Reference is made to Note 1 'Accounting policies' for information on Changes in accounting principles, estimates and presentation of the consolidated financial statements and related notes.

Dividend reported is the amount declared over the year.

Basic earnings per share amounts have been calculated based on the weighted average number of ordinary shares of ING Groep N.V. (“Ordinary Shares”) outstanding during the relevant period. For purposes of this calculation, Ordinary Shares held by Group companies are deducted from the total number of Ordinary Shares in issue. The effect of dilutive securities is also adjusted.

IFRS-IASB Consolidated Balance Sheet Data

as at 31 December	**2019**	**2019**	**2018**	**2017**	**2016**	**2015**
In billions except amounts per share or otherwise indicated	**US$**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Total assets	964.5	888.5	884.6	843.9	842.2	1,002.3
Financial assets at fair value through profit or loss	104.4	96.2	120.5	123.2	122.1	138.0
Loans and advances to customers	660.0	608.0	589.7	571.9	560.2	696.9
Savings accounts	354.6	326.7	322.7	319.7	315.7	305.9
Other deposits and funds	268.8	247.7	233.0	220.1	207.2	358.3
Customer deposits	623.5	574.4	555.7	539.8	522.9	664.2
Deposits from banks	37.8	34.8	37.3	36.8	32.0	33.8
Shareholders' equity	55.4	51.0	49.0	48.4	47.3	45.0
Non-voting equity securities						
Shareholders' equity per Ordinary Share oustanding	14.21	13.09	12.61	12.47	12.19	11.62
Number of Ordinary shares outstanding (in millions)	3,895.8	3,895.8	3,890.6	3,885.8	3,878.5	3,870.2

Euro amounts have been translated into U.S. dollars at the exchange rate of $ 1.0855 to EUR 1.00, the Noon Buying Rate in New York City on 21 February 2020 for cable transfers in euros as certified for customs purposes by the Federal Reserve Bank of New York.

ING has changed its accounting policy for the nettin arrangements in the second quarter of 2016. Loans and advances to customers and December 2015, are adjusted as a result.

The amounts for the period ended 31 December 2019 ar prepared in accordance with IFRS 9. ING Group has applied the and impairment requirements of IFRS 9 retrospectively as of 1 Janua opening balance sheet and opening equity at 1 January 2018. ING Group deci comparative periods as permitted by IFRS 9. Reference is made to Note 1 'Ac information on Changes in accounting principles, estimates and presentation financial statements and related notes.

Shareholders’ equity per ordinary share amounts have number of Ordinary Shares outstanding at the end of the respec

B. Capitalization and indebtedness

This item does not apply to annual reports on Form 2

C. Reasons for the offer and use of proceeds

This item does not apply to annual reports on Form 2

D. Risk Factors

Any of the risks described below could have a materi business activities, financial condition, results and prospects of ING. I risks described below simultaneously and some risks described below the risk factors below have been divided into categories, som in more than one category and investors should carefully consider all in this section. Additional risks of which the Company is not present currently viewed as immaterial, could also affect the business operatio 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.

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

Because we are a financial services company conducting business on a global basis, our 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 we conduct business, and an adverse change in any one region could have an impact on our business, results and financial condition.

Because ING is a multinational banking and financial services corporation, with a global presence and serving around 38.4 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 we operate. In Retail Banking, our products include savings, payments, investments, loans and mortgages in most of our retail markets. In Wholesale Banking, we provide specialised lending, tailored corporate finance, debt and equity market solutions, payments & cash management and trade and treasury services. As a result, negative developments in financial markets and/or regions in which we operate have in the past had and may in the future have a material adverse impact on our business, results and financial condition, including as a result of the potential consequences listed below.

Factors such as interest rates, securities prices, credit spreads, liquidity spreads, exchange rates, consumer spending, changes in client behaviour, business investment, real estate values and private equity valuations, government spending, inflation or deflation, the volatility and strength of the capital markets, political events and trends, terrorism, pandemics and epidemics (such as COVID-19) or other widespread health emergencies all impact the business and economic

environment and, ultimately, our solvency, liquidity
profitability of business
we conduct business or in a specific geographic region. Certain
experienced globally as
well as in specific geographic regions and are descr
under the headings
"–Interest rate volatility and other interest rate c
our business, results
and financial condition", "–Inflation and deflation m
business, results and
financial condition", "–Market conditions, including
few years and the
application of IFRS 9 may increase the risk of loans
negative effect on
our results and financial condition" and "–Continued
instability and fiscal uncertainty
in Europe and the United States, as well as ongoing
markets and the
economy generally have adversely affected, and may c
our business,
results and financial condition".

In case one or more of the factors mentioned above a
profitability of our
business, this might also result, among other things
- reserve and provisions inadequacies, which could u profit and loss and shareholders' equity;
- the write-down of tax assets impacting net results
- impairment expenses related to goodwill and other net result; and/or
- movements in risk weighted assets for the determin

In particular, we are exposed to financial, economic conditions in the Benelux countries and Germany, from which we derive a signif in both Retail Banking and Wholesale Banking, and which present ris Though less material, we also derive substantial revenues in the regions: Turkey, Eastern Europe (primarily Poland among others), Southern Eur others), East Asia (primarily Singapore among others) and Australi economic downturn. In an economic downturn, we expect that hi family income, lower corporate earnings, higher corporate and priva business investments and lower consumer spending would adversely affect t products, and that

ING may need to increase its reserves and provisions, each of which may result in overall lower earnings. 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. We also offer a number of financial products that expose us 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 'Segment Information on geographic areas' to the consolidated financial statements.

Interest rate volatility and other interest rate changes may adversely affect our business, results and financial condition.

Changes in prevailing interest rates may negatively affect our business, including the level of net interest revenue we earn, and the levels of deposits and the demand for loans. A sustained increase in the inflation rate in our principal markets may also negatively affect our 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 our product pricing assumptions may result in mispricing of our products, which could materially and adversely impact our results. On the other hand, recent concerns regarding negative interest rates and the low level of interest rates generally may negatively impact our net interest income, which may have an adverse impact on our profitability.

A prolonged period of low 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 our 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, we may be required to reinvest the proceeds into assets at lower interest rates;
- lower profitability as the result of a decrease in rates earned on assets and the rates paid on savings, current account a
- higher costs for certain derivative instruments th certain of our product risks;
- lower profitability since we may not be able to fu interest rates in our savings rates;
- lower profitability since we may not always be ent customers to compensate for the decline in interest rates;
- lower profitability since we may have to pay a hig contribution scheme in the Netherlands for which the premium pa rate developments and DNB's methodology for determining
- lower interest rates may cause asset margins to dec results. This may for example be the consequence of increased compet result of the low rates, thereby driving margins down; and/or
- (depending on the position) a significant collatera associated with our interest rates hedge programs, which could materiall liquidity and our profitability.

The foregoing impacts have been and may be further a interest rate environment, since we may not be able earn interest reserves), or may be forced to pay negative interest on our assets, while others to hold our liabilities, resulting in an adve interest or no interest to spread and lowering of our net interest income. Furthermore, in the event that environment results in ING depositors being forced to pay a premium to IN depositors may choose to withdraw their deposits in lieu of making would have an adverse effect on our reputation, business, results

Alternatively, any period of rapidly increasing inte

- a decrease in the demand for loans;

- higher interest rates to be paid on debt securities that we have issued or may issue on financial markets from time to time to finance our operations and on savings, which would increase our interest expenses and reduce our results;
- higher interest rates can lead to lower investments prices 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 our 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 our interest rate hedge program.

The default of a major market participant could disrupt the markets and may have an adverse effect on our 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. Even 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 us 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 we interact on a daily basis and financial instruments of sovereigns in which we invest. 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 t to a write-down of loans or securities held by ING. Systemic ri adverse effect on our ability to raise new funding and on our business, re condition. In addition, such distress or failure could impact future product sale reduced confidence in the financial services industry.

Continued risk of political instability and fis and the United as well as ongoing volatility in the fi economy generally have adversely affected, and may cont business, results and financial condition.

Our global business and results are materially affec global capital markets and the economy generally. In Europe, there are cont economic conditions, as well as concerns in relation to Europ uncertain outcome of the negotiations between the UK and the EU following parliament, increasing political instability, levels of unemploy cost of credit, credit spreads, the impact of continued quantitative ea through bond purchases and the ECB's targeted longer-term refin In the United States, fiscal and political uncertainty, US national debt leve and foreign trade policies (including tensions with China a adverse economic developments. In addition, geopolitical issues, incl Middle East, Russia/Ukraine and North Korea may all contribute to global capital markets and the economy generally.

Adverse developments in the market have included, fo liquidity, increased financial volatility, credit downgrade events, and incre for fixed income. Moreover, there is a risk that an advers European sovereign, including a credit rating downgrade or a de broader economic consequences in Europe and elsewhere. In addition, the c factors has resulted in volatility in foreign exchange markets. Secur are more difficult to value and may be hard to dispose of. International equity markets have also continued to experience heightened volatility and turmoil, with issuers, including ourselves, 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 our results, in part because we have 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 Group’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 judgement 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 our exposures to European sovereign debt and other investments.

Any of these general developments in global financia could negatively impact our business, results and financial condit

The uncertainty surrounding the United Kingdom’ European ay have adverse effects on our business, condition.

Although the UK is not a member state of the Eurozon from the EU (commonly referred to as ‘Brexit’) remains a major p whose consequences are not fully known or understood and m Eurozone. The UK withdrew from the EU on January 31, 2020, though the and the EU remains uncertain during the ongoing transition peri current arrangements and provides time for the UK and the EU their future relationship. The transition period is currently exp 2020, and if no agreement is reached, the default scenario would be the event of a non-negotiated Brexit, the UK will depart the EU wit beyond any temporary arrangements which have been or may be put individual EU Member States, and the UK as part of no-deal conting conferred by mutual membership of the World Trade Organization. Accordin uncertainty with respect to the process surrounding Brexit and the ou negotiations, including any related regulatory changes, and over t relationship between the UK and the rest of the world (including the EU). Any have an adverse effect on economic and financial conditions in the UK Although ING has continued to take further steps throughout 2019 to p related to Brexit, such as substantially progressing applications for a Thir licence in the UK, taking actions for contract continuity and working t the EU for those euro clearing activities that may be expected to move fro the possible economic and operational impacts of Brexit on the Gr remain uncertain. Given ING’s significant pre-existing EU-licensed ban scenario analyses performed by ING on its Brexit sensitive clients and it is positioned to largely avoid, or has taken significant steps to mit adverse effects of Brexit.

However, 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.

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

The London Interbank Offered Rate ('LIBOR'), the Euro OverNight Index Average ('EONIA'), the Euro Interbank Offered Rate ('EURIBOR') and other interest rates or other types of rates and indices which are deemed to be 'benchmarks' are the subject of ongoing national and international regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform or be calculated differently than in the past, or benchmarks could cease to exist entirely, or there could be other consequences which cannot be predicted. Although the UK Financial Conduct Authority ('FCA') has authorized ICE Benchmark Administration as administrator of LIBOR, on 27 July 2017 the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. The announcement indicates that the continuation of the LIBOR on the current basis cannot and will not be guaranteed after 2021. In addition, as of October 2019, the new euro risk-free rate euro short-term rate (€STR) is being published and the EONIA benchmark was reformed, making it dependant to the €STR benchmark. The reformed EONIA benchmark will cease to exist by 1 January 2022 and therefore the European Money Markets Institute (EONIA's administrator) has indicated that EONIA cannot be used in any contracts that will be outstanding as of 1 January 2022. Public authorities have initiated industry working groups in various jurisdictions to search for and recommend alternative risk-free rates that could serve as alternatives if current benchmarks like LIBOR and EONIA cease to exist or materially change. The work of these working groups is still ongoing, though certain such organizations have advanced proposals for benchmark replacements. For example, the US Federal Reserve's Alternative Reference Rates Committee (commonly referred to as 'ARRC') has recommended adoption of the Secured Overnight Financing Rate (commonly referred
alternative to US dollar LIBOR

The potential discontinuation of the LIBOR and EONIA
benchmark, or changes in the methodology or manner of administrati
result in a number of risks for the Group, its clients, and the
more widely. These risks include legal risks in relation to changes req
new and existing transactions may be required. Financial risks may al
the valuation of financial instruments linked to benchmark rates, and
could impact pricing mechanisms on some instruments. Changes in v
documentation may result into complaints or litigation. The G
operational risks or additional costs due to the potential requirem
trade reporting, infrastructure and operational processes, or in rela
clients or other parties and engagement during the transition period.

Except for EONIA, the replacement of benchmarks toge
mechanisms for implementation have not yet been confirmed by centra
not currently possible to determine whether, or to what extent, an
the Group. However, the implementation of alternative benchmark
adverse effect on business, results and financial condition.

Inflation and deflation may negatively affect o
financial

A sustained increase in the inflation rate in our pr
multiple impacts on us and may negatively affect our business, results a
example, a sustained increase in the inflation rate may result in an incr
rates, which may:

- Decrease the estimated fair value of certain fixed
  hold in our investment portfolios, resulting in:

- reduced levels of unrealised capital gains available to us, which could negatively impact our 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 us, as an issuer of securities, to pay higher interest rates on debt securities that we issue in the financial markets from time to time to finance our operations, which would increase our interest expenses and reduce our results.

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

- result in impairment charges to equity securities that we hold in our investment portfolios and
- reduced levels of unrealised capital gains available to us which would reduce our net income, and lower the value of our equity investments impacting our capital position.

In addition, a failure to accurately anticipate higher inflation and factor it into our product pricing may result in a systemic mispricing of our products, which would negatively impair our results.

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

Market conditions, including those observed ove the application of IFRS 9 may increase the risk of have a negative effect on our results and financial co

We are exposed to the risk that our borrowers (inclu repay their loans according to their contractual terms and that the co of these loans may be insufficient. We may see adverse changes in th borrowers and counterparties, for example, as a result of their in indebtedness, with increasing delinquencies, defaults and insolvencies This may lead to impairment charges on loans and other assets, higher loss provisions. A significant increase in the size of our provision fo material adverse effect on our business, results and financial condition.

IFRS 9 'Financial Instruments' became effective as p in loan loss provisions that may be recognized earlier, on a more a broader scope of financial instruments than was previously the case applied the classification, measurement, and impairment requirem adjusting the opening balance sheet and opening equity as at 1 Jan applying IFRS 9 going forward, a shift in the forward looking conser conditions may materially impact the models used to calculate loan loss provis more volatility in, or higher levels of, loan loss provisions, any of wh the Group's results, financial condition or regulatory capital position.

Economic and other factors could lead to contraction and commercial lending market and to decreases in residential and c which could generate substantial increases in impairment losses. oil prices could have an influence on the repayment capacity of certa in the oil and oil related services industries.

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

While prudential regulation is intended to minimize the risk of bank failures, in the event such a failure occurs, given our size, we may incur significant compensation payments to be made under the Dutch Deposit Guarantee Scheme (DGS), which we 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 us may have a material adverse effect on our 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 2019, but it remains uncertain when EDIS will be introduced and, if introduced, what impact EDIS would have on ING’s business and operations.

Risks related to the regulation and supervision

Non-compliance with laws and/or regulations con[…] financial institutions could result in fines an[…] penalties or consequences for us, which could materially aff[…] our profitability.

Despite our efforts to maintain effective compliance […] applicable laws and regulations, we have faced, and in the future ma[…] of consequences in connection with non-compliance with applicable laws […] additional information on legal proceedings, see Note 46 ‘Legal proceedings[…] financial statements. There are a number of risks in areas where applicabl[…] subject to multiple interpretations or under development, or wh[…] with one another, or where regulators revise their previous g[…] previous rulings, which could result in our failure to meet applicable […] other authorities have the power to bring administrative or judicial p[…] could result, among other things, in suspension or revocation of […] orders and fines, civil penalties, criminal penalties or other disciplinary […] harm our results and financial condition. If we fail to address, or ap[…] of these matters appropriately, our reputation could be harmed and we[…] additional legal risk, which could, in turn, increase the size and number […] against us or subject us to enforcement actions, fines and penalti[…]

Changes in laws and/or regulations governing fir[…] financial institutions or the application of such laws an[…] increase our operating costs and limit our activities.

We are subject to detailed banking laws and governme[…] jurisdictions in which we conduct business. Regulation of the industries in wh[…] increasingly more extensive and complex, while also attracting scrutin[…] with applicable and new laws and regulations is resources-intensive, and may materially increase our operating costs. Moreover, these regulations can limit our activities, among others, through stricter net capital, customer protection and market conduct requirements and restrictions on the businesses in which we can operate or invest.

Our revenues and profitability and those of our 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.

We are subject to additional legal and regulatory risk in certain countries where we operate with less developed or predictable legal and regulatory frameworks.

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

In addition, as a result of our operations in certain countries, we are subject to risks of possible nationalisation, expropriation, price controls, exchange controls and other restrictive government actions, as well as the outbreak of hostilities and or war, in these markets. Furthermore, the current economic environment in certain countries in which we operate 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 our ability to protect our economic interest, for instance in the event of defaults on residential mortgages.

We are subject to the regulatory supervision of regulators with supervisory and investigatory powers.

In its capacity as principal bank supervisor in the supervisory and investigatory powers, including the ability to issue conduct regulatory investigations and on-site inspections, and to impos sanctions. For example, under the SSM, the regulators with jurisdiction over ECB may conduct stress tests and have discretion to impose capital s institutions for risks that are not otherwise recognised in risk-weighted assets depending on the individual situation of the bank and take or require restrictions on or changes to the Group's business. Competent regulator fails to comply with regulatory requirements, in particular with minimum (including buffer requirements) or with liquidity requirements, or if governance and risk management processes, prohibit the Group from making shareholders or distributions to holders of its regulatory capital i failure to comply with the quantitative and qualitative regulatory requirem adverse effect on the Group's business, results and financial conditio

Failure to meet minimum capital and other prude requirements as applicable to us from time to time may have a m our business, results and financial condition and o payments of certain of our securities.

We are subject to regulations that require us to com for capital (own funds) and additional loss absorbing capacity, to comply with leverage restrictions. These are developed or enacte such as the Basel Committee on Banking Supervision ('BCBS'), the Finan and the European Union ('EU'). The main pieces of legislation in this the EU's Capital Requirements Directive ('CRD') and Capital Requireme the Bank Recovery and Resolution Directive, all as amended from time to time and as implemented in national law where required.

The capital and liquidity requirements and leverage restrictions that apply to us result in various minimum capital ratios (of capital to risk-weighted assets) and liquidity ratios that we must maintain, and in a minimum leverage ratio (based on unweighted assets). A key capital ratio is the Common Equity Tier 1 ratio or CET1 ratio, which is the ratio of common equity t total risk exposure amount (‘TREA’, often referred to as risk-weighted assets or ‘RWA’). In addition to the capital requirements, we must maintain at all times a sufficient aggregate amount of own funds and ‘eligible liabilities’ (that is, liabilities that may be bailed in using the bail-in tool), known as the minimum requirements for own funds and eligible liabilities (‘MREL’).

Capital, liquidity and leverage requirements and their application and interpretation may change. Any changes may require us 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 may have a material adverse effect on our business, results and financial condition, and may require us to seek additional capital. It may also prohibit us from making payments on certain of our securities. Our business, results and financial condition may also be adversely affected if these requirements change, which may also require us to seek additional capital or a different type of capital. 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 our business, results and financial condition, and on our ability to make payments on certain of our securities, is often unclear.

Our US commodities and derivatives business is regulation under the Dodd-Frank Act.

Title VII of Dodd-Frank created a new framework for counter derivatives markets and certain market participants which has af affect various the Group and its subsidiaries. ING Ca owned indirect subsidiary of ING Bank N.V., has registered with the Commission as a swap dealer and intends to register wi based swap dealer. The SEC has adopted regulations, among others, establish risk management, business conduct, and margin and capital requirement Such regulations are expected to be effective on or around September CFTC recently re-proposed, and is expected to adopt, capital requirem although the specific requirements, and any available exemptions, have not requirements are applicable to ING, and no exemptions are available, requirements will be difficult for ING to comply with and may, as a result impact ING’s ability to operate as a swap dealer in the US. Other CFTC re already implemented, include registration of swap dealers, business condu dealers, requirements that some categories of swaps be centra trading facilities and cleared through regulated clearing houses, and i requirements for uncleared swaps. In addition, new position limits re participants that have been proposed and may be contained in final regulati could limit ING’s position sizes in swaps referencing specified similarly limit the ability of counterparties to utilize certain of our scope of hedging exemptions from position limits for commercial end u of speculators. All of the foregoing areas of regulation of the deri participants will likely result in increased cost of hedging and other tradir and its customers, which could expose our business to greater risk and profitability of our customer business. In addition, the imposition of th and requirements could result in reduced market liquidity, which coul volatility and the risks and costs of hedging and other trading activities.

We are subject to the ‘Bank Recovery and Resolution Directive’ (‘BRRD’) among several other 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 us.

We are subject to several recovery and resolution regimes, including the Single Resolution Mechanism (‘SRM’), the 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 aim of the BRRD is to provide 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.

The powers granted to authorities include, among others, a statutory ‘write-down and conversion power’ and a ‘bail-in’ power, which gives the resolution authority the power to, as a resolution action or when the resolution authority determines that otherwise we would no longer be viable, inter alia, (i) reduce or cancel existing shares, (ii) convert relevant capital instruments or eligible liabilities or bail-inable liabilities into shares or other instruments of ownership of the relevant entity and/or (iii) write down relevant capital instruments or eligible liabilities or bail-inable liabilities or cancel the principal amount of, or interest on, certain unsecured liabilities (which could include certain securities that have been or will be issued by us), whether in whole or in part and whether or not on a permanent basis.

In addition to the ‘write-down and conversion power’ and the ‘bail-in’ power, the powers granted to the resolution authority include the power to (i) sell and transfer a banking group or all or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer a banking group or all or part of its business to a ‘bridge institution’ (a publicly controlled entity) and (iii) separate and transfer all or part of a banking group’s business to an asset management vehicle (a publicly controlled entity) to allow them to be managed over time.

In addition, among the broader powers granted to the
BRRD provides
powers to the resolution authority to amend the matu
payment date
of, or the interest amount payable under, debt instr
liabilities, including
by suspending payment for a temporary period.

The Intervention Act confers wide-ranging powers to
Finance, including,
among other things, in relation to shares and other
with our cooperation
other claims on us (including, without limitation
there is a grave and
immediate threat to the stability of the financial s

None of these actions would be expected to constitut
our securities
entitling holders to seek repayment. If these powers
respect of us, there
could be a material adverse effect on us and on hold
including through a
material adverse effect on credit ratings and/or the
Investors in our securities
may lose their investment if resolution measures are
future regimes.

For further discussion of the impact of bank recover
ING, see “Item 4.
Information on the Company—Regulation and Supervisio
Bank
Recovery and resolution directive.”

Risks related to changes in laws of general app
enforcement
proceedings and investigations

We may be subject to litigation, enforcement pro
other
regulatory actions, and adverse publicity.

We are involved in governmental, regulatory, arbitrat
investigations
involving claims by and against us which arise in th
businesses, including in
connection with our activities as financial services
and taxpayer. As a
financial institution, we are subject to specific law
financial services or

financial institutions. See "– Changes in laws and/or regulations governing financial services or financial institutions or the application of such laws and/or regulations may increase our operating costs and limit our activities" above. Financial reporting irregularities involving other large and well-known companies, possible findings of government authorities in various jurisdictions which are investigating several rate-setting processes, notifications made by whistleblowers, increasing regulatory and law enforcement scrutiny of 'know your customer' anti-money laundering, tax evasion, prohibited transactions with countries or persons subject to sanctions, and bribery or other anti-corruption measures and anti-terrorist-financing procedures and their effectiveness, regulatory investigations of the banking industry, and litigation that arises from the failure or perceived failure by us to comply with legal, regulatory, tax and compliance requirements, could result in adverse publicity and reputational harm, lead to increased regulatory supervision, affect our 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 us in ways that are not predictable.

Some claims and allegations may be brought by or on behalf of a class and claimants may seek large or indeterminate amounts of damages, including compensatory, liquidated, treble and punitive damages. Our 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 our 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 our business, results, financial condition and/or prospects in any given period.

We are subject to different tax regulations in e where we do business, and are exposed to changes in non-compliance with or proceedings or investigation laws.

Changes in tax laws (including case law) could incre effective tax rates and could materially impact our tax receivables and liab tax assets and deferred tax liabilities, which could have a materia business, results and financial condition. Changes in tax laws could also m attractive, which could have adverse consequences for our businesses a geographic spread of its businesses, ING may be subject to tax audits, i in numerous jurisdictions at any point in time. Although we beli provided for all our tax positions, the ultimate resolution of these audi procedures may result in liabilities which are different from the amounts rec

Increased bank taxes in countries where the Group is taxes on ING's banking operations, which could negatively impact ou condition and liquidity.

We may be subject to withholding tax if we fail Account Tax Compliance Act and other US withholding tax

Under provisions of US tax law commonly referred to institutions are required to provide to the US Internal Revenue Servi information about financial accounts held by US taxpayers or by foreign entities substantial ownership interest. Every three years, certain ING b required to certify their compliance with FATCA requirements to the IRS. any such branches and/or subsidiaries are not in compliance with the F FATCA regulations would impose a 30 percent penalty tax on all US-sour and dividends) made to the branch/subsidiary, regardless of whether beneficial owner of such payment or is acting as an intermediary for

Under provisions of other US tax law concerning withholding tax, non-US financial institutions acting as intermediaries are required to withhold tax on US-source payments to payees and remit the tax to the IRS. Every three years, certain ING branches and subsidiaries are required to certify their compliance with such Qualified Intermediary ('QI') requirements to the IRS. If the IRS determines that any such branches and/or subsidiaries are not in compliance with these QI requirements, then it would not be commercially feasible for ING to offer certain products to customers.

Failure to comply with FATCA and/or QI requirements and regulations could also harm our reputation and could subject the Group to enforcement actions, fines and penalties, which could have a material adverse effect on our business, reputation, revenues, results, financial condition and prospects. For additional information with respect to specific proceedings, see Note 45 'Legal proceedings' to the consolidated financial statements.

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

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

Products distributed through person-to-person sales ... to such claims, as sales forces provide face-to-face financial p... Complaints may also arise if customers feel that they have not been ... fairly, or that the duty of care has not been complied with. While a considerabl... resources have been invested in reviewing and assessing historical sales ... were sold in the past, and in the maintenance of risk management, leg... to monitor current sales practices, there can be no assurance t... associated with current and historical sales practices have been or will be iden... already identified will not be more widespread than presently estimated.

The negative publicity associated with any sales pra... payable in respect of any such issues and regulatory changes resulting fro... could have a material adverse effect on our reputation, business, ... and prospects. For additional information regarding legal proceedings ... proceedings' to the consolidated financial statements.

Risks related to the Group's business and opera...

Operational risks, such as systems disruptions ... cyber attacks, human error, changes in operatio... controls, including in respect of third parties with whic... outbreaks of communicable diseases may adversel... business results.

We face the risk that the design and operating effec... procedures may prove to be inadequate. Operational risks are inhere... businesses depend on the ability to process a large number of transaction... In addition, we routinely transmit, receive and store personal, conf... information by email and other electronic means. Although we endeavour to... processes, losses can result from inadequately trained or skill... (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 our reputation, business and results. We depend on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. The equipment and software used in our computer systems and networks may not always be capable of processing, storing or transmitting information as expected. Despite our business continuity plans and procedures, certain of our computer systems and networks may have insufficient recovery capabilities in the event of a malfunction or loss of data. As part of our Accelerating Think Forward strategy, we are consistently managing and monitoring our 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 our IT risk profile could affect our ability to comply with these regulatory requirements, to securely and efficiently serve our clients or to timely, completely or accurately process, store and transmit information, and may adversely impact our reputation, business and results. For further description of the particular risks associated with cybercrime, see "–We are subject to increasing risks related to cybercrime and compliance with cybersecurity regulation" below.

Widespread outbreaks of communicable diseases may impact the health of our employees, increasing absenteeism, or may cause a significant increase in the utilisation of health benefits offered to our employees, either or both of which could adversely impact our business. We also face physical risks, including as a direct result of climate change, such as extreme weather events or rising water levels, which could have a material adverse effect on our operations, particularly where our headquarters may be impacted. In addition, other events including unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities, and our 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 our

business continuity plans are not able to be impleme
not sufficiently
take such events into account, losses may increase f

We are subject to increasing risks related to cy
cybersecurity regulation.

Like other financial institutions and global compani
target of cyber attacks.
In particular, threats from Distributed Denial of Se
attacks (also called
Advanced Persistent Threats) and Ransomware intensif
gain
unauthorised access and the techniques used for such
sophisticated. We
have faced, and expect to continue to face, an incre
(both successful
and unsuccessful) as we have further digitalized. Th
expansion of our
mobile and other internet-based products and servic
reliance on cloud
technology. In 2019 we experienced continuous DDoS a
attack breached
our DDoS defences (compared to two attacks in 2018).
outage of
approximately four-hours, which affected customers c
addition, ING Philippines
experienced one virus infection on a vendor-supplied
had no customer
impact. Furthermore, due to our reliance on national
interconnectivity
with third-party vendors, exchanges, clearing houses
other third parties,
we could be adversely impacted if any of them is sub
attack or other
information security event.

Cybersecurity, customer data and data privacy have b
increasing legislative
and regulatory focus. The EU's second Payment Servic
implemented in 2019
and GDPR are examples of such regulations. In certai
active, there are
additional local regulatory requirements and legisla
that must be
followed for business conducted in that jurisdiction
and regulations may
be conflicting due to local regulatory interpretation
new EU and local
legislation or regulation concerning cybersecurity,
general or the
privacy of information we may store or maintain. Com
legislation or

regulation could increase the Group's compliance cost. Failure to comply with new and existing legislation or regulation could harm our 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 our confidential information or that of our clients or our 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 costly our reputation, hinder our operational effectiveness, result in regulatory censure, compensation costs or fines resulting from regulatory investigations and could have a material adverse effect on our business, reputation, revenues, results, financial condition and prospects. Even when we are successful in defending against cyber attacks, such defence may consume significant resources or impose significant additional costs on ING.

Because we operate in highly competitive markets, including our home market, we may not be able to increase or maintain our market share, which may have an adverse effect on our results.

There is substantial competition in the Netherlands and the other countries in which we do business for the types of wholesale banking, retail banking, investment banking and other products and services we provide. 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 our competitive position as to one or more of these factors could adversely impact our ability to maintain or further increase our market share, which would adversely affect our results. Such competition is most pronounced in our more mature markets of the Netherlands, Belgium, the rest of Western Europe and Australia. In recent years, however, competition in emerging markets, such as Latin America, Asia and Central and Eastern Europe, has also increased as large financial services companies from more

developed countries have sought to establish themsel perceived to offer higher growth potential, and as local institutions h and competitive and proceeded to form alliances, mergers or strategi competitors. The Netherlands is our largest market. Our main competit the Netherlands are ABN AMRO Bank and Rabobank.

Competition could also increase due to new entrants financial technology companies) in the markets that may have new operat burdened by potentially costly legacy operations and that are su New entrants may rely on new technologies, advanced data and analytic reduced regulatory burden and/or faster processes in order t Developments in technology has also accelerated the use of new busin be successful in adapting to this pace of change or may incur signifi business and operations to meet such changes. For example, new bu observed in retail payments, consumer and commercial lending (such as p exchange) and low-cost investment advisory services. In partic disintermediation in the financial sector resulting from new banking, lending by rapidly evolving incumbents, challengers and new entrants, i payment services and products, and the introduction of disruptive tec ability to grow or retain our market share and impact our revenues and

Increasing competition in the markets in which we op banks and financial technology competitors) may significantly impact our match the products and services offered by our competitors. Fu accelerate additional consolidation activity. Over time, certai services industry have become more concentrated, as institutions involved i services have been acquired by or merged into other firms or have developments could result in our competitors gaining greater acce expanding their range of products and services, or gaining geograph experience pricing pressures as a result of these factors in the event that some of our competitors seek to increase market share by reducing prices.

We may not always be able to protect our intellectual property developed in our products and services and may be subject to infringement claims, which could adversely impact our core business, inhibit efforts to monetize our internal innovations and restrict our ability to capitalize on future opportunities.

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

We 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 we were found to have infringed or misappropriated a third-party patent or other intellectual property right, we could in some circumstances be enjoined from providing certain products or services to our customers or from utilizing and benefiting from certain methods, processes, copyrights, trademarks, trade secrets or licences. Alternatively, we 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 our business and results and could restrict our ability to pursue future business opportunities.

The inability of counterparties to meet their f
fully enforce our rights against counterparties
on our results.

Third parties that owe us money, securities or other
obligations. These parties include the issuers and g
hold, borrowers under loans originated, reinsurers,
lending and repurchase counterparties, counterpartie
derivative contracts, clearing agents, exchanges, cl
intermediaries. Defaults by one or more of these par
bankruptcy, lack of liquidity, downturns in the econ
commodity prices, operational failure or other
defaults by one or more of these parties or regardin
industry generally, could have a material adverse ef
results. Given the high level of interdependence b
continue to be, subject to the risk of deterioration
perceived soundness, of sovereigns and other financi
relevant to our franchise as an important and large
foreign exchange markets, including related derivati

We routinely execute a high volume of transactions,
derivative transactions and equity investments with
services industry, including brokers and dealers, co
hedge funds, insurance companies, institutional clie
concentrations, resulting in large periodic
significant credit exposure to one or more of
We also face concentration risk with respect to lia
specific counterparties and customers. We are expose
recent financial institution failures and weakness a
if counterparty financial institutions fail or are o
obligations. A default

by, or even concerns about the creditworthiness of, one or more of these counterparties or customers or other financial services institutions could therefore have an adverse ... results or liquidity.

With respect to secured transactions, our credit risk may be exacerbated when the collateral held by us cannot be or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to us. We also have exposure to a number of financial institutions in the form of unsecured debt instruments, derivative transactions and equity investments. For example, we hold 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, we expect that such instruments may experience ratings downgrades and/or a drop in value and we 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 our business, results or financial condition.

In addition, we are subject to the risk that our 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 we hold could result in losses and/ or adversely affect our ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of our counterparties could also have a negative impact on our income and risk weighting, leading to increased capital requirements. While in many cases we are permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral we are entitled to receive and the value of pledged assets. Also in this case, our credit risk may also be exacerbated when the collateral we hold cannot be liquidated at prices sufficient to recover the full amount of the loan or derivative exposure due to us, 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 us 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 developm materially and adversely affect our business, results, financial condition, ar

Ratings are important to our business for a num downgrade or potential downgrade in our credit ratings cou operations and net results.

Credit ratings represent the opinions of rating agen ability to repay its indebtedness. Our credit ratings are important to ou and funding through the issuance of debt and to the cost of such financi downgrade, the cost of issuing debt will increase, having an adverse effect institutional investors may also be obliged to withdraw their deposits from which could have an adverse effect on our liquidity. We have credit r Investor Service and Fitch Ratings. Each of the rating agencies reviews i methodologies on a recurring basis and may decide on a downgrade at any

Furthermore, ING Bank's assets are risk-weighted. Do could result in a higher risk-weighting, which may result in higher ca impact net earnings and the return on capital, and may have an competitive position.

As rating agencies continue to evaluate the financia possible that rating agencies will heighten the level of scrutiny that th institutions, increase the frequency and scope of their credit reviews, request the companies that they rate and potentially adjust upward the cap employed in the rating agency models for maintenance of certain rati that the outcome of any such review of us would have additional adverse could have a material adverse effect on our results and financial take actions in response to changing standards or capital requiremen agencies, which could cause our business and operations to suffer. W additional actions rating agencies may take, or what actions we may take in response to the actions of rating agencies.

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

Climate change is an area of significant focus for governments and regulators, investors and customers, and developments with respect to climate change topics may expose ING to significant risks. The perception of climate change as a risk by civil society, shareholders, governments and other stakeholders continues to increase, including in relation to the financial sector's operations and strategy, and international actions regulating or restricting CO2 emissions, such as the Paris agreement, may also result in financial institutions coming under increased pressure from such stakeholders regarding the management and disclosure of their climate risks and related lending and investment activities. For further information regarding the alignment of ING's lending portfolio with its climate-related goals, see “Item 4. – Information on the Company – Business Overview – Responsible finance” below. Additionally, rising climate change concerns may lead to additional regulation that could increase our operating costs or negatively impact the profitability of our investments and lending activities, including those involving the natural resources sector. ING may incur substantial costs in complying with current or future laws and regulations relating to climate change, including with respect to international actions regulating or restricting CO2 emissions or changes in capital requirements regulations in response to climate change. In addition, ING is exposed to transition risks related to climate change, which result from changes in the behaviour of economic and financial actors in response to the implementation of energy policies or technological changes. Any of these risks may result in changes in our business activities, increased liabilities or costs, including exposure to reputational risks, any of which may have a material adverse impact on our business, results or financial condition.

For a description of the physical risks to our business resulting from climate change, see “– Operational 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 we do business, natural disasters [illegible] diseases may adversely impact our reputation, business and result[illegible]

An inability to retain or attract key personnel [illegible] and results.

ING Group relies to a considerable extent on the qua[illegible] management, such as members of the executive committee, and management i[illegible] material to ING's business and operations. The success of ING Gr[illegible] dependent, among other things, on its ability to attract and retain highly [illegible] Competition for key personnel in most countries in which ING Group operates, and g[illegible] management, is intense. ING Group's ability to attract and retain key personnel, [illegible] particular areas such as technology and operational management, clien[illegible] finance, risk and product development, is dependent on a number of [illegible] prevailing market conditions and compensation packages offered by comp[illegible] talent.

The (increasing) restrictions on remuneration, plus [illegible] scrutiny, especially in the Netherlands, will continue to have an impact on exis[illegible] policies and individual remuneration packages for personnel. For [illegible] amended Shareholder Rights Directive, known as ‘SRD II’, whi[illegible] 10, 2019, ING is required to hold a shareholder advisory vote on ING’s [illegible] directors (including members of the executive board and the supervisory b[illegible] remuneration report for such directors. This may restrict our abi[illegible] compensation compared with companies (financial and/or non-financial) that [illegible] restrictions and it could adversely affect ING Group’s ability to retain or at[illegible] in turn, may affect our business and results.

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

ING Group companies operate various defined benefit retirement plans covering a
employees. The liability recognised in our consolidated balance sheet in respect
benefit plans is the present value of the defined benefit obligations at the bal
the fair value of each plan's assets, together with adjustments for unrecognised actuarial gains and
losses and unrecognised past service costs. We determine our 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, trend rates in health care costs,
consumer price index, and the expected return on plan assets. These assumptions are based on
available market data and the historical performance of plan assets, 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 our present and future liabilities to and costs
associated with our defined benefit retirement plans.

Risks related to the Group's risk management practices

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

We use 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 our reputation a
use assumptions
in order to model client behaviour for the risk calc
books. Assumptions are
used to determine the interest rate risk profile of
and to estimate the
embedded option risk in the mortgage and investment
on past client
behaviour may not always be a reliable indicator of
realisation or use of
different assumptions to determine client behaviour
effect on the
calculated risk figures and, ultimately, our future
Furthermore, we may be
subject to risks related to changes in the laws and
risk management
practices of financial institutions. For further inf
to the regulation and
supervision of the Group – Changes in laws and/or re
services or
financial institutions or the application of such law
increase our operating
costs, and results of our activities" above.

We may be unable to manage our risks successful

We employ various economic hedging strategies with t
the market risks
that are inherent in our business and operations. Th
fluctuations, changes
in the fair value of our investments, the impact of
markets and credit spread
changes, the occurrence of credit defaults and chang
seek to control
these risks by, among other things, entering into a
instruments, such as
swaps, options, futures and forward contracts, inclu
macro hedges for parts
of our business, either directly as a counterparty o
provider to affiliate
counterparties. Developing an effective strategy for
complex, and no
strategy can completely insulate us from risks assoc
fluctuations. Our hedging
strategies also rely on assumptions and projections
liabilities, general market
factors and the creditworthiness of our counterparti
incorrect or prove to
be inadequate. Accordingly, our hedging activities m
beneficial impact on
our results or financial condition. Poorly designed
executed transactions
increase our risks and losses. Hedgi
transaction costs and other
terminate a hedging arrangement, we
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 we have incurred or may incur losses on transactions, possibly significant, after taking into account our hedging strategies. Further, the nature and timing of our hedging transactions could actually increase our risk and losses. Hedging instruments we use 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 and, in addition, 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, our hedging strategies and the derivatives that we use or may use may not adequately mitigate or offset the risks they intend to cover, and our hedging transactions may result in losses.

Our hedging strategy additionally relies on the assumption that hedging counterparties remain able and willing to provide the hedges required by our 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 ING may reduce the ability and/or willingness of such counterparties to engage in hedging contracts with us and/or other parties, affecting our overall ability to hedge our risks and adversely affecting our business, results and financial condition.

Our risk management policies and guidelines may prove inadequate for the risks we face.

[We have developed risk management policies and procedures and will continue to review and develop these in the future. Nonetheless, our policies and procedures to identify, monitor and manage risks may not be fully effective, particularly during extremely turbulent times. The methods we use to manage, estimate and measure risk are partly based on historic market behaviour. The methods may, therefore, prove to be inadequate for predicting future risk exposure, which may be different than suggested by historical

these methods may not predict the losses seen in the stressed conditio

also not adequately allow prediction of circumstances arising

interventions and stimulus packages, which increase the difficulty of

methods for risk management are based on evaluation of information re

catastrophic occurrences or other information that is publicly kno

use. Such information may not always be accurate, complete, up

Management of operational, compliance, legal and regulatory ris

things, policies and procedures to record and verify large numbers of tra

policies and procedures may not be fully effective, resulting in

on our competitive position, reputation, business, results

Risks related to the Group's liquidity and fina

We depend on the capital and credit markets, as to provide the liquidity and capital required to fu adverse conditions in the capital and credit markets, o deposits may impact our liquidity, borrowing a as well as the liquidity, borrowings and capital.

Adverse capital market conditions have in the past a future affect, our cost of borrowed funds and our ability to borrow on a sec thereby impacting our ability to support and/or grow our businesses. F rates are at or near historically low levels, since the recent finan experienced increased funding costs due in part to the withdrawal of perceived gov institutions in the event of future financial crises. In addition, liqui has also been negatively impacted as market participants and marke adjust to new regulation

We need liquidity to pay our operating expenses, interest on our debt and divid[ends] ... stock, maintain our securities lending activities and replace certain maturing ... sufficient liquidity, we will be forced to curtail our operations and our busines[s] ... principal sources of our funding include a variety of short-and long-term instr[uments] ... deposit fund, repurchase agreements, commercial paper, medium- and long-term de[bt] ... subordinated debt securities, capital securities and shareholders’ equity.

In addition, because we rely on customer deposits to fund our business and oper[ations] ... confidence of customers in financial institutions may be tested in a manner that may adversely impact our liquidity and capital position. Consumer confidence in financial inst[itutions] ... example, decrease due to our or our competitors’ failure to communicate to cust[omers] ... of, and the benefits to customers of, complex or high-fee financial products. Red[uced] ... could have an adverse effect on our liquidity and capital position through with[drawal] ... addition to our revenues and results. Because a significant percentage of our c[ustomer] ... base is originated via Internet banking, a loss of customer confidence may resul[t] ... withdrawal of deposits over the Internet.

In the event that our current resources do not satisfy our needs, we 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, our credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of our long- or short-term financial prospects. Similarly, our access to funds may be limited if regulatory authorities or rating agencies take negative actions against us. If our internal sources of liquidity prove to be insufficient, there is a risk that we may not be able to successfully obtain additional financing on favourable terms, or at all. Any actions we might take to access financing may, in turn, cause rating agencies to re-evaluate our ratings.

Disruptions, uncertainty or volatility in the capital and credit markets may al[so] ... capital. Such market conditions may in the future limit our ability to raise ad[ditional capital] ...

support our business growth, or to counterbalance the co
increased regulatory
... agency capital requirements. This
raising capital, (ii)
... postpone payment of dividends on
cancel or postpone
... on our other securities, (iv) issu
or under different
terms than we would otherwise, or (v) incur a higher
more stable market
environment. This would have the potential to decrea
our financial
flexibility. Our results, financial condition, cash
rating agency capital
position could be materially adversely affected by
markets.

Furthermore, regulatory liquidity requirements in ce
we operate are
... stringent, undermining our efforts to
management of our
... developments may cause trapped pool
resulting in
... cost of managing our liquidity
efforts to integrate
... An example of such trapped liqui
in Germany where
German regulations impose separate liquidity require
ability to move a
liquidity surplus out of the German subsidiary.

As a holding company, ING Groep N.V. is dependen[t] ... payments from ... subsidiaries, many of which are subject to ... restrictions on ... to transact with affiliates.

ING Groep N.V. is a holding company and, therefore,
distributions and other
payments from its subsidiaries to fund dividend paym
obligations, including debt obligations. Many of our
bank subsidiaries are
subject to laws that restrict dividend payments or a
block or reduce
the flow of funds from those subsidiaries to ING Gro

In addition, our bank subsidiaries are subject to re
to lend or transact with
affiliates and to minimum regulatory capital and othe
restrictions on their
ability to use client funds deposited with them to f
Additional restrictions on

related-party transactions, increased capital and liquidity requirements and additional limitations on the use of funds in client accounts, as well as lower earnings, can reduce the amount of funds available to meet the obligations of ING Groep N.V., and even require ING Groep N.V. to provide additional funding to such subsidiaries. Restrictions or regulatory action of that kind could impede access to funds that ING Groep N.V. needs to make payments on its obligations, including debt obligations, or dividend payments. In addition ING Groep N.V.'s right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of the subsidiary's creditors.

There is a trend towards increased regulation and supervision of our subsidiaries by the governments and regulators in the countries in which those subsidiaries are located or do business. Concerns about protecting clients and creditors of financial institutions that are controlled by persons or entities located outside of the country in which such entities are located or do business have caused or may cause a number of governments and regulators to take additional steps to "ring fence" or maintain internal total loss-absorbing capacity at such entities in order to protect clients and creditors of such entities in the event of financial difficulties involving such entities. The result has been and may continue to be additional limitations on our ability to efficiently move capital and liquidity among our affiliated entities, thereby increasing the overall level of capital and liquidity required by ING on a consolidated basis.

Furthermore, ING Groep N.V. has in the past and may in the future guarantee the payment obligations of certain of its subsidiaries, including ING Bank N.V., subject to certain exceptions. Any such guarantee may require ING Groep N.V. to provide substantial funds or assets to its subsidiaries or their creditors or counterparties at a time when ING Groep N.V. or its subsidiaries are in need of liquidity to fund their own obligations.

The requirements for ING Groep N.V. to develop and submit recovery and resolution plans to regulators, and the incorporation of feedback received from regulators, may require us to increase capital or liquidity levels or issue additional long-term debt at ING Groep N.V. or particular subsidiaries or otherwise incur additional or duplicative operational or other costs at multiple

... and may reduce our ability to provide ING
... subsidiaries to raise debt at ING Groep N.V. Resolut
... structure intercompany and external activities i
... operationally inefficient. Furthermore, arrangements t
... subject to additional costs such as resolut
... requirements would be in addition to
... our ability to engage in capital actions or
or payments.

Additional risks relating to ownership of ING s

Holders of ING shares may experience dilution o

ING's ATI Securities may, under certain circumstance
conversion would dilute the ownership interests of e
could be substantial. Additionally, any conversion,
conversion, could depress the market price of ING sh
equity offerings with or without subscription rights
rights, holders of ING shares in certain jurisdictio
rights unless the rights and the related shares are
legislation or regulatory framework. Holders of ING
of their shareholding should they not be permitted t
future equity offerings with subscription rights.

Because we are incorporated under the laws of t
members of our Supervisory and Executive Board
the United States, it may be difficult to enfor
members of our Supervisory and Executive Boards

Most of our Supervisory Board members, our Executive
named in this Annual Report, as well as many of our
not residents of

the United States, and most of our and their assets are located outside the United States. As a result, investors may not be able to serve process on those persons within the United States or to enforce in the United States judgments obtained in US courts against us or those persons based on the civil liability provisions of the US securities laws.

Investors also may not be able to enforce judgments of US courts under the US federal securities laws in courts outside the United States, including the Netherlands. The United States and the Netherlands do not currently have a treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, we may not be able to enforce in the Netherlands a final judgment for the payment of money rendered by any US federal or state court based on civil liability, even if the judgment is not based only on the US federal securities laws, unless a competent court in the Netherlands gives binding effect to the judgment.

residents of the Netherlands or countries other than judgments obtained in United States in civil and commercial matters, includi federal securities laws.

In addition, there is doubt as to whether a Dutch co liability on us, the members of our board of directors, our officers or c an original action predicated solely upon the U.S. federal secur of competent jurisdiction in the Netherlands against us or such m respectively.

Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would not be enforceable in the Netherlands unless the underlying claim is re-litigated before a Dutch court. However, under current practice, the courts of the Netherlands may be expected to render a judgment in accordance with the judgment of the relevant U.S. court, provided that such judgment (i) is a final judgment and has been rendered by a court which has established its jurisdiction on the basis of internationally accepted grounds of jurisdictions, (ii) has not been rendered in violation of elementary principles of fair trial, (iii) is not contrary to the public policy of the Netherlands, and (iv) is not incompatible with (a) a prior judgment of a Netherlands court rendered in a dispute between the same parties, or (b) a prior judgment of a foreign court rendered in a dispute between the same parties, concerning the same subject matter and based on the same cause of action, provided that such prior judgment is not capable of being recognized in the Netherlands. It is uncertain whether this practice extends to default judgments as well.

Based on the foregoing, there can be no assurance that U.S. investors will be able to enforce against us or members of our board of directors, officers or certain experts named herein who are