Dated 25 March 2022

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 25 March 2022 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 38 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 Banking 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 customer behaviour, climate change, 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, supply chain disruptions, shortages, 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 likely will 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:

- inadequate reserves or provisions, in relation to which losses 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 equity; 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 could 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. In an economic downturn affecting some or all of these jurisdictions, 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 likely will continue to be, adversely affected by the Covid-19 pandemic*". ING also has Wholesale Banking activities in both Russia and Ukraine, as well as investments in Russia, some of which are denominated in local currency. The impact on ING's business in Russia and Ukraine, as well as the potential regional and global economic impact of the invasion of Ukraine and related international response measures, including sanctions, capital controls, restrictions on SWIFT access and restrictions on central bank activity, on its broader business, including spill-over risk to the entire Wholesale Banking portfolio (e.g. commodities financing, energy and utilities and energy-consuming clients), remain uncertain. 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 2021 Annual Report, which is incorporated by reference into this Registration Document.

ING's business, results and financial condition have been, and likely will 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 2021'*. 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 2021'*. 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. The ECB has communicated its commitment to extend this permission until at least the end of 2022. In March 2020, several countries also released or reduced countercyclical buffers (CCyB), with some of these countries subsequently announcing increases in CCyB in the second half of 2022. The ECB's recommendation to the banks that it supervises to limit shareholder remuneration through dividends or share buy-backs expired on 30 September 2021. However, it is not certain whether these or future Covid-19 relief 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.

While vaccination rates continued to increase and Covid-19 related restrictions were lifted in some jurisdictions in the third quarter of 2021, the end of 2021 was again marked by an increasing number of Covid-19 infections. 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 2021, 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. As of 31 December 2021, in line with the European Banking Association (EBA) moratoria guidelines, approximately 137,000 customers had been granted payment holidays (down from 148,000 as of 30 September 2021 due to reimbursements and prepayments). The total exposure of loans for these customers for which a payment holiday has been granted amounts to €15.3 billion, of which 57% were for customers located in the Netherlands and Belgium. As of 31 December 2021, the outstanding amount of granted payment holidays not expired was €38 million. ING recorded a net addition of €346 million to loan loss provisions in the fourth quarter of 2021, mainly as a result of adjustments to existing Stage 3 files reflecting uncertainty in recovery scenarios and valuations in certain asset classes and also reflecting a potential impact of higher inflation and interest rates on customers' ability to pay and the potential impact of market uncertainty on the recovery value of certain asset classes. In 2021, ING recorded €516 million of net additions to loan loss provisions, compared to €2,675 million in 2020. At the end of the fourth quarter of 2021, increasing numbers of Covid-19 infections were observed and uncertainty concerning the ongoing pandemic remained. 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 2021, most of ING's staff continue to work from home, with employees in certain jurisdictions beginning to return to ING's offices in a controlled manner, taking into account local circumstances and any applicable government measures (including with respect to social distancing where applicable). 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 or to remain at 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 95% 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, negative interest rates 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 situations 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 has 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 July 2021, ING announced in the Netherlands that it will charge negative interest to customers on current and deposit accounts exceeding €100,000 (such negative interest rate will only apply to the amount by which the current or deposit account exceeds €100,000). 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 customer 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 foregoing impacts grow in relevance following the U.S. Federal Reserve's plan to wind down its bond-purchase stimulus programme and to set the stage for a series of interest rate increases beginning in spring of 2022.

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 in certain countries, the availability and cost of credit, as well as credit spreads. 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 and North Korea may all contribute to adverse developments in the global capital markets and the economy generally. In addition, Russia's recent invasion of Ukraine and related international response measures may have a negative impact on regional and global economic conditions, including as a result of disruptions in foreign currency markets and increased energy and commodity prices. This could in turn have a spill-over effect on ING's entire Wholesale Banking portfolio, in areas such as commodities financing, energy and utilities and energy-consuming clients.

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.

IBOR discontinuation of USD LIBOR may negatively affect the Issuer's business, results and financial condition.

Changes to major interest rates benchmarks may negatively affect the Issuer's business, including the level of net interest revenue. Financial markets have historically relied on Interbank Offered Rates ("**IBORs**") benchmarks, such as the London Interbank Offered Rate ("**LIBOR**"), the Euro Over Night Index Average ("**EONIA**") and the Euro Interbank Offered Rate ("**EURIBOR**"). While some interest benchmarks have been reformed and will continue to exist, such as EURIBOR, others such as EONIA and LIBOR have been or will be replaced by alternative rates.

EONIA ceased to be published on 3 January 2022, and is succeeded by €STR. All GBP, JPY, CHF and EUR LIBOR settings ceased on 31 December 2021. ING has substantially completed the transition of contracts referencing these benchmark rates and now offers the recommended alternative benchmark rates.

The most commonly used USD LIBOR tenors will continue to be published until 30 June 2023 to support existing contracts. However, the use of USD LIBOR for new contracts is no longer allowed from January 2022, with only limited exceptions.

Public authorities have recognised that many contracts do not contain reference to alternative rates, or reference inappropriate alternatives, or cannot be renegotiated or amended prior to the cessation of the relevant benchmark. In response, the European Commission has implemented legislation that gives the Commission the power to replace critical benchmarks if their termination would significantly disrupt or otherwise affect the functioning of the financial markets in the EU. The EU has used these powers to put in place statutory replacement rates for EONIA and CHF LIBOR. The UK government has also granted additional powers to the Financial Conduct Authority (FCA) to enable the temporary publication of a 'synthetic' LIBOR using a different methodology and inputs. The FCA has used these powers to ensure the most commonly used GBP and JPY LIBOR settings continue to be available using a "synthetic" methodology for a limited time. The FCA has not yet decided whether it will require the LIBOR benchmark administrator to publish synthetic USD LIBOR after June 2023. On 6 April 2021, the State of New York passed legislation on benchmark replacement addressing certain contracts, securities and instruments governed by New York which involve interest rates or dividend rates determined by the use of USD LIBOR without "fallback" rate provisions or with inadequate "fallback" rate provisions. A U.S. federal version of such legislation (passed by the U.S. House of Representatives on 8 December 2021) remains under consideration in the U.S. Senate.

The discontinuation of USD LIBOR and related interest rate benchmarks could result in a number of risks for the Group, its customers, and the financial services industry more widely. These risks include legal risks and costs in relation to changes required to documentation for existing transactions. 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 the USD LIBOR transition on the Group and any such impact could 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 could 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,
- 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, and
- result in further customer defaults as interest rate rises flow through into payment stress for lower credit quality customers.

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. 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 likely will 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.

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. In February 2021, the European Commission issued a public consultation on the review of the bank crisis management and deposit insurance (CMDI) framework, with a focus on three EU legislative texts: the Bank Recovery and Resolution Directive (BRRD), the Single Resolution Mechanism Regulation (SRMR), and the Deposit Guarantee Schemes Directive (DGSD). The anticipated revision of the CMDI framework is part of the debate on the completion of the Banking Union and in particular its third and missing pillar EDIS. The consultation period ran until May 2021. It is uncertain when the next steps towards revision of the CMDI framework, including EDIS, can be expected.

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 supervisory 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 customers, markets and society as a whole and 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.

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. In particular, ING has Wholesale Banking activities in both Russia and Ukraine, as well as investments in Russia, some of which are denominated in local currency, and other counterparties located in Russia. 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 principal prudential 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 and, 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. In November 2021 the European Commissioner for financial services announced that the 30 June 2022 extension date will be further extended in early 2022, although the duration of the extension has not yet been specified. There is, however, no guarantee that such equivalence decisions will be issued by the EU or the UK in the future, or that any further 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 obtain a third country branch banking license in the UK, which was granted in November 2021. ING is also progressing the move of certain financial markets activities from London to Amsterdam in light of the 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. Failures 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 registered with the SEC as a security-based swap dealer pursuant to Dodd-Frank and SEC regulations enacted thereunder effective 1 November 2021. While ING Capital Markets LLC, as a security-based swap dealer, is required to comply with SEC rules with respect to most of these requirements, SEC rules have permitted an "Alternative Compliance Mechanism" that allows for compliance, subject to eligibility requirements, with CFTC capital and margin rules applying to swap dealers in lieu of SEC capital and margin rules applying to security-based swap dealers. ING Capital Markets LLC has elected to use the Alternative Compliance Mechanism. However, should ING Capital Markets LLC in the future be ineligible for the "Alternative Compliance Mechanism" it would be subject to SEC capital and margin security-based swap dealer rules instead of the CFTC capital and margin security-based swap dealer rules. 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 futures contracts based on any of twenty-five commodity futures contracts on physical commodities, which to all market participants, could limit ING's position sizes in these futures contracts and similarly limit the ability of counterparties to utilize certain of ING's products to the extent hedging exemptions from the position limits are unavailable. In addition, position limits on swaps on the same physical commodities will become effective in January 2023, which could further limit the ability of ING and its counterparties to enter into such swaps. 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 for 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 for a further description of how specific laws and regulations governing financial services or financial institutions may increase the Issuer's operating costs and limit its activities. 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. With respect to sanctions, beginning in February 2022, the EU, UK and the US, in a coordinated effort joined by several other countries, imposed a variety of new sanctions with respect to Russia and various Russia-related parties. Despite significant similarities between these Russia-related sanctions programmes, there are notable differences between the EU, UK and US sanctions programmes, which may continue to evolve and are expected to require ING to implement new control measures with related costs and risks of non-compliance. While various sanctions include grace periods before full compliance is required, there is no guarantee that ING will be able to implement all required procedures within the applicable grace periods. In addition, 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) and tax treaties (including the termination thereof) 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. On 7 June 2021, the Dutch government received a formal notice of denunciation of the Dutch-Russian tax treaty from Russia, and as a result, the tax treaty was terminated as of 1 January 2022. The termination of the Dutch-Russian tax treaty or any other similar developments may have adverse effects on ING and ING's customers. 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 US-source payments. Failure to comply with FATCA and/or QI requirements and regulations could 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 or stakeholders 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 insufficient advice or misleading 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, either at the purchase/execution of the product and/or through the life of the product. 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

The Issuer may be unable to meet internal or external aims or expectations with respect to ESG-related matters.

Environmental, Social and Governance ("**ESG**") is an area of significant and increased focus for governments and regulators, investors, ING's customers and employees, and other stakeholders or third parties (e.g., non-governmental organizations or NGOs). As a result, an increasing number of laws, regulations and legislative actions have been introduced to address climate change, sustainability and other ESG-related matters, including in relation to the financial sector's operations and strategy. Such recent regulations include the EU Sustainable Finance Disclosure Regulation ("**SFDR**"), EU Taxonomy Regulation and EU Green Bond Standards, which broadly focus on disclosure obligations, standardized definitions and classification frameworks for environmentally sustainable activities. These laws, regulations and legislative frameworks may directly and indirectly impact the business environment in which ING operates and may expose ING to significant risks.

National or international regulatory actions or developments may also result in financial institutions coming under increased pressure from internal and external stakeholders regarding the management and disclosure of their ESG risks and related lending and investment activities. ING may from time to time disclose ESG-related initiatives or aims in connection with the conduct of its business and operations. However, there is no guarantee that ING will be able to implement such initiatives or meet such aims within anticipated timeframes, or at all. ING may fail to fulfil internal or external ESG-related initiatives, aims or expectations, or may be perceived to fail to do so, or may fail to adequately or accurately report performance or developments with respect to such initiatives, aims or expectations. ING could therefore be criticized or held responsible for the scope of its initiatives or goals regarding such matters. In addition, ING might face requests for specific strategies, plans or commitments to address ESG-related matters, which may or may not be viewed as satisfactory to the relevant internal and external stakeholders (including NGOs). Any of these factors may have an adverse impact on ING's reputation and brand value, or on ING's business, financial condition and operating results.

The Issuer may be unable to adapt its products and services to meet changing customer behaviour and demand, including as a result of ESG-related matters.

Customers or other counterparties may increasingly assess sustainability or other ESG-related matters in their economic decisions. For instance, customers may choose investment products or services based on sustainability or other ESG criteria, or may look at a financial institution's ESG-related lending strategy when choosing to make deposits. To remain competitive and to safeguard its reputation, ING is required to continuously adapt its business strategy, products and services to respond to emerging, increasing or changing sustainability and other ESG-related demands from customers, investors and other stakeholders. However, there is no guarantee that ING's current or future products or services will meet applicable ESG-related regulatory requirements, customer preferences or investor expectations. 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.

The Issuer's business and operations are exposed to physical risks, including as a direct result of climate change.

ING's business and operations may be exposed to the impacts of physical risks arising from climate and weather-related events, including heatwaves, droughts, flooding, storms, rising sea levels, other extreme weather events or natural disasters, and to the impacts of physical risks arising from the environmental degradation, including loss of biodiversity, water or resources scarcity, pollution or waste management. Such physical risks could disrupt ING's business continuity and operations or impact ING's premises or property portfolio, as well as its customers' property, business or other financial interests. These risks could potentially result in impairing asset values, financial losses, declining creditworthiness of customers and increased defaults, delinquencies, write-offs and impairment charges in ING's portfolio, etc. In particular, changing climate patterns resulting in more frequent and extreme weather events, such as the severe flooding that occurred in Western Europe in July 2021 or the long-lasting bushfires in Australia in February 2021, could lead to unexpected business interruptions or losses for ING or its customers.

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

The Issuer's business and operations are exposed to transition risks related to climate change.

The transition to a low carbon or net zero economy may give rise to risks and uncertainties associated with climate change-related laws, regulations and oversight, changing or new technologies, and shifting customer sentiment. For instance, ING may be required to change its lending portfolio to comply with new climate change-related regulations. As a result, it might be unable to lend to certain prospective customers, or might even lead to the termination of certain existing relationships with certain customers. This could result in claims or legal challenges from such customers against ING. This transition may also adversely impact the business and operations of ING's customers and other counterparties. If ING fails to adequately factor in such risks in its lending or other business decisions, ING could be exposed to losses.

The low carbon or net zero transition may also require ING to modify or implement new compliance systems, internal controls and procedures or governance frameworks. The integration and automation of internal governance, compliance, and disclosure and reporting frameworks across ING could lead to increased operational costs for ING and other execution and operational risks. The implementation cost of these systems may especially be higher in the near term as ING seeks to adapt its business, or address overlapping, duplicative or conflicting regulatory or other requirements in this fast-developing area. Furthermore, ING's ongoing implementation of appropriate systems, controls and frameworks increasingly requires ING to develop adequate climate change-related risk assessment and modelling capabilities (as there is currently no standard approach or methodology available), and to collect customer, third party or other data. There are significant risks and uncertainties inherent in the development of new risk modelling methodologies and the collection of data, potentially resulting in systems or frameworks that could be inadequate, inaccurate or susceptible to incorrect customer, third party or other data.

Any delay or failure in developing, implementing or meeting ING's climate change-related commitments and regulatory requirements may have a material adverse impact on its business, financial condition, operating results and reputation, and lead to climate change or ESG-related investigations, enforcement proceedings or litigation.

Operational and IT risks, such as systems disruptions or failures, breaches of security, cyber attacks, human error, changes in operational practices, inadequate controls including in respect of third parties with which the Issuer does business 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 and IT risks are inherent to the Issuer's business. The Issuer's businesses depends on the ability to process and report 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 cyber attacks 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. 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 likely will 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. 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 cyber attacks, 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 cyber attacks (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.

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, cyber attacks 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 cyber attacks, 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, which may have a material adverse impact on its business, results and financial condition.

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. As a result of the Russian invasion of Ukraine and related international response measures, including sanctions and capital controls, ING may be exposed to increased risk of default of counterparties located in Russia and Ukraine, counterparties of which the ultimate parent is located in Russia or may be considered effectively controlled or influenced through Russian involvement, and other counterparties in sectors affected by the response measures. Also liquidity or currency controls enforced by the Russian Central Bank may impact Russian companies ability to pay. In addition, ING has counterparty exposure to Russian entities in connection with foreign exchange derivatives for future receipt of foreign currencies against Russian Ruble ("**RUB**"). Of ING's total EUR 600 billion loan book, the total Russia exposure is around EUR 6.7 billion on 28 February 2022 and EUR 500 million with clients in Ukraine. 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 appetite for the Issuer's debt notes, leading to lower purchases of (newly issued) debt notes. 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.

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 supervisory 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 remain 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 2021 (the "**2021 Annual Report**") (containing the audited consolidated financial statements of the Issuer in respect of the year ended 31 December 2021) (which can be obtained here)	
	Introduction - About this report	3
	Report of the Management Board	4 - 44
	Risk Management (including, without limitation, "Environmental, social and governance risk")	45 - 150
	Consolidated financial statements (including, without limitation, "Notes to the consolidated financial statements")	174 - 289
	Other information and appendices – Independent auditor's report with respect to the consolidated financial statements	312 - 318
(b)	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
(c)	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
(d)	the press release published by ING on 4 March 2022 entitled "Update on Russia and Ukraine" (which can be obtained here), including the presentation entitled "ING update on Russia and Ukraine" included therein (which can be obtained here).	In full

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 2021 Annual Report, 2020 Annual Report and 2019 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. Unless otherwise indicated, any documents themselves incorporated by reference into the documents incorporated by reference into this Registration Document shall not form part of this Registration Document. This Registration Document and the documents incorporated by reference herein may contain active hyperlinks or inactive textual addresses to Internet websites operated by ING and third parties. Unless otherwise indicated, reference to such websites is made for information purposes only, and information found at such websites is not incorporated by reference into this Registration Document or the documents incorporated by reference herein and shall not form a part of this Registration Document.

All figures in the documents incorporated by reference herein have not been audited, unless stated otherwise. These figures are internal figures of the Issuer. Any statements on the Issuer's competitive position included in this Registration Document (including in a document which is incorporated by reference herein) and where no external source is identified are based on the Issuer's internal assessment of generally available information.

With respect to the press releases published each quarter by ING and containing, among other things, the consolidated unaudited results of ING Group for the quarter (the "**Quarterly Press Releases**"), prospective investors should note that the consolidated operations of the Issuer, while materially the same, are not identical with the reported financial and statistical information on a segment basis for the banking business of ING Group as described in the Quarterly Press Releases, because the financial and statistical information reported by ING Group also contains certain financial items incurred solely at the level of ING Group (on a standalone basis) which are therefore not included in the consolidated operations of ING Bank (being a wholly-owned subsidiary of ING Group).

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 2021 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 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;

(iv) 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;

(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 57,000 employees.

ING's purpose is to empower customers to stay ahead in life and in business. To deliver on this and on its strategy is all about creating a differentiating customer experience that is personal, easy and smart.

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, sustainable and sustainability-linked financing and debt and equity-market solutions. It also serves their daily banking needs with payments and cash management and 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 defines its markets in three categories, namely Market Leaders, Challengers Markets and Growth Markets. Its Market Leaders are Belgium, the Netherlands and Luxembourg. ING's Challengers Markets are Australia, Austria, Czech Republic, France, Germany, Italy and Spain (ING has or will exit the Retail markets in Austria, Czech Republic and France, retaining only a Wholesale Banking presence in these countries). Growth Markets are Poland, Romania, Turkey, the Philippines and ING's stakes in Asia.

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 29 June 2021. 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 2021 on its corporate website www.ing.com on 10 March 2022.

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 (chair), A.M.G. (Mike) Rees (vice-chair), J. (Juan) Colombás, M. (Mariana) Gheorghe, M. (Margarete) Haase, L.J. (Lodewijk) Hijmans van den Berg, H.A.H. (Herman) Hulst, H.H.J.G. (Harold) Naus and H.W.P.M.A. (Herna) Verhagen.
- Management Board Banking: S.J.A. (Steven) van Rijswijk (CEO, chair), T. (Tanate) Phutrakul (CFO), L. (Ljiljana) Čortan (CRO), P. (Pinar) Abay, A.J.M. (Andrew) Bester, A. (Aris) Bogdaneris, R.H.E. (Ron) van Kemenade and M.A. (Marnix) van Stiphout.

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

Chairman of the supervisory council of SEO Amsterdam Economics

Rees, A.M.G.
Non-executive chairman of Athla Capital Management Limited

Non-executive chairman of Travelex Topco Limited

Non-executive chairman of Satsanga Fintech Holdings

Non-executive chairman of Mauritius Africa FinTech Hub

Colombás, J.

Non-executive member of the board of directors and member of the audit committee, the compensation committee and the risk committee of Credit Suisse Group AG and Credit Suisse AG

Gheorghe, M.
Non-executive director of ContourGlobal Plc

Member of the advisory council of the Bucharest Academy of Economic Studies, Romania

Member of the board of Envisia – Boards of Elite

Member of the board of Teach for 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

Hijmans van den Berg, L.J.
Deputy chairman of the supervisory board of HAL Holding N.V.

Chairman of the supervisory board of BE Semiconductor Industries N.V.

Non-executive chairman of the board of directors of Fortino Capital Partners N.V

Chairman of the board of Utrecht University Fund (the Netherlands),

Chairman of the executive committee of Vereniging Aegon

External advisor to the management committee of De Brauw Blackstone Westbroek N.V.

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.

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.)

Changes to the Management Board Banking and the Supervisory Board

The Supervisory Board continued with the succession planning for a new CRO resulting in Ljiljana Čortan being appointed as the CRO of ING Bank and member of the Management Board Banking as of 1 January 2021. Andrew Bester was appointed as a member of the Management Board Banking and head of Wholesale Banking as of 6 April 2021. In addition, Aris Bogdaneris was appointed as head of Retail Banking as of 1 May 2021. This appointment formalised the role at Management Board Banking level and was an important step forward in building a global Retail Banking business. Aris Bogdaneris continued in his role as head of Challengers & Growth Markets alongside his role as head of Retail Banking. To further strengthen ING’s position as a digital leader in banking, the decision was taken to separate the Management Board Banking roles for technology and for operations. Ron van Kemenade was appointed as a member of the Management Board Banking and chief technology officer as of 1 May 2021. Marnix van Stiphout was appointed as a member of the Management Board Banking and COO/chief transformation officer as of 1 September 2021. He succeeded Roel Louwhoff, who stepped down from the Management Board Banking, effective 1 August 2021. Roel Louwhoff left ING on 1 November 2021. Lodewijk Hijmans van den Bergh was appointed as new Supervisory Board member by and at effective as per the end of the AGM on 26 April 2021. He also became a member of the Risk Committee. Furthermore, the terms of appointment of Hans Wijers, Jan Peter Balkenende and Margarete Haase expired at the end of the AGM on 26 April 2021 (of ING Groep N.V.). At his request, Jan Peter Balkenende retired from the Supervisory Board as of the end of the above-mentioned meeting to focus on other future activities. The Supervisory Board proposed to reappoint Hans Wijers and Margarete Haase to the AGM on 26 April 2021. These proposals were approved.

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 (chair), Juan Colombás, Mariana Gheorghe, Margarete Haase, Lodewijk Hijlmans van den Bergh, 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 (chair), 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 (chair), 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 (chair), Mariana Gheorghe Harold Naus and Hans Wijers.

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

	2021	2020	2019
Balance sheet			
Total assets	951,317	937,379	891,910
Total equity	48,650	48,697	47,817
Deposits and funds borrowed[2]	800,366	776,809	734,957
Loans and advances	627,550	598,306	611,907
Results			
Total income	18,485	17,645	18,295
Operating expenses	11,195	11,160	10,343
Additions to loan loss provisions	516	2,675	1,120
Result before tax	6,774	3,810	6,831
Taxation	1,876	1,317	1,889
Net result (before non-controlling interests)	4,898	2,493	4,942
Attributable to Shareholders of the parent	4,770	2,415	4,843
Ratios (in per cent.)			
BIS ratio[3]	19.54	18.96	17.90
Tier 1 ratio[4]	16.54	15.90	15.14

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 2021, 2020 and 2019, 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 (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 2021.

Significant Developments in 2021

On 18 February 2021, ING announced that it intended to withdraw from the Retail Banking market in the Czech Republic 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 was reached and around half of ING's Retail customers in the Czech Republic and 60% of client balances were transferred to Raiffeisenbank. .

On 2 March 2021, ING announced it was reviewing the strategic options for its Retail Banking operations in Austria with the aim of exiting this market by the end of 2021. On 12 July 2021, ING announced it had reached an agreement to transfer these operations to bank99, the bank of Österreichische Post, the Austrian postal services. The process was expected to be finalized in the last quarter of 2021. ING will continue its Wholesale Banking activities in Austria.

On 21 December 2021, ING announced that it will leave the Retail Banking market in France. This follows the outcome of a previously announced strategic review. ING Wholesale Banking will remain active in France.

Covid-19 pandemic

In 2021, the Covid-19 pandemic continued to have an impact on people, businesses and the economy. While vaccination rates continued to increase and Covid-19 related restrictions were lifted in some jurisdictions in the first part of 2021, the end of 2021 was again marked by new waves of infections. Uncertainty concerning the ongoing pandemic remains and ING therefore continues to be cautious and remains ready to support its clients when they need it. Further, the economic environment in 2021 was marked by supply chain disruptions, rising energy and commodity prices, significantly increasing house prices and increasing inflation impacting companies and consumers.

ING is carefully monitoring the Covid-19 pandemic and the impact on its people and business. A central ING team monitors the situation globally and provides guidance on health and safety measures, travel advice, and business continuity for the company. 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.

Increased attention is being paid to ING's financial risks. ING performed several types of stress tests and sectoral reviews to assess the potential impact of the covid-19 pandemic and the uncertainties of the current economic environment (e.g. inflation risk stress test) on its financial position. These stress tests and reviews helped ING to get further insights into the potential impact and to define appropriate mitigating actions. For additional information in respect of the types of stress tests and sectoral reviews, see "*Description of ING Bank N.V. - Regulation and Supervision - Stress testing*".

Potential economic implications for the countries and sectors where ING is active, which could have a material adverse effect on ING's business and operations, are continuously being identified, assessed and monitored in order to execute possible mitigating actions.

Significant Developments in 2022

The Russian invasion of Ukraine

The Russian invasion of Ukraine and rapidly escalating events in late February and early March 2022 is a significant tragedy to the people and is causing disruption to business and economic activity in the region and worldwide. Subsequently, the United States, United Kingdom and Europe initiated sanctions against Russia in late February and early March 2022. In response, the Russian central bank enforced liquidity and currency controls.

On sanctions

The international community is leveraging their sanction tools in response to the escalation of Russia's invasion of Ukraine. Accordingly, as part of ING's know your customer and compliance risk governance and procedures, ING is continuously monitoring the situation to stay abreast on all relevant updates to implement effective and appropriate additional control measures and to manage the increased risk and financial impacts of these developments.

ING's exposures

ING has Wholesale Banking activities in both Russia and Ukraine, as well as investments in Russia, some of which are denominated in local currency. As a result of the Russian invasion of Ukraine and related international response measures, including sanctions and capital controls, ING may be exposed to increased risk of default of counterparties located in Russia and Ukraine, counterparties of which the ultimate parent is located in Russia or may be considered effectively controlled or influenced through Russian involvement, and other counterparties in sectors affected by the international response measures. Furthermore, ING has counterparty exposure to Russian entities in connection with foreign exchange derivatives for future receipt of foreign currencies against RUB.

As of 28 February 2022, ING's total Russia-related exposure was approximately €6.7 billion (~0.9% of its total loan book), mainly consisting of liquidity facilities and pre-export financing. In Ukraine, ING's exposure was approximately €500 million mainly with liquidity facilities and other lending. Around €700 million exposure to Russian clients was affected by new sanctions. Early March 2022, ING announced its decision to not do any new business with Russian companies.

The impact on ING's business is being monitored on a continuous basis. A central team was established for daily monitoring and ING intensified monitoring of its counterparties. Furthermore, ING is working together with counterparties, both onshore and offshore, to limit risks associated with derivatives exposures.

Below table illustrates ING's exposure to Russia per 28 February 2022. Compared to year-end 2021, as disclosed in the credit risk portfolio section of the 2021 Annual Report, the exposure to Russian borrowers of €4.8 billion increased with approximately €500 million due to central bank placements of deposits received and (limited) drawings under committed facilities.

Russia exposure[1]

in EUR billion	28 Feb 2022
Russian borrowers[2]	5.3
Non-Russian borrowers with Russian ownership	1.5
Total	**6.7**
Of which covered by ECA (0.9), CPRI (1.3) and European parent guarantees (0.3)[3]	*2.5*

Total booked at ING in Russia[4]	1.3
Of which covered by European parent guarantees	*0.3*

1 Credit outstandings of lending, pre-settlement (including lending related derivatives), money market and investment activities, excluding off-balance sheet positions such as undrawn committed exposures of €0.6 billion

2 Includes Russian borrowers with non-Russian (ultimate) ownership

3 Refers to Export Credit Agency (ECA) and Credit and Political Risk Insurance (CPRI)

4 Exposures booked at ING in Russia are partly supported by Legal lending limit guarantees from ING Bank N.V.. These guarantees cover current outstandings of approximately €150 million

Below table illustrates ING's exposure to Ukraine per 28 February 2022.

Ukraine exposure[1]

in EUR billion	28 Feb 2022
Booked at ING in Ukraine	0.4
Booked at other ING entities	0.2
Total	**0.5**
Of which covered by (European) parent guarantees	*0.2*

1 Credit outstandings of lending, pre settlement, money market and investment activities. Off-balance positions are not included but are negligible

Subsequent Event

On 10 March 2022, ING published its 2021 Annual Report. As noted in the 2021 Annual Report, the Russian invasion of Ukraine and rapidly escalating events in late February and early March 2022 is a significant tragedy for the people and is causing disruption to business and economic activity in the region and worldwide. This qualifies as a non-adjusting subsequent event. At this moment it is not possible to provide an estimate of the financial impact of this crisis on ING (including direct impact on ING exposures to Russian and Ukrainian markets as well as wider impacts for ING).

ING's strategy

ING's purpose is to empower people to stay a step ahead in life and in business. This is reflected in its 'do your thing' tagline, which encapsulates ING's brand and its promise to make banking frictionless so people and businesses can do more of the things that move them. ING's purpose is founded on its belief that it has a role to support and promote social and environmental progress and at the same time generate healthy returns for shareholders.

Delivering on its strategy is about creating a differentiating customer experience that is personal, easy and smart. It's also about focusing on the things that matter: being a bank that is safe, secure and compliant; maintaining a healthy business; data-driven digitalisation to better meet customers' evolving needs; and jointly building a sustainable future for all.

ING has a strong – and growing – primary customer base. It has a digital, mobile-first mindset and has put in place the building blocks for becoming a data-driven digital bank. ING continuously strives to improve the customer experience, working in an agile way and guided by its Orange Code, which describes the values and behaviours that define ING.

Even in a digital world, its business is built on relationships and its people are among its greatest assets. ING therefore strives to provide a differentiating employee experience that keeps its people motivated and engaged. This includes supporting their wellbeing, providing a safe and healthy workplace and opportunities for employees to develop themselves to their full potential, as well as promoting a diverse and inclusive work environment where they feel free to be themselves. For most of 2021, the majority of employees continued to work from home due to ongoing measures to stop the spread of Covid-19. As restrictions were lifted in various countries, ING moved towards a hybrid mode, giving employees the flexibility to combine working from home with working from the office. However, new outbreaks meant they had to remain ready to adapt to a constantly changing situation.

The trends that have shaped its direction so far – digitalisation, continuing low and negative interest rates, new competitors, changing customer behaviours and expectations, increasing regulation and a growing urgency to act on climate change and address social imbalances – continue to influence ING's business and were amplified by the Covid-19 pandemic.

ING has also learnt some important lessons over the past years: some of its projects became too complex, went on for too long, or sometimes lost sight of customers and competition. ING's response to these and other challenges and opportunities are guided by its purpose and its strategy.

As it looks to the future, ING is now focusing on delivering with impact so it can truly differentiate itself from the competition and emerge from the pandemic in a position of strength for its customers, investors, employees and society in general. In the near-to-mid-term, this means focusing on:

- being a safe, secure and compliant bank
- being a healthy business making healthy returns
- data-driven digitalisation
- sustainability.

Safe, secure and compliant bank

Remaining safe, secure and compliant remains a top priority for ING. This means fighting financial economic crime as a gatekeeper to the financial system, protecting the bank and its customers against cybercrime and fraud, and the safe and ethical use of data and data-driven models. The growing importance of climate risk was also emphasised in ING's first integrated climate report in 2021.

Protecting the bank and its customers also means continuously improving its risk culture and behaviours. Everyone at ING has a responsibility to understand, discuss and act on the many non-financial risks that banks are confronted with every day. To this end, ING introduced a risk culture programme in 2021 that aims to ensure its risk culture reflects the dynamic business and regulatory environment it operates in. By acting with the right mindset and living up to the Orange Code and Global Code of Conduct, all employees play a part in safeguarding ING and its customers.

Know your customer (KYC) ensures ING only does business with people and companies that meet regulatory requirements and are within its risk appetite, which is essential for preventing financial economic crime. Monitoring transactions for unusual activities and carrying out customer due diligence checks at regular intervals are an important part of KYC. ING also assess the environmental and social impact of companies and projects it finances. Since 2017, ING has introduced a number of structural improvements to enhance its KYC organisation and activities, including standardised policies and digital tooling, and further increasing knowledge and awareness across the bank. This includes mandatory e-learnings for all staff and the KYC and Risk Academies for more specialist training. Building on this is the financial economic crime controls maturity programme, which consolidates all activities to fight financial economic crime (policies, systems and processes) in one holistic approach.

With the growing number of digital transactions and employees working from home it is of utmost importance to safeguard ING and its customers against cybercrimes such as digital fraud, phishing scams and malicious software. ING has preventative measures in place to test its resilience against cyberattacks and attempts to gain unauthorised access to its systems. There is also a strong focus on managing exposure to operational risks with respect to the availability of its networks and infrastructure to ensure they are always accessible to ING's customers and its employees.

Closely related to cybersecurity resilience is protecting customers' data and their privacy. To this end, ING follows European data protection regulation (GDPR) and local laws applicable in the countries where it operates. ING also considers people's expectations about how their data is used and respects their privacy when processing data. Local and global data ethics councils help ensure responsible data use.

Healthy business

Growing fee and commission income, and increasing the share of this in the overall income mix, remain important as net interest income declines in the negative interest environment. To remain a financially healthy business it is imperative to diversify income, optimise capital allocation and scrutinise costs. To this end, ING earned higher fees from daily banking activities in 2021, spurred by economic recovery, and benefitted from continued demand for digital investment products in the Retail business. Its results were also supported by low risk costs. ING was able to release some of the Covid-19-related provisions taken earlier and is confident about the quality of its loan book. However, caution remains about the impact of supply chain disruptions, rising energy prices and increasing inflation on companies and consumers and ING is ready to support its clients when they need it.

Another way to ensure ING remains a financially healthy company is by carefully assessing where and how capital is allocated, putting it to work in the places that provide the best growth opportunities and viable returns. In the current environment, with varying local and regulatory environments, ING believes that to maintain a reasonable franchise it requires sufficient local scale in the Retail markets in which it operates. It is in these markets that it wants to invest people, capital and costs. This led to the decision to exit selected Retail markets in 2021. ING also refocused its partnership with AXA on local delivery of insurance propositions. Separately, it decided to wind down payment services provider Payvision, which it believes was not evolving rapidly enough to keep pace with the competitive payments market, and to stop certain partnerships. These include discontinuing consumer-facing smart money app Yolt and focus instead on growing its business-to-business open banking platform Yolt Technology Services. ING also sold its stake in Dutch property platform Makelaarsland as the partnership did not bring what ING had expected from it.

Expenses are under control, with room as a digital-first bank to improve cost-to-serve, supported by investments in further (end-to-end) digitalisation. This brings benefits to the experience of customers and colleagues and improves operational quality and processing speed. It also helps ING to better absorb the eroding effects of negative interest rates on net interest income.

In October 2021, ING launched a €1,744 million share buyback programme related to the amount reserved over 2019. The distribution is in line with its aim to provide an attractive return to shareholders and follows the lifting of European Central Bank (ECB) recommendation not to pay dividends during the pandemic in 2020.

The buyback was possible due to ING's strong capital position. At year-end 2021, approximately 92% of the maximum total value of the programme had been completed and ING had repurchased 127,627,800 ordinary shares at an average price of €12.57 for a total amount of €1,604,245,285.73. The programme was completed on 28 February 2022, having repurchased 139,711,040 ordinary shares for a total consideration of €1,741,696,166.19.

Data-driven digitalisation

A key driver for creating a customer experience that's personal, easy and smart is digitalisation – a trend that was accelerated by the Covid-19 pandemic and the demand it unleashed for mobile and contactless banking – while data is the fuel powering end-to-end digitalisation.

Reflecting the growing importance of technology and digitalisation in fulfilling its purpose and strategy, ING appointed a chief technology officer to its Management Board Banking for the first time in 2021, having split the role of the chief operations officer. Digitalisation has benefits for customers, employees and for ING. Automating tasks frees up time for more rewarding activities. It improves efficiency and effectiveness, and helps to make ING safer and compliant-by-design. However, there are customers who are not (yet) fully digital and ING's products and services should remain accessible to them too.

In 2021, mobile interactions grew to 6.9 billion from 5.3 billion in 2020, accounting for 91% of total interactions with ING. The number of mobile payment transactions also grew each quarter, with 267 million made in 4Q 2021 compared to 154 million transactions in the first quarter. This digital connectivity in turn yields data and insights that contribute to a more personalised and empowering experience, giving customers even more reason to interact with ING. This is how ING believes it can become an essential part of people's digital lives.

Mastering data is essential for this. Data, used responsibly, helps ING understand customers better and personalise interactions. It is the main ingredient for the models that inform business decisions, manage risks and keep capital in control. ING uses transaction data to detect money laundering and fight financial crime. And it powers technologies like artificial intelligence, robotics and blockchain that digitalise processes and improve the customer experience. Examples include using machine learning to understand why customers contact the service desk and proactively come up with solutions that will reduce the number of calls in future; virtual assistants to help customers 24/7; instant loans, personalised insurance and easy-to-use investment products; as well as innovative solutions for ING and for its customers such as Komgo, which digitalises trade finance; supply chain management tool Stemly; and Flowcast to reduce risk and unlock credit for businesses.

To make raw data meaningful it needs to be sorted, harmonised and put into context. For this it is essential to have one common language for defining data, called ING Esperanto. Standardising data models (Esperanto Warehouse Model) through which to store and use data contributes to the availability, quality, integrity, usability, control and governance of data. A uniform global customer data management approach facilitates customer self-service and enables new ways of doing banking by making it easier to retrieve information that can be used to propose new types of billable ING services or new product bundles. Global and local data ethics councils guide decisions around the use of data based on ING's Orange Code values.

That customers appreciate ING's smart and personal experience is reflected in above-average NPS scores in a number of Retail and Wholesale Banking markets. In addition, ING gained 481,000 primary customers over 2021, bringing the total to 14.3 million primary customers, 3.5% higher than at end-2020.

At the same time, ING is not the only bank with digital ambitions. Society's growing reliance on the internet has fundamentally changed the way people shop – and pay. These changing behaviours, along with the second European Payments Services Directive (PSD2), are reshaping the role of banks in the payments industry, opening it up to new (non-traditional) payments providers. To stay a step ahead in this competitive digital environment, there's a growing urgency to speed up end-to-end digitalisation and the associated requirement for operational excellence. Given the increasing commoditisation of payments and the need for scale and efficiency to remain competitive in this fast-growing area, ING is looking to create a dedicated payments and settlement utility within the chief technology office domain in 2022, subject to Works Council approval. It will deliver all payments, settlement and liquidity services across ING. Until now this has been done within the business lines, notably Wholesale Banking, also for Retail payments. The aim is to build on ING's existing payments capabilities and further mature, scale and evolve the way these services are delivered, allowing the business lines to focus on meeting the needs of customers.

Since 2016, ING has worked to put in place a scalable technology and operations foundation on which to build a mobile-first digital experience for its 38 million customers. This includes IT infrastructure, uniform processes, data management and way of working, and bundling expertise in shared service centres that support its businesses globally. Underlying all of this are technology platforms such as Touchpoint and OnePipeline. Designed to create speed, scale, security and cost efficiency, this enables ING to bring new products and services to customers faster and in multiple markets using next-generation technologies and re-useable modular components. This foundation also enabled employees to continue working from home during the ongoing lockdowns and will support their return to office in a hybrid mode when this is possible.

Sustainability

Sustainability in all its forms is one of the biggest challenges facing society. Climate change is threatening the planet and its people, many of whom also struggle with inequality, poor financial health and even a lack of basic human rights. It's clear the world is changing and banking needs to change with it. As a global bank, ING has a responsibility to society to define new ways of doing business that align economic growth with positive environmental and social impact.

On the environmental side, ING believes it can do this by aligning its lending portfolio with global climate goals, supporting the transition to a net-zero economy in its own operations and by actively engaging with companies to finance the investments needed, and addressing related challenges like biodiversity. On the people side, by steering customers and local communities towards improved financial health.

To tackle climate change even faster, ING joined the Net-Zero Banking Alliance in 2021 and increased the ambition of its Terra approach. ING is now aiming to steer its lending portfolio towards net-zero greenhouse gas emissions by 2050 or sooner. ING reports on its progress in the nine most carbon-intensive sectors in its integrated climate report on ing.com, and is working on pathways for those sectors to align its targets for them with its own net-zero ambitions.

In addition to financing sustainable projects, ING can influence positive change by advising clients on their transition to sustainable and circular business models, and through innovative products such as sustainability-linked financing. To protect the integrity of this fast-growing market, ING believes these targets should be ambitious, recognised industry-wide and verified by a reputable, independent party, thereby ensuring companies tackle the most difficult and urgent climate issues first.

It's also about what ING does not finance: it says no to certain companies and sectors; for example, new clients active in palm oil plantations and new coal-fired power plants. However, much of the 'real' economy still runs on fossil fuels, and some sectors are further in their journey than others. So rather than withdrawing completely from a particular sector – with the associated impact in terms of jobs and economic fall-out – ING believes it can be more effective by actively engaging with that sector to speed up its transition. For example, ING is leading a working group of the Net Zero Steel Initiative to support the sector's decarbonisation and signed up to the Global Maritime Forum's call to action to decarbonise the shipping industry.

Climate change also brings risks for ING and the companies it finances. These range from physical risks such as floods and wildfires to social risks related to displacement, discrimination and human rights, as well as transition risks that could lead to stranded assets when policies, regulations or consumer preferences shift towards a lower-carbon economy. ING is working to embed the management of climate risk into its overall risk management approach and business practices. Clients and transactions are evaluated against ING's environmental and social risk framework to limit the negative impact of its financing decisions on the environment and communities.

Climate action requires a concerted collaborative effort across all sections of society. There's a growing sense of urgency for governments and businesses to step in and help. While banks can finance the transition, it's companies that need to make it happen, in their own businesses and supply chains. Governments can, and should, direct and guide this change. ING believes the European Union's Green Deal is a step in the right direction.

Recognising the importance of environmental, social and corporate governance (ESG), there are a number of initiatives running in the bank covering its governance structure, developing a diverse and engaged workforce and being a trusted counterparty for customers and clients.

When it comes to financial health, ING is embedding these activities directly into its core business where it can make a more tangible impact on customers. It is currently defining actions for its Retail markets to help customers who are financially vulnerable, for example to get out of problematic debt, or to save more. ING is also bringing its community support closer to home through a new community investment programme, which targets a broader range of local initiatives that contribute to an inclusive economy and support vulnerable groups in the communities it serves.

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**") is the first pillar of the Banking Union and has been operational since 4 November 2014. The SSM is composed of the European Central Bank ("**ECB**") and the national competent authorities of the participating EU member states. The main aims of European banking supervision are to ensure the safety and soundness of the European banking system, increase financial integration and stability and ensure consistent supervision. Under the SSM, the ECB is the Issuer's and ING Group'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 competent authorities, including the Dutch Central Bank (*De Nederlandsche Bank* or "**DNB**") 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*'.

The SSM is complemented by the second pillar of the Banking Union, the Single Resolution Mechanism ("**SRM**"), which comprises the Single Resolution Board ("**SRB**") and the national resolution authorities. The SRM is fully responsible for the resolution of banks within the Eurozone since 1 January 2016. ING has been engaging already with the Dutch national resolution authorities and the SRB for a few years with the aim to support in the draw up 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 EDIS proposal as well as certain accompanying risk reduction measures are still being discussed in the European Parliament and in the Council. In February 2021, the European Commission issued a public consultation on the review of the bank crisis management and deposit insurance ("**CMDI**") framework, with a focus on three EU legislative texts: the Bank Recovery and Resolution Directive ("**BRRD**"), the Single Resolution Mechanism Regulation ("**SRMR**"), and the Deposit Guarantee Schemes Directive ("**DGSD**"). The anticipated revision of the CMDI framework is part of the debate on the completion of the Banking Union and in particular its third and missing pillar EDIS. The consultation period ran until May 2021. It is uncertain when the next steps towards revision of the CMDI framework, including EDIS, can be expected.

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 financial 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, Dallas (Texas) and Houston (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 State of 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 the SEC as a security-based swap dealer and another of which is registered with the SEC 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 ING subsidiary, ING Capital Markets LLC, is registered as a swap dealer and subject to a statutory regulatory regime and CFTC rules and oversight. As a registered entity, it is subject to, among others, business conduct, record-keeping and reporting requirements, as well as margin requirements and capital requirements. 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 some of these compliance requirements, especially the newly-implemented capital requirements and an increased scope of applicability for initial margin requirements, will increase the costs of and restrict participation in the derivative markets. This could have the effect of restricting 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, resulted in ING Capital Markets LLC registering as a security-based swap dealer 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. While ING Capital Markets LLC, as a security-based swap dealer, is required to comply with SEC rules with respect to most of these requirements, SEC rules have permitted an "Alternative Compliance Mechanism" that allows for compliance subject to eligibility requirements, with CFTC capital and margin rules applying to swap dealers in lieu of SEC capital and margin rules applying to security-based swap dealers. ING Capital Markets LLC has elected to use the Alternative Compliance Mechanism. However, should ING Capital Markets LLC in the future be ineligible for the "Alternative Compliance Mechanism" it would be subject to SEC capital and margin security-based swap dealer rules instead of the CFTC capital and margin security-based swap dealer rules.

ING Capital Markets LLC's recent registration with the SEC as a security-based swap dealer along with the impact of these regulations to the industry may increase 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 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 ING Group 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. 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 ("**NSFR**") ratio 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. The ECB has sent final TRIM decision letters, which include certain obligations. Also certain limitations have been put in place until these obligations are fully addressed. ING is working on closing the respective obligations.

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 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 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 were introduced and 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).

CRRIII / CRD VI

On 27 October 2021, the European Commission published a legislative proposal to review the EU's CRD/CRR framework. The review consists of the following legislative elements: a proposal to amend CRD V, a proposal to amend CRR II, and a separate, targeted proposal to amend CRR II in the area of resolution (the so-called 'daisy chain'-proposal). The package is now being negotiated by the Council of the EU and the European Parliament.

This proposed legislative review's key aim is to implement the final Basel III framework – agreed at the end of 2017 - in the EU. It is meant to ensure banks remain resilient and capable of withstanding future crises The proposed revisions mainly relate to the prudential standards for credit, market, operational and credit valuation adjustment ("**CVA**") risk as well as the introduction of an output floor. Key changes comprise the reduced use of internal models and more risk-sensitive and granular standardised approaches. It aims to increase consistency in risk-weighted asset calculations and improve comparability of bank capital ratios. The Commission's proposal remains close to the 2017 Basel agreement, but in some areas (temporarily) includes targeted measures to account for specificities of the EU banking sector. These measures relate to topics such as the calculation of the output floor, lending to unrated corporates, specialized lending, property lending and counterparty credit risk. The European Commission expects that overall risk-weighted assets will not increase significantly, on average, less than 10% for EU banks at the end of the transition period.

The proposed implementation date by the European Commission is set at 1 January 2025 for most provisions under review, with a phase-in period for the output floor of five years. This is two years later than the BCBS's deadline. The European Commission also proposes a number of other targeted transitional requirements, phasing out by 2032 at the latest.

It should be noted that final substance and timing of this review are still uncertain as the European Parliament and Council of the EU have just started their negotiations where they can amend the European Commission proposal before it becomes law.

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. The CCyB for ING was 3 basis points at the end of 2021 (2 basis points at the end of 2020). In December 2021, the De Nederlandsche Bank ("**DNB**") started consultation on the revised countercyclical capital buffer framework with the intention to apply a 2% CCyB in a standard risk environment.

As a consequence, the CET1 requirement, including buffers, for ING Group at a consolidated level was 10.51% in 2021. This requirement is the sum of a 4.5% Pillar I requirement, a 0.98% Pillar II requirement (2020: 0.98%), a 2.5% Capital Conservation Buffer (CCB), a 0.03% Countercyclical Buffer (CCyB) (based on December 2021 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 2021 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 will 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. 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 2021, ING Group received an updated formal notification from De Nederlandsche Bank ("**DNB**") of its MREL requirements. The MREL requirement has been established to ensure that banks in the European Union have sufficient own funds and eligible liabilities to absorb losses and to recapitalize bank in the case of a resolution. The MREL requirement is set for ING Group at a consolidated level, as determined each year by the Single Resolution Board ("**SRB**"). The following requirements replaced previously communicated total liabilities and own funds ("**TLOF**") requirement for ING Group as from 1-1-2022: 27.32% of RWA (M-MDA trigger) and 5.97% of LR exposure.

Above M-MDA trigger assumes a combined buffer requirement ("**CBR**") of 5.03% (as of 31 December 2021). In the event that ING Group breaches the M-MDA trigger, ING may face restrictions on dividend payments, AT1 instruments coupons and payment of variable remuneration. Apart from the requirements for the Group on a consolidated level, the internal MREL requirements are also set for individual ING subsidiaries in EU.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% (M-MDA-trigger of 21.03% with CBR) of the resolution group's RWA or 6% of the leverage ratio exposure measure—applies immediately. The higher requirement—18% (M-MDA trigger of 23.03% with CBR) and 6.75%, 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 2021 EU-wide stress test conducted by the EBA in cooperation with the European Central Bank ("**ECB**") 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 (2021-2023).

The 2021 EU-wide stress test exercise was carried out applying a static balance sheet assumption as of December 2020, and therefore does not take into account current or future business strategies and management actions. 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 remains. Under the hypothetical baseline scenario and EBA’s methodological instructions, ING Group would have a fully loaded common equity Tier 1 capital ratio (“**CET1**”) of 16.06% in 2023. Under the hypothetical adverse scenario and EBA’s methodological instructions, ING Group would have a fully loaded CET1 ratio of 10.99% in 2023. ING Group published an actual CET1 ratio of 15.45% per 31 December 2020. The next EBA EU-wide stress test will be held in 2023.

An emerging topic in the area of stress testing are climate risk analyses. ING started with climate risk stress testing in 2019 to assess the effect of transition risk and physical risk on the financial position of ING Group. In the second half of 2021, ING started preparing for the regulatory climate risks stress test scenario, which will be assessed in 2022 as part of the bi-annual ECB Single Supervisory Mechanism (SSM) stress test. This regulatory stress test, combined with internal analyses done on climate risk, will be used to enhance ING’s internal climate risk stress testing.

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 to pay 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’. In February 2021, the European Commission issued a public consultation on the review of the bank crisis management and deposit insurance (“**CMDI**”) framework, with a focus on three EU legislative texts: the Bank Recovery and Resolution Directive (“**BRRD**”), the Single Resolution Mechanism Regulation (“**SRMR**”), and the Deposit Guarantee Schemes Directive (“**DGSD**”). The anticipated revision of the CMDI framework is part of the debate on the completion of the Banking Union and in particular its third and missing pillar EDIS. The consultation period ran until May 2021. It is uncertain when the next steps towards revision of the CMDI framework, including EDIS, can be expected.

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.

Benchmarks 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 require to have robust fall back wording included in their documentation.

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

Financial institutions continue to face new and increasingly complex regulatory requirements, contributing to increasing costs of compliance, in the context of heightened regulatory scrutiny. Generally, ING expects the scope and extent of regulations in the jurisdictions in which ING operates to continue to increase.

The evolving regulatory landscape drives the need for continuous change in the various processes, procedures and systems of the bank. Where the timeline for implementation of new or revised requirements is sometimes quite short, this presents challenges to financial institutions in general, but especially in relation to IT development. In addition, in some instances, the complexity of the regulatory landscape gives rise to potential tension between applicable laws and regulations at a local and/or global level. For example, potential tension between data privacy ("**GDPR**") and AML/CFT and anti-corruption laws and regulations; including the requirement to share information relating to financial crime concerns to manage risk exposure across the group, while complying with the legislative requirements relating to data, which can differ significantly depending on jurisdiction.

ING is focussed on continuing to embed processes and procedures reflecting applicable requirements within the bank, including in its IT systems and data sources, in a robust and sustainable way; driving a business environment which is compliant by desire and design. The bank also executes ongoing training and awareness to develop its people to have the right knowledge and skills.

In addition, ING aims to continuously monitor regulatory developments, as well as considering emerging and evolving risks. This supports assessment of the risks that ING may be exposed to and of the associated controls and processes ING has in place, so it can appropriately manage these risks in accordance with ING's risk appetite. In particular, the rise in price and use of virtual assets, accompanied by the growth of virtual assets service providers was a key theme in 2020 that continued to attract regulatory attention in 2021 for potential money laundering, tax evasion and terrorist financing.

5th AML Directive and the European Commission legislative package

In 2021, ING focussed on the implementation of the requirements of the EU 5th AML Directive, as well as considering the EBA's MT/TF risk factor guidelines published on 1 March 2021 and other relevant guidance documents. On 20 July 2021, the European Commission presented a package of legislative proposals (including a proposal for a 6th AML Directive) to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules. The proposed main changes include the creation of a European AML/CTF supervisory authority and the adoption of a "single rulebook'", with directly applicable rules, including in the areas of customer due diligence and beneficial ownership. The Regulation also includes the introduction of an EU-wide limit of €10,000 to large cash payments.

ING welcomes the proposals to further strengthen the regulatory framework aimed at the prevention of money laundering and terrorism financing. Harmonisation of key requirements is welcomed especially because of ING's large presence in the EU. Considering that the texts of the proposals are still in draft and relatively conceptual at this point in time, ING is in active dialogue with internal and external stakeholders and it participates in relevant workstreams of banking associations such as the Dutch Banking Association, to formulate its position and provide further recommendations and feedback to the European Commission's consultation. This assists ING in assessing and adequately managing the impact of the AML legislative package on the bank.

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, as well as the Crimea region.

ING Group 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 Group. ING Group may receive loan repayments, duly authorised by the relevant competent authorities where prescribed by applicable laws. For the calendar year 2021, ING Group had revenues of approximately USD 257 thousand. ING Group estimates that it had a net profit of approximately USD 4 thousand.

Sanctions related developments

2021 saw ongoing geopolitical tensions notably between US and China, and increasing tensions between US and EU in relation to Russia. ING and its customers are impacted by such geopolitical tensions when new sanctions and restrictive measure are promulgated by relevant authorities. Such sanctions and restrictive measures may impact the products, services, and customers that ING can service. Increasing sanctions and counter sanctions together with any notable difference in various sanctions programs, especially between the EU and US increases complexities and potential reputational risks in operationalising uniform sanctions controls.

In 2021, the EU and the US continued sanctions programs with respect to several regions and countries, including Ukraine/Russia, Iran, China, Venezuela and Syria.

The international community is leveraging their sanction tools in response to the escalation of Russia's invasion of Ukraine. Accordingly, as part of ING's know your customer and compliance risk governance and procedures, ING is continuously monitoring the situation to stay abreast on all relevant updates to implement effective and appropriate additional control measures and to manage the increased risk and financial impacts of these developments.

SELECTED FINANCIAL INFORMATION

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

	31 December		
	2021	**2020**	**2019**
		(EUR millions)	
Cash and balances with central banks	106,520	111,087	53,202
Loans and advances to banks	23,591	25,363	35,133
Financial assets at fair value through profit or loss			
– Trading assets	51,389	51,361	49,264
– Non-trading derivatives	1,536	3,583	2,278
– Designated as at fair value through profit or loss	6,355	4,126	3,076
– Mandatorily at fair value through profit or loss	42,684	44,305	41,600
Financial assets at fair value through other comprehensive income	30,635	35,895	34,468
Securities at amortised cost	48,319	50,587	46,108
Loans and advances to customers	627,550	598,306	611,907
Investments in associates and joint ventures	1,587	1,475	1,790
Property and equipment	2,515	2,841	3,172
Intangible assets	1,156	1,394	1,916
Current tax assets	533	403	251
Deferred tax assets	957	773	730
Other assets	5,991	5,879	7,014
Total assets	951,317	937,379	891,910
Liabilities			
Deposits from banks	85,092	78,098	34,826
Customer deposits	657,831	643,138	606,410
Financial liabilities at fair value through profit or loss			
– Trading liabilities	27,113	32,709	28,042
– Non-trading derivatives	2,120	1,629	2,217
– Designated as at fair value through profit or loss	41,808	48,445	47,685
Current tax liabilities	271	341	499
Deferred tax liabilities	603	584	695
Provisions	973	666	688
Other liabilities	12,695	11,605	12,796
Debt securities in issue	57,443	55,573	93,721

	31 December		
	2021	2020	2019
		(EUR millions)	
Subordinated loans	16,719	15,897	16,515
Total liabilities	902,668	888,683	844,093
Equity			
Shareholders' equity (parent)	47,914	47,675	46,924
Non-controlling interests	736	1,022	893
Total equity	48,650	48,697	47,817
Total equity and liabilities	951,317	937,379	891,910

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 2021, 2020 and 2019, respectively. Amounts may not add up due to rounding.

BREAKDOWN OF SHAREHOLDERS' EQUITY OF ING BANK N.V.[1]

	31 December		
	2021	2020	2019
		(EUR millions)	
Share capital	525	525	525
Share premium	16,542	16,542	16,542
Revaluation reserves	3,031	3,031	3,225
Net defined benefit asset/liability remeasurement reserve	(212)	(307)	(336)
Currency translation reserve	(3,483)	(3,636)	(2,079)
Other reserves	33,194	31,520	29,046
Shareholders' equity (parent)	47,914	47,675	46,924

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 2021, 2020 and 2019.

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

	For the years ended (EUR million)		
	2021	**2020**	**2019**
Continuing operations			
Total interest income	21,131	22,711	28,465
Total interest expense	(7,516)	(9,110)	(14,391)
Net interest income	13,615	13,600	14,074
Fee and commission income	5,004	4,514	4,439
Fee and commission expense	(1,487)	(1,503)	(1,571)
Net fee and commission income	3,517	3,011	2,868
Valuation results and net trading income	847	852	765
Investment income	167	152	188
Share of result from associates and joint ventures	141	66	64
Impairment of associates and joint ventures	(3)	(235)	(34)
Result on disposal of group companies	(29)	(3)	117
Net result on derecognition of financial assets measured at amortised cost	0	189	38
Other income	230	12	213
Total income	18,485	17,645	18,295
Addition to loan loss provisions	516	2,675	1,120
Staff expenses	5,938	5,817	5,753
Other operating expenses	5,257	5,344	4,590
Total expenses	11,711	13,835	11,463
Result before tax from continuing operations	6,774	3,810	6,831
Taxation	1,876	1,317	1,889
Net result from continuing operations	4,898	2,493	4,942

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 2021, 2020 and 2019.

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 2021 continued to be 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.

ING is also closely monitoring the situation in Ukraine from a financial, operational and security perspective, with the safety and wellbeing of employees as its top priority. ING strongly condemns Russia's invasion of Ukraine in February 2022 and is deeply concerned by its devastating impact and the threat to international stability and security. ING has been providing Wholesale Banking services in Ukraine and Russia for almost 30 years. As of 28 February 2022, ING's total Russia-related exposure was approximately €6.7 billion (representing around 0.9% of ING's total loan book), of which around 700 million was affected by new sanctions. ING has around €500 million exposure in Ukraine. In March 2022, ING decided to not do new business with Russian companies.

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

- Covid-19 and inflation
- Macroeconomic developments
- Climate change
- Climate risk
- Anti-money laundering
- Cybersecurity and fraud
- Fluctuations in equity markets, interest rates and foreign exchange rates

Covid-19 and inflation

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 Economic growth picked up this year, helped by strong policy support, the deployment of vaccine programmes and the reversal of lockdown measures, although these were reintroduced in some countries at the end of the year prompted by an increase in infections, and the emergence of a new variant of the Covid-19 virus. The global economy surpassed its pre-pandemic level, but many countries are still operating below pre-Covid levels, particularly emerging markets and developing economies with lower vaccination rates and less government support. China and Australia had already recovered in 2020; the US and the eurozone caught up in 2021.

A resurgence of Covid-19 cases and supply disruptions began to negatively impact economic momentum in the second half of the year. In particular, US consumption softened in the third quarter and German industry had to scale back because of shortages of key inputs. The economic impact of the Delta variant, especially in countries with low vaccination rates, added to pressures on global supply chains and costs. Supply disruptions were often longer than expected and fed inflation in many countries. Higher commodity prices and the rise in consumer demand as economies thawed caused consumer price inflation to increase rapidly, most significantly in the US, Canada and the UK, although other advanced economies in Europe and Asia also saw inflation picking up.

Against the background of economic recovery and increased inflationary pressures, the Federal Reserve started to taper its bond buying purchasing programme. The European Central Bank (ECB) also announced a reduction in bond purchases, but is set to move slower. The ECB plans to end its Pandemic Asset Purchase Programme by Q2 2022 and expects to have reduced asset purchases, under the Asset Purchase Programme, to € 20 billion per month by the end of the year. Together these factors drove up longer-term interest rates and steepened yield curves. With interest rates remaining at low levels and government policies staying growth-supportive, house prices continued to rise.

Macroeconomic developments

There were significant macroeconomic developments that impacted ING's organisation as well as its customers, employees, shareholders and other stakeholders. Despite the economic thaw, the normal flow of business in countries where ING operates remained disrupted to a greater or lesser extent throughout 2021. The German elections, continuing China/US tensions, continued uncertainty around the full impact of Brexit all added to the volatility of ING's external environment. As a global financial services company, with its profitability, solvency and liquidity linked heavily to the state of the economy and the market environment, ING remained alert to this volatility's potential to impact its performance.

Climate change

Although the threat of climate change has been signalled for some time by the scientific community, its impact is intensifying and it's happening faster than previously predicted. The flooding, wildfires and heatwaves experienced this year are expected to occur more frequently due to climate change. This formed the backdrop to the 2021 report from the United Nation's Intergovernmental Panel on Climate Change (IPCC), which flagged climate change as a 'code red' for humanity, requiring urgent intervention from all sectors of society.

This urgency was underlined at the New York Climate Week in September 2021, where it was reinforced that accelerated action now and in the coming years can positively affect the transition towards a more carbon-neutral future. In November 2021, at the 26th UN Climate Change Conference (COP26) in Glasgow, agreements were reached on important steps towards net-zero emissions in 2050, such as shifting away from coal and a pledge to halt deforestation. But this is not yet enough to get into the safe zone; these pledges add up to an average global warming of 1.8°C at best. There was agreement on countries having to accelerate and strengthen their 2030 targets, and a framework for a global carbon market was drawn up, which is expected to trigger a surge of green projects. As always the proof is in the action and real impact on the ground. COP27 will be crucial – again. Not only for limiting greenhouse gas emissions far more drastically, but also for agreements on climate adaptation and the social impact of climate change, both of which affect developing countries disproportionately.

ING believes it can have the biggest impact in mitigating the effect of climate change through its financing. ING works with its clients to finance and facilitate its clients transition to low-carbon technologies and offer a growing suite of sustainability products and services to help its clients, including sustainability-linked loans and 'green' bonds.

The popularity of sustainability-linked financing is growing, partly fuelled by companies facing pressure from investors and regulators to 'go green'. To protect the integrity of this fast-growing market, which ING pioneered back in 2017, ING published a position paper in October calling for linked sustainability targets to be ambitious, recognised industry-wide and verified by a reputable, independent party. This will help to retain the credibility of the market by ensuring companies tackle the most difficult and urgent climate issues first. Ambition levels that are too low will not make the impact these products are designed for.

While ING can voice its opinion on all transactions, and it can use its influence to steer clients towards credible targets on those it structure itself, market dynamics do not always allow ING to put the proper structures in place if they are not in a leading role. ING believes regulatory developments like the European Commission's green bond standard will help to improve the quality of the market as it evolves.

The role that regulators and governments play in supporting and facilitating the road to a net-zero emission world cannot be underestimated. To this end, the EU presented its net-zero targets with ambitious legislative proposals to cut emissions by 55% by 2030 ('Fit for 55'), and ING looks forward to seeing ambitious national policies that align with this goal. In the meantime, ING is working on its own action plans as new climate scenarios and expectations emerge, and ING presents these, and its progress on them, in its integrated climate report that is available on the website of ING (www.ing.com) (but is not incorporated by reference into, and does not form part of, this Registration Document).

Climate risks

According to the European Central Bank, climate change will be a major source of systematic risk to banks if no action is taken. A recent ECB study showed banks in the eurozone would have an 8% higher chance of loan defaults by 2050 if nothing is done about global warming, with the risk rising to 30% for banks in southern Europe. The physical risk from climate change is tangible – fires, floods and rising sea levels affect people's lives, livelihoods, assets and businesses. There is also transition risk such as carbon pricing and shifting consumer preferences, which can leave manufacturers with stranded assets if they don't adapt to market demands for greener products.

ING strives to identify and understand these risks as part of its integrated approach to climate action. ING does this to build resilience to these risks in its own organisation as well as to prepare for its potential impact on clients and other stakeholders and this helps shape its strategy. As such, climate risk will be included in its risk management framework in a forward-looking approach. ING's climate risk programme helps measure the impact of climate change on its loan book. ING follows guidance from the ECB and the Taskforce for Climate-Related Financial Disclosure on how banks are expected to prudently manage and transparently disclose climate-related and environmental risks under current prudential rules.

Anti-money laundering

As a gatekeeper to the financial system, ING has an important role in protecting society against all types of financial crime. Money laundering is one such crime, existing in and of itself and as a facilitator of other crimes such as people trafficking and drug smuggling.

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 banks in the Netherlands and Germany to jointly monitor transactions and share intelligence, and further professionalising ING's KYC organisation by means of internationally recognised certifications.

In June 2021, the EU presented its action plan for know your customer/anti-money laundering ("**AML**"). This aims to increase harmonisation of rules across member states and proposes direct supervision at EU level for those banks exposed to the highest AML risk. ING welcomes these reforms as they will help improve the current framework and help ING with the operationalisation of new AML measures across its network.

ING is looking into how to deal with the issue of customer tax integrity, (a process accelerated by the Pandora Papers investigation in October 2021), where customer transactions may be legal but are ethically undesirable. ING is exploring different approaches regarding the execution of its risk judgement processes in this area.

Cybersecurity and fraud

Digital technology has connected the world in an unprecedented way. The Covid-19 pandemic has highlighted just how much people rely on the internet to work, socialise and shop. With this increased reliance, comes an increasing risk that some of these digital interactions will be used for criminal purposes. As a result, there are growing societal concerns about increasingly sophisticated cyberattacks as well as around data privacy and protection.

Cybercrime is a growing threat to society and companies in general, and to the financial system in particular, with scams that aim to trick people out of their money. One such scam involves fake bank employees tricking customers into redirecting their savings into a 'safe' account, while phishing scams have evolved from emails to text messages as fraudsters become ever more inventive.

Falling victim to bank fraud can have devastating consequences for customers, not just financially but also on their confidence, mental health and relationships. Raising awareness among customers and employees is an important step in protecting people against crimes like, phishing, spoofing and hacking.

At ING too, there is an increased risk of criminals trying to gain unauthorised access to the bank, whether that's through malware, phishing attacks, identity theft or online fraud. To stay resilient to these increasingly sophisticated crimes, ING takes a multi-faceted approach that aims to anticipate threats, prevent them from becoming reality and so protect its customers. Through collaboration with governments, fintechs and its peers, ING shares knowledge and facilitate security innovation for the bank, its industry and society.

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, 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 (which includes local country versus international transactions) 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 RUB 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 Common 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.

Segment Reporting

The published 2021 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).

ING Bank's segments are based on the internal reporting structure by lines of business.

The Management Board Banking of ING Bank (Chief Operating Decision Maker ("**CODM**")) 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 CODM.

The results for the period for each reportable segment are after intercompany and intersegment eliminations and are those reviewed by the CODM to assess performance of the segments. 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. Total assets by country does not include intercompany balances and reconciles to the total assets in the consolidated statement of financial position of ING Bank.

The following overview 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 2021, income was supported by a EUR 143 million conditional TLTRO III benefit and the recognition of a EUR 72 million receivable related to the insolvency of a financial institution, while expenses included EUR 87 million of regulatory costs due to an incidental 50% increase in the Dutch bank tax as well as a significantly lower VAT refund compared with the previous year. 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). 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 2021, 2020 and 2019.

	1 January to 31 December 2021						
	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	3,290	1,747	1,447	2,712	4,151	268	13,615
- Net fee and commission income	771	519	497	530	1,197	3	3,517

1 January to 31 December 2021

	Retail Banking Netherlands	Retail Banking Belgium	Retail Banking Germany	Retail Other	Wholesale Banking	Corporate Line Banking	Total
			(amounts in millions of euros)				
- Total investment and other income	201	209	65	361	568	(51)	1,354
Total income	**4,262**	**2,475**	**2,009**	**3,602**	**5,916**	**221**	**18,485**
Expenditure:							
- Operating expenses	2,403	1,667	1,174	2,452	2,926	574	11,195
- Additions to loan loss provision	(76)	225	49	202	117		516
Total expenditure	**2,326**	**1,892**	**1,223**	**2,654**	**3,042**	**574**	**11,711**
Result before taxation	1,936	583	786	949	2,874	(353)	6,774
Taxation	499	146	252	212	703	64	1,876
Non-controlling interests			4	98	26		128
Net result IFRS-EU	**1,437**	**437**	**529**	**639**	**2,144**	**(417)**	**4,770**

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**

Year ended 31 December 2021 compared to year ended 31 December 2020

ING Bank's IFRS-EU net result rose to EUR 4,770 million from EUR 2,415 million in 2020. The effective tax rate in 2021 was 27.7%, down from 34.6% in 2020. The lower effective tax rate was mainly caused by the reduced impact of non-deductible amounts, whereas 2020 had included the non-deductible impairments on goodwill and on our stake in TTB (previously referred to as TMB).

The result before tax increased 77.8% to EUR 6,774 million in 2021 from EUR 3,810 million in 2020, predominantly due to lower risk costs reflecting improved macroeconomic indicators, as well as higher income. Net core lending growth (adjusted for currency impacts, and excluding Treasury and the run-off portfolios) was EUR 30.6 billion, and net core deposits growth was EUR 10.3 billion. At year-end, the global retail customer base declined to 38.2 million, mainly by exiting the Austrian and Czech retail banking markets. The number of primary customers, however, rose during the year by 481,000 to 14.3 million.

Income rose 4.8% to EUR 18,485 million in 2021 from EUR 17,645 million in 2020. Income was supported by the recognition of a EUR 483 million conditional TLTRO III benefit, which also included the impact of the retroactive adjustment in the ECB funding rate as from 24 June 2020. The increase in income was mainly in Wholesale Banking, due to higher revenues in all product groups, while the higher income in Corporate Line was supported by the recognition of EUR 72 million receivable related to the insolvency of a financial institution in the Netherlands and higher interest results from foreign currency ratio hedging. Income at Retail Banking slightly increased as strong growth in fee income and the impact of the impairment on ING's equity stake in TTB recorded in 2020, was largely offset by the continued margin pressure on liabilities.

Net interest income increased 0.1% to EUR 13,615 million, and was supported by the EUR 483 million conditional TLTRO III benefit. Higher interest results were recorded on lending products (driven by a higher total lending margin), but also in Treasury, Financial Markets and Corporate Line. These increases were offset by lower revenues on current accounts and savings, reflecting continued liability margin pressure. ING Bank's overall net interest margin declined to 1.39% from 1.43% in 2020.

Net fee and commission income increased 16.8% to EUR 3,517 million from EUR 3,011 million in 2020. In Retail Banking, net fee and commission income rose by EUR 374 million, or 19.2%. This increase was mainly in daily banking, reflecting higher packages fees, recovery of payment transactions and new fee introductions, as well as higher fees from investment products due to new account openings, a higher number of trades and higher assets under management. Total fee income in Wholesale Banking increased by EUR 128 million, or 12.0%, mainly in Trade & Commodity Finance as a result of higher average oil prices as well as increased daily banking fees and higher fee income in Global Capital Markets and Corporate Finance.

Total investment and other income rose to EUR 1,354 million in 2021 from EUR 1,034 million in 2020. The increase was mainly caused by the recognition of a EUR 72 million receivable (recorded in Corporate Line) related to the expected recovery of the insolvency of a financial institution in the Netherlands, while previous year included the EUR 230 million impairment on ING's equity stake in TTB (recorded in Retail Banking) as well as a EUR 58 million decrease of the NN Group indemnity receivable following the settlement of a tax dispute in Australia, which was offset by an comparable amount in the tax line (recorded in Corporate Line).

Operating expenses increased by EUR 35 million, or 0.3%, to EUR 11,195 million. Expenses in 2021 included EUR 1,265 million of regulatory costs, up from EUR 1,105 million in previous year, among others due to an incidental 50% increase in the Dutch bank tax for 2021. Expenses in 2021 furthermore included EUR 522 million of incidental items, mainly reflecting a EUR 180 million provision for compensation to Dutch customers with certain consumer credit products, redundancy provisions and impairments related to the announced exit of the retail banking markets in France and Czech Republic, the accelerated closure of branches in the Netherlands, and some other impairments. Incidental items in 2020 amounted to EUR 673 million, 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). Expenses excluding regulatory costs and incidental items increased by EUR 25 million, or 0.3%, as the impact of collective-labour-agreement (CLA) salary increases and higher performance-related expenses and IT costs was largely offset by the impact of continued cost-efficiency measures. The cost/income ratio was 60.6% in 2021 versus 63.2% in 2020.

Net additions to loan loss provisions declined to EUR 516 million, or 8 basis points of average customer lending, compared with EUR 2,675 million, or 43 basis points, in 2020. Risk costs in 2021 were primarily driven by additions to Stage 3 provisions and included several model updates in Retail Belgium as well as additional provisioning from updated recovery scenarios of existing, mainly Wholesale Banking clients, reflecting uncertainty on recovery scenarios and valuation in certain asset classes. Provisioning in Stage 1 and 2 was reduced, mainly due to releases from management adjustments taken in previous year. It further reflects clients being removed from the watch list and moving back to Stage 1.

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 TTB.

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 TTB, 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 TTB, 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.

Retail Netherlands

	2021	2020	2019
	(amounts in millions of euros)		
Income:			
Net interest income	3,290	3,511	3,541
Net fee and commission income	771	681	674
Investment income and other income	201	279	290
Total income	**4,262**	**4,471**	**4,505**
Expenditure:			
Operating expenses	2,403	2,236	2,210
Additions to the provision for loan losses	(76)	157	91
Total expenditure	**2,326**	**2,393**	**2,301**
Result before tax	**1,936**	**2,078**	**2,204**
Taxation	499	523	558
Non-controlling interests		(1)	(0)
Net result IFRS-EU	**1,437**	**1,556**	**1,646**

Year ended 31 December 2021 compared to year ended 31 December 2020

The net result of Retail Netherlands decreased by EUR 119 million, or 7.6%, to EUR 1,437 million in 2021 from EUR 1,556 million in 2020.

The result before tax declined 6.8% to EUR 1,936 million from EUR 2,078 million in 2020. This decline was caused by lower income mainly due to lower margins on customer deposits combined with higher expenses which included several incidental cost items, partly offset by lower risk costs.

Total income declined by EUR 209 million, or 4.7%, to EUR 4,262 million compared with EUR 4,471 million in 2020. Net interest income declined 6.3%, despite the recognition of a EUR 53 million conditional TLTRO III benefit and an increased charging on negative interest rates. This decline was predominantly due to continued margin pressure on savings and current accounts combined with lower interest results from lending products. Net core lending (which excludes Treasury products and a EUR 1.1 billion decline in the WUB run-off portfolio) grew by EUR 0.8 billion in 2021, of which EUR 1.5 billion was in residential mortgages and EUR -0.7 billion in other lending. Net core deposits growth (excluding Treasury) was EUR 14.8 billion, predominantly in current accounts. Net fee and commission income increased by EUR 90 million, or 13.2%, mainly due to higher fee income in daily banking products, supported by increased fees for payment packages, and higher fees on investment products. Investment and other income was EUR 78 million lower, mainly attributable to lower results from Treasury-related products.

Operating expenses rose by EUR 167 million, or 7.5%, to EUR 2,403 million from EUR 2,236 million in 2020. The increase was mainly due to a EUR 180 million provision for compensation to customers with certain consumer credit products, and EUR 109 million of redundancy provisions and costs related to the retail advice organization in the Netherlands and the accelerated closure of branches, while 2020 included EUR 29 million of provisions. Excluding these incidental items, expenses declined by EUR 93 million, or 4.2%, mainly due to lower external staff costs and lower allocated group overhead expenses, partly offset by increased regulatory costs.

The addition to loan loss provisions was a net release of EUR 76 million, or -5 basis points of average customer lending, compared with a net addition of EUR 157 million, or 10 basis points, in previous year. In 2021, net releases in the mortgage and business lending portfolios, more than offset a net addition in the consumer lending portfolio.

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.

Retail Belgium

	2021	2020	2019
	(amounts in millions of euros)		
Income:			
Net interest income	1,747	1,816	1,907
Net fee and commission income	519	413	374
Investment income and other income	209	145	161
Total income	**2,475**	**2,373**	**2,442**

	2021	2020	2019
	(amounts in millions of euros)		
Expenditure:			
Operating expenses	1,667	1,737	1,609
Additions to the provision for loan losses	225	514	186
Total expenditure	**1,892**	**2,251**	**1,794**
Result before tax	**583**	**122**	**647**
Taxation	146	51	192
Non-controlling interests		0	0
Net result IFRS-EU	**437**	**71**	**455**

Year ended 31 December 2021 compared to year ended 31 December 2020

The net result of Retail Belgium (including ING in Luxembourg) increased by EUR 366 million to EUR 437 million in 2021 from EUR 71 million in 2020.

The result before tax of Retail Belgium rose to EUR 583 million, compared with EUR 122 million in 2020. The increase was attributable to lower risk costs, combined with higher income and lower expenses.

Income rose by EUR 102 million, or 4.3%, to EUR 2,475 million from EUR 2,373 million in 2020. Net interest income was 3.8% lower at EUR 1,747 million, despite the recognition of a EUR 76 million conditional TLTRO III benefit and the introduction of negative interest rates. The decline reflects lower margins on savings and current accounts and lower interest result from lending products. Net core lending (excluding Treasury) increased by EUR 0.4 billion in 2021, of which EUR 0.9 billion was in mortgages, and EUR -0.5 billion in other lending. Net core deposits (excluding Treasury) declined by EUR 2.6 billion, predominantly in savings and deposits. Net fee and commission income rose by EUR 106 million, or 25.7%, mainly driven by higher daily banking fees and the strong performance in investment products. Investment and other income increased by EUR 64 million, mainly due to positive treasury-related fair value adjustments and a EUR 25 million capital gain on the sale of an associate.

Operating expenses declined by EUR 70 million, mainly due to a EUR 43 million goodwill impairment and EUR 40 million of restructuring costs, both recorded in 2020. Excluding these incidental items, expenses increased by 0.8%, mainly due to higher regulatory costs, partly offset by lower staff expenses.

The addition to the provision for loan losses declined to EUR 225 million, or 25 basis points of average customer lending, from EUR 514 million, or 57 basis points, in 2020. Risk costs in 2021 mainly included collective provisioning to accommodate for an update of models and Stage 3 additions for specific files, partly offset by a partial release of management adjustment applied in 2020.

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.

Retail Germany

	2021	**2020**	**2019**
		(amounts in millions of euros)	
Income:			
Net interest income	1,447	1,587	1,579
Net fee and commission income	497	437	268
Investment income and other income	65	93	138
Total income	**2,009**	**2,117**	**1,985**
Expenditure:			
Operating expenses	1,174	1,110	1,080
Additions to the provision for loan losses	49	57	(53)
Total expenditure	**1,223**	**1,167**	**1,027**
Result before tax	**786**	**950**	**957**
Taxation	252	331	328
Non-controlling interests	4	4	3
Net result IFRS-EU	**529**	**615**	**627**

Year ended 31 December 2021 compared to year ended 31 December 2020

The net result of Retail Germany (including ING in Austria) decreased by EUR 86 million, or 14.0%, to EUR 529 million in 2021 from EUR 615 million in 2020.

The result before tax declined 17.3% to EUR 786 million, compared with EUR 950 million in 2020, mainly due to lower income and increased expenses.

Total income fell 5.1% to EUR 2,009 million from EUR 2,117 million in 2020. Net interest income declined 8.8% as higher revenues from lending products and the recognition of a EUR 16 million conditional TLTRO III benefit was more than offset by the impact of the continued margin pressure on savings and current accounts. In 2021, net core lending growth (which excludes Treasury products, and the Austrian run-off portfolio as from the second quarter of 2021) was EUR 7.8 billion, of which EUR 6.8 billion was in residential mortgages and EUR 0.9 billion in consumer lending. Net core deposits declined by EUR 3.8 billion due to net outflows in the second half of the year, primarily reflecting the impact of the introduction of negative interest rate charging to clients with liability balances above EUR 50,000 as of November 2021. Net fee income rose by EUR 60 million, or 13.7%, predominantly on investment products, reflecting higher assets under management, new account openings and higher number of brokerage trades. Investment and other income declined by EUR 28 million due to a EUR 26 million one-off loss related to the transfer of the Austrian Retail Banking activities to bank99 in December 2021.

Operating expenses increased by EUR 64 million, or 5.8%, to EUR 1,174 million in 2021, of which EUR 36 million was due to higher regulatory costs, which included a catch-up following the Greensill insolvency. The remaining cost increase was mainly due to higher staff expenses and costs related to the discontinuation of the Austrian Retail Banking activities.

The addition to the provision for loan losses was EUR 49 million, or 5 basis points of average customer lending, compared with EUR 57 million, or 6 basis points, in 2020.

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.

Retail Other

	2021	2020	2019
	(amounts in millions of euros)		
Income:			
Net interest income	2,712	2,760	2,787
Net fee and commission income	530	412	423
Investment income and other income	361	89	298
Total income	**3,602**	**3,261**	**3,509**
Expenditure:			
Operating expenses	2,452	2,469	2,210
Additions to the provision for loan losses	202	593	364
Total expenditure	**2,654**	**3,063**	**2,574**
Result before tax	**949**	**199**	**935**
Taxation	212	105	234
Non-controlling interests	98	55	82
Net result IFRS-EU	**639**	**39**	**619**

Year ended 31 December 2021 compared to year ended 31 December 2020

Retail Other consists of the Other Challengers & Growth Markets, including the bank stakes in Asia. The net result of Retail Other increased to EUR 639 million in 2021, from EUR 39 million in 2020.

Retail Others' result before tax rose to EUR 949 million, from EUR 199 million in 2020, mainly reflecting higher income, driven by strong fee income growth, whereas 2020 included a EUR 230 million impairment on ING's equity stake in TTB (Thailand) and lower risk costs.

Total income rose by EUR 341 million to EUR 3,602 million from EUR 3,261 million in 2020. Excluding the impairment on TTB, total income increased by EUR 111 million, or 3.2%. Net interest income was down 1.7% to EUR 2,712 million, mainly reflecting lower margins on savings and current accounts, partly offset by higher interest results from lending products and a EUR 7 million TLTRO III benefit. Net customer lending (adjusted for currency effects and Treasury) grew by EUR 8.5 billion in 2021, with growth in all countries, except Italy. Net core deposits growth, also adjusted for currency impacts and Treasury as well as the Czech Republic run-off portfolio, was EUR 4.4 billion, driven by net inflows in the non-eurozone countries with the largest increase in Poland. Net fee and commission income rose by EUR 118 million, or 28.6%, to EUR 530 million in 2021. The increase was mainly due to higher fee income from daily banking, investment and insurance products, and was mainly visible in Spain, Poland and Romania. Excluding the aforementioned impairment on TTB in 2020, investment and other income increased by EUR 42 million, mainly due to higher revenues from Financial Markets-related products.

Operating expenses declined by EUR 17 million, or 0.7%, to EUR 2,452 million from EUR 2,469 million in 2020. In 2021, expenses included EUR 166 million of incidental items, mainly consisting of restructuring provisions and impairments related to the announcements that ING will exit the Retail Banking markets in France and the Czech Republic, while 2020 included EUR 167 million of impairments and restructuring provisions mainly related to the Maggie programme. Excluding these incidental items, expenses declined by EUR 16 million as higher staff expenses and legal provisions, were more than offset by among others lower IT and marketing expenses as well as lower regulatory costs.

The addition to loan loss provisions declined by EUR 391 million on 2020 to EUR 202 million, or 20 basis points of average customer lending.

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 TTB 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 TTB. 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.

Wholesale Banking

	2021	2020	2019
	(amounts in millions of euros)		
Income:			
Net interest income	4,151	3,718	3,794
Net fee and commission income	1,197	1,069	1,135
Investment income and other income	568	609	369
Total income	**5,916**	**5,396**	**5,298**
Expenditure:			
Operating expenses	2,926	3,218	2,937
Additions to the provision for loan losses	117	1,351	532
Total expenditure	**3,042**	**4,568**	**3,469**
Result before tax	**2,874**	**827**	**1,830**
Taxation	703	295	464
Non-controlling interests	26	20	14
Net result IFRS-EU	**2,144**	**512**	**1,352**

Year ended 31 December 2021 compared to year ended 31 December 2020

The 2021 result of Wholesale Banking also strongly recovered from the previous year when results were negatively affected by the impact of the Covid-19 pandemic. The net result increased to EUR 2,144 million from EUR 512 million in 2020. The result before tax rose 247.5% to EUR 2,874 million from EUR 827 million in 2020. The increase was predominantly due to lower risk costs and higher income, while operating expenses declined due to lower incidental cost items. Total income rose 9.6% to EUR 5,916 million in 2021, compared with EUR 5,396 million in 2020, reflecting higher revenues in all product groups, with the largest increases in Lending, and Daily Banking & Trade Finance. Net interest income increased by EUR 433 million, or 11.6%, and was supported by a EUR 188 million conditional TLTRO III benefit. The increase was mainly due to higher margins on lending products and increased interest results from Treasury and Financial Markets, while the margin on customer deposits stabilised due to the increased charging of negative interest rates. The net core lending book (adjusted for currency impacts and excluding Treasury and the Lease run-off portfolio) grew by EUR 13.1 billion in 2021, mainly in Lending, primarily reflecting growth in term loans, and higher short-term facilities in Financial Markets. Net core deposits (excluding currency impacts and Treasury) decreased by EUR 2.6 billion. Net fee and commission income rose by EUR 128 million, or 12.0%, on 2020, mainly due to higher fee income in Trade & Commodity Finance on the back of higher oil prices, various fee and pricing initiatives in Payments & Cash Management and higher deal flows in Global Capital Markets and Corporate Finance. Investment and other income decreased by EUR 41 million, primarily due to lower valuation results in Financial Markets, partly offset by higher income in Corporate Investments.

Operating expenses declined 9.1% to EUR 2,926 million from EUR 3,218 million in 2020. Expenses in 2021 included a EUR 44 million impairment on Payvision, while 2020 included a EUR 260 million goodwill impairment and EUR 124 million of restructuring provisions and impairments. Excluding these incidental items, expenses increased 1.7%, mainly due to higher performance-related staff expenses and increased costs for legal provisions and IT, partly offset by the impact of continued cost-efficiency measures.

The net addition to loan loss provisions fell to EUR 117 million, or 7 basis points of average customer lending, compared with EUR 1,351 million, or 75 basis points, in 2020. Risk costs in 2021 mainly reflect individual Stage 3 provisioning for existing files, including the impact of updated scenarios reflecting uncertainty in recovery scenarios and valuations in certain asset classes. This was partly offset by releases in management adjustments caused by improved macroeconomic indicators.

Lending posted a result before tax of EUR 2,141 million, up from EUR 691 million in 2020, predominantly due to lower risk costs compared with the elevated level in 2020. Lending income rose by EUR 231 million, or 8.0%, and was supported by the recognition of a EUR 100 million conditional TLTRO III benefit. The increase was mainly due to higher lending margins and increased syndicated deal activity. Expenses increased 0.4% to EUR 983 million as higher performance-related staff expenses were offset by the impact of cost-efficiency measures.

The result before tax from Daily Banking & Trade Finance rose to EUR 375 million from EUR 246 million in 2020. This increase was due to higher income, supported by the recognition of a EUR 24 million conditional TLTRO III benefit, partly offset by higher expenses and risk costs. Income increased 13.3%, mainly in Trade & Commodity Finance on the back of higher average oil prices and in Payments & Cash Management following various fee and pricing initiatives. Expenses rose 2.6%, mainly due to higher regulatory costs, partly offset by lower staff and IT expenses.

Financial Markets recorded a result before tax of EUR 278 million, compared with EUR 230 million in 2020. The increase was mainly due to higher income, which was supported by the recognition of a EUR 60 million conditional TLTRO III benefit and higher net fee income, partly offset by lower valuation results. The increase in income was partly offset by higher expenses, mainly due to higher performance-related staff expenses.

The result before tax of Treasury & Other was EUR 80 million compared with a loss of EUR 339 million in 2020. The improvement was mainly due to lower expenses, as 2020 included a EUR 260 million goodwill impairment and EUR 95 million of restructuring provisions and related impairments following the announced refocusing of activities. Excluding these incidental items, result before tax rose by EUR 64 million, mainly due to higher Treasury income as well as higher income in Corporate Investments, which was supported by a EUR 28 million gain on an investment in an associate, and Corporate Finance.

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.

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 48 – Capital Management" in the 2021 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 2021 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 2021 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 2021 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 2021 Annual Report, which is incorporated by reference into this Registration Document.

ING Bank Consolidated Cash Flows

	2021	**2020**	**2019**
	(amounts in millions of euros)		
Treasury bills and other eligible bills	23	0	43
Amounts due from/to banks	1,121	477	784
Cash and balances with central banks	106,520	111,087	53,202
Cash and cash equivalents at end of year	**107,664**	**111,565**	**54,029**

Year ended 31 December 2021 compared to year ended 31 December 2020

Net cash flow from operating activities amounts to EUR -7,869 million for the year-end 2021, compared to EUR 103,179 million at 31 December 2020. The decrease in cash flow from operating activities of EUR 111,048 million in 2021 is explained by lower cash inflows from Loans and advances to/from banks (EUR 44,376 million), higher cash outflows to loans and advances to customers (EUR 30,660 million), lower cash inflows from customer deposits (EUR 22,237 million) and higher cash outflows to Trading assets and liabilities (EUR 8,195 million).

Net cash flow from investing activities amounts to EUR 6,220 million for the year-end 2021 compared to EUR -8,487 million in 2020. The net cash flow from investing activities increased by EUR 14,707 million and is explained by a net increase from Securities at amortised costs of EUR 7,592 million and from Financial assets at fair value through OCI of EUR 6,942 million.

Net cash flow from financing activities amounts to EUR 1,686 million in 2021, compared to EUR -34,732 million in 2020. The increase of EUR 38,418 million is explained by a net increase of EUR 37,091 million of debt securities offset by higher dividend payments of EUR 3,119 million.

The operating, investing and financing activities described above result in a decrease of EUR 3,335 million in cash and cash equivalents to EUR 107,665.

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.

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 2021, 2020 and 2019 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								
	2021			**2020**			**2019**		
	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	2,818	33	1.2	3,495	39	1.1	4,516	49	1.1
foreign	3,718	41	1.1	4,788	57	1.2	4,433	121	2.7
Loans and advances									
domestic	187,928	4,344	2.3	190,080	4,870	2.6	192,706	5,766	3.0
foreign	438,743	9,470	2.2	433,080	10,709	2.5	429,902	13,027	3.0
Securities purchased with agreements to resell									
domestic	3,768	0	0.0	5,242	3	0.1	3,722	52	1.4
foreign	61,137	322	0.5	55,682	573	1.0	63,337	1,939	3.1
Interest-earning securities[1]									
domestic	31,662	242	0.8	33,400	313	0.9	29,892	347	1.2
foreign	53,276	622	1.2	54,542	708	1.3	50,156	917	1.8
Other interest-earning assets									

	Interest-earning assets								
	2021			**2020**			**2019**		
	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	50,712	13	0.0	43,416	27	0.1	30,657	56	0.2
foreign	71,055	56	0.1	48,453	44	0.1	24,978	66	0.3
Total	**904,815**	**15,145**	**1.7**	**872,180**	**17,343**	**2.0**	**834,299**	**22,341**	**2.7**
Non-interest earning assets	50,679			48,015			53,799		
Derivatives assets	23,505			29,458			25,336		
Total assets	978,999			949,652			913,434		
Percentage of assets applicable to foreign operations		68.9%			69.7%			70.0%	
Interest income on derivatives		4,386			4,548			5,501	
Other		1,600			820			623	
Total interest income		21,131			22,711			28,465	

Notes:

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

Liabilities

	Interest-bearing liabilities								
	2021			2020			2019		
	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	51,928	3	0.0	35,079	10	0.0	17,673	28	0.2
foreign	24,497	76	0.3	18,888	123	0.7	14,270	200	1.4
Demand deposits									
domestic	98,710	110	0.1	82,911	121	0.1	66,811	498	0.7
foreign	144,706	19	0.0	124,337	12	0.0	108,193	32	0.0
Time deposits(1)									
domestic	19,776	55	0.3	18,619	149	0.8	20,490	359	1.8
foreign	5,926	90	1.5	9,538	132	1.4	14,114	300	2.1
Savings deposits									
domestic	97,926	71	0.1	95,559	90	0.1	94,029	115	0.1
foreign	257,629	534	0.2	267,734	701	0.3	266,430	1,323	0.5
Securities sold under agreements to repurchase									
domestic	3,205	0	0.0	0	0	0.0	36	33	92.8
foreign	55,300	133	0.2	46,225	317	0.7	52,158	1,429	2.7
Commercial paper									
domestic	2,712	3	0.1	10,127	12	0.1	13,554	21	0.2
foreign	12,873	23	0.2	13,360	163	1.2	14,143	350	2.5
Short term debt									
domestic	3,484	7	0.2	8,995	97	1.1	9,005	159	1.8
foreign	4,190	11	0.3	3,389	28	0.8	3,784	55	1.5
Long term debt									
domestic	55,473	1,163	2.1	64,379	1,383	2.1	71,973	1,697	2.4
foreign	14,490	168	1.2	14,994	234	1.6	14,110	317	2.2
Subordinated liabilities									
domestic	15,452	575	3.7	16,725	617	3.7	15,229	658	4.3
foreign	0	0	0.0	0			77	3	4.3
Other interest-bearing liabilities									
domestic	3,470	12	0.4	2,960	31	1.1	1,472	113	7.6
foreign	6,557	28	0.4	8,173	44	0.5	9,101	121	1.3
Total	**878,304**	**3,082**	**0.4**	**841,992**	**4,263**	**0.5**	**806,654**	**7,810**	**1.0**

	Interest-bearing liabilities								
	2021			2020			2019		
	Average balance	Interest expense	Average yield	Average balance	Interest expense	Average yield	Average balance	Interest expense	Average yield
Non-interest bearing liabilities	30,707			31,904			35,119		
Derivatives liabilities	21,173			27,235			24,380		
Total Liabilities	**930,184**			**901,131**			866,153		
Group Capital	48,815			48,522			47,230		
Total liabilities and capital	**978,999**			**949,652**			**913,382**		
Percentage of liabilities applicable to foreign operations		59.9%			61.8%			63.0%	
Other interest expense									
Interest expenses on derivatives		3,305			4,227			5,927	
other		1,130			620			654	
Total interest expense		7,516			9,110			14,391	
Total net interest result		**13,615**			**13,600**			**14,074**	

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 2021 Annual Report, which are incorporated by reference into this Registration Document.

	2021 over 2020			2020 over 2019		
	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	(8)	1	(6)	(11)	1	(10)
foreign	(13)	(3)	(16)	10	(74)	(64)
Loans and advances						
domestic	(55)	(470)	(525)	(79)	(818)	(896)
foreign	140	(1,379)	(1,239)	96	(2,414)	(2,318)
Securities purchased with agreements to resell						
domestic	(1)	(2)	(3)	21	(69)	(48)
foreign	56	(307)	(251)	(234)	(1,132)	(1,366)
Interest-earning securities						
Domestic	(16)	(55)	(71)	41	(75)	(35)
foreign	(16)	(69)	(85)	80	(290)	(210)
Other interest-earning assets						
domestic	5	(18)	(14)	23	(52)	(29)
foreign	20	(8)	12	62	(84)	(22)
Interest income						
domestic	(75)	(544)	(619)	(4)	(1,014)	(1,018)
foreign	187	(1,766)	(1,579)	14	(3,994)	(3,980)
Total	**112**	**(2,310)**	**(2,198)**	**9**	**(5,007)**	**(4,998)**
Other interest income			618			(756)
Total interest income			**(1,579)**			**(5,754)**

	2021 over 2020			**2020 over 2019**		
	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	5	(12)	(7)	28	(46)	(18)
foreign	36	(83)	(47)	65	(142)	(77)
Demand deposits						
domestic	23	(35)	(12)	120	(497)	(377)
foreign	2	5	7	5	(24)	(20)
Time deposits						
domestic	9	(103)	(94)	(33)	(177)	(210)
foreign	(50)	8	(42)	(97)	(70)	(167)
Savings deposits						
domestic	2	(21)	(18)	2	(28)	(26)
foreign	(26)	(141)	(167)	6	(628)	(621)

Short term debt						
domestic	(59)	(31)	(90)	(0)	(62)	(62)
foreign	7	(23)	(17)	(6)	(22)	(27)
Securities sold under agreements to repurchase						
domestic	(145)	144	(0)	(41)	8	(33)
foreign	62	(245)	(183)	(162)	(950)	(1,113)
Commercial paper						
domestic	(8)	(1)	(9)	(5)	(4)	(10)
foreign	(6)	(134)	(140)	(19)	(168)	(187)
Long term debt						
domestic	(191)	(29)	(220)	(179)	(135)	(314)
foreign	(8)	(58)	(66)	20	(103)	(83)
Subordinated liabilities						
domestic	(47)	5	(42)	65	(105)	(41)
foreign	0	0	0	(3)	0	(3)
Other interest-bearing liabilities						
domestic	5	(24)	(19)	114	(195)	(81)
foreign	(9)	(7)	(16)	(12)	(64)	(77)
Interest expense						
domestic	(406)	(105)	(510)	70	(1,242)	(1,171)
foreign	8	(679)	(671)	(205)	(2,171)	(2,376)
Total	**(397)**	**(784)**	**(1,181)**	**(134)**	**(3,413)**	**(3,547)**
Other interest expense	–	–	(413)	–	–	(1,733)
Total interest expense	**–**	**–**	**(1,594)**	**–**	**–**	**(5,280**
Net interest						
domestic	330	(439)	(109)	(75)	228	153
foreign	179	(1,087)	(908)	218	(1,822)	(1,604)
Net interest	**509**	**(1,526)**	**(1,016)**	**143**	**(1,594)**	**(1,451)**
Other net interest result	–	–	1,031	–	–	977
Net interest result	**–**	**–**	**15**	**–**	**–**	**(474)**

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

	2021	**2020**
	Average rate	
	(%)	
Interest spread		
Domestic	1.1	1.2
Foreign	1.5	1.7
Total	1.3	1.5

	2021	2020
	Average rate	
	(%)	
Net interest margin		
Domestic	1.0	1.0
Foreign	1.5	1.7
Total	1.3	1.5

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	2.61%	2.02%	1.34%	3.00%
Sub-sovereign, Supranationals and Agencies	3.01%	2.40%	0.51%	0.66%
Covered bonds	0.73%	0.28%	0.21%	
Corporate bonds	0.88%	0.82%	0.13%	
Financial institutions bonds	0.47%	1.25%	0.06%	
ABS portfolio		0.14%	0.11%	0.13%

Note:

(2) 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	2.13%	2.44%	1.18%	4.43%
Sub-sovereign, Supranationals and Agencies	2.07%	1.37%	0.42%	0.40%
Covered bonds	0.67%	0.37%	0.10%	
Corporate bonds	1.25%	0.12%	0.67%	

	1 year or less	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Financial institutions bonds	0.52%	1.11%	0.18%	
ABS portfolio		0.02%	1.20%	0.69%

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 2021.

	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	1,028	2,323	9,499	10,920	23,770
Loans secured by mortgages	5,857	20,675	43,806	46,329	116,667
Loans guaranteed by credit institutions	6,362	900	16	-	7,278
Other private lending	859	835	704	179	2,577
Other corporate lending	25,550	14,348	2,647	274	42,819
Total domestic offices	**39,656**	**39,081**	**56,672**	**57,702**	**193,111**
By foreign offices:					
Loans guaranteed by public authorities	3,970	6,297	6,353	942	17,563
Loans secured by mortgages	25,805	64,334	85,516	74,656	250,312
Loans guaranteed by credit institutions	16,938	2,039	1,362	2,277	22,616
Other private lending	6,941	12,279	3,784	1,679	24,682
Other corporate lending	62,708	67,958	16,702	785	148,153
Total foreign offices	**116,362**	**152,907**	**113,717**	**80,339**	**463,325**
Total gross loans and advances to banks and customers	**156,018**	**191,988**	**170,389**	**138,041**	**656,436**

The following table analyses loans and advances to banks and customers by interest rate sensitivity by maturity as of 31 December 2021 (amounts may not add up due to rounding).

	Predetermined interest rates	**Floating or adjustable interest rates** (1)
Loans guaranteed by public authorities	27,230	9,106
Loans secured by mortgages	236,205	99,133
Loans guaranteed by credit institutions	3,309	3,262
Other private lending	15,789	3,671
Other corporate lending	19,727	82,987
Total	**302,259**	**198,159**

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 2021, 2020 and 2019.

	2021	**2020**	**2019**
	(amounts in millions of euros)		
Balance on 1 January	5,854	4,645	4,568
Effect of changes in accounting policy			
Change in the composition of the Group			
Write-offs	(854)	(1,200)	(1,030)
Recoveries	45	39	55
Net write-offs	(809)	(1,160)	(975)
Additions and other adjustments (included in value Adjustments to receivables of the Banking operations)	324	2,369	1,052
Balance on 31 December	**5,368**	**5,854**	**4,645**
Average loans and advances to banks and customers	**645,127**	**647,419**	**619,135**
Ratio of net charge-offs to average loans and advances to banks and customers	**0.13%**	**0.15%**	**0.16%**
Ratio of allowance for credit losses to total loans and advances to banks and customers outstanding	**0.82%**	**0.71%**	**0.73%**

Although Covid-19 has had a negative impact on the global economy, defaults in ING's portfolio have been limited in 2021. This both reflects the quality of its loan portfolio and the impact of government support schemes. However, due to the ongoing pandemic as well as strained supply chains, staffing shortage and rising prices, uncertainty remains. As it is expected that additional defaults as a result of the Covid-19 crisis will still come in, especially in certain sectors, a sector-based management adjustment was calculated. Risk costs further include management adjustment related to residential mortgages to reflect the potential impact of higher inflation and rising interest rates on customers' ability to pay and expected negative impact on property valuations. Reference is made to Note 1 'Basis of preparation and significant accounting policies' and 'Additional information – Risk Management' in the 2021 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 2021 Annual Report, which is incorporated by reference into this Registration Document.

For the years ended 31 December 2021, 2020 and 2019 the aggregate amount of deposits by foreign depositors in domestic offices was EUR 29,696 million, EUR 27,850 million and EUR 27,649 million, respectively.

Uninsured deposits

For the years ended 31 December 2021 and 2020 the amount of uninsured deposits, which were not covered by deposit guarantee schemes ("**DGS**"), was EUR 162,983 million and EUR 171,802 million, respectively.

The 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 2021, 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	1,954	18,381
6 months or less but over 3 months	416	3,140
12 months or less but over 6 months	467	1,138
Over 12 months	542	69,525
Total	**3,380**	**92,184**

For further detailed information on deposits reference is made to Note 12 'Deposits from banks' and Note 13 'Customer deposits' in the 2021 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 25 March 2022 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 A1 (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 2021.

At the date hereof, there has been no material adverse change in the prospects of ING Bank N.V. since 31 December 2021.

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. Certain parties 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.

In January 2022, a Luxembourg investigating judge informed ING Luxembourg that he intends to instruct the relevant prosecutor to prepare a criminal indictment regarding alleged shortcomings in AML process at ING Luxembourg. Although this matter remains at an early procedural stage and it is currently not possible to determine how this matter will be resolved or the timing of any such resolution, ING does not expect a financial outcome of this matter to have a material effect.

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, 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 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. In

April 2021, the defendants filed a petition for rehearing with the Second Circuit court. In May 2021, the Second Circuit court denied the defendants' petition. In August 2021, plaintiffs and ING executed a binding settlement term sheet. Accordingly, plaintiffs and ING jointly asked the Court to stay all litigation proceedings and deadlines applicable to plaintiffs and ING pending drafting, execution and presentment for approval of a formal class settlement agreement. ING has taken a provision for the settlement amount.

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.

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 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. 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. Media attention for the statute of limitations applicable to the right to claim reimbursement of costs resulted in an increased number of claims at the beginning of 2021. In June 2021, the Supreme Court published a press release informing of its decision to ask the European Court of Justice for a preliminary ruling regarding the criteria that should be applied to determine the date from which the action for claiming the reimbursement of mortgage expenses is considered to be expired. 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. A provision has been established in the past and has been adjusted where appropriate.

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. 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. In 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. ING subsequently entered into a tolling agreement, which expired in December 2021. The defendants named in the amended complaint have now settled that litigation.

Claims regarding mortgage loans in Swiss franc in Poland: ING Poland is a defendant in several lawsuits with retail customers who took out mortgage loans indexed to the Swiss franc. Such customers have alleged that the mortgage loan contract contains abusive clauses. One element that the court is expected to consider in determining whether such contracts contain abusive clauses is whether the rules to determine the exchange rate used for the conversion of the loan from Polish zloty to Swiss franc are unambiguous and verifiable. In December 2020, the Polish Financial Supervision Authority (PFSA) proposed that lenders offer borrowers voluntary out-of-court settlements on foreign-currency mortgage disputes, with mortgages indexed to Swiss franc serving as a reference point. In February 2021, ING Poland announced its support for this initiative and in October 2021 began offering the settlements to the borrowers following the PFSA's proposal. ING has recorded a portfolio provision with respect to the claims and the PFSA proposal. The Polish Supreme Court was expected to provide further clarity on this topic in a ruling scheduled for November 2021, however the court's session on this matter was postponed and the date of the next session has not yet been announced.

Certain Consumer Credit Products: In October 2021, ING announced that it would offer compensation to certain of its Dutch retail customers in connection with certain revolving consumer loans with variable interest rates that allegedly did not sufficiently follow market rates. This announcement was made in response to a number of rulings by the Dutch Institute for Financial Disputes (*Kifid*) regarding similar products at other banks. ING currently expects that any such compensation will be paid before the end of 2022. ING has recognized a provision of €180 million in 2021 for compensation and costs in connection with this matter. On 22 December 2021, ING announced that it has reached an agreement with the Dutch Consumers' Association (*Consumentenbond*) on the compensation methodology for revolving credits.

Auditor

The financial statements of the Issuer for the financial years ended 31 December 2021, 31 December 2020 and 31 December 2019, 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 2021 dated 7 March 2022, an unqualified auditor's report with respect to the consolidated financial statements for the financial year ended 31 December 2020 dated 8 March 2021 and an unqualified auditor's report with respect to the consolidated financial statements for the financial year ended 31 December 2019 dated 2 March 2020.

The auditor's report in respect of the financial years ended 31 December 2021, 31 December 2020 and 31 December 2019, 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 3,125 million in 2021, EUR 43 million in 2020, EUR 2,819 million in 2019, EUR 2,517 million in 2018, and EUR 3,176 million in 2017. In February 2022, the Issuer has paid out EUR 934 million of cash dividend to ING Group in relation to the 2021 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

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