ability of counterparties to utilise certain of its products to the extent hedging exemptions from the position limits are unavailable. The Dodd-Frank Act also impacts U.S. banks and non-U.S. banks with branches or agencies in the United States, primarily through the Volcker Rule and the enhanced prudential standards of Section 165 of the Dodd-Frank Act. Because ING Bank does not have a U.S. banking presence, these provisions do not currently apply to ING.

The Dodd-Frank Act also created a new agency, the Financial Stability Oversight Council ("**FSOC**"), an inter-agency body that is responsible for monitoring the activities of the U.S. financial system, designating systemically significant financial services firms and recommending a framework for substantially increased regulation of such firms, including systemically important non-bank financial companies that could consist of securities firms, insurance companies and other providers of financial services, including non-U.S. companies. ING has not been designated a systemically significant non-bank financial company by FSOC and such a designation is, as at the date of this Registration Document, unlikely.

Dodd-Frank continues to impose significant requirements on the Issuer, some of which may have a material impact on its operations and results, as discussed further under *'Risk Factors – Risks related to the regulation and supervision of the Group – Changes in laws and/or regulations governing financial services or financial institutions or the application of such laws and/or regulations may increase the Issuer's operating costs and limit its activities*'.

Basel III and European Union Standards as currently applied by ING Bank

DNB, ING's principal home country supervisor until the ECB took over that position in November 2014, has given ING permission to use the most sophisticated approaches for solvency reporting under the Financial Supervision Act, the Dutch legislation reflecting the Basel II and Basel III Frameworks. DNB has shared information with host regulators of relevant jurisdictions to come to a joint decision. In all jurisdictions where the bank operates through a separate legal entity that is a credit institution, ING must meet the local implementation of Basel requirements as well. ING uses the Advanced IRB Approach for credit risk, the Internal Model Approach for its trading book exposures and the Advanced Measurement Approach for operational risk. A small number of portfolios, including certain sovereign exposures, are reported under the Standardised Approach.

In December 2010, the Basel Committee on Banking Supervision announced higher global minimum capital standards for banks, and has introduced a new global liquidity standard and a new leverage ratio. The Basel Committee's package of reforms, collectively referred to as the "Basel III" rules, has, among other requirements, increased the amount of common equity required to be held by subject banking institutions, has prescribed the amount of liquid assets and the long term funding a subject banking institution must hold at any given moment, and has limited leverage. Banks are required to hold a "capital conservation buffer" to withstand future periods of stress. Basel III has also introduced a "countercyclical buffer" as an extension of the capital conservation buffer, which permits national regulators to require banks to hold more capital during periods of high credit growth (to strengthen capital reserves and moderate the debt markets). Further, Basel III has strengthened the definition of capital that has the effect of gradually disqualifying many hybrid securities during the years 2013-2022, including the hybrids that were issued by the Group, from inclusion in regulatory capital, as well as the higher capital requirements associated with certain business conditions (for example, for credit value adjustments ("**CVAs**") and illiquid collateral) as part of a number of reforms to the Basel II framework. In addition, the Basel Committee and Financial Stability Board ("**FSB**") published measures that have had the effect of requiring higher loss absorbency capacity, liquidity surcharges, exposure limits and special resolution regimes for, and instituting more intensive and effective supervision of, "systemically important financial institutions" ("**SIFIs**"), in addition to the Basel III requirements otherwise applicable to most financial institutions. One such measure, published by the FSB in November 2015, is the Final Total-Loss Absorbing Capacity ("**TLAC**") standard for G-SIFIs, which aims for G-SIFIs to have sufficient loss-absorbing and recapitalisation capacity available in resolution. ING Bank has been designated by the Basel Committee and FSB as a so-called "Global Systemically Important Bank" ("**G-SIB**"), since 2011, and by DNB and the Dutch Ministry of Finance as an "other SII" ("**O-SII**") since 2011. DNB requires the Issuer to hold a 2.5% O-SII Buffer in addition to the capital conservation buffer and the countercyclical buffer described above

CRR / CRD IV

For European banks the Basel III requirements have been implemented through the Capital Requirement Regulation ("**CRR**") and the Capital Requirement Directive ("**CRD IV**"). The CRD IV regime entered into effect in August 2014 in the Netherlands, but not all requirements were implemented all at once. Having started in 2014, the requirements have been gradually tightened, mostly before 2019, until the Basel III migration process was completed.

CRD IV has not only resulted in new quantitative requirements but has also led to the setting of new standards and evolving regulatory and supervisory expectations in the area of governance, including with regard to topics like conduct and culture, strategy and business models, outsourcing and reporting accuracy.

CRRII / CRD V and BRRDII

On 27 June 2019, a series of measures referred to as the Banking Reform Package (including certain amendments to CRR and CRD IV commonly referred to as "**CRR II**" and "**CRD V**") came into force, subject to various transitional and staged timetables. The adoption of the Banking Reform Package concluded a process that began in November 2016 and marks an important step toward the completion of the European post-crisis regulatory reforms, drawing on a number of international standards agreed by the Basel Committee, the Financial Stability Board and the G20. The CRD V was implemented in Dutch law in 2020. The Banking Reform Package updates the framework of harmonised rules established following the financial crisis of 2008 and introduces changes to the CRR, CRD IV, the Bank Recovery and Resolution Directive ("**BRRD**") and the Single Resolution Mechanism Regulation ("**SRMR**"). The Banking Reform Package covers multiple areas, including the Pillar 2 framework, the introduction of a leverage ratio requirement of 3% and a leverage ratio buffer requirement of 50% of the G-SIB buffer requirement (applicable per 1 January 2023), a binding Net Stable Funding Ratio ("**NSFR**") based on the Basel NSFR standard but including adjustments with regard to e.g. pass-through models and covered bonds issuance, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of 'non-preferred' senior debt, the minimum requirement for own funds and eligible liabilities ("**MREL**") and the integration of the TLAC standard into EU legislation. Further, the EBA obtained a mandate to investigate how to incorporate environmental, social, and governance ("**ESG**") risks into the supervisory process and what the prudential treatment of assets associated with environmental or social objectives should look like.

Whilst the Banking Reform Package was being developed, the ECB introduced the Targeted Review of Internal Models ("**TRIM**") in June 2017 to assess reliability and comparability between banks' models for calculating each bank's risk-weighted assets ("**RWA**") used for determining certain of such bank's capital requirements. In July 2019, the ECB published the final chapters of the guide to internal models, covering credit risk, market risk and counterparty credit risk. These risk type-specific chapters are intended to ensure a common and consistent approach to the most relevant aspects of the regulations on internal models for banks directly supervised by the ECB. Additionally, they provide transparency on how the ECB understands the regulations on the use of internal models to calculate own funds requirements for the three risk types. Impact on ING is through more stringent regulation on the end-to-end process and governance around internal models as well as an increase of RWA.

In 2020, the last TRIM ECB inspection ended. In accordance with the rating system, the ECB has sent and will send final TRIM decision letters, which will include obligations that ING shall remediate. Also certain limitations have been or may be put in place until these obligations are fully addressed and closed.

Basel III revisions and upcoming regulations

In December 2017, revisions to Basel III were formally announced by the Basel Committee. These revisions to Basel III establish new prudential rules for banks, including a revision to the standardised approach to credit risk, the introduction of a capital floor based on standardised approaches, the use of internal models, limitation of options for modelling operating risks, and new rules for the establishment of risk-weighted items and unused credit lines at the banks. Such revisions have a long implementation phase and are not yet fully transposed into EU regulation. The revisions are commonly referred to as "**Basel III Reform**" or "**Basel IV**". In Europe, Basel IV will be implemented through the CRR III / CRD VI in the coming years. With this long implementation phase and the transposition into EU regulation still pending, the impact of the reform remains unclear.

The full impact of the Basel III Reform rules and TRIM, and any additional requirements if and as applicable to the Group, will depend on how they are implemented by national regulators, including the extent to which such regulators and supervisors can set more stringent limits and additional capital requirements or surcharges, as well as on the economic and financial environment at the time of implementation and beyond. ING expects these rules could have a material impact on its operations and financial condition and may require the Group to seek additional capital.

Final Basel III reforms

In December 2017, the Basel Committee finalised its Basel III post-crisis reforms with the publication of the revisions to the prudential standards for credit, operational and credit valuation adjustment (CVA) risk as well as the introduction of an output floor. This package of reforms aims to increase consistency in risk-weighted asset calculations and improve the comparability of banks' capital ratios. The use of internal models will be reduced and the standardised approaches will be made more risk-sensitive and granular.

Following a one-year deferral due to Covid-19, these reforms will take effect from 1 January 2023 and will be phased in over five years. The EU Commission postponed the issuance of its legislative proposal ("**CRR3**"/"**CRD6**") to implement the final elements of the Basel III framework in the EU by 2021. The implementation date of CRR3/CRD6 is therefore not yet decided on. The implementation of the EU/Basel III reforms will have an impact on ING's risk-weighted assets and capital ratios, but it is expected that other new banking regulations and model reviews will bring forward a significant part of this impact before the EU implementation date.

CRR "quick fix" in response to the Covid-19 pandemic

On 26 June 2020, Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations CRR as regards certain adjustments in response to the Covid-19 pandemic (commonly referred to as CRR "quick fix") was published.

The CRR "quick fix" is part of a series of measures taken by European institutions to mitigate the impact of the Covid-19 pandemic on institutions across EU Member States. In addition to the flexibility already provided in the existing rules, the CRR "quick fix" introduces certain adjustments to the CRR, including temporary measures and measures that early adopt changes in the regulations that were intended to become effective at a future date. This notably included reduced capital requirement for certain exposures to small- and medium sized enterprises (SMEs), a more favourable prudential treatment for certain software assets, one year delay in the application of the leverage ratio buffer requirement of 50% of the G-SIB buffer (to 1 January 2023). Also the following adjustments which were introduced have an impact on disclosures:

- frontloading from CRR2 the possibility of temporarily excluding certain exposures to central banks from the calculation of an institution's total exposure measure (Article 500b of CRR); and
- extending by 2 years transitional arrangements for mitigating the impact on own funds of the introduction of IFRS 9 (Article 473a (8) of CRR).

In August 2020, the EBA issued guidelines to provide institutions with the necessary clarifications on how to apply the measures set out in the CRR 'quick fix' supervisory reporting and disclosures. These Guidelines are an interim solution until the new comprehensive ITS on disclosure start to apply (June 2021).

Capital requirements applicable to ING Group at a consolidated level

In accordance with the CRR the minimum Pillar I capital requirements applicable to ING Group are: a Common Equity Tier 1 ("**CET1**") ratio of 4.5%, a Tier 1 ratio of 6% and a Total capital ratio of 8% of risk-weighted assets.

In 2020, as a reaction to the Covid-19 pandemic, relevant regulators introduced a number of changes to the Pillar II capital requirements and the capital buffer requirements applicable to ING, including structural reductions. The structural reductions of these capital requirements reflect the application of Art.104a in CRD V, which allowed ING to replace CET1 capital with additional Tier 1 / Tier 2 securities to meet Pillar II requirement, and a reduction in the overall systemic buffer (i.e. the Systemic Risk Buffer plus the highest of the O-SII and G-SII buffer) by the Dutch National Bank from 3% to 2.5%. Similarly, various competent authorities changed or removed their Countercyclical Buffer ("**CcyB**") requirements reducing the CCyB for ING from 24 basis points to 3 basis points.

As a consequence, the CET1 requirement, including buffers, for ING Group at a consolidated level was 10.51% in 2020. This requirement is the sum of a 4.5% Pillar I requirement, a 0.98% Pillar II requirement (2019: 1.75%), a 2.5% Capital Conservation Buffer (CCB), a 0.03% Countercyclical Buffer (CCyB) (based on December 2020 positions) and a 2.5% O-SII buffer that is set separately for Dutch systemic banks by the Dutch Central Bank (*De Nederlandsche Bank*). This requirement excludes the Pillar II guidance, which is not disclosed.

The Maximum Distributable Amount (MDA) trigger level stood at 10.51% in 2020 for CET1, 12.33% for Tier 1 Capital and 14.77% for Total Capital (after the application of Art.104a of CRDV), based on stable Pillar II capital requirements. In the event that ING Group breaches the MDA level, ING may face restrictions on dividend payments, AT1 instruments coupons and payment of variable remuneration.

Covid-19 pandemic

Various countries and local governmental authorities across the world have introduced measures aimed at preventing the further spread of Covid-19.

In addition, governments in various countries have introduced measures aimed at mitigating the economic consequences of the outbreak. For example, the Dutch government has announced economic measures aimed at protecting jobs, households' wages and companies, e.g., by way of tax payment holidays, guarantee schemes and a compensation scheme for heavily affected sectors in the economy. These announced measures and any additional measures, including any payment holidays with respect to mortgages or other loans, have had and may continue to have a significant impact on ING's customers and other counterparties.

The various measures by governments and ING to alleviate the impact of Covid-19 also impact the loan classification in terms of forbearance and consequently IFRS 9 staging. In light of this, the EBA has provided guidelines that expired on 30 September 2020, which defined eligibility criteria for a payment holiday arrangement offered to a large group of customers to be classified as a "general payment moratorium". Based on these guidelines, customers that were granted the payment holidays did not lead to a forbearance classification. Therefore it did not automatically trigger recognition of lifetime Expected Credit Loss (ECL) either. ING followed the EBA guidelines and when a payment holiday was provided to a customer as part of a "general payment moratorium", ING did not consider this measure to classify as forbearance. The EBA further extended these guidelines in the first week of December 2020, valid until 31 March 2021, with certain extra conditions. Regarding these extensions, ING has taken a prudent decision to treat all payment holiday requests under new or extended schemes (after September 2020) as stage 2 or stage 3 exposures.

Bank Recovery and Resolution Directive

Since its adoption by the European Parliament in 2014, the Bank Recovery and Resolution Directive ("**BRRD**") has become effective in all EU countries after transposition into national law, including in the Netherlands. The BRRD aims to safeguard financial stability and minimise the use of public funds in case banks face financial distress or fail to comply with the BRRD. Banks across the EU need to have recovery plans in place and need to cooperate with resolution authorities to determine, and make feasible, the preferred resolution strategy. The banking reform which came into force on 27 June 2019 includes changes to the minimum requirement for own funds and eligible liabilities ("**MREL**") to ensure an effective bail in process. It also includes new competences for resolution authorities and requires G-SIBs and other banks to build up loss-absorbing and recapitalisation capacity.

ING has had a recovery plan in place since 2012. The plan includes information on crisis governance, recovery indicators, recovery options, and operational stability and communication measures. The plan enhances the bank's readiness and decisiveness in case of a financial crisis. The plan is updated annually to make sure it stays fit for purpose. The completeness, quality and credibility of the updated plan is assessed each year by ING's regulators.

The Single Resolution Board ("**SRB**") confirmed to ING in 2017 that a single-point-of-entry (SPE) strategy is ING's preferred resolution strategy, with ING Groep N.V. as the resolution entity.

In 2019, ING Group received a formal notification from De Nederlandsche Bank ("**DNB**") of its MREL. The MREL requirement has been established to ensure that banks in the European Union have sufficient own funds and eligible liabilities to absorb losses in the case of potential bank failure. The MREL requirement is set for ING Group at a consolidated level, as determined by the Single Resolution Board ("SRB"). This MREL requirement has been set at 10.54% of total liabilities and own funds. The current MREL requirement is not binding, but a new MREL requirement will be determined by ING's resolution authorities in 2021 based on the BRRD II.

ING has been replacing, and will continue to replace, maturing ING Bank N.V. debt with ING Group instruments. In order to build up its MREL capacity, ING Group issued multiple transactions. These transactions will not only allow ING to support business growth, but will also help to meet future MREL and TLAC requirements with ING Group instruments only.

CRR II implements the Financial Stability Board's total loss absorbing ("**TLAC**") requirement for Global Systemically Important Institutions ("**G-SII**"), which is the EU equivalent of a G-SIB. The transitional requirement—the higher of 16 percent of the resolution group's risk weighted assets ("**RWA**") or six percent of the leverage ratio exposure measure—applies immediately. The higher requirement—18 and 6.75 percent, respectively—comes into effect as of 1 January 2022. As a G-SII ING is expected to meet the TLAC requirement alongside the other minimum regulatory requirements set out in EU regulation.

Stress testing

Stress testing is an integral component of ING's risk and capital management framework. It allows ING to (i) assess potential vulnerabilities in its businesses, business model, and/or portfolios; (ii) understand the sensitivities of the core assumptions in its strategic and capital plans; and (iii) prepare and assess management actions that can reduce or mitigate the impact of adverse scenarios.

In addition to running internal stress test scenarios to reflect the outcomes of the annual risk assessment, ING also participates in regulatory stress test exercises. ING participated in the 2020 EU-wide stress test conducted by the EBA in cooperation with the European Central Bank ("**ECB**"), the Dutch central bank (DNB), the European Commission and the European Systemic Risk Board (ESRB). The baseline scenario was developed by the ECB and the adverse stress test scenario by the ESRB, both cover a three-year time horizon (2020-2022). The ECB and the EBA decided in March 2020 to postpone the EU-wide stress test exercise due to the outbreak of Covid-19. EBA will launch a new stress test exercise in January 2021 and is expected to publish the results by July 2021.

The last EU-wide stress test exercise that was completed concerns the 2018 edition. This stress test was carried out applying a static balance sheet assumption as of December 2017, therefore does not take into account current or future business strategies and management actions. The results of this stress test also cover a three-year horizon (2018-2020) and reflect the impact of IFRS 9 for determining loan loss provisions in adverse circumstances. The results of the EBA stress test reaffirmed the resilience of ING's business model and the strength of ING's capital base. ING's commitment to maintain a robust, fully-loaded Group common equity Tier 1 ("**CET1**") ratio in excess of prevailing requirements remain. ING started the EU-wide stress test exercise with a CET1 ratio of 14.51% as of 2017 year-end. Under the hypothetical baseline scenario and EBA's methodological instructions, ING Group would have a fully loaded CET1 of 13.99% in 2020. Under the hypothetical adverse scenario and EBA's methodological instructions, ING Group would have a fully loaded CET1 ratio of 10.70% in 2020 without management actions.

Deposit Schemes

In the Netherlands and other jurisdictions, deposit guarantee schemes and similar funds ('Compensation Schemes') have been implemented from which compensation may become payable to customers of financial services firms in the event the financial service firm is unable to pay, or unlikely to pay, claims against it. In many jurisdictions in which ING operates, these Compensation Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. ING Bank is a participant in the Dutch Deposit Guarantee Scheme ('DGS'), which guarantees an amount of EUR 100,000 per person per bank (regardless of the number of accounts held). On the basis of the EU Directive on deposit guarantee schemes, ING pays quarterly risk-weighted contributions into a DGS-fund. The DGS-fund is to grow to a target size of 0.8% of all deposits guaranteed under the DGS, which is expected to be reached in July 2024. In case of failure of a Dutch bank, depositor compensation is paid from the DGS-fund. If the available financial means of the fund are insufficient, Dutch banks, including ING, may be required pay to extraordinary ex-post contributions not exceeding 0.5% of their covered deposits per calendar year. In exceptional circumstances and with the consent of the competent authority, higher contributions may be required. However, extraordinary ex-post contributions may be temporarily deferred if, and for so long as, they would jeopardise the solvency or liquidity of a bank.

Since 2015, the EU has been discussing the introduction of a pan-European deposit guarantee scheme ('EDIS'), (partly) replacing or complementing national compensation schemes in two or three phases. Proposals contain elements of (re)insurance, mutual lending and mutualisation of funds. The new model is intended to be 'overall cost-neutral'. Discussions have continued in 2020, but it remains uncertain when EDIS will be introduced.

Payment Services Directive 2 (PSD2)

PSD2 entered into force in January 2018 and responds to technical change and a variety of developments in the payments domain. It fosters innovation and competition by promoting non-discriminatory access to payment systems and accounts, including the newly introduced account information services and payment initiation services. Customers benefit from greater transparency of costs and charges, PSD2's extended geographical reach and being applicable to transactions in any currency, a reduction of the maximum liability for unauthorised transactions and a backstop date for complaint resolution. Finally, to combat cybercrime and online fraud, PSD2 continues the trend towards enhancing the security around the making of payments, e.g. by the introduction of strong customer authentication. It consists of two factor authentication, to be performed every time a payer accesses its payment account online or initiates electronic remote payment transactions. The Regulatory Technical Standards for strong customer authentication and common and secure communication provide further requirements to implement the strict security requirements for payment service providers in the EU.

Benchmark Regulation

Benchmarks, such as the London Interbank Offered Rate ('LIBOR'), the Euro OverNight Index Average ("**EONIA**"), the Euro Interbank Offered Rate ('EURIBOR') and other interest rates, as well as commodity benchmarks or other types of rates and indices which are deemed to be 'benchmarks' are the subject of ongoing national and international regulatory reform. In 2016, the EU adopted a Regulation (the "**Benchmarks Regulation**" or "**BMR**") on indices used in the EU as benchmarks in financial contracts and financial instruments. The Benchmarks Regulation became effective on 1 January 2018.

The BMR among others requires that supervised entities may only use benchmarks in the EU if these benchmarks are provided by administrators that are registered with the European Securities and Markets Authority ("**ESMA**").

Benchmarks that are based on input from contributors shall have a code of conduct in place designed primarily to ensure reliability of input data, governing issues such as conflicts of interest, internal controls and benchmark methodologies. Financial contracts and financial instruments in which benchmarks are used by supervised entities are required to have robust fall back wording included in their documentation.

Public authorities have initiated industry working groups in various jurisdictions to search for and recommend alternative risk-free rates that could serve alternatives if current benchmarks like LIBOR and EONIA cease to exist or materially change. The work of these working groups is still ongoing, though certain of such organizations have advanced proposals for benchmark replacements.

The market has indicated that it will stop the calculation of certain benchmarks and that they will proceed with the use of risk free rates as benchmarks. For instance the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. The FCA and Bank of England are working together with market participants on the transition to use SONIA as the primary interest rate benchmark in sterling markets. Furthermore, the working group on euro risk-free rate has adopted the euro short-term rate (€STR), which was published for the first time on 2 October 2019, as a replacement for the EONIA benchmark that will be discontinued by the end of 2021. The US Federal Reserve's Alternative Reference Rates Committee (commonly referred to as 'ARRC') has recommended adoption of the Secured Overnight Financing Rate (commonly referred to as 'SOFR') as an alternative to US dollar LIBOR.

Financial Transaction Taxes

In February 2013, the EC adopted a proposal setting out the details of a financial transaction tax ("**FTT**") under the enhanced cooperation procedure, to be levied on transactions in financial instruments by financial institutions if at least one of the parties to the transaction is established in the financial transaction tax zone ("**FTT-Zone**") or if the instrument which is the subject of the transaction is issued within the territory of a Member State in the FFT-Zone. 10 Member States have indicated they wish to participate in the FTT (Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain). The initial proposal contemplated that the FTT would enter into effect on 1 January 2014, which would have then required ING to pay a tax on transactions in financial instruments with parties (including Group affiliates) located in such FTT-zone. However, the FTT remains subject to negotiation between the participating Member States and as at the date of this Registration Document it is uncertain whether and in what form and by which Member States the FTT will be adopted. The implementation date of any FTT will thus depend on the future approval by participating Member States in the Council, consultation of other EU institutions, and the subsequent transposition into local law.

KYC Requirements

Compliance with applicable laws and regulations is resource-intensive. Banks continue to be faced with new and increasingly onerous regulatory requirements. Generally, ING expects the scope and extent of regulations in the jurisdictions in which ING operates to continue to increase.

An example is the implementation of DAC6 which like FATCA and CRS requires financial institutions to report detailed client-related information to the competent authorities. Customer due diligence (CDD), (sanctions) screening and transaction monitoring impose requirements on financial institutions to maintain appropriate policies, procedures and controls to detect, prevent and report to the competent authorities on e.g. money laundering and terrorist financing.

The increasing regulatory scrutiny drives the need to continuous change in the various processes, procedures and IT systems. In some situations the applicable laws and regulations, at local and/or at global level, seem to be conflicting with each other, which imposes a significant challenge on banks as part of the implementation of requirements. In addition, the timeline for implementation of those new/changed requirements is sometimes very short, which is challenging in general, yet especially in IT development. ING aims to continuously work on embedding the processes and procedures reflecting the applicable requirements in its IT systems and data sources, driving a business environment which is compliant by desire and design, and will execute ongoing training and awareness to develop its people to have the right knowledge and skills.

That also accounts for risks deriving from new technologies. ING aims to continuously monitor regulatory developments to make risk assessments and define the banks risk appetite. Regulations on distributed ledger technology and business developments in this area are as rapid and impactful as the accompanying risks.

5th AML Directive

In addition, the 5th AML Directive will be implemented in the Netherlands. The 5th AML Directive was originally adopted by the EU Council in June 2018, with the aim of addressing means of terrorist financing, increasing transparency to combat money laundering and helping to strengthen the fight against tax avoidance. The most important aspects of the 5th AML Directive involve the (anti money-laundering) risks relating to the use of virtual currencies, the improvement of information exchange between supervising authorities, and the introduction of beneficial ownership registers for corporate and other legal entities.

ING expects to revise the KYC policy framework to reflect the requirements of the 5th AML Directive. Prior to the adoption of the 5th AML Directive, European supervisory authorities (ESAs) had previously issued their final guidelines on risk factors, which came into force in June 2018. These guidelines promote a common understanding of the risk-based approach to anti-money laundering/combatting terrorist financing (AML/CFT) and set out how it should be applied in the context of the 4th AML Directive. As at the date of this Registration Document, these guidelines are in the process of being updated, in order to support firms' AML/CFT compliance efforts and enhance the ability of the EU's financial sector to effectively deter and detect money laundering/terrorist financing. The ESAs published a consultation version of the updated guidelines on 5 February 2020. The final updated guidelines are expected to come into force in the course of 2020. Furthermore, in September 2017, the ESAs issued their final guidelines to prevent the abuse of funds transfers for terrorist financing and money laundering purposes. These guidelines came into force in June 2018.

Policy with respect to certain countries

As a result of frequent evaluation of all businesses from economic, strategic and risk perspective ING continues to believe that for business reasons doing business involving certain specified countries should be discontinued. In that respect, ING has a policy not to enter into new relationships with clients from these countries and processes remain in place to discontinue existing relationships involving these countries. At present these countries are Cuba, Iran, North Korea, Sudan and Syria.

ING maintains a limited legacy portfolio of guarantees, accounts, and loans that involve various entities with a connection to Iran. These positions remain on the books but certain accounts related thereto are 'frozen' where prescribed by applicable laws and procedures and in all cases subject to increased scrutiny within ING Bank. ING may receive loan repayments, duly authorised by the relevant competent authorities where prescribed by applicable laws. For the calendar year 2020, the Issuer had revenues of approximately USD 274 thousand. The Issuer estimates that it had a net profit of approximately USD 17 thousand.

Sanctions related developments

In 2020, the EU and the US continued sanctions programs with respect to several regions and countries, including Ukraine/Russia, Iran, China, Venezuela and Syria. There are notable differences between the EU and US sanctions programs.

The US, for example, continued and updated its sanctions with respect to the Nord Stream 2 pipeline and the second line of Turkstream, both originating in Russia. Also with respect to Iran, where a significant number of EU sanctions were lifted pursuant to the Iran Nuclear Agreement, the US continued to take various measures in light of its ‘maximum pressure campaign’ against Iran and all major Iranian financial institutions are now designated by OFAC.

Tensions between the US and China continued, resulting in (additional) sanctions and export controls imposed by the US, amongst others in response to China’s alleged human rights abuses in Hong Kong and against China’s Uyghur minority population. In addition, the U.S. Department of Commerce’s Bureau of Industry and Security (BIS) continued applying U.S. export controls on dual-use goods, software, and technology, and it imposed a number of significant new controls on trade with China and Hong Kong. BIS also added several entities on the Entity List under the US Export Administration Regulations, and thereby further tightened the export control regime in that respect. In response, China has announced that it will take resolute countermeasures deemed necessary to safeguard the legitimate rights and interests of Chinese companies and related personnel as well as China’s sovereignty, security and development interests. These announced Chinese actions include visa restrictions and potentially other measures firmly opposing US sanctions.

The US issued criminal indictments against President Maduro and several other high-level officials of the Venezuelan government. In addition, the US government further restricted dealings with the Venezuela’s oil sector and imposed sanctions on certain parties included in the sale and transport of Venezuelan crude.

In respect of Syria, the US continued to pressure the Assad regime as well as other actors in the region to stop committing human rights abuses against the Syrian civilian population.

The EU blocking regulation remained in full force in 2020. This EU regulation aims to shield EU companies from U.S. sanctions against Iran, Cuba and Libya, in part by prohibiting European companies from complying with the sanctions that the EU considers to be “extraterritorial” in nature. With a view to these and other developments, ING continuously evaluates its sanctions compliance controls to respond to risks of new or expanding sanctions regimes.

SELECTED FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEET OF ING BANK N.V.(1) (2)

	31 December		
	2020	2019	2018
		(EUR millions)	
Cash and balances with central banks	111,087	53,202	49,987
Loans and advances to banks	25,363	35,133	30,420
Financial assets at fair value through profit or loss			
– Trading assets	51,361	49,264	50,163
– Non-trading derivatives	3,583	2,278	2,672
– Designated as at fair value through profit or loss	4,126	3,076	2,887
– Mandatorily at fair value through profit or loss	44,305	41,600	64,783
Financial assets at fair value through other comprehensive income	35,895	34,468	31,223
Securities at amortised cost	50,587	46,108	47,276
Loans and advances to customers	598,306	611,907	592,328
Investments in associates and joint ventures	1,475	1,790	1,044
Property and equipment	2,841	3,172	1,659
Intangible assets	1,394	1,916	1,839
Current tax assets	403	251	201
Deferred tax assets	773	730	841
Other assets	5,879	7,014	8,426
Assets held for sale	0	0	1,262
Total assets	937,379	891,910	887,012
Liabilities			
Deposits from banks	78,098	34,826	37,330
Customer deposits	643,138	606,410	580,294
Financial liabilities at fair value through profit or loss			
– Trading liabilities	32,709	28,042	31,215
– Non-trading derivatives	1,629	2,217	2,313
– Designated as at fair value through profit or loss	48,445	47,685	59,179
Current tax liabilities	341	499	856
Deferred tax liabilities	584	695	640
Provisions	666	688	1,011
Other liabilities	11,605	12,796	13,396

	31 December		
	2020	2019	2018
		(EUR millions)	
Debt securities in issue	55,573	93,721	102,159
Subordinated loans	15,897	16,515	13,643
Total liabilities	888,683	844,093	842,036
Equity			
Shareholders' equity (parent)	47,675	46,924	44,173
Non-controlling interests	1,022	893	803
Total equity	48,697	47,817	44,976
Total equity and liabilities	937,379	891,910	887,012

Notes:

(1) These figures have been derived from the audited consolidated financial statements of ING Bank N.V. in respect of the financial years ended 31 December 2020, 2019 and 2018, respectively. Amounts may not add up due to rounding.

(2) The amounts for the period ended 31 December 2020 and 31 December 2019 have been prepared in accordance with IFRS 16 Leases, the adoption of IFRS 16 led to new presentation requirements; prior period amounts have not been restated

BREAKDOWN OF SHAREHOLDERS' EQUITY OF ING BANK N.V.(1) (2)

	31 December		
	2020	2019	2018
		(EUR millions)	
Share capital	525	525	525
Share premium	16,542	16,542	16,542
Revaluation reserves	3,031	3,225	3,094
Net defined benefit asset/liability remeasurement reserve	(307)	(336)	(394)
Currency translation reserve	(3,636)	(2,079)	(2,068)
Other reserves	31,520	29,046	26,474
Shareholders' equity (parent)	47,675	46,924	44,173

Note:

(1) These figures have been derived from the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2020, 2019 and 2018.

(2) The amounts for the period ended 31 December 2020 and 31 December 2019 have been prepared in accordance with IFRS 16 Leases, the adoption of IFRS 16 led to new presentation requirements; prior period amounts have not been restated.

CONSOLIDATED PROFIT & LOSS ACCOUNT OF ING BANK N.V.[(1)(2)]

	For the years ended (EUR million)		
	2020	2019	2018
Continuing operations			
Total interest income	22,711	28,465	28,174
Total interest expense	(9,110)	(14,391)	(14,224)
Net interest income	13,600	14,074	13,949
Fee and commission income	4,514	4,439	4,240
Fee and commission expense	(1,503)	(1,571)	(1,437)
Net fee and commission income	3,011	2,868	2,803
Valuation results and net trading income	852	765	1,031
Investment income	152	188	183
Share of result from associates and joint ventures	66	64	127
Impairment of associates and joint ventures	(235)	(34)	(3)
Result on disposal of group companies	(3)	117	(123)
Net result on derecognition of financial assets measured at amortised cost	189	38	18
Other income	12	213	118
Total income	17,645	18,295	18,102
Addition to loan loss provisions	2,675	1,120	656
Staff expenses	5,817	5,753	5,430
Other operating expenses	5,344	4,590	5,265
Total expenses	13,835	11,463	11,351
Result before tax from continuing operations	3,810	6,831	6,751
Taxation	1,317	1,889	2,036
Net result from continuing operations	2,493	4,942	4,715

Note:

(1) These figures have been derived from the audited consolidated financial statements of ING Bank N.V. in respect of the financial years ended 31 December 2020, 2019 and 2018.

(2) The amounts for the period ended 31 December 2020 and 31 December 2019 have been prepared in accordance with IFRS 16 Leases, the adoption of IFRS 16 led to new presentation requirements; prior period amounts have not been restated.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following review and prospects should be read in conjunction with the consolidated financial statements and the related notes thereto of ING Bank incorporated by reference into this Registration Document. These consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU ("IFRS EU").

Operating results

ING's business is shaped by events and developments in the world around it and its operating results for the financial year should be viewed in the context of these events and developments. The biggest of these in 2020 was the Covid-19 pandemic, which was first and foremost a human tragedy, but which also impacted governments, economies, supply chains and jobs.

ING has had to adapt to the practical implications this had for customers and employees, as well as to the new market trends and stakeholder expectations. At the same time, ING's business continues to be affected by regulatory changes and the persistent low interest rate environment.

Other material events and uncertainties that have had and may continue to have an impact on ING's operating results are:

- Covid-19 pandemic
- Marco economic developments
- Climate change
- Financial crime risk
- Cybersecurity resilience
- Fluctuations in equity markets, interest rates and foreign exchange rates

Covid-19 pandemic

Covid-19 was declared a global pandemic by the World Health Organization on 11 March 2020. National and local governments across the world introduced measures aimed at preventing the further spread of the virus. These included the closure of schools, sports facilities, bars and restaurants; bans on public events; and travel restrictions and border controls. Such measures disrupted the normal flow of business operations in most countries, including those where ING operates. It affected global supply chains, manufacturing, tourism, consumer spending and asset prices, and has increased volatility and uncertainty across the global economy and in financial markets.

In an effort to mitigate the economic consequences, governments introduced measures to protect households and companies. These included tax-payment holidays, guarantee schemes and compensation for heavily affected sectors in the economy. Still, the economic consequences had – and may continue to have – a significant impact on ING's customers, employees, shareholders and other stakeholders.

There were also regulatory developments in light of Covid-19. The European and other central banks took steps to help by relaxing rules on capital buffers that banks need to hold and made recommendations on paying dividends, which will remain in effect until at least September 2021. This gives banks more buffer capital available to lend to businesses during coronavirus restrictions, and to absorb losses when businesses can't repay those loans. The European Central Bank ("**ECB**") also undertook various monetary policy measures to provide liquidity to the economy and banks in particular.

ING also took steps to protect and provide relief for its customers, employees and communities. For example, it offered customers payment holidays and provided business clients with liquidity.

ING worked hard to safeguard the wellbeing of its employees. It built on its digital foundation and equipped employees with the necessary facilities to work from home without interrupting the high standards of service it offers its customers. ING encouraged its businesses and employees to donate time and funds to help address the initial challenges brought about by the Covid-19 pandemic, as well as looking towards the future and how ING can help re-build communities.

Macroeconomic developments

As a global financial services company, ING's profitability, solvency and liquidity are influenced by the state of the economy and the market environment for business, liquidity, funding and capital. The year's volatility had a marked impact on ING's performance.

The Covid-19 pandemic threw the world economy into turmoil. The global economy shrank in 2020 as demand and supply, trade, and finance were severely disrupted. Although ING started to see a recovery mid-year as lockdowns were relaxed, a second wave of the virus caused governments to slow reopening and/or re-impose lockdowns, and the economic recovery lost momentum. In most advanced economies, despite effective monetary and fiscal policy support, output remained substantially below pre-pandemic levels.

Western European economies were hit hard by the coronavirus pandemic and associated mobility-reducing measures. In Germany, the Netherlands and Belgium, economic activity in the first half of 2020 dropped by 10-15%. Economic activity in the second quarter of 2020 recorded the largest contractions since World War II.

Following a rapid implementation of sizeable policy support measures and after most economic activities were allowed to resume (subject to social distancing and hygiene measures), the economic environment became more favourable during the summer. However, despite a strong economic rebound in the third quarter, the level of economic activity at the end of the year was still below year-end 2019 levels as a resurgence of new coronavirus cases necessitated the re-imposition of lockdown measures.

Helped by job retention schemes, the rise in unemployment was relatively mild and levelled off in the second half of the year. Despite the unemployment rate having increased, housing markets remained firm, helped by interest rates remaining low.

There was an asymmetric impact across the euro area, with southern countries (Spain, Italy) generally hit the hardest during the first wave of the coronavirus. This was partly due to the variation in the length and strictness of containment measures, the size of discretionary fiscal support, and differences in the economic importance of international tourism.

As in the eurozone, economic performance in Poland was heavily influenced by lockdown measures, the introduction of job protection schemes and increased public expenditure. Uncertainty about domestic factors and the economic recovery held back private investment, as in most other European countries. The central bank of Poland reduced the benchmark interest rate to 0.1% and purchased assets in the secondary market to improve banks' liquidity.

Additional economic uncertainty came from continuing US-China trade tensions and the US elections in November. To help ING's leadership in its strategic planning, it developed scenarios for various potential outcomes to these developments so it is better prepared for different possible scenarios. The ongoing negative interest rate environment is also making it a priority for ING to diversify its income.

Large amounts of fiscal stimulus deployed by governments worldwide in 2020 were combined with monetary stimulus. The US Federal Reserve lowered key interest rates and the ECB stepped up bond purchasing. In the eurozone, the yield curve flattened. In general, the euro appreciated compared with its main trading partners, reflecting perceived changes in global risk sentiment and interest rate developments. Towards the end of the year, positive news about vaccines improved financial market sentiment, although a strong eruption of new coronavirus cases and the emergence of new, more contagious variants are sobering the economic outlook.

Uncertainty around the future relationship between the EU and the UK continued throughout the year, compounding the impact of Covid-19, which weakened the British pound vis-à-vis the euro. In July 2020, ING announced that due to Brexit it will move its European trading activities from London to Amsterdam. The successful conclusion of an EU/UK-trade deal at year-end avoided economic disruption at the start of 2021.

China regained control of the outbreak of the coronavirus relatively swiftly by implementing strict sanitary and economic measures, and in the second half of the year almost all activities had restarted and exceeded pre-pandemic levels. However, the number of cases began increasing again towards the end of 2020 and beginning of 2021.

Australia was hit less severely by the coronavirus pandemic than other countries. The Australian authorities introduced considerable fiscal and monetary support to the economy. The central bank reduced its policy rate and three-year Australian government bond yield target to 0.1% and extended its long-term, low-cost funding to banks to boost business loans. The central bank also introduced an asset purchase programme targeted at long-term bonds to ease further financial conditions.

Climate change

Climate change is one of the world's most urgent problems. The International Monetary Fund ("**IMF**") says it will have a potentially catastrophic environmental, human and economic toll if left unaddressed. ING believes that it can make the biggest impact in fighting climate change through its financing.

ING works with its clients to finance and facilitate its clients transition to low-carbon technologies. ING has developed a comprehensive suite of sustainability products and services to help its clients, including green loans and green bonds.

With ING's Terra approach, it aims to align its loan book with the Paris Agreement's well-below two-degrees Celsius goal in the nine sectors most responsible for climate change. In 2020, ING released its second Terra progress report. The report includes quantitative results and targets for all of these nine sectors, fulfilling the commitment it made the previous year. One of these targets is a 19% reduction in its financing to upstream oil and gas by 2040 compared with 2019 levels. It is important to note that this target is in line with the International Energy Association's sustainable development scenario, and that it is not static. If more or quicker action is needed and the scenario is adjusted, ING's target will adjust accordingly.

ING's approach to climate action is collaborative and inclusive. ING helped develop an open-source climate methodology with its partner, the 2° Investing Initiative ("**2DII**"). This was published in 2020 for all banks to use. ING is working with other banks to make this an industry-wide standard, as its believes this will lead to greater transparency and will help the financial sector make a bigger impact. In December 2018, ING and four peers signed the Katowice Commitment and in September 2020 these same banks published a blueprint describing how they will all use the methodology developed with 2DII.

ING's work with the Katowice Commitment laid the groundwork for the Collective Commitment to Climate Action ("**CCCA**"), now signed by 38 banks globally. This is the banking sector's furthest-reaching commitment to climate alignment. ING is co-lead of the implementation of the CCCA. In December 2020 an overview was published of the concrete measures CCCA signatory banks took in the first 12 months to deliver on their commitment. ING is a founding signatory of the Principles for Responsible Banking, adopted by more than 200 banks, representing a third of the world's banking assets.

While ING's Terra approach helps measure the impact of its loans on the climate, ING is increasingly aware of the risks associated with climate change. These include physical risks, which can be acute (such as floods and wildfires) or chronic (temperature increases and rising sea levels); and transition risk, which is driven by policy, technology or market changes as we shift towards a low-carbon global economy and potentially lead to stranded assets. ING's climate risk programme helps measure the impact of climate change on its loan book. Following a year of floods, droughts and wildfires, climate-related risk again topped the World Economic Forum's ("**WEF**") 2020 global risk ranking in terms of likelihood of occurrence and impact. The IMF is examining the impact of climate change on the world's financial markets and whether it is priced into market valuations. The European Central Bank ("**ECB**") published a guide in 2020 on how it expects banks to prudently manage and transparently disclose climate-related and environmental risks under current prudential rules.

ING is continuing to advance its understanding and approach to climate risks and opportunities. In 2020 ING published its first Climate Risk Report, setting out its approach to managing this emerging strategic and credit risk. ING is integrating climate risk into its risk management framework, governance and business strategy.

Financial crime risks

Money laundering is a crime in and of itself. It also facilitates other crimes, such as people trafficking and drug smuggling. According to the United Nations Office on Drugs and Crime, suspicious transactions continue to reach as much as $2 trillion a year. This scale illustrates the scope of the problem – it is not something one bank can fight on its own.

To be more effective in its efforts to fight financial economic crime, ING works closely with its peers, regulators and law enforcement. This includes initiatives with other Dutch and Belgian banks to jointly monitor transactions, and further professionalising its KYC organisation by means of internationally recognised certifications.

In addition to this, improving customer due diligence and transaction monitoring activities are top priorities for ING. Since 2017, ING has been running a programme to enhance its know your customer activities in all customer segments of all ING business units. This has led to standardised KYC policies, global governance and consistent processes, tools and training, which contribute to becoming sustainably better in the way it addresses money laundering risks and complies with laws and regulations.

Structural solutions include interventions aimed at addressing undesirable behavioural patterns identified within the organisation and encouraging desirable behaviours that will positively influence KYC execution.

Cybersecurity resilience

Digital technology has connected the world in an unprecedented way. The Covid-19 outbreak highlighted just how much people rely on the internet to work, socialise and shop. At the same time, there are growing concerns about unequal access, a lack of governance, data privacy and increasingly sophisticated cyberattacks.

Cybercrime is a growing threat to companies in general and to the financial system in particular. The expansion of mobile and online banking, and ING's own reliance on cloud technology – especially at a time when many employees are working from home – have increased the risk of criminals gaining unauthorised access to ING networks. The global lockdowns due to the pandemic also presented opportunities for criminals to continue to target customers with phishing attacks, identity theft and online fraud.

One of ING's top priorities is to keep its bank safe, secure and compliant and to retain customers' trust. ING's multi-faceted approach aims to anticipate threats and prevent them from becoming reality. Safeguards include security and communication-monitoring capabilities that use behavioural analysis, machine learning and rules engines. ING is also partnering with fintechs and others to facilitate security innovation for the bank and its industry.

Fluctuations in equity markets

ING's banking operations are exposed to fluctuations in equity markets. ING maintains an internationally diversified and mainly client-related trading portfolio. Accordingly, market downturns are likely to lead to declines in securities trading and brokerage activities which it executes for customers and therefore to a decline in related commissions and trading results. In addition to this, ING also maintains equity investments in its own non-trading books. Fluctuations in equity markets may affect the value of these investments.

Fluctuations in interest rates

ING's banking operations are exposed to fluctuations in interest rates. Mismatches in the interest re-pricing and maturity profile of assets and liabilities in its balance sheet can affect the future interest earnings and economic value of the bank's underlying banking operations. In addition, changing interest rates may impact the (assumed) behavior of its customers, impacting the interest rate exposure, interest hedge positions and future interest earnings, solvency and economic value of the bank's underlying banking operations. In the current low (and in some cases negative) interest rate environment in the Eurozone, the stability of future interest earnings and margin also depends on the ability to actively manage pricing of customer assets and liabilities. Especially, the pricing of customer savings portfolios in relation to re-pricing customer assets and other investments in ING's balance sheet is a key factor in the management of the bank's interest earnings.

Fluctuations in exchange rates

ING Group is exposed to fluctuations in exchange rates. Its management of exchange rate sensitivity affects the results of its operations through the trading activities and because it prepares and publishes its consolidated financial statements in euros. Because a substantial portion of its income, expenses and foreign investments is denominated in currencies other than euros, fluctuations in the exchange rates used to translate foreign currencies, particularly the U.S. Dollar, Pound Sterling, Turkish Lira, Chinese Renminbi, Australian Dollar, Japanese Yen, Polish Zloty, Korean Won, Brazilian Real, Singapore Dollar, Thai Baht and Russian Ruble into euros can impact its reported results of operations, cash flows and reserves from year to year. Fluctuations in exchange rates will also impact the value (denominated in euro) of ING's investments in its non-euro reporting subsidiaries. The impact of these fluctuations in exchange rates is mitigated to some extent by the fact that income and related expenses, as well as assets and liabilities, of each of its non-euro reporting subsidiaries are generally denominated in the same currencies. FX translation risk is managed by taking into account the effect of translation results on the Core Equity Tier 1 ratio (CET1).

Consolidated result of operations

ING Bank monitors and evaluates the performance of its segments at a consolidated level and by segment using results based on figures according to IFRS as adopted by the European Union (IFRS-EU). The Executive Board and the Management Board Banking consider this measure to be relevant to an understanding of ING Bank's financial performance, because it allows investors to understand the primary method used by management to evaluate ING Bank's operating performance and make decisions about allocating resources. In addition, ING Bank believes that the presentation of results in accordance with IFRS-EU helps investors compare its segment performance on a meaningful basis by highlighting result before tax attributable to ongoing operations and the profitability of the segment businesses.

As of the financial year 2020 the information presented to the Management Board Banking of ING Bank is no longer based on underlying results but on IFRS as endorsed by the EU. Previously, monitoring and evaluation of ING Bank's segments was based on a non-GAAP financial performance measure called underlying. Underlying result was derived by excluding from IFRS the following: special items and the impact of divestments. In 2020 and 2019 no special items or divestments were recorded anymore. 2018 included a special item of EUR 775 million special item related to the settlement agreement with the Dutch authorities on regulatory issues.

Segment Reporting

The published 2020 Annual Report, which is incorporated by reference into this Registration Document, includes financial information in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU).

Transfer prices for inter-segment transactions are set at arm's length. Corporate expenses are allocated to business lines based on time spent by head office personnel, the relative number of staff, or on the basis of income, expenses and/or assets of the segment.

The Executive Board of ING Group and the Management Board Banking set the performance targets, approve and monitor the budgets prepared by the business lines. Business lines formulate strategic, commercial, and financial plans in conformity with the strategy and performance targets set by the Executive Board of ING Group and the Management Board Banking.

ING's segments are based on the internal reporting structures by lines of business. The following table specifies the segments by line of business and the main sources of income of each of the segments:

Retail Netherlands (Market Leaders)

Income from retail and private banking activities in the Netherlands, including the SME and mid-corporate segments, and the Real Estate Finance portfolio related to Dutch domestic mid-corporates.

The main products offered are current and savings accounts, business lending, mortgages and other consumer lending in the Netherlands.

Retail Belgium (Market Leaders)

Income from retail and private banking activities in Belgium (including Luxembourg), including the SME and mid-corporate segments. The main products offered are similar to those in the Netherlands.

Retail Germany (Challengers and Growth Markets)

Income from retail and private banking activities in Germany (including Austria). The main products offered are current and savings accounts, mortgages and other customer lending.

Retail Other (Challengers and Growth Markets)

Income from retail banking activities in the rest of the world, including the SME and mid-corporate segments in specific countries. The main products offered are similar to those in the Netherlands.

Wholesale Banking

Income from wholesale banking activities. The main products are: lending, debt capital markets, working capital solutions, export finance, daily banking solutions, treasury and risk solutions, and corporate finance.

Corporate Line

In addition to these segments, ING Bank reconciles the total segment results to the total result using Corporate Line. The Corporate Line is a reflection of capital management activities and certain income and expense items that are not allocated to the banking businesses, including the recognition of value-added tax (VAT) refunds in the Netherlands (recorded under expenses). In 2020, net interest income on the Corporate Line sharply declined, mainly due to lower interest results from foreign currency hedging due to lower interest rate differentials. In 2019, a EUR 119 million gain from the release of a currency translation reserve following the sale of ING's stake in Kotak Mahindra Bank was included, and the recognition of a EUR 79 million receivable related to the insolvency of a financial institution (both recorded under income). In 2018, the EUR 775 million settlement agreement with the Dutch authorities on regulatory issues was included. Furthermore, the Corporate Line includes the isolated legacy costs (mainly negative interest results) caused by the replacement of short-term funding with long-term funding during 2013 and 2014. ING Bank applies a system of capital charging for its banking operations in order to create a comparable basis for the results of business units globally, irrespective of the business units' book equity and the currency they operate in.

ING Bank's operations

The following table sets forth the contribution of ING's business lines and the corporate line to the net result for each of the years 2020, 2019 and 2018. As of year 2020, consolidated results of ING Bank are based on IFRS as adopted by the European Union (IFRS-EU), and not on underlying; furthermore, historical figures have been adjusted (only in 2018). Reference is made to ING's 2019 Annual report for detailed information on the discussion of 2019 and 2018 results.

	1 January to 31 December 2020						
	Retail Banking Netherlands	**Retail Banking Belgium**	**Retail Banking Germany**	**Retail Other**	**Wholesale Banking**	**Corporate Line Banking**	**Total**
	(amounts in millions of euros)						
Income:							
- Net interest income	3,511	1,816	1,587	2,760	3,718	208	13,600
- Net fee and commission income	681	413	437	412	1,069	(1)	3,011
- Total investment and other income	279	145	93	89	609	(180)	1,034
Total income	**4,471**	**2,373**	**2,117**	**3,261**	**5,396**	**27**	**17,645**
Expenditure:							
- Operating expenses	2,236	1,737	1,110	2,469	3,218	390	11,160
- Additions to loan loss provision	157	514	57	593	1,351	3	2,675
Total expenditure	**2,393**	**2,251**	**1,167**	**3,063**	**4,568**	**393**	**13,835**
Result before taxation	**2,078**	**122**	**950**	**199**	**827**	**(366)**	**3,810**
Taxation	523	51	331	105	295	13	1,317
Non-controlling interests	(1)	0	4	55	20	0	78
Net result IFRS-EU	**1,556**	**71**	**615**	**39**	**512**	**(378)**	**2,415**

	1 January to 31 December 2019						
	Retail Banking Netherlands	**Retail Banking Belgium**	**Retail Banking Germany**	**Retail Other**	**Wholesale Banking**	**Corporate Line Banking**	**Total**
	(amounts in millions of euros)						
Income							
- Net interest income	3,541	1,907	1,579	2,787	3,794	466	14,074
- Net fee and commission income	674	374	268	423	1,135	(6)	2,868
- Total investment and other income	290	161	138	298	369	95	1,352
Total income	4,505	2,442	1,985	3,509	5,298	556	18,295
Expenditure							
- Operating expenses	2,210	1,609	1,080	2,210	2,937	298	10,343
- Additions to loan loss provision	91	186	(53)	364	532	0	1,120
Total expenditure	2,301	1,794	1,027	2,574	3,469	298	11,463
Result before taxation	2,204	647	957	935	1,830	258	6,831
Taxation	558	192	328	234	464	114	1,889
Non-controlling interests	0	0	3	82	14	0	99
Net result	1,646	455	627	619	1,352	145	4,843

	1 January to 31 December 2018						
	Retail Banking Netherlands	**Retail Banking Belgium**	**Retail Banking Germany**	**Retail Other**	**Wholesale Banking**	**Corporate Line Banking**	**Total**
	(amounts in millions of euros)						
Income							
- Net interest income	3,749	1,830	1,671	2,690	3,686	324	13,949
- Net fee and commission income	664	371	225	395	1,152	(3)	2,803
- Total investment and other income	335	169	76	230	673	(133)	1,350
Total income	4,747	2,369	1,972	3,315	5,510	188	18,102
Expenditure							
- Operating expenses	2,220	1,610	1,027	2,033	2,771	1,035	10,695
- Additions to loan loss provision	(41)	164	(27)	350	210	(1)	656
Total expenditure	2,179	1,774	1,000	2,383	2,981	1,033	11,351
Result before taxation	2,568	595	972	932	2,529	(845)	6,751
Taxation	626	199	324	200	633	55	2,036
Non-controlling interests	0	6	3	80	19	0	108
Net result IFRS-EU	1,942	390	646	652	1,877	(900)	4,607

Year ended 31 December 2020 compared to year ended 31 December 2019

ING's net result fell 50.1% to EUR 2,415 million from EUR 4,843 million in 2019. The effective tax rate in 2020 was relatively high at 34.6% (versus 27.7% in 2019) and was mainly caused by the lower result before tax, which included higher non-deductible amounts like the impairments on goodwill and on ING's stake in TMB.

The result before tax declined 44.2% to EUR 3,810 million in 2020 from EUR 6,831 million in 2019, primarily caused by elevated risk costs reflecting the (expected) economic impact of the Covid-19 pandemic, combined with impairments on goodwill, restructuring provisions and other impairments. Net core lending (adjusted for currency impacts, and excluding Treasury and the run-off portfolios) declined by EUR 2.5 billion in 2020, while net customer deposit inflow was high at EUR 41.4 billion. The global retail customer base grew to 39.3 million at year-end, and the number of primary customers rose during the year by 578,000 to 13.9 million.

Income declined 3.6% to EUR 17,645 million from EUR 18,295 million in 2019. The decline was mainly in the Corporate Line due to lower interest results from foreign currency ratio hedging and to some positive one-offs recorded in 2019. Income at Retail Banking decreased due to an impairment on its equity stake in TMB, whereas income in Wholesale Banking (mainly in Financial Markets) increased.

Net interest income decreased 3.4% to EUR 13,600 million. The decline was largely due to lower interest results on current accounts and savings, reflecting the continued pressure on liability margins, combined with lower interest results from foreign currency ratio hedging due to lower interest rate differentials. This decline was largely offset by higher interest results at Treasury (supported by the introduction of the ECB's two-tiering system at the end of October 2019) and, to a lesser extent, on lending products, reflecting a slight increase in the total lending margin. ING Bank's overall net interest margin declined to 1.43% from 1.54% in 2019.

Net fee and commission income increased 5.0% to EUR 3,011 million from 2,868 million in 2019. In Retail Banking, net fee and commission income rose by EUR 204 million, or 11.7%. This was mainly driven by higher fee income on investment products, predominantly in Germany, whereas daily banking fees slightly increased supported by increased package fees, which countered the impact of a drop in payment transactions due to lockdown measures and travel restrictions. Total fee income in Wholesale Banking declined by EUR 66 million, or 5.8%, predominantly in Trade & Commodity Finance as a result of lower average oil prices as well as lower syndicated deal activity in Lending.

Total investment and other income decreased to EUR 1,034 million 2020 from EUR 1,352 million in previous year. The decline was mainly in Retail Banking, largely due to a EUR 230 million goodwill impairment related to ING's stake in TMB, and in the Corporate Line. In 2019, the latter had included a EUR 119 million one-off gain from the release of a currency translation reserve related to the sale of ING's stake in Kotak Mahindra Bank and a EUR 79 million receivable related to the insolvency of a financial institution. These declines were partly offset by Wholesale Banking, predominantly in Financial Markets due to a positive swing in valuation adjustments.

Operating expenses increased by EUR 817 million, or 7.9%, to EUR 11,160 million. Expenses in 2020 included EUR 1,105 million of regulatory costs, compared with EUR 1,021 million previous year. The increase was furthermore caused by EUR 673 million of incidental items recorded in 2020, mainly reflecting EUR 310 million of goodwill impairments and several restructuring provisions and impairments related to the review of activities and measures announced (including those on Wholesale Banking and the Maggie project). Excluding regulatory costs and these incidental items, expenses increased by EUR 60 million, or 0.6%, as the impact of collective-labour-agreement (CLA) salary increases and higher IT expenses, was largely offset by the impact of continued cost-efficiency measures (including lower marketing and travel costs as a result of the Covid-19 restrictions). The cost/income ratio was 63.2% versus 56.5% in 2019.

Net additions to loan loss provisions were EUR 2,675 million, or 43 basis points of average customer lending, compared with EUR 1,120 million, or 18 basis points, in 2019. The increase was mainly due to various Individual Stage 3 provisions, including a sizeable provision for an alleged external fraud case in 2020, and high collective Stage 1 and Stage 2 provisioning as a result of the economic impact of the Covid-19 pandemic. Risk costs in 2020 included EUR 590 million of collective provisions related to the worsened macro-economic indicators, including provisioning related to loans subject to a payment holiday.

Year ended 31 December 2019 compared to year ended 31 December 2018

In 2019, the net result increased 5.1% to EUR 4,843 million from EUR 4,607 million. This was in part due to a decreased effective tax rate of 27.7% from 30.2% in 2018, mainly reflecting lower non-deductible costs, as 2018 included the EUR 775 million settlement agreement with the Dutch authorities on regulatory issues. This decline was partly offset by the cancellation of tax deductibility of interest expenses on additional Tier 1 instruments in the Netherlands as from 2018.

The result before tax increased 1.2% to EUR 6,831 million in 2019 from EUR 6,751 million in 2018, due to higher income and lower operating expenses, largely offset by higher risk costs. Commercial momentum remained solid, albeit at a slower pace than previous year. ING Bank grew net core lending (adjusted for currency impacts, and excluding Treasury and the run-off portfolios) by EUR 17.2 billion, or 2.9%, and net customer deposits rose by EUR 23.4 billion in 2019. The global retail customer base grew to 38.8 million at year-end, and the number of primary customers rose during the year by 0.8 million to 13.3 million.

The income increased 1.1% to EUR 18,295 million from EUR 18,102 million in 2018, driven by Corporate Line (predominantly one-offs) and Retail Banking, while income in Wholesale Banking (mainly in Financial Markets and Lending) declined. Net interest income rose 0.9% to EUR 14,074 million. The increase was driven by higher interest results on customer lending mainly supported by volume growth, partly offset by lower margins on savings and current accounts. The total lending margin was slightly up compared with 2018, as the impact of improved interest margins on mortgages was largely offset by lower margins on other customer lending. ING Bank's overall net interest margin improved by 1 basis point to 1.54% from 1.53% in 2018.

Net fee and commission income rose 2.3% to EUR 2,868 million. The increase was driven by Retail Banking with increases in most countries, partly offset by a small decline in Wholesale Banking. Investment and other income slightly increased to EUR 1,352 million from EUR 1,350 million in 2018, with increases in Retail Banking and Corporate Line. The latter was supported by a EUR 119 million gain from the release of a currency translation reserve following the sale of ING's stake in Kotak Mahindra Bank and the recognition of a EUR 79 million receivable related to the insolvency of a financial institution. These increases were largely offset by Wholesale Banking, mainly due to negative valuation adjustments in Financial Markets, and some one-offs.

Operating expenses declined 3.3% to EUR 10,343 million from EUR 10,695 million in 2018, mainly due to the aforementioned settlement agreement with the Dutch authorities. Excluding this settlement, operating expenses increased 4.3% to EUR 10,343 million from EUR 9,920 million in 2018. The increase was visible in all segments, except for Retail Netherlands and Retail Belgium. Regulatory expenses rose to EUR 1,021 million from EUR 947 million in previous year. Excluding regulatory costs and the settlement agreement, expenses were up 3.9%, mainly due to higher KYC-related costs, increased staff costs and continued investments in business growth, partly offset by costs savings and one-offs (including a higher VAT refund, recorded in Corporate Line). The cost/income ratio was 56.5% versus 59.1% in 2018.

The net addition to the provision for loan losses rose to EUR 1,120 million from EUR 656 million in 2018. This increase was mainly caused by a number a large individual files in Wholesale Banking and higher, but still relatively low risk costs in Retail Netherlands. Risk costs rose to 18 basis points of average customer lending, remaining below ING Bank's through-the-cycle average of approximately 25 basis points, compared with 11 basis points of average customer lending in 2018.

Retail Netherlands

	2020	2019	2018
	(amounts in millions of euros)		
Income:			
Net interest income	3,511	3,541	3,749
Net fee and commission income	681	674	664
Investment income and other income	279	290	335
Total income	**4,471**	**4,505**	**4,747**
Expenditure:			
Operating expenses	2,236	2,210	2,220
Additions to the provision for loan losses	157	91	(41)
Total expenditure	**2,393**	**2,301**	**2,179**
Result before tax	**2,078**	**2,204**	**2,568**
Taxation	523	558	626
Non-controlling interests	(1)	(0)	(0)
Net result IFRS-EU	**1,556**	**1,646**	**1,942**

Year ended 31 December 2020 compared to year ended 31 December 2019

The net result of Retail Netherlands decreased by EUR 90 million, or -5.5%, to EUR 1,556 million in 2020 from EUR 1,646 million in 2019.

The result before tax of Retail Netherlands decreased 5.7% to EUR 2,078 million from EUR 2,204 million in 2019. This decline was mainly attributable to higher risk costs reflecting the worsened macro-economic environment and an increase in regulatory costs.

Total income declined by EUR 34 million, or -0.8%, to EUR 4,471 million, compared with EUR 4,505 million in 2019. Net interest income declined 0.8%, mainly due to lower margins on savings and current accounts, combined with a decline in average lending volumes, which was largely offset by higher Treasury-related revenues. Net core lending (which excludes Treasury products and a EUR 1.1 billion decline in the WUB run-off portfolio) decreased by EUR 3.2 billion in 2020, of which EUR 0.8 billion was in residential mortgages and EUR 2.4 billion in other lending. Net customer deposits (excluding Treasury) grew by EUR 15.3 billion, predominantly in current accounts. Net fee and commission income increased by EUR 7 million, or 1.0%, primarily due to higher investment product fees. Investment and other income was EUR 11 million lower.

Operating expenses rose by EUR 26 million, or 1.2%, to EUR 2,236 million from EUR 2,210 million in 2019, of which EUR 65 million was caused by higher regulatory costs to EUR 255 million from EUR 190 million in 2019. Expenses excluding regulatory costs declined 1.9% as the impact of CLA salary increases, higher IT expenses as well as provisions related to redundancies and customer claims, were more than offset by lower external staff costs and lower marketing and travel expenses.

The net addition to loan loss provisions was EUR 157 million, or 10 basis points of average customer lending, compared with EUR 91 million, or 6 basis points, in 2019. Risk costs in 2020 included EUR 118 million of collective provisions related to the worsened macro-economic indicators, including provisioning related to loans subject to a payment holiday.

Year ended 31 December 2019 compared to year ended 31 December 2018

The net result of Retail Netherlands decreased by EUR 296 million, or 15.2%, to EUR 1,646 million in 2019 from EUR 1,942 million in 2018.

The result before tax of Retail Netherlands decreased 14.2% to EUR 2,204 million from EUR 2,568 million in 2018. This was mainly due to lower income, mainly reflecting lower margins on customer deposits and lower revenues from Treasury, combined with higher risk costs. Operating expenses declined slightly.

Income fell 5.1% to EUR 4,505 million from EUR 4,747 million previous year. The interest result was 5.5% lower, reflecting margin pressure on savings and current accounts due to lower re-investment yields and lower revenues from Treasury. This was partly compensated by improved margins on mortgages. Net core lending (excluding the WUB run-off portfolio and Treasury-related products) grew by EUR 2.0 billion in 2019, equally divided over mortgages and other lending. Net growth in customer deposits (excluding Treasury) was EUR 8.4 billion in 2019. Net fee and commission income rose by EUR 10 million, or 1.5%, primarily due to higher daily banking fees. Investment and other income declined by EUR 45 million, mainly attributable to lower results from financial markets-related products.

Operating expenses declined 0.5% on 2018, this was mainly due to lower regulatory costs, benefits from the ongoing cost-saving initiatives and some positive one-offs, partly offset by increased salaries as well as higher KYC and IT-related expenses.

Risk costs in 2019 increased to a relatively low EUR 91 million, or 6 basis points of average customer lending, partly caused by a change in the house price index that is used for Dutch mortgages. This compares with a net release of EUR 41 million 2018, which included releases in both mortgages and business lending.

Retail Belgium

	2020	2019	2018
	(amounts in millions of euros)		
Income:			
Net interest income	1,816	1,907	1,830
Net fee and commission income	413	374	371
Investment income and other income	145	161	169
Total income	**2,373**	**2,442**	**2,369**
Expenditure:			
Operating expenses	1,737	1,609	1,610
Additions to the provision for loan losses	514	186	164

	2020	2019	2018
	(amounts in millions of euros)		
Total expenditure	**2,251**	**1,794**	**1,774**
Result before tax	**122**	**647**	**595**
Taxation	51	192	199
Non-controlling interests	0	0	6
Net result IFRS-EU	**71**	**455**	**390**

Year ended 31 December 2020 compared to year ended 31 December 2019

The net result of Retail Belgium (including ING in Luxembourg) declined by EUR 384 million to EUR 71 million in 2020 from EUR 455 million in 2019.

The result before tax of Retail Belgium fell to EUR 122 million, compared with EUR 647 million in 2019. The decline was attributable to higher risk costs reflecting the worsened macro-economic environment, combined higher expenses and lower income.

Income declined by EUR 69 million, or 2.8%, to EUR 2,373 million from EUR 2,442 million in 2019. Net interest income was 4.8% down to EUR 1,816 million, mainly reflecting lower margins on savings and current accounts, and lower Treasury related revenues, partly offset by higher interest results from mortgages. Net core lending (excluding Treasury) decreased by EUR 1.5 billion in 2020, evenly spread over mortgages and other lending. Net customer deposits (also excluding Treasury) grew by EUR 4.0 billion, predominantly in current accounts. Net fee and commission income rose by EUR 39 million, or 10.4%, mainly due to higher fee income on investment products and mortgages. Investment and other income declined by EUR 16 million, mainly from Financial Markets.

Operating expenses rose by EUR 128 million, of which EUR 43 million was due to a goodwill impairment related to an acquisition in the past by ING Belgium and EUR 40 million related to restructuring costs recorded in the fourth quarter of 2020. The remaining increase was mainly due to higher regulatory costs and IT expenses.

The net addition to the provision for loan losses increased to EUR 514 million, or 57 basis points of average customer lending, from EUR 186 million, or 21 basis points, in 2019. Risk costs in 2020 included EUR 158 million of collective provisions related to the worsened macro-economic indicators, including provisioning related to loans subject to a payment holiday. The remaining risk costs were mainly related to business lending, including provisioning on a number of individual files.

Year ended 31 December 2019 compared to year ended 31 December 2018

The net result of Retail Belgium (including ING in Luxembourg) increased by EUR 65 million, or 16.7%, to EUR 455 million in 2019 from EUR 390 million in 2018.

The result before tax of Retail Belgium rose 8.7% to EUR 647 million in 2019, compared with EUR 595 million in 2018. The increase reflects higher income and stable expenses, only partly offset by an increase in risk costs.

Income increased to EUR 2,442 million from EUR 2,369 million in 2018. The interest result was 4.2% up to EUR 1,907 million, mainly due to volume growth, increased margins on mortgages, and supported by higher net interest income from Treasury-related products. This was in part offset by lower net interest income from savings and current accounts, reflecting the low interest rate environment, and some margin pressure on non-mortgage lending. The net production in customer lending (excluding Treasury) was EUR 3.3 billion, of which EUR 1.2 billion was in residential mortgages and EUR 2.1 billion in other lending. The net inflow in customer deposits (excluding Treasury) was EUR 4.1 billion in 2019. Net fee and commission income increased 0.8% to EUR 374 million. Investment and other income was EUR 8 million lower, mainly due to lower Treasury-related revenues.

Operating expenses declined 0.1% to EUR 1,609 million, mainly due to lower staff-related expenses stemming from the transformation programmes, partly offset by higher regulatory costs and KYC-related expenses.

Risk costs increased by EUR 22 million to EUR 186 million, or 21 basis points of average customer lending, from EUR 164 million, or 19 basis points, in 2018. The increase was mainly caused by additional provisioning on individual mid-corporates files and higher collective provisions for consumer lending.

Retail Germany

	2020	2019	2018
	(amounts in millions of euros)		
Income:			
Net interest income	1,587	1,579	1,671
Net fee and commission income	437	268	225
Investment income and other income	93	138	76
Total income	**2,117**	**1,985**	**1,972**
Expenditure:			
Operating expenses	1,110	1,080	1,027
Additions to the provision for loan losses	57	(53)	(27)
Total expenditure	**1,167**	**1,027**	**1,000**
Result before tax	**950**	**957**	**972**
Taxation	331	328	324
Non-controlling interests	4	3	3
Net result IFRS-EU	**615**	**627**	**646**

Year ended 31 December 2020 compared to year ended 31 December 2019

The net result of Retail Germany (including ING in Austria) decreased by EUR 12 million, or 1.9%, to EUR 615 million in 2020 from EUR 627 million in 2019.

The result before tax declined 0.7% to EUR 950 million, compared with EUR 957 million in 2019, as higher income largely offset the impact of higher risk costs (after a net release in 2019) and increased expenses.

Total income rose 6.6% to EUR 2,117 million from EUR 1,985 million in 2019. The increase was driven by EUR 169 million higher fee income, predominantly on investment products due to higher assets under management, new account openings and a higher number of brokerage trades in volatile markets. Net interest income increased 0.5% to EUR 1,587 million, as higher interest results from lending and accounting asymmetry in Treasury (with an offset in other income), was largely offset by margin pressure on savings and current accounts. In 2020, net core lending (which excludes Treasury products) increased EUR 4.5 billion, of which EUR 4.2 billion was in residential mortgages and EUR 0.3 billion in consumer lending. Net customer deposits (excluding Treasury) increased by EUR 5.8 billion, largely in current accounts. Investment and other income declined by EUR 45 million, mainly due to the aforementioned accounting asymmetry and lower capital gains.

Operating expenses increased by EUR 30 million, or 2.8%, to EUR 1,110 million in 2020. The increase was mainly due to investments to support business growth as well as the consolidation of a subsidiary as from the first quarter of 2020, while previous year included a EUR 36 million restructuring provision.

The net addition to the provision for loan losses was EUR 57 million, or 6 basis points of average customer lending, compared with a net release of EUR 53 million in 2019, which had included model updates on mortgages. Risk costs in 2020 included EUR 8 million of collective provisions related to the worsened macro-economic indicators.

Year ended 31 December 2019 compared to year ended 31 December 2018

The net result of Retail Germany (including ING in Austria) decreased by EUR 19 million, or 2.9%, to EUR 627 million in 2019 from EUR 646 million in 2018.

The result before tax declined 1.5% to EUR 957 million, compared with EUR 972 million in 2018, mainly due to higher expenses, partly offset by slightly increased income and a higher net release in risk costs.

Income increased 0.7% to EUR 1,985 million in 2019 from EUR 1,972 million a year ago. Net interest income declined 5.5%, mainly due to lower Treasury-related interest results (with a partial offset in other income). Excluding Treasury, net interest income rose marginally, mainly reflecting volume growth in most products and improved margins on mortgages, offset by lower interest results on savings and deposits due to margin pressure. The net growth in core lending (excluding Treasury) was EUR 3.0 billion in 2019, of which EUR 2.4 billion in mortgages and EUR 0.6 billion in consumer lending. Net inflow in customer deposits (excluding Treasury) was EUR 0.8 billion. Net fee and commission income rose 19.1% to EUR 268 million, due to higher fees on mortgages and daily banking. Investment and other income rose by EUR 62 million to EUR 138 million, largely due to the aforementioned accounting asymmetry in Treasury revenues.

Operating expenses rose 5.2% to EUR 1,080 million from EUR 1,027 million in 2018. The increase was mainly due to a restructuring provision related to the completion of ING's Agile transformation in Germany, higher KYC-related expenses, investments to accelerate the acquisition of primary customers, and the launch of Interhyp in Austria.

Risk costs were EUR -53 million, or -6 basis points of average customer lending, compared with EUR -27 million in 2018. The net release in 2019 mainly related to model updates for mortgages, while the net release in 2018 included a significant release in the consumer lending portfolio.

Retail Other

	2020	2019	2018
	(amounts in millions of euros)		
Income:			
Net interest income	2,760	2,787	2,690
Net fee and commission income	412	423	395

	2020	2019	2018
	(amounts in millions of euros)		
Investment income and other income	89	298	230
Total income	**3,261**	**3,509**	**3,315**
Expenditure:			
Operating expenses	2,469	2,210	2,033
Additions to the provision for loan losses	593	364	350
Total expenditure	**3,063**	**2,574**	**2,383**
Result before tax	**199**	**935**	**932**
Taxation	105	234	200
Non-controlling interests	55	82	80
Net result IFRS-EU	**39**	**619**	**652**

Year ended 31 December 2020 compared to year ended 31 December 2019

Retail Other consists of the Other Challengers & Growth Markets, including the bank stakes in Asia. The net result of Retail Other decreased to EUR 39 million in 2020, from EUR 619 million in 2019.

Retail Others' result before tax fell to EUR 199 million, from EUR 935 million in 2019, mainly reflecting impairments on TMB and the Maggie project as well as higher risk costs.

Total income declined by EUR 248 million to EUR 3,261 million in 2020, of which EUR 230 million related to an impairment on ING's equity stake in TMB. Excluding this impairment, total income decreased by EUR 18 million, or -0.5%. Net interest income was down 1.0% to EUR 2,760 million, reflecting margin pressure on savings and current accounts, largely offset by higher interest results from lending products and Treasury. Net customer lending (adjusted for currency effects and Treasury) grew by EUR 2.6 billion in 2020, with growth in all countries, except Italy. The net inflow in customer deposits, also adjusted for currency impacts and Treasury, was EUR 11.9 billion, with largest increases in Poland and Spain. Net fee and commission income declined 2.6% to EUR 412 million, largely due to a decline in Turkey, which was partly offset by increases in most of the other countries. Excluding the aforementioned impairment, investment and other income rose by EUR 21 million.

Operating expenses increased by EUR 259 million, or 11.7%, to EUR 2,469 million from EUR 2,210 million in 2019, of which EUR 140 million related to an impairment on capitalised software following the decision to stop the Maggie transformation programme (previously called Model Bank) and EUR 27 million of restructuring provisions and impairments related to the project and some other countries. Excluding these incidental items, expenses increased by EUR 92 million, or 4.2%, mainly due to higher regulatory costs, investments in business growth and lower capitalization of costs following the decision on Maggie. These increases were partly offset by lower legal provisions as well as lower marketing and travel expenses.

The net addition to loan loss provisions increased by EUR 229 million on 2019 to EUR 593 million, or 61 basis points of average customer lending. Risk costs in 2020 included EUR 114 million of collective provisions related to the worsened macro-economic indicators, including provisioning related to loans subject to a payment holiday, as well as a EUR 59 million Stage 3 provision for expected losses on CHF-indexed mortgages in Poland. The increase versus 2019 was mainly visible in Poland, Romania and Australia, whereas risk costs in Turkey declined.

Year ended 31 December 2019 compared to year ended 31 December 2018

Retail Other consists of the Other Challengers & Growth Markets, including the bank stakes in Asia. The net result of Retail Other decreased by EUR 33 million, or 5.1%, to EUR 619 million in 2019 from EUR 652 million in 2018.

Retail Other's result before tax increased 0.3% to EUR 935 million in 2019, from EUR 932 million in 2018. This was mainly due to higher income, partly offset by increased expenses and higher risk costs.

Total income rose by EUR 194 million, or 5.9%, to EUR 3,509 million. This increase was driven by strong results across most of the countries, whereas 2018 included a higher profit from ING Bank's stake in TMB due to one-offs. Net interest income rose 3.6% to EUR 2,787 million, reflecting volume growth in lending and customer deposits, and a stable total interest margin. This increase was offset by accounting asymmetry in Treasury with an offset in other income. The net production in customer lending (excluding currency effects and Treasury) was EUR 7.8 billion, with increases mainly in Spain, Poland and Australia, while Turkey and Italy declined. Net customer deposits grew by EUR 6.9 billion in 2019, with the largest increases in Poland, Spain and Australia. Net commission and fee income increased 7.1% to EUR 423 million driven by increases in most countries, but declined in Spain and Turkey. Investment and other income rose by EUR 68 million, mainly due to the aforementioned accounting asymmetry in Treasury and a higher dividend from Bank of Beijing, partly offset by a lower profit from TMB.

Operating expenses increased by EUR 177 million, or 8.7%, to EUR 2,210 million. This increase was in addition to higher regulatory costs and legal provisions, mainly due to higher expenses to support business growth and the implementation of bank-wide regulatory programmes, including KYC.

Risk costs were EUR 364 million, or 38 basis points of average customer lending, compared with EUR 350 million, or 40 basis points, in 2018. The increase was mainly attributable to higher risk costs in Spain and Poland, while risk costs in Turkey and Italy declined.

Wholesale Banking

	2020	**2019**	**2018**
	(amounts in millions of euros)		
Income:			
Net interest income	3,718	3,794	3,686
Net fee and commission income	1,069	1,135	1,152
Investment income and other income	609	369	673
Total income	**5,396**	**5,298**	**5,510**
Expenditure:			
Operating expenses	3,218	2,937	2,771
Additions to the provision for loan losses	1,351	532	210
Total expenditure	**4,568**	**3,469**	**2,981**

	2020	2019	2018
	(amounts in millions of euros)		
Result before tax	**827**	**1,830**	**2,529**
Taxation	295	464	633
Non-controlling interests	20	14	19
Net result IFRS-EU	**512**	**1,352**	**1,877**

Year ended 31 December 2020 compared to year ended 31 December 2019

ING's net result of Wholesale Banking declined to EUR 512 million from EUR 1,352 million in 2019.

The full-year 2020 results for Wholesale Banking were also strongly affected by the impact of the Covid-19 pandemic. The result before tax dropped 54.8% to EUR 827 million, down from EUR 1,830 million in 2019. The decline was predominantly due to elevated risk costs and higher expenses (including impairments and restructuring provisions), partly offset by higher income.

Total income rose 1.8% to EUR 5,396 million in 2020, compared with EUR 5,298 million in 2019, reflecting higher revenues in Financial Markets and Treasury & Other, partly offset by lower income in Daily Banking & Trade Finance and Lending. The net core lending book (adjusted for currency impacts and excluding Treasury and the Lease run-off portfolio) declined by EUR 4.9 billion in 2020. The inflow in net customer deposits (excluding currency impacts and Treasury) was EUR 4.4 billion. Net interest income decreased 2.0%, mainly due to lower margins on current accounts and lower average lending volumes. This decline was largely offset by higher interest results from Treasury (with an offset in other income). Net fee and commission income decreased 5.8% on 2019, mainly due to lower syndicated deal activity in Lending and lower fees in Trade & Commodity Finance. Investment and other income rose by EUR 240 million, primarily due to higher valuation results in Financial Markets, partly offset by Treasury.

Operating expenses rose 9.6% to EUR 3,218 million from EUR 2,937 million in 2019, mainly due to a EUR 260 million goodwill impairment and EUR 124 million of restructuring provisions and impairments recorded in the fourth quarter of 2020, following the announced refocusing of activities, including an additional impairment on Payvision. Excluding the aforementioned incidental items, expenses decreased 3.5%, mainly due to lower regulatory costs and the impact of continued cost-efficiency measures as well as lower travel expenses as a result of the Covid-19 restrictions.

The net addition to loan loss provisions rose to EUR 1,351 million, or 75 basis points of average customer lending, compared with EUR 532 million, or 29 basis points, in 2019. The increase was predominantly due to various Individual Stage 3 provisions, including a sizeable provision for an alleged external fraud case in 2020, and high collective Stage 1 and Stage 2 provisions as a result of the economic impact of the Covid-19 pandemic, including EUR 192 million of collective provisions related to the worsened macro-economic indicators.

Lending posted a result before tax of EUR 691 million, down 56.7% compared with EUR 1,597 million in 2019, predominantly due to elevated risk costs. Risk costs in 2020 were primarily impacted by various large individual files, including a sizeable provision for an alleged external fraud case, as well as the economic impact of the Covid-19 pandemic. Lending income declined 3.2%, reflecting lower lending margins and lower syndicated deal activity. Expenses declined 3.1%, mainly due to lower regulatory costs.

The result before tax from Daily Banking & Trade Finance fell to EUR 246 million from EUR 476 million in 2019. This decline was due to lower income and higher expenses, partly offset by lower risk costs as previous year included a sizeable provision for an external fraud case. The decline in income mainly reflect lower margins on current accounts as well as lower fee income, mainly in Trade & Commodity Finance as a result of lower average oil prices. Expenses rose 9.8%, mainly due to impairments on Payvision's intangible assets.

Financial Markets recorded a result before tax of EUR 230 million, compared with a loss of EUR 121 million in 2019. The increase was predominantly due to higher income, which included EUR 73 million of positive valuation adjustments versus EUR -228 million in 2019, and lower expenses in part due to lower staff expenses and regulatory costs. Excluding valuation adjustments, pre-tax result rose by EUR 50 million compared with 2019, mainly in the Global Capital Markets business.

The result before tax of Treasury & Other was EUR -339 million compared with EUR -123 million in 2019. This decline was mainly explained by a EUR 260 million goodwill impairment and EUR 95 million of restructuring provisions and related impairments following the announced refocusing of activities, partly offset by higher Treasury income.

Year ended 31 December 2019 compared to year ended 31 December 2018

The net result declined to EUR 1,352 million from EUR 1,877 million in 2018. The full-year 2019 results for Wholesale Banking show that conditions were challenging in the Issuer's markets. The result before tax dropped 27.6% to EUR 1,830 million, down from EUR 2,529 million in 2018. The decline reflects elevated risk costs (compared with a relatively low level a year ago), lower revenues in mainly Financial Markets and Lending, as well as higher expenses.

Total income of Wholesale Banking fell 3.8% to EUR 5,298 million compared with 2018, mainly reflecting lower revenues in Financial Markets, Lending and Treasury-related revenues, while 2018 included the aforementioned loss on the intended sale of an Italian lease run-off portfolio. In 2019, the net core lending book (adjusted for currency impacts and excluding Treasury and the Lease run-off portfolio) grew by EUR 1.1 billion. The inflow in net customer deposits (excluding currency impacts and Treasury) was EUR 3.1 billion. Net interest income increased 2.9%, mainly driven by volume growth in Lending at lower margins and higher interest results in Daily Banking & Trade Finance, especially in Bank Mendes Gans and Payments & Cash Management. Net fee and commission income declined 1.5%. Investment and other income fell by EUR 304 million, mainly due to lower valuation results in Financial Markets, while previous year included a gain on a bond transaction in Belgium and a loss on the intended sale of an Italian lease run-off portfolio.

Operating expenses rose 6.0% to EUR 2,937 million, in part due to higher regulatory costs. Excluding regulatory costs, expenses rose 4.7%, mainly attributable to higher KYC, IT and staff-related expenses, partly offset by continued cost-efficiency savings. The cost/income ratio increased to 55.4%, from 50.3% in 2017.

Risk costs increased to EUR 532 million, or 29 basis points of average customer lending, from a relatively low EUR 210 million, or 12 basis points of average customer lending, in previous year. The increase was mainly attributable to a number of large individual files, including a sizeable provision for a suspected external fraud case.

Lending posted a result before tax of EUR 1,597 million, down 20.4% compared with 2018. The decline reflects lower income combined with higher expenses (including increased regulatory costs and KYC-related expenses) and higher risk costs due to a number of large individual files. Despite higher average volumes, Lending income declined, mainly due to some pressure on margins and the EUR 66 million gain related to an equity-linked bond in Belgium recorded in 2018. The result before tax from Daily Banking & Trade Finance declined 24.3% to EUR 476 million from EUR 629 million in 2018. A modest increase in income, reflecting improved margins at lower average volumes, could not compensate for higher expenses and elevated risk costs. The increased expenses reflect higher regulatory costs and KYC-related expenses as well as investments in Payvision and regulatory changes (including PSD2). Risk costs in 2019 included a sizeable provision for a suspected external fraud case.

Financial Markets recorded a result before tax of EUR -121 million, compared with EUR -36 million in 2018. The drop was predominantly due to lower income, which was impacted by EUR 228 million of negative valuation adjustments versus EUR -1 million in 2018, in part offset by lower expenses on the back of ongoing cost efficiency measures. Excluding valuation adjustments, pre-tax result rose by EUR 142 million compared with 2018, driven by higher client income. The result before tax of Treasury & Other was EUR -123 million compared with EUR -70 million in 2018. This decline was mainly due to lower results from Treasury-related activities and Corporate Investments, whereas the result of the run-off businesses improved after the EUR 123 million loss on the intended sale of an Italian Lease run-off portfolio recorded in 2018. Expenses increased mainly due to investments in KYC enhancement and innovation, while 2018 included a release from a legal provision.

Liquidity and capital resources

ING believes that its working capital is sufficient for its present requirements.

For information regarding its material short and long- term cash requirements from known contractual and other obligations, see “Risk Management section Funding and liquidity risk” and “Note 49 – Capital Management” in the 2020 Annual Report, which is incorporated by reference into this Registration Document.

For information on legal or economic restrictions on the ability of subsidiaries to transfer funds to the company in the form of cash dividends, loans or advances, see “Note 19 – Equity” in the 2020 Annual Report, which is incorporated by reference into this Registration Document.

For information on the maturity profile of borrowings and a further description of the borrowings, please see “Note 17 – Debt securities in issue”, “Note 18 – Subordinated Loans” and “Note 39 – Liabilities and off-balance sheet commitments by maturity” in the 2020 Annual Report, which is incorporated by reference into this Registration Document.

For information on currency and interest rate structure, see “Risk Management section Market risk” and “Risk Management section Funding and liquidity risk” in the 2020 Annual Report, which is incorporated by reference into this Registration Document.

For information on the use of financial instruments for hedging purposes, please see “Note 37 – Derivatives and hedge accounting” in the 2020 Annual Report, which is incorporated by reference into this Registration Document.

ING Bank Consolidated Cash Flows

	2020	**2019**	**2018**
	(amounts in millions of euros)		
Treasury bills and other eligible bills	0	43	159
Amounts due from/to banks	477	784	(2,618)
Cash and balances with central banks	111,087	53,202	49,987
Cash and cash equivalents at end of year	111,565	54,029	47,528

Year ended 31 December 2020 compared to year ended 31 December 2019

Net cash flow from operating activities amounts to EUR 103,179 million for the year-end 2020, compared to EUR 19,553 million at 31 December 2019. The increase in cash flow from operating activities of EUR 83,626 million is explained by higher cash inflows from Loans and advances to banks (increase of EUR 56,985 million to EUR 53,076 million in 2020 due to new TLTRO III as the ECB modified the terms and conditions of its TLTRO programme to further support the provision of credit to households and firms in the view of the Covid-19 pandemic) and Customer deposits (increase of EUR 15,748 million to EUR 40,576 million in 2020) as well as lower cash outflows of Loans and advances to Customers (decrease of EUR 19,584 million to EUR 2,888 in 2020) and Trading assets and liabilities (decrease of EUR 5,138 million to EUR 2,571 in 2020). The increases are partly offset by lower cash inflows from (reverse) repurchase transactions (decrease EUR 12,041 to EUR -933 million in 2020).

Net cash flow from investing activities amounts to EUR -8,487 million compared to EUR -2,681 million in 2019 the net cash flow from investing activities decreased by EUR 5,806 million. The movement is explained by a net increase in Securities at amortised costs of EUR 6,337 million.

Net cash flow from financing activities amounts to EUR -36,732 million in 2020, compared to EUR -10,465 million in 2019. The decrease of EUR 26,267 million is explained by a net decrease of EUR 26,087 million of debt securities and EUR 2,979 million of subordinated loans offset by lower dividend payments of EUR 2,802 million.

The operating, investing and financing activities described above result in an increase of EUR 57,960 million in cash and cash equivalents to EUR 111,565 at year end 2020. The increase in cash and cash equivalent was supported by the combination of lower demand for credit and the continued inflow of customer deposits as a result of Covid-19, as well as the TLTRO III participation.

Year ended 31 December 2019 compared to year ended 31 December 2018

Net cash flows from operating activities was in 2019 EUR 19,553 and is EUR 1,417 million higher compared to the operating activities cash flow of 2018 (EUR 18,136). This mainly relates to higher cash outflows in financial assets mandatorily measured at fair value through profit and loss (reverse repurchase transactions) of EUR 30,311 million compensated by higher cash inflows on financial liabilities designated as at fair value (mainly repurchase transaction) of EUR -22,757 million. In 2019 there was less cash inflow in loans and advances to customers (EUR 14,320 million). Furthermore in 2019 there was less cash outflow on trading assets (EUR – 12,387 million) and higher cash inflows in loans to and from banks (EUR -3,698 million)

Net cash flow from investing activities in 2019 amounted to EUR -2,681 million compared to EUR 5,451 million in 2018. This difference in cash flows amounts to EUR 8,132 million, mainly due to the cashflows with respect to Financial assets at fair value through other comprehensive income due to higher cash outflows due to investments (EUR – 5,753 million) strengthened by less cash inflow on disposal of Financial assets at fair value through other comprehensive income (EUR -2,267 million).

Net cash flow from financing activities amounted EUR –10,465 million in 2019, compared to EUR 4,761 million in 2018. The higher cash inflow of EUR –15,227 million is explained by a decrease of EUR 56,573 million to EUR 84,641 million in proceeds from debt securities and offset by a decrease of EUR 36,673 million to EUR –94,497 million in repayments of debt securities.

The operating, investing and financing activities described above of EUR 6,406 million and the effect of exchange rate changes on cash and cash equivalents of EUR 95 million resulted in an increase of EUR 6,501 million in cash and cash equivalents from EUR 47,528 million at year-end 2018 to EUR 54,029 at year end 2019.

SELECTED STATISTICAL INFORMATION

Selected Statistical Information on Banking Operations

The information in this section sets forth selected statistical information regarding the operations of ING Bank.

The information in this section sets forth selected statistical information regarding the Group's operations. Information for 2020, 2019 and 2018 is set forth under IFRS-EU. Unless otherwise indicated, average balances, when used, are calculated from monthly data and the distinction between domestic and foreign is based on the location of the office where the assets and liabilities are booked, as opposed to the domicile of the customer. However, the Company believes that the presentation of these amounts based upon the domicile of the customer would not result in material differences in the amounts presented in this section.

Average Balances and Interest Rates

The following tables show the banking operations, average interest-earning assets and average interest-bearing liabilities, together with average rates, for the periods indicated. The interest income, interest expense and average yield figures do not reflect interest income and expense on derivatives and other interest income and expense not considered to be directly related to interest-bearing assets and liabilities. These items are reflected in the corresponding interest income, interest expense and net interest income figures in the consolidated financial statements. A reconciliation of the interest income, interest expense and net interest income figures to the corresponding line items in the consolidated financial statements is provided hereunder.

Assets

	Interest-earning assets								
	2020			**2019**			**2018**		
	Average balance	**Interest income**	**Average yield**	**Average balance**	**Interest income**	**Average yield**	**Average balance**	**Interest income**	**Average yield**
	(EUR millions)		*(%)*	*(EUR millions)*		*(%)*	*(EUR millions)*		*(%)*
Time deposits with banks									
domestic	3,495	39	1.1	4,516	49	1.1	3,418	41	1.2
foreign	4,788	57	1.2	4,433	121	2.7	4,199	201	4.8
Loans and advances									
domestic	190,080	4,870	2.6	192,706	5,766	3.0	188,883	5,919	3.1
foreign	433,080	10,709	2.5	429,902	13,027	3.0	407,948	12,676	3.1
Securities purchased with agreements to resell									
domestic	5,242	3	0.1	3,722	52	1.4	789	4	0.5
foreign	55,682	573	1.0	63,337	1,939	3.1	74,788	1,670	2.2
Interest-earning securities[(1)]									
domestic	33,400	313	0.9	29,892	347	1.2	29,442	336	1.1
foreign	54,542	708	1.3	50,156	917	1.8	50,699	1,055	2.1
Other interest-earning assets									

	Interest-earning assets								
	2020			**2019**			**2018**		
	Average balance	**Interest income**	**Average yield**	**Average balance**	**Interest income**	**Average yield**	**Average balance**	**Interest income**	**Average yield**
	(EUR millions)		*(%)*	*(EUR millions)*		*(%)*	*(EUR millions)*		*(%)*
domestic	43,416	27	0.1	30,657	56	0.2	36,897	34	0.1
foreign	48,453	44	0.1	24,978	66	0.3	30,224	80	0.3
Total	872,180	17,343	2.0	834,299	22,341	2.7	827,288	22,016	2.7
Non-interest earning assets	48,015			53,799			59,347		
Derivatives assets	29,458			25,336			27,400		
Total assets	949,652			913,434			914,035		
Percentage of assets applicable to foreign operations		69.7%			70.0%			70.2%	
Interest income on derivatives		4,548			5,501			5,556	
Other		820			623			602	
Total interest income		22,711			28,465			28,174	

Notes:

(1) Substantially all interest-earning securities held by the banking operations of the Company are taxable securities.

Liabilities

	Interest-bearing liabilities								
	2020			2019			2018		
	Average balance	Interest expense	Average yield	Average balance	Interest expense	Average yield	Average balance	Interest expense	Average yield
	(EUR millions)		*(%)*	*(EUR millions)*		*(%)*	*(EUR millions)*		*(%)*
Time deposits from banks									
domestic	35,079	10	0.0	17,673	28	0.2	17,805	22	0.1
foreign	18,888	123	0.7	14,270	200	1.4	15,262	210	1.4
Demand deposits									
domestic	82,911	121	0.1	66,811	498	0.7	60,846	289	0.5
foreign	124,337	12	0.0	108,193	32	0.0	95,977	29	0.0
Time deposits[1]									
domestic	18,619	149	0.8	20,490	359	1.8	28,413	396	1.4
foreign	9,538	132	1.4	14,114	300	2.1	14,607	259	1.8
Savings deposits									
domestic	95,559	90	0.1	94,029	115	0.1	92,316	126	0.1
foreign	267,734	701	0.3	266,430	1,323	0.5	261,369	1,316	0.5
Securities sold under agreements to repurchase									
domestic	(8)	0	(4)	36	33	92.8	450	6	1.3
foreign	46,234	317	0.7	52,158	1,429	2.7	86,191	1,344	1.6
Commercial paper									
domestic	10,127	12	0.1	13,554	21	0.2	13,746	22	0.2
foreign	13,360	163	1.2	14,143	350	2.5	20,006	436	2.2
Short term debt									
domestic	8,995	97	1.1	9,005	159	1.8	4,507	73	1.6
foreign	3,389	28	0.8	3,784	55	1.5	11,515	116	1.0
Long term debt									
domestic	64,379	1,383	2.1	71,973	1,697	2.4	54,944	1,540	2.8
foreign	14,994	234	1.6	14,110	317	2.2	12,765	781	6.1
Subordinated liabilities									
domestic	16,725	617	3.7	15,229	658	4.3	16,340	710	4.3
foreign	0			77	3	4.3	81	3	4.1
Other interest-bearing liabilities									
domestic	2,960	31	1.1	1,472	113	7.6	3,777	94	2.5
foreign	8,173	44	0.5	9,101	121	1.3	10,040	119	1.2
	841,992	4,263	0.5	806,654	7,810	1.0	820,959	7,891	1
Total									

	Interest-bearing liabilities								
	2020			**2019**			**2018**		
	Average balance	**Interest expense**	**Average yield**	**Average balance**	**Interest expense**	**Average yield**	**Average balance**	**Interest expense**	**Average yield**
Non-interest bearing liabilities	31,904			35,171			22,800		
Derivatives liabilities	27,235			24,380			25,939		
Total Liabilities	901,131			866,204			869,699		
Group Capital	48,522			47,230			44,336		
Total liabilities and capital	949,652			913,434			914,035		
Percentage of liabilities applicable to foreign operations		61.8%			63.0%			64.7%	
Other interest expense									
Interest expenses on derivatives		4,227			5,927			6,219	
other		620			654			114	
Total interest expense		9,110			14,391			14,224	
Total net interest result		13,600			14,074			13,949	

Note:

(1) These captions do not include deposits from banks.

Analysis of Changes in Net Interest Income

The following table allocates changes in the Bank's operations' interest income and expense and net interest result between changes in average balances and rates for the periods indicated. Changes due to a combination of volume and rate have been allocated to changes in average volume. The net changes in interest income, interest expense and net interest result, as calculated in this table, have been reconciled to the changes in interest income, interest expense and net interest result in the consolidated financial statements. See introduction to "Average Balances and Interest Rates" for a discussion of the differences between interest income, interest expense and net interest result as calculated in the following table and as set forth in the 2020 Annual Report, which are incorporated by reference into this Registration Document.

	2020 over 2019			**2019 over 2018**		
	Increase (decrease) due to changes in			**Increase (decrease) due to changes in**		
	Average volume	**Average rate**	**Net change**	**Average volume**	**Average rate**	**Net change**
	(EUR millions)			*(EUR millions)*		
Interest-earning assets						
Time deposits to banks						

domestic	(11)	1	(10)	13	(5)	8
foreign	10	(74)	(64)	11	(91)	(80)
Loans and advances						
domestic	(79)	(818)	(896)	120	(273)	(153)
foreign	96	(2,414)	(2,318)	682	(331)	351
Securities purchased with agreements to resell						
domestic	21	(69)	(48)	15	32	47
foreign	(234)	(1,132)	(1,366)	(256)	525	269
Interest-earning securities						
Domestic	41	(75)	(35)	5	7	12
foreign	80	(290)	(210)	(11)	(127)	(138)
Other interest-earning assets						
domestic	23	(52)	(29)	(6)	28	22
foreign	62	(84)	(22)	(14)	(1)	(15)
Interest income						
domestic	(4)	(1,014)	(1,018)	147	(210)	(63)
foreign	14	(3,994)	(3,980)	412	(24)	388
Total	**9**	**(5,007)**	**(4,998)**	**560**	**(235)**	**325**
Other interest income			(756)			(34)
Total interest income			**(5,754)**			291

	2020 over 2019			**2019 over 2018**		
	Increase (decrease) due to changes in			**Increase (decrease) due to changes in**		
	Average volume	**Average rate**	**Net change**	**Average volume**	**Average rate**	**Net change**
		(EUR millions)			*(EUR millions)*	
Interest-bearing liabilities						
Time deposits from banks						
domestic	28	(46)	(18)	0	7	7
foreign	65	(142)	(77)	(14)	4	(9)
Demand deposits						
domestic	120	(497)	(377)	28	180	209
foreign	5	(24)	(20)	4	(1)	3
Time deposits						
domestic	(33)	(177)	(210)	(110)	74	(37)
foreign	(97)	(70)	(167)	(9)	49	40
Savings deposits						
domestic	2	(28)	(26)	2	(13)	(11)
foreign	6	(628)	(621)	25	(19)	7

Short term debt						
domestic	(0)	(62)	(62)	73	13	86
foreign	(6)	(22)	(27)	(78)	17	(61)
Securities sold under agreements to repurchase						
domestic	(41)	8	(33)	(6)	33	27
foreign	(162)	(950)	(1,113)	(531)	616	85
Commercial paper						
domestic	(5)	(4)	(10)	0	(1)	(1)
foreign	(19)	(168)	(187)	(128)	41	(87)
Long term debt						
domestic	(179)	(135)	(314)	477	(320)	157
foreign	20	(103)	(83)	82	(547)	(464)
Subordinated liabilities						
domestic	65	(105)	(41)	(48)	(4)	(52)
foreign	(3)	0	(3)	0	0	0
Other interest-bearing liabilities						
domestic	114	(195)	(81)	(57)	76	19
foreign	(12)	(64)	(77)	(11)	13	2
Interest expense						
domestic	70	(1,242)	(1,171)	359	44	403
foreign	(205)	(2,171)	(2,376)	(659)	175	(484)
Total	**(134)**	**(3,413)**	**(3,547)**	**(300)**	**219**	**(81)**
Other interest expense	–	–	(1,733)	–	–	248
Total interest expense	–	–	**(5,280**	**–**	**–**	**166**
Net interest						
domestic	(75)	228	153	(212)	(254)	(466)
foreign	218	(1,822)	(1,604)	1,071	(199)	872
Net interest	**143**	**(1,594)**	**(1,451)**	**860**	**(453)**	**406**
Other net interest resul	–	–	977	–	–	(282)
Net interest result	–	–	**(474)**	–	–	**125**

The following tables show the interest spread and net interest margin for the past two years.

	2020	**2019**
	Average rate	
	(%)	
Interest spread		
Domestic	1.2	1.2
Foreign	1.7	2.0
Total	1.5	1.7

	2020	2019
	Average rate	
	(%)	
Net interest margin		
Domestic	1.0	1.0
Foreign	1.7	2.1
Total	1.5	1.7

Investments in debt securities

The following tables show the weighted average yield of ING's investments in debt securities measured at amortised cost and fair value through other comprehensive income. The weighted average yield is calculated as follows:

$$\frac{Nominal\ value\ x\ coupon\ rate\ x\ remaining\ maturity}{Nominal\ value\ x\ remaining\ maturity}$$

	1 year or less	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Fair value through other comprehensive income				
Government bonds	1.90%	2.19%	0.98%	3.07%
Sub-sovereign, Supranationals and Agencies	2.61%	1.79%	1.03%	0.82%
Covered bonds	0.72%	0.44%	0.30%	
Corporate bonds	2.03%	0.98%	0.13%	
Financial institutions bonds	0.11%	1.21%	0.06%	
ABS portfolio			0.13%	0.02%

Note:

(1) Since substantially all investment securities held by the banking operations of the Company are taxable securities, the yields are on tax-equivalent basis.

	1 year or less	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Securities at amortised cost				
Government bonds	3.37%	2.17%	1.29%	4.27%
Sub-sovereign, Supranationals and Agencies	2.08%	1.33%	0.53%	0.14%
Covered bonds	2.18%	0.67%	0.24%	

	1 year or less	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Corporate bonds	0.26%	0.06%	0.08%	
Financial institutions bonds	0.25%	0.94%	2.06%	
ABS portfolio			0.16%	0.65%

Note:

(1) Since substantially all investment securities held by the banking operations of the Company are taxable securities, the yields are on a tax-equivalent basis.

Loan Portfolio

Loans and advances to banks and customers

Loans and advances to banks include all receivables from credit institutions, except for cash, current accounts and deposits with other banks (including central banks). Loans and advances to customers includes lending facilities to corporate and private customers encompass among others, loans, overdrafts and finance lease receivables.

Maturities and sensitivity of loans to changes in interest rates

The following table analyses loans and advances to banks and customers by time remaining until maturity as of 31 December 2020.

	1 year or less	1 year to 5 years	5 years through 15 years	After 15 years	Total
			(EUR millions)		
By domestic offices:					
Loans guaranteed by public authorities	1,758	2,229	19,998	307	24,292
Loans secured by mortgages	6,207	19,227	88,339	4,194	117,967
Loans guaranteed by credit institutions	7,090	568	87		7,746
Other private lending	1,256	902	861		3,019
Other corporate lending	21,876	12,288	3,366	194	37,724
Total domestic offices	**38,188**	**35,213**	**112,652**	**4,695**	**190,747**
By foreign offices:					
Loans guaranteed by public authorities	4,205	6,145	5,828	1,032	17,210
Loans secured by mortgages	24,891	62,421	115,900	35,157	238,370
Loans guaranteed by credit institutions	16,604	3,236	2,981	14	22,836
Other private lending	6,931	12,346	5,042	456	24,775
Other corporate lending	52,432	65,760	16,625	711	135,527
Total foreign offices	**105,064**	**149,908**	**146,376**	**37,371**	**438,719**
Total gross loans and advances to banks and customers	**143,251**	**185,121**	**259,028**	**42,065**	**629,466**

The following table analyses loans and advances to banks and customers by interest rate sensitivity by maturity as of 31 December 2020 (amounts may not add up due to rounding).

	Predetermined interest rates	Floating or adjustable interest rates (1)
Loans guaranteed by public authorities	26,314	9,225
Loans secured by mortgages	223,432	101,829
Loans guaranteed by credit institutions	3,318	3,547
Other private lending	15,968	3,640
Other corporate lending	20,366	78,577
Total	**289,397**	**196,817**

Note:

(1) Loans that have an interest rate that remains fixed for more than one year and which can then be changed are classified as "adjustable interest rates"

Allowance for credit losses

The following table presents the movements in allocation of the provision for loan losses on loans accounted for as loans and advances to banks and customers for 2020, 2019 and 2018 under IFRS-EU.

	2020	2019	2018
	(amounts in millions of euros)		
Balance on 1 January	4,646	4,568	4,521
Effect of changes in accounting policy			795
Change in the composition of the Group			
Write-offs	(1,200)	(1,031)	(1,044)
Recoveries	39	55	53
Net write-offs	**(1,160)**	**(975)**	**(992)**
Additions and other adjustments (included in value Adjustments to receivables of the Banking operations)	2,368	1,054	244
Balance on 31 December	**5,854**	**4,646**	**4,568**
Average loans and advances to banks and customers	**649,243**	**647,419**	**619,135**
Ratio of net charge-offs to average loans and advances to banks and customers	**0.18%**	**0.15%**	**0.16%**
Ratio of allowance for credit losses to total loans and advances to banks and customers outstanding	**0.93%**	**0.71%**	**0.73%**

The Covid-19 pandemic has affected all of ING's businesses. These effects have included increased volatility, widening of credit spreads, and credit deterioration of loans to ING's customers. The 2020 risk costs were impacted by a combination of increased collective provisioning reflecting the worsened macro-economic indicators and uncertainty, higher Individual Stage 3 provisions, negative rating migration and manual overlays to address the risk on payment holidays and for the delay in potential credit losses as a result of the Government support measures. Reference is made to Note 1 'Accounting policies' and 'Additional information – Risk Management' in the 2020 Annual Report, which is incorporated by reference into this Registration Document, for detailed information on loan loss provisioning.

Deposits

For detailed information on average amount of and the average rate paid on deposit categories reference is made to 'Additional information – Average balances and interest rates' in the 2020 Annual Report, which is incorporated by reference into this Registration Document.

For the years ended 31 December 2020, 2019 and 2018 the aggregate amount of deposits by foreign depositors in domestic offices was EUR 27,850 million, EUR 27,649 million and EUR 27,586 million, respectively.

Uninsured deposits

Deposit guarantee scheme ("**DGS**") reimburse a limited amount to compensate depositors whose bank has failed. A fundamental principle underlying DGS is that they are funded entirely by banks, and that no taxpayer funds are used. Under EU rules, the DGS guarantees deposits up to a maximum of EUR 100,000 per depositor in case of a bank failure.

On 31 December 2020, the amount of time deposits in excess of (local) deposit insurance regime and time deposits which are otherwise uninsured is as follows:

	Time deposits in excess on deposit insurance regime	Other uninsured Time deposits
3 months or less	2,352	11,754
6 months or less but over 3 months	523	2,401
12 months or less but over 6 months	406	914
Over 12 months	804	64,900
Total	**4,085**	**79,969**

For further detailed information on deposits reference is made to Note 12 'Deposits from banks' and Note 13 'Customer deposits' in the 2020 Annual Report, which is incorporated by reference into this Registration Document.

GENERAL INFORMATION

Approval

This Registration Document has been approved by the Netherlands Authority for the Financial Markets (the "**AFM**") on 26 March 2021 in its capacity as competent authority pursuant to Article 20 of the Prospectus Regulation. Together with any securities note for non-equity securities, as supplemented or replaced from time to time of the Issuer, in each case, this Registration Document forms part of any prospectus of the Issuer consisting of separate documents within the meaning of the Prospectus Regulation in respect of the relevant securities.

The AFM only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

Ratings

The Issuer has a senior debt rating from Standard & Poor's Rating Services of A+ (outlook negative), a senior debt rating from Moody's France SAS of Aa3 (outlook stable) and a senior debt rating from Fitch Ratings Ireland Limited of AA- (Rating Watch Negative).

A credit rating is not a recommendation to buy, sell or hold securities. There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. The Issuer has from time to time been subject to its ratings being lowered.

Significant or Material Adverse Change

At the date hereof, there has been no significant change in the financial position or performance of ING Bank N.V. and its consolidated subsidiaries since 31 December 2020.

At the date hereof, there has been no material adverse change in the prospects of ING Bank N.V. since 31 December 2020.

Litigation

The Issuer and its consolidated subsidiaries are involved in governmental, regulatory, arbitration and legal proceedings and investigations in the Netherlands and in a number of foreign jurisdictions, including the U.S., involving claims by and against them which arise in the ordinary course of their businesses, including in connection with their activities as lenders, broker-dealers, underwriters, issuers of securities and investors and their position as employers and taxpayers. In certain of such proceedings, very large or indeterminate amounts are sought, including punitive and other damages. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened governmental, regulatory, arbitration and legal proceedings and investigations, the Issuer is of the opinion that some of the proceedings and investigations set out below may have or have in the recent past had a significant effect on the financial position, profitability or reputation of the Issuer and/or the Issuer and its consolidated subsidiaries.

Settlement agreement: On 4 September 2018, ING announced that it had entered into a settlement agreement with the Dutch Public Prosecution Service relating to previously disclosed investigations regarding various requirements for client on-boarding and the prevention of money laundering and corrupt practices. Following the entry into the settlement agreement, ING has experienced heightened scrutiny from authorities in various countries. ING is also aware, including as a result of media reports, that other parties may, among other things, seek to commence legal proceedings against ING in connection with the subject matter of the settlement, have filed or may file requests for disciplinary proceedings against ING employees based on the Dutch “Banker’s oath”, and/or have filed requests with the Court of Appeal in The Netherlands to reconsider the prosecutor’s decision to enter into the settlement agreement with ING and not to prosecute ING or (former) ING employees. In December 2020, the Court of Appeal issued its final ruling. In this ruling the prosecutors' decision to enter into the settlement agreement with ING was upheld, making the settlement final. However, in a separate ruling, the Court ordered the prosecution of ING’s former CEO.

Findings regarding AML processes: As previously disclosed, after its September 2018 settlement with Dutch authorities concerning anti-money laundering matters, and in the context of significantly increased attention on the prevention of financial economic crime, ING has experienced heightened scrutiny by authorities in various countries. The interactions with such regulatory and judicial authorities have included, and can be expected to continue to include, onsite visits, information requests, investigations and other enquiries. Such interactions, as well as ING’s internal assessments in connection with its global enhancement programme, have in some cases resulted in satisfactory outcomes, and also have resulted in, and may continue to result in, findings, or other conclusions which may require appropriate remedial actions by ING, or may have other consequences. ING intends to continue to work in close cooperation with authorities as it seeks to improve its management of non-financial risks in terms of policies, tooling, monitoring, governance, knowledge and behaviour.

Also as previously disclosed in March 2019, ING Italy was informed by the Banca d’Italia of their report containing their conclusions regarding shortcomings in AML processes at ING Italy, which was prepared based on an inspection conducted from October 2018 until January 2019. ING Italy has been engaged in discussions with Banca d’Italia and Italian judiciary authorities. In February 2020, the Court of Milan confirmed and approved a plea bargain agreement with the Italian judiciary authorities. As a consequence, ING Italy has paid an administrative fine and disgorgement of profit. In addition, in February 2020 the Banca d’Italia imposed an administrative fine on ING Italy. Both amounts were already provisioned for in 2019.

In September 2020, the Banca d’Italia announced that the ban on onboarding new customers at ING Italy, imposed in March 2019, has been removed. The decision follows the comprehensive steps undertaken by ING Italy to strengthen its processes and management of KYC compliance risks. ING continues to take steps to enhance its management of compliance risks and embed stronger awareness across the whole organisation. These steps are part of the global KYC programme and set of initiatives, which includes enhancing KYC files and working on various structural improvements in compliance policies, tooling, monitoring, governance, knowledge and behaviour.

Tax cases: Because of the geographic spread of its business, the Issuer may be subject to tax audits, investigations and procedures in numerous jurisdictions at any point in time. Although the Issuer believes that it has adequately provided for all its tax positions, the ultimate resolution of these audits, investigations and procedures is uncertain and may result in liabilities which are materially different from the amounts recognised.

SIBOR – SOR litigation: In July 2016, investors in derivatives tied to the Singapore Interbank Offer Rate (“**SIBOR**”) filed a U.S. class action complaint in the New York District Court alleging that several banks, including ING, conspired to rig the prices of derivatives tied to SIBOR and the Singapore Swap Offer Rate (“**SOR**”). The lawsuit refers to investigations by the Monetary Authority of Singapore (“**MAS**”) and other regulators, including the U.S. Commodity Futures Trading Commission (“**CFTC**”), in relation to rigging prices of SIBOR- and SOR based derivatives. In October 2018, the New York District Court issued a decision dismissing all claims against ING Group and ING Capital Markets LLC, but leaving ING Bank, together with several other banks, in the case, and directing plaintiffs to file an amended complaint consistent with the Court's rulings. In October 2018, plaintiffs filed such amended complaint, which asserts claims against a number of defendants but none against ING Bank (or any other ING entity), effectively dismissing ING Bank from the case. In December 2018, plaintiffs sought permission from the Court to file a further amended complaint that names ING Bank as a defendant. In July 2019, the New York District Court granted the defendants' motion to dismiss and denied leave to further amend the complaint, effectively dismissing all remaining claims against ING Bank. In March 2021, the Second Circuit court vacated the District Court's ruling. The case was remanded to the District Court to reconsider the amended complaint that would add ING Bank N.V. back to the case.

Claims regarding accounts with predecessors of ING Bank Turkey: ING Bank Turkey has received numerous claims from (former) customers of legal predecessors of ING Bank Turkey. The claims are based on offshore accounts held with these banks, which banks were seized by the Savings Deposit Insurance Fund ("**SDIF**") prior to the acquisition of ING Bank Turkey in 2007 from OYAK. SDIF has also filed various lawsuits against ING Bank Turkey to claim compensation from ING Bank Turkey, with respect to amounts paid out to offshore account holders so far. At this moment it is not possible to assess the outcome of these procedures nor to provide an estimate of the (potential) financial effect of these claims.

Interest rate derivatives claims: ING is involved in several legal proceedings in the Netherlands with respect to interest rate derivatives that were sold to clients in connection with floating interest rate loans in order to hedge the interest rate risk of the loans. These proceedings are based on several legal grounds, depending on the facts and circumstances of each specific case, *inter alia* alleged breach of duty of care, insufficient information provided to the clients on the product and its risks and other elements related to the interest rate derivatives that were sold to clients. In some cases, the court has ruled in favour of the claimants and awarded damages, annulled the interest rate derivative or ordered repayment of certain amounts to the claimants. The total amounts that need to be repaid or compensated in some cases still need to be determined. ING may decide to appeal against adverse rulings. Although the outcome of the pending litigation and similar cases that may be brought in the future is uncertain, it is possible that the courts may ultimately rule in favour of the claimants in some or all of such cases. Where appropriate a provision has been taken. The aggregate financial impact of the current and future litigation could become material.

As requested by the AFM, ING has reviewed a significant part of the files of clients who bought interest rate derivatives. In December 2015, the AFM concluded that Dutch banks may have to re-assess certain client files, potentially including certain derivative contracts that were terminated prior to April 2014 or other client files. As advised by the AFM, the Minister of Finance appointed a Committee of independent experts (the "**Committee**") which has established a uniform recovery framework for Dutch SME clients with interest rate derivatives. ING has adopted this recovery framework and has reassessed individual files against this framework. ING has taken an additional provision for the financial consequences of the recovery framework. In 2017, ING has informed the majority of the relevant clients whether they are in scope of the recovery framework, and thus eligible for compensation, or not. Because implementation by ING of the uniform recovery framework encountered delay, ING has previously offered advance payments to customers out of the existing provision. As of December 2018, all customers in scope of the uniform recovery framework have received an offer of compensation from ING (including offers of no compensation). In July 2020, the independent derivative dispute committee rejected all claims by the client against ING in ING's last open file under the uniform recovery framework. The last open file was closed at the end of June 2020.

Interest surcharges claims: ING received complaints and was involved in litigation with certain individuals in the Netherlands regarding increases in interest surcharges with respect to several credit products, including but not limited to commercial property. ING has reviewed the relevant product portfolio. The provision previously taken has been reversed for certain of these complaints. All claims are dealt with individually. Thus far, the courts have ruled in favour of ING in each case, ruling that ING was allowed to increase the interest surcharge based upon the essential obligations in the contract. In a relevant case, the Dutch Supreme Court ruled in favor of another Dutch bank addressing the question whether or not a bank is allowed to increase interest surcharges unilaterally. The Supreme Court ruled in the affirmative. ING will continue to deal with all claims individually.

Mortgage expenses claims: ING Spain has received claims and is involved in procedures with customers regarding reimbursement of expenses associated with the formalisation of mortgages. In most court proceedings in first instance the expense clause of the relevant mortgage contract has been declared null and ING Spain has been ordered to reimburse all or part of the applicable expenses. The courts in first instance have applied in their rulings different criteria regarding the reimbursement of expenses. A provision has been taken and ING Spain has filed an appeal against a number of these court decisions. Since 2018, the Spanish Supreme Court and the European Court of Justice have issued rulings setting out which party should bear notary, registration, agency, and stamp duty costs. In January 2021, the Spanish Supreme Court ruled that valuation costs of mortgages, signed prior to 16 June 2019, the date the new mortgage law entered into force, should be borne by the bank. The impact on ING was analysed and the provision mentioned above was adjusted. ING Spain has also been included, together with other Spanish banks, in three class actions filed by customer associations. In one of the class actions, an agreement was reached with the association. In another class action, ING filed an appeal asking the Spanish Court of Appeal to determine that the ruling of the court of first instance is only applicable to the consumers that were part of the case.

Imtech claim: In January 2018, ING Bank received a claim from Stichting ImtechClaim.nl and Imtech Shareholders Action Group B.V. on behalf of certain (former) shareholders of Imtech N.V. ("**Imtech**"). Furthermore, on 28 March 2018, ING Bank received another claim on the same subject matter from the Dutch Association of Stockholders (Vereniging van Effectenbezitters, "**VEB**"). Each of the claimants allege *inter alia* that shareholders were misled by the prospectus of the rights issues of Imtech in July 2013 and October 2014. ING Bank, being one of the underwriters of the rights issues, is held liable by the claimants for the damages that investors in Imtech would have suffered. ING Bank responded to the claimants denying any and all responsibility in relation to the allegations made in the relevant letters. In September 2018, the trustees in the bankruptcy of Imtech claimed from various financing parties, including ING, payment of what the security agent has collected following bankruptcy or intends to collect, repayment of all that was repaid to the financing parties, as well as compensation for the repayment of the bridge financing. At this moment it is not possible to assess the outcome of these claims nor to provide an estimate of the (potential) effect of these claims.

Mexican Government Bond litigation: A class action complaint was filed adding ING Bank N.V., ING Groep N.V., ING Bank Mexico S.A. and ING Financial Markets LLC ("**ING**") as defendants to a complaint that had previously been filed against multiple other financial institutions. The complaint alleges that the defendants conspired to fix the prices of Mexican Government Bonds. ING is defending itself against the allegations. Currently, it is not possible to provide an estimate of the (potential) financial effect of this claim. On 30 September 2019, the relevant court dismissed the antitrust complaint, finding that the plaintiffs had failed to identify any facts that links each defendant to the alleged conspiracy. On 9 December 2019, the plaintiffs filed an amended complaint removing all ING entities as defendants on the condition that the ING entities enter into a tolling agreement for the duration of two years. The relevant ING entities subsequently entered into a tolling agreement, which provides that the statute of limitations will not be tolled for the two-year duration of the agreement. Should the plaintiffs discover any evidence of potential involvement by ING in the activities alleged in the complaint, ING could be brought back into the litigation.

Auditor

The financial statements of the Issuer for the financial years ended 31 December 2020, 31 December 2019 and 31 December 2018, respectively have been audited by KPMG Accountants N.V. The auditors of KPMG Accountants N.V. are members of the Royal Dutch Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*), which is a member of the International Federation of Accountants

(IFAC). KPMG Accountants N.V. has issued an unqualified auditor's report with respect to the consolidated financial statements for the financial year ended 31 December 2020 dated 8 March 2021, an unqualified auditor's report with respect to the consolidated financial statements for the financial year ended 31 December 2019 dated 2 March 2020 and an unqualified auditor's report with respect to the consolidated financial statements for the financial year ended 31 December 2018 dated 4 March 2019.

The auditor's report in respect of the financial years ended 31 December 2020, 31 December 2019 and 31 December 2018, respectively, incorporated by reference into this Registration Document are included in the form and context in which they appear with the consent of KPMG Accountants N.V., who have authorised the contents of these auditor's reports. As the securities to be issued have not been and will not be registered under the Securities Act, KPMG have not filed and will not file a consent under the Securities Act with respect to this auditor's report.

Dividend Information

The Issuer has paid the following cash dividends to ING Group in respect of each of the past five years: EUR 43 million in 2020, EUR 2,819 million in 2019, EUR 2,517 million in 2018, EUR 3,176 million in 2017 and EUR 1,345 million in 2016. In March 2021, the Issuer has paid out EUR 1,207 million of cash dividend to ING Group in relation to the 2020 profit.

Market Information

This Registration Document cites market share information published by third parties. The Issuer has accurately reproduced such third-party information in this Registration Document and, as far as the Issuer is aware and is able to ascertain from information published by these third parties, no facts have been omitted which would render the information reproduced herein to be inaccurate or misleading. Nevertheless, investors should take into consideration that the Issuer has not verified the information published by third parties. Therefore, the Issuer does not guarantee or assume any responsibility for the accuracy of the data, estimates or other information taken from sources in the public domain. This Registration Document also contains assessments of market data and information derived therefrom which could not be obtained from any independent sources. Such information is based on the Issuer's own internal assessments and may therefore deviate from the assessments of competitors of ING or future statistics by independent sources.

THE ISSUER

Registered and Principal Office

ING Bank N.V.
Bijlmerdreef 106
1102 CT Amsterdam
The Netherlands

INDEPENDENT PUBLIC AUDITORS

To the Issuer

KPMG Accountants N.V.
Laan van Langerhuize 1
1186 DS Amstelveen
The Netherlands

A43654308