CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to a number of factors, including, without limitation,

- changes in general economic conditions and customer behaviour, in particular economic conditions in ING's core markets, including changes affecting currency exchange rates and the regional and global economic impact of the invasion of Russia into Ukraine and related international response measures
- changes affecting interest rate levels
- any default of a major market participant and related market disruption
- changes in performance of financial markets, including in Europe and developing markets
- fiscal uncertainty in Europe and the United States
- discontinuation of or changes in 'benchmark' indices
- inflation and deflation in our principal markets
- changes in conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness
- failures of banks falling under the scope of state compensation schemes
- non-compliance with or changes in laws and regulations, including those concerning financial services, financial economic crimes and tax laws, and the interpretation and application thereof
- geopolitical risks, political instabilities and policies and actions of governmental and regulatory authorities, including in connection with the invasion of Russia into Ukraine and related international response measures
- legal and regulatory risks in certain countries with less developed legal and regulatory frameworks
- prudential supervision and regulations, including in relation to stress tests and regulatory restrictions on dividends and distributions, (also among members of the group)
- ING's ability to meet minimum capital and other prudential regulatory requirements
- changes in regulation of US commodities and derivatives businesses of ING and its customers
- application of bank recovery and resolution regimes, including write-down and conversion powers in relation to our securities
- outcome of current and future litigation, enforcement proceedings, investigations or oth actions, including claims by customers or stakeholders who feel misled or treated unfai conduct issues
- changes in tax laws and regulations and risks of non-compliance or investigation in con laws, including FATCA
- operational and IT risks, such as system disruptions or failures, breaches of security, human error, changes in operational practices or inadequate controls including in respec with which we do business and including any risks as a result of incomplete, inaccurate, flawed outputs from the algorithms and data sets utilized in artificial intelligence
- risks and challenges related to cybercrime including the effects of cyberattacks and cha legislation and regulation related to cybersecurity and data privacy, including such ris as a consequence of the use of emerging technologies, such as advanced forms of artifici and quantum computing
- changes in general competitive factors, including ability to increase or maintain marke
- inability to protect our intellectual property and infringement claims by third parties
- inability of counterparties to meet financial obligations or ability to enforce rights a counterparties
- changes in credit ratings
- business, operational, regulatory, reputation, transition and other risks and challenge climate change and Environmental, Social and Governance (ESG)-related matters, includin reporting
- inability to attract and retain key personnel
- future liabilities under defined benefit retirement plans
- failure to manage business risks, including in connection with use of models, use of de maintaining appropriate policies and guidelines
- changes in capital and credit markets, including interbank funding, as well as customer provide the liquidity and capital required to fund our operations, and
- the other risks and uncertainties detailed in the most recent annual report of ING Groe the Risk Factors contained therein) and ING's more recent disclosures, including press available on www.ing.com.

This document may contain ESG-related material that has been prepared by ING on the basis available information, internally developed data and other third-party sources believed to has not sought to independently verify information obtained from public and third-party so no representations or warranties as to accuracy, completeness, reasonableness or reliabili information.

Materiality, as used in the context of ESG, is distinct from, and should not be confused w defined in the Market Abuse Regulation or as defined for Securities and Exchange Commissio

reporting purposes. Any issues identified as material for purposes of ESG in this annual report are therefore not necessarily material as defined in the Market Abuse Regulation or for SEC reporting purposes. In addition, there is currently no single, globally recognized set of accepted definitions in assessing whether activities are "green" or "sustainable." Without limiting any of the statements contained herein, we make no representation or warranty as to whether any of our securities constitutes a green or sustainable security or conforms to present or future investor expectations or objectives for green or sustainable investing. For information on characteristics of a security, use of proceeds, a description of applicable project(s) and/or any other relevant information, please reference the offering documents for such security.

This annual report contains inactive textual addresses to internet websites operated by us and third parties. Reference to such websites is made for information purposes only, and information found at such websites is not incorporated by reference into this annual report. ING does not make any representation or warranty with respect to the accuracy or completeness of, or take any responsibility for, any information found at any websites operated by third parties. ING specifically disclaims any liability with respect to any information found at websites operated by third parties. ING cannot guarantee that websites operated by third parties remain available following the filing of this annual report or that any information found at such websites will not change following the filing of this annual report. Many of those factors are beyond ING's control.

Any forward-looking statements made by or on behalf of ING speak only as of the date they are made, and ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States or any other jurisdiction.

PART I

Item 1. Identity of Directors, Senior Management And Advisors

Not applicable.

Item 2. Offer Statistics and Expected Timetable

B. Capitalization and indebtedness

This item does not apply to annual reports on Form 20-F.

C. Reasons for the offer and use of proceeds

This item does not apply to annual reports on Form 20-F.

D. Risk Factors

Summary of Risk factors

The following is a summary of the principal risk factors that could have a material advers reputation, business activities, financial condition, results and prospects of ING. Please of the information discussed in this section "Risk Factors" for a detailed description of

Risks related to financial conditions, market environment and general eco

Not applicable.

Item 3.Key Information

A. Selected financial data

Not applicable.

- Our revenues and earnings are affected by the volatility and strength of the economic, b liquidity, funding and capital markets environments of the various geographic regions i conduct business, including Russia and Ukraine, as well as by changes in customer behavi regions, and an adverse change in any one region could have an impact on our business, r financial condition.
- Inflation, interest volatility and other interest rate changes may adversely affect our and financial condition.
- The default of a major market participant could disrupt the markets and may have an adve our business, results and financial condition.
- Continued risk of political instability and fiscal uncertainty in Europe and the United ongoing volatility in the financial markets and the economy generally have adversely aff continue to adversely affect, our business, results and financial condition.
- Discontinuation of interest rate benchmarks may negatively affect our business, results condition.
- Market conditions, including those observed over the past few years, may increase the ri impaired and have a negative effect on our results and financial condition.
- We may incur losses due to failures of banks falling under the scope of state compensati

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 us, which could materially affect our business and reputation and reduce our profitability.
- 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.
- We are subject to additional legal and regulatory risk in certain countries with less developed or less predictable legal and regulatory frameworks.
- We are subject to the regulatory supervision of the ECB and other regulators with extensive supervisory and investigatory powers.
- Failure to meet minimum capital and other prudential regulatory requirements as applicable to us from time to time may have a material adverse effect on our business, results and financial condition and on our ability to make payments on certain of our securities.
- Our US commodities and derivatives business is subject to CFTC and SEC regulation under the Dodd-Frank Act.
- We are subject to 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 the scope and impact on us

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

- We may be subject to litigation, enforcement proceedings, investigations or other regulatory actions, and adverse publicity.
- We are subject to different tax regulations in each of the jurisdictions where we conduct business, and are exposed to changes in tax laws and risks of non-compliance with proceedings or investigations with respect to tax laws.
- We may be subject to US tax investigation if we fail to comply with our obligations as a Participating Financial Institution in respect of the Foreign Account Tax Compliance Act (FATCA) and as a Qualified Intermediary in respect of other US tax regulations
- ING is exposed to the risk of claims from customers who feel misled or treated unfairly because of advice or information received.

Risks related to the Group’s business and operations

- ING may be unable to meet internal or external aims or expectations or requirements wit ESG-related matters.
- ING may be unable to adapt its products and services to meet changing customer behaviou demand, including as a result of ESG-related matters.
- ING's business and operations are exposed to physical risks, including as a direct resu change.
- ING's business and operations are exposed to transition risks related to climate change
- Operational and IT risks, such as system disruptions or failures, breaches of security, human error, changes in operational practices, inadequate controls including in respect with which we do business or outbreaks of communicable diseases may adversely impact ou reputation, business and results.
- We are subject to increasing risks related to cybercrime and compliance with cybersecur
- Because we operate in highly competitive markets, including our home market, we may not increase or maintain our market share, which may have an adverse effect on our results.
- We may not always be able to protect our intellectual property developed in our product and may be subject to infringement claims, which could adversely impact our core busines efforts to monetise our internal innovations and restrict our ability to capitalise on t
- The inability of counterparties to meet their financial obligations or our inability to against counterparties could have a material adverse effect on our results.
- Ratings downgrades or a potential downgrade in our credit ratings could have an adverse impact and net results.
- An inability to retain or attract key personnel may affect our business and results.
- We may incur further liabilities in respect of our defined benefit retirement plans if t assets is not sufficient to cover potential obligations, including as a result of differ results and underlying actuarial assumptions and models.

Risks related to the Group’s risk management practices

- Risks relating to our use of quantitative models or assumptions to model client behaviou purposes of our market calculations may adversely impact our reputation or results.
- We may be unable to manage our risks successfully through derivatives.

Risks related to the Group’s liquidity and financing activities

- Adverse conditions in the capital and credit markets, or significant withdrawals of cust may impact our liquidity, borrowing and capital positions, as well as the cost of liquid capital.

- As a holding company, ING Groep N.V. is dependent for liquidity on payments from its subsidiaries, many of which are subject to regulatory and other restrictions on their ability to transact with affiliates.

Additional risks relating to ownership of ING shares

- Holders of ING shares may experience dilution of their holdings and may be impacted by any share buyback programme.
- Because we are incorporated under the laws of the Netherlands and many of the members of our Supervisory and Executive Board and our officers reside outside of the United States, it may be difficult to enforce judgements of US courts against ING or the members of our Supervisory and Executive Boards or our officers.

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 as well as ING’s reputation. ING may face a number of the risks described below simultaneously and some 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 Company is not presently aware, or that are currently 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 our business, results, financial condition and prospects.

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

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, as well as by changes in customer behaviour in these regions, 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 p serving 40 million customers, corporate clients and financial institutions in 38 countries results and financial condition may be significantly impacted by turmoil and volatility in financial markets or in the particular geographic areas in which we operate. In Retail Ban include savings, payments, investments, loans and mortgages. In Wholesale Banking, we prov lending, tailored corporate finance, debt and equity market solutions, payments & cash man and treasury services. Negative developments in relevant financial markets and/or countrie in the past had and may in the future have a material adverse impact on our business, resu condition, including as a result of the potential consequences listed below.

Factors such as inflation or deflation, interest rates, securities prices, credit spreads, exchange rates, consumer spending, changes in customer behaviour, climate change, business real estate values and private equity valuations, government spending the volatility and s capital markets, political events and trends, supply chain disruptions, shortages, terrori epidemics (such as the recent Covid-19 pandemic) or other widespread health emergencies al business and economic environment and, ultimately, our solvency, liquidity and the amount profitability of business we conduct in a specific geographic region. Some of these risks experienced globally as well as in specific geographic regions and are described in greate under the headings: 'Interest rate volatility and other interest rate changes may adversel business, results and financial condition'; 'Inflation and deflation may negatively affect and financial condition'; 'Market conditions, including those observed over the past few y the risk of loans being impaired and have a negative effect on our results and financial c 'Continued risk of political instability and fiscal uncertainty in Europe and the United S ongoing volatility in the financial markets and the economy generally have adversely affec continue to adversely affect, our business, results and financial condition'. All of these and regional economies as well as in the global economy, and we may be affected by changes of these factors in any one country or region, and more if more of these factors occur sim 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 might also result, among other things, in the following:

- inadequate reserves or provisions, in relation to which losses could ultimately be reali 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 our net r equity; and/or
- movements in risk-weighted assets for the determination of required capital.

In particular, we are exposed to financial, economic, market and political conditions in t and Germany, from which we derive a significant portion of our revenues in both Retail Ban

Wholesale Banking, and which could present risks of economic downturn. Though less material, we also derive substantial revenues in the following geographic regions: United States, Türkiye, Poland and the remainder of Eastern Europe, Southern Europe, East Asia (primarily Singapore among others) and Australia. In an economic downturn affecting some or all of these jurisdictions, we expect 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. 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. Further, while the Covid-19 pandemic and related response measures have eased, the effects of these measures (including consequences for commercial real estate occupancies and valuations and of the increased prevalence of work-from-home or hybrid working arrangements) are still being felt in the financial performance and stability of certain of our business customers. As a result, their impact may continue to affect our business. We also have wholesale banking activities in both Russia and Ukraine, as well as investments in Russia, some of which are denominated in local currency. In response to Russia's invasion of Ukraine, the international community imposed various punitive measures, including sanctions, capital controls, restrictions on SWIFT access and restrictions on central bank activity. These measures have significantly impacted, and may continue to significantly impact, Russia's economy and have contributed to heightened instability in global markets and increased inflation due in part to supply chain constraints, as well as higher energy and commodity prices. Should prices remain elevated for an extended period, more businesses and households would be negatively impacted, and our business in Russia and Ukraine, as well as our broader business, may be adversely affected, including through spill-over risk to the entire wholesale banking portfolio (e.g. commodities financing, energy and utilities and energy-consuming clients).

Environmental and/or climate risks may also directly and indirectly impact ING, for example through, among other things, losses suffered as a result of extreme weather events, the impact of climate-related transition risk on the risk and return profile or value of security or operations of certain categories of customer to which ING has exposure. In addition, these risks may also increase ING's reputational and litigation risk if the economic activity that ING supports is not in line with community expectations or ING's external commitments or legal or regulatory requirements (this includes, but is not limited to, greenwashing risk).

For further information on ING's exposure to particular geographic areas, see Note 31 'Information on geographical areas' to the consolidated financial statements.

Market conditions, including those observed over the past few years, may increase the risk of loans being impaired and have a negative effect on our results an condition.

We are exposed to the risk that our borrowers (including sovereigns) may not repay their l their contractual terms and that the collateral securing the payment of these loans may be may result in changes in the credit quality of our borrowers and counterparties, for exa of their inability to refinance their indebtedness or in the case of a decline in financia changes in the credit quality of our borrowers and/or decreasing collateral values would r capital requirements and provisions, and any deterioration of market conditions may lead t the incidence of defaults and insolvencies across a range of sectors. This may lead to impai loans and other assets, higher costs and additions to loan loss provisions. A significant increase in the loan losses could have a material adverse effect on our business, result condition.

If we are significantly exposed to a concentrated set of customers or counterparties, an a affecting these parties could lead to increased losses for the Group, and adversely affect results and financial condition.

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

While prudential regulation is intended to minimise the risk of bank failures, in the even occurs, given our size, we may incur significant compensation payments to be made under th Deposit Guarantee Scheme (DGS), which we may be unable to recover from the bankrupt estate therefore the consequences of any future failure of such a bank could be significant to IN the associated costs to be borne by us may have a material adverse effect on our results a condition. On the basis of the EU Directive on deposit guarantee schemes, ING pays quarter contributions into a DGS-fund. The DGS-fund is to grow to a target size of 0.8 percent of guaranteed under the DGS, which is expected to be reached in July 2024. In case of failure depositor compensation is paid from the DGS-fund. If the available financial means of the insufficient, Dutch banks, including ING, may be required to pay extraordinary ex-post con exceeding 0.5 percent of their covered deposits per calendar year. In exceptional circumst the consent of the competent authority, higher contributions may be required. However, ext post contributions may be temporarily deferred if, and for so long as, they would jeopardi liquidity of a bank. Depending on the size of the failed bank, the available financial mea the required additional financial means, the impact of the extraordinary ex-post contribut be material.

Since 2015, the EU has been discussing the introduction of a pan-European deposit guarantee scheme (EDIS), which would (partly) replace or complement national compensation schemes.

On 18 April 2023, the European Commission published its proposals for the revision of the common framework for bank crisis management and deposit insurance (CMDI) that focuses on small and medium-sized banks, but will affect all EU banks. The CMDI framework consists of the Bank Recovery and Resolution Directive (BRRD), the Single Resolution Mechanism (SRMR) and the Deposit Guarantee Schemes Directive (DGSD). The 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. As at the date hereof, EDIS has not yet been adopted by the European Commission.

Risks related to the regulation and supervision of the Group

Non-compliance with applicable laws and/or regulations, including with respect to financial economic crimes, could result in fines and other liabilities, penalties or other consequences for us, which could materially affect our business and reputation and reduce our profitability.

ING has faced, and in the future may continue to face, the consequences of non-compliance with applicable laws and regulations, including the potential commencement of regulatory investigations or legal proceedings. For additional information on legal proceedings, see Note 42 'Legal proceedings' to the consolidated financial statements. There are potential risks in areas where applicable regulations may be unclear: subject to multiple interpretations or under development; where regulations may conflict with one another; or where regulators revise their previous guidance or courts overturn previous rulings. These could result in our failure to meet applicable standards. Regulators and other authorities have the power to bring investigations and/or administrative or judicial proceedings against us, which could result, among other things, in suspension or revocation of our licences, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action, which could materially harm our results and financial condition as well as ING's reputation. If we fail to address, or appear to fail to address, any of these matters appropriately, our reputation could be harmed and we could be subject to additional legal risk, which could, in turn, increase the size and number of claims and damages brought against us or subject us to enforcement actions, fines and penalties.

Furthermore, as a financial institution, we are exposed to the risk of unintentional involvement in criminal activity in connection with financial economic crimes, including sanctions circumvention and money laundering and the funding of terrorist and other criminal activities. The failure or perceived failure by us 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 our business, results, financial condition and/or prospe period. For further discussion on the impact of litigation, enforcement proceedings, inves regulatory actions with respect to financial economic crimes, see 'We may be subject to li enforcement proceedings, investigations or other regulatory actions, and adverse publicity

Changes in laws and/or regulations governing financial services or financ or the application of such laws and/or regulations may increase our opera limit our activities.

We are subject to detailed banking laws and financial regulations in the jurisdictions in business. Regulation of the industries in which we operate has become more extensive and c also attracting supervisory scrutiny. Compliance with applicable and new laws and regulati intensive, and may materially increase our operating costs. Moreover, these regulations in our customers, markets and society as a whole and can limit or redirect our activities, am through stricter net capital, market conduct and transparency requirements and restriction businesses in which we can operate or invest.

Our revenues and profitability and those of our industry have been and will continue to be requirements relating to capital, additional loss-absorbing capacity, leverage, minimum li term funding levels, requirements related to resolution and recovery planning, derivatives margin rules and levels of regulatory oversight, as well as limitations on which and, if p business activities may be carried out by financial institutions.

We are subject to additional legal and regulatory risk in certain countri operate with less developed or predictable legal and regulatory framework

In certain countries in which we operate or where our clients reside, judiciary and disput may be less effective. As a result, in case of a breach of contract, we may have difficult enforcing claims against contractual counterparties and, if claims are made against us, we difficulties in mounting a defence against such allegations. If we become party to legal p market with an insufficiently developed judicial system, it could have an adverse effect o and net results.

In addition, as a result of our operations in certain countries, we are subject to risks o nationalisation, expropriation, price controls, exchange controls and other restrictive go well as the outbreak of hostilities and/or war, in these markets. In particular, we have w activities in both Russia and Ukraine, as well as investments in Russia, some of which are local currency. Furthermore, the current economic environment in certain countries in whic

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 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 relevant (national) competent authorities, 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 Group's business. Competent authorities may also prohibit the Group from making dividend payments to shareholders or distributions to holders of its regulatory capital instruments if the Group 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. A failure to comply with prudential or conduct regulations could have a material adverse effect on the Group's business, results and financial condition.

Failure to meet minimum capital and other prudential regulatory requirements as applicable to us from time to time may have a material adverse effect on our business,

being prohibited from making payments on certain of our securities. Because implementation transposition into EU or national regulation where required may often involve a lengthy pe of changes in capital, liquidity and leverage regulations on our business, results and fin on our ability to make payments on certain of our securities, is often unclear.

Our US commodities and derivatives business is subject to CFTC and SEC re under the Dodd-Frank Act.

Our affiliate ING Capital Markets LLC is registered with the Commodity Futures Trading Com a swap dealer and is subject to CFTC regulation of the off-exchange derivatives market pur of the US Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). Operatin dealer requires compliance with CFTC regulatory requirements, which may be burdensome, imp additional compliance costs and could adversely affect the profitability of this business, 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. O security-based swap dealer requires compliance with SEC regulatory requirements, which may burdensome, impose additional compliance costs and could adversely affect the profitabilit business, as well as exposing ING to the risk of non-compliance with these regulations. Wh SEC requirements apply to ING Capital Markets LLC, in addition to its CFTC swap dealer req rules have permitted an Alternative Compliance Mechanism that allows for compliance, subje requirements, with CFTC capital and margin rules applying to swap dealers in lieu of SEC c rules applying to security-based swap dealers. ING Capital Markets LLC has elected to use Compliance Mechanism. However, should ING Capital Markets LLC in the future be ineligible

results and financial condition and on our ability to make payments on our securities.

ING is subject to a variety of regulations that require us 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 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, or to adapt to changes in such requirements, may have a material adverse effect on our business, results and financial condition, and may require us to seek additional capital. Failures to meet minimum capital or other prudential requirements may also result in ING

Alternative Compliance Mechanism it would be subject to SEC security-based swap dealer rul
capital, and related financial reporting instead of the CFTC swap dealer rules which could
intensive.

On 15 December 2021, the SEC proposed new rules that would for the first time impose publi
requirements for some significant security-based swaps positions. The rules would apply ev
between non-US counterparties, including ING Bank, provided that the issuer of the referen
underlying the security-based swaps is organised in the US, the issuer of the reference se
the security-based swaps has its principal place of business in the US, or the securities
categories registered with the SEC.

These proposed regulations, if adopted in their current form, could constrain trading acti
based swaps. In addition, there are, or may be in the future, regulatory requirements or l
to other categories of equity derivatives, such as options or forwards, that could similar
activity in such instruments as well. These various requirements and limitations with resp

derivatives generally could have a significant impact on the liquidity and utility of these activities, materially impacting ING's business in this market.

In addition, position limits requirements have been imposed by the CFTC for enumerated listed futures referencing twenty-five physical commodities. In addition, on 1 January 2023, these position limits were extended to certain positions in swaps that are "economically equivalent" to the enumerated futures contracts. The position limits on futures and related swaps could limit ING's position sizes in these swaps referencing specified physical commodities and similarly limit the ability of counterparties to utilise certain of our products, to the extent that hedging exemptions from the position limits are unavailable. Any of the foregoing factors, and any further regulatory developments with respect to commodities and derivatives, could have a material impact on our business, results and financial condition.

We are subject to 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 'Bank Recovery and Resolution Directive' (BRRD) as implemented in national legislation, such as 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 cost for taxpayers and the real economy. The BRRD establishes a common framework for the recovery and resolution of banks within the European Union, with the aim of providing supervisory authorities and resolution authorities with common tools and powers to address banking crises pre-emptively to safeguard financial stability and minimise taxpayers' exposure to losses. Any application of statutory write-down and conversion or other powers would not be expected to constitute an event of default under our securities entitling holders to seek repayment. If any of these powers were to be exercised in respect of ING, there could be a material adverse effect on both ING and on holders of ING securities, including through a material adverse effect on credit ratings and/or the price of our securities. Investors in our securities may lose their investment if resolution measures are taken under current or future regimes.

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

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

We are involved in governmental, regulatory, arbitration and legal proceedings and investigations involving claims by and against us which arise in the ordinary course of our businesses, including in connection with

our activities, as a financial services provider, employer, investor and taxpayer. As a finan
are subject to specific laws and regulations governing financial services and/or financial
'Risks related to the regulation and supervision of the Group. Changes in laws and/or regu
financial services or financial institutions or the application of such laws and/or regula
operating costs and limit our activities' and 'Our US commodities and derivatives business
and SEC regulation under the Dodd-Frank Act' above. Financial reporting irregularities inv
and well-known companies, possible findings of government authorities in various jurisdict
investigating several processes, notifications made by whistleblowers, increasing regulato
enforcement scrutiny of 'know your customer' anti-money laundering regulations, tax evasio
transactions with countries or persons subject to sanctions, and bribery or other anti-cor
and anti-terrorist-financing procedures and their effectiveness, regulatory investigations
industry, and litigation that arises from the failure or perceived failure by us to comply
regulatory, tax and compliance requirements could result in adverse publicity and reputati
to increased regulatory supervision, affect our ability to attract and retain customers an
maintain access to the capital markets, result in cease and desist orders, claims, enforce
and civil and criminal penalties, other disciplinary action or have other material adverse
ways that are not predictable. With respect to sanctions, Russia's invasion of Ukraine has
changed the global political landscape, resulting in a world-wide response, whereby new an
sanctions packages were imposed against Russia and Belarus during 2022 and 2023. During 20
have been several noteworthy developments highlighting the increasing focus of the EU, US,
governments on the potential circumvention of sanctions against Russia, and the roles of t
and companies in facilitating the circumvention or undermining of such sanction's measures
prompted a concerted effort by governments to impose pressure on companies operating in th
jurisdictions, and to stop the sanctions measures from being sidestepped by targeted Russi
EU introduced additional measures combating sanctions circumvention and several locations
into focus as potential diversion hubs. While various sanctions include grace periods befo
is required, there is no guarantee that ING will be able to implement all required procedu
applicable grace periods. In addition, some claims and allegations may be brought by or on
and claimants may seek large or indeterminate amounts of damages, including compensatory,
treble and punitive damages. Our reserves for litigation liabilities may prove to be inade
allegations, should they become public, need not be well founded, true or successful to ha
impact on our reputation. In addition, press reports and other public statements that asse
wrongdoing could result in inquiries or investigations by regulators, legislators and law
officials, and responding to these inquiries and investigations, regardless of their ultim
consuming and expensive. Adverse publicity, claims and allegations, litigation and regulat
and sanctions may have a material adverse effect on our business, results, financial condi
prospects in any given period.

We are subject to different tax regulations in each of the jurisdictions where we conduct 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 our taxes and our effective tax rates and could materially impact our tax receivables and liabilities as well as deferred tax assets and deferred tax liabilities, which could have a material adverse effect on our business, results and financial condition. Changes in tax laws could also make certain ING products less attractive, which could have adverse consequences for our businesses and results. On 7 June 2021, the Dutch government received a formal notice of termination 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 we believe that we have adequately provided for all our tax positions, the ultimate resolution of these audits, investigations and procedures may result in liabilities which are different from the amounts recognized. In addition, increased bank taxes in countries where the Group is active result in increased taxes on ING's banking operations, which could negatively impact our operations, financial condition and liquidity.

We may be subject to tax investigations under EU, US and local laws if we fail to comply with our obligations

Due to the nature of its business, ING is subject to various provisions of EU, US, and other local tax laws in relation to its customers. These include amongst others the Foreign Account Tax Compliance Act ('FATCA'), which requires ING to provide certain information for the US Internal Revenue Service (IRS), the Qualified Intermediary (QI) requirements, which require withholding tax on certain US-source payments, and the Common Reporting Standards (CRS) which requires ING to provide certain information to local tax authorities. Failure to comply with these requirements and regulations could 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.

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

Our 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
circumstances under which the products were sold, were misrepresented to them. When new fi
products are brought to the market, it is ING's policy to engage in a multidisciplinary pr
process in connection with the development and distribution of such products, including pr
appropriate marketing and communication materials. Notwithstanding these processes, custom
make claims against ING if the products do not meet their expectations , either at the pur
the product and/or through the life of the product. Customer protection regulations, as we
interpretation and perception by both the public at large and governmental authorities of
market practices, influence customer expectations

Products distributed through person-to-person sales forces have a higher exposure to such
sales forces may provide face-to-face financial planning and advisory services. Complaints
customers feel that they have not been treated reasonably or fairly, or that the duty of c
complied with. While a considerable amount of time and resources have been invested in rev
assessing historical sales practices and products that were sold in the past, and in the m
management, legal and compliance procedures to monitor current sales practices, there can
assurance that all of the issues associated with current and historical sales practices ha
identified, nor that any issues already identified will not be more widespread than presen

The negative publicity associated with any sales practices, any compensation payable in re
such issues and regulatory changes resulting from such issues, has had and could have a ma
effect on our reputation, business, results, financial condition and prospects. For additi
regarding legal proceedings or claims, see Note 45 'Legal proceedings' to the consolidated
statements.

Risks related to the Group's business and operations

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

Environmental, Social and Governance (ESG) is an area of significant and increased focus f
and regulators, investors, ING's customers and employees, and other stakeholders or third
governmental organisations or NGOs). As a result, an increasing number of laws, regulation
actions have been introduced to address climate change, sustainability and other ESG-relat
including in relation to the financial sector's operations and strategy. Such recent regul
Sustainable Finance Disclosure Regulation (SFDR), EU Taxonomy regulation and EU Green Bond
which broadly focus on disclosure obligations, standardized definitions and classification
environmentally sustainable activities, and the EU Corporate Sustainability Reporting Dire
requires certain companies, including us, to disclose information on what they see as the

opportunities arising from social and environmental issues, and on the impact of their activities on people

ING's business and operations are exposed to transition risks related to

and the environment. Third parties may pursue litigation against ING in connection with ESG-related matters, such as the recently announced potential claims by Friends of the Earth Netherlands (Milieudefensie) in connection with financing provided by ING to certain companies whose business is reliant on fossil fuels.

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, including amongst others, greenwashing risk and the risk of litigation if governmental standards or community expectations are not met.

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 criticised 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.

ING 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.

The transition to a low-carbon or net-zero economy gives rise to risks and uncertainties a
climate change-related laws, regulations and oversight, changing or new technologies, and
customer sentiment. For instance, ING may be required to change its lending portfolio to c
climate change-related regulations and other ESG-related demands from customers, investors
stakeholders. As a result, it might be unable and unwilling to lend to certain prospective
to the termination of certain existing relationships with certain customers. This could re
challenges from such customers against ING. This transition may also adversely impact the
operations of ING’s customers and other counterparties. Further, there is a risk that chan
standards and market expectations could lead to a reduction in demand and a decline in val
certain assets, which may affect the value of collateral we hold or the financial strength
portfolios. If ING fails to adequately factor in such risks in its lending or other busine
be exposed to losses.

The low carbon or net zero transition may also require ING to modify or implement new comp
systems, internal controls and procedures or governance frameworks. The integration and au
internal governance, compliance, and disclosure and reporting frameworks across ING could
increased operational costs for ING and other execution and operational risks. The impleme
these systems may especially be higher in the near term as ING seeks to adapt its business
overlapping, duplicative or conflicting regulatory or other requirements in this fast-deve
Furthermore, ING’s ongoing implementation of appropriate systems, controls and frameworks
requires ING to develop adequate climate change-related risk assessment and modelling capa
there is currently no standard approach or methodology available), and to collect customer
other data. There are significant risks and uncertainties inherent in the development of n
methodologies and the collection of data, potentially resulting in systems or frameworks t
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 c
and regulatory requirements may have a material adverse impact on our business, financial
operating results and reputation, and lead to climate change or ESG-related investigations
proceedings or litigation.

ING’s business and operations are exposed to physical risks, including as
of climate change.

ING’s business and operations may be exposed to the impacts of physical risks arising from
weather-related events, including heatwaves, droughts, flooding, storms, rising sea levels
weather events or natural disasters, and to the impacts of physical risks arising from the

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, 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. 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, the long-lasting bushfires in Australia in February 2021 or the severe flooding in the eastern states of Australia in early 2022, could lead to unexpected business interruptions or losses for ING or its customers.

For a description of physical risks to our operations and business other than resulting from natural disasters as a result of climate change, see '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 we do business or outbreaks of communicable diseases may adversely impact our reputation, business and results' below.

Operational and IT risks, such as systems disruptions or failures, breaches of security, human error, changes in operational practices, inadequate controls including in respect of third parties with which we do business or outbreaks of communicable diseases may adversely impact our reputation, business and results.

Operational and IT risks are inherent to our business. Our clients depend on our ability to process and report a large number of transactions efficiently and accurately. In addition, we routinely transmit, receive and store personal, confidential and proprietary information electronically. Losses can result from inadequately trained or skilled personnel, IT failures (including due to a cyber attack), inadequate or failed internal control processes and systems (including, as the role of Artificial Intelligence in the finance industry and in our business increases, any errors as a result of incomplete, inaccurate, or otherwise flawed outputs from the algorithms and data sets utilized), 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. 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) and the new Digital Operational Resilience Act (DORA) which will enter into force in January 2025. Failure to appropriately
manage and monitor our IT risk profile could affect our ability to comply with these regul
requirements, or to securely and efficiently serve our clients or to timely, completely or ac
store and transmit information, and may adversely impact our reputation, business and resu
description of the particular risks associated with cybercrime, which is a specific risk t
strategic focus on technology and innovation, see 'We are subject to increasing risks rela
and compliance with cybersecurity regulation' below.

In addition, as finance industry participants are increasingly incorporating Artificial In
processes and systems, the risk of data and information leaks is correspondingly increasin
customers’ sensitive, proprietary, or confidential information could be leaked, disclosed,
result of or in connection with our or our third-party providers’ use of generative or oth
Intelligence technologies. Any such information that we input into a third-party generativ
Intelligence or machine learning platform could be revealed to others, including if inform
may be used in the third party's Artificial Intelligence models. Additionally, where an Artificial
ingests personal information and makes connections using such data, those technologies may
sensitive, proprietary, or confidential information generated by the model.

Widespread outbreaks of communicable diseases may impact the health of our employees, incr
absenteeism, or may cause a significant increase in the utilisation of health benefits off
employees, either or both of which could adversely impact our business. Further, as a resu
pandemic, a significant portion of our staff continue to work from home on a full- or part
may raise operational risks, including with respect to information security, data protecti
key systems and infrastructure integrity. In addition, other events including unforeseeabl
catastrophic events can lead to an abrupt interruption of activities, and our operations m
losses resulting from such disruptions. Losses can result from destruction or impairment o
financial assets, trading positions, and the loss of key personnel. If our business contin
to be implemented, are not effective or do not sufficiently take such events into account,
increase further.

We are subject to increasing risks related to cybercrime and compliance w
cybersecurity regulation.

Like other financial institutions and global companies, we are regularly the target of cyb
a specific risk to ING as a result of its strategic focus on technology and innovation. In
from Distributed Denial of Service (DDoS), targeted attacks (also called Advanced Persiste
ransomware have intensified worldwide, and attempts to gain unauthorised access and the so
of techniques used for such attacks is increasing. Cyber threats are constantly evolving a
used in these attacks change, develop and evolve rapidly, including the use of emerging te
as advanced forms of Artificial Intelligence and quantum computing. The new cyber risks in
these changes in technology require us to devote significant attention to identification,

analysis of the risks and implementation of corresponding preventative measures. We have faced, and expect to continue to face, an increasing number of cyber attacks (both successful and unsuccessful) as we have further digitalised. This includes the continuing expansion of our mobile- and other internet-based products and services, as well as our usage and reliance on cloud technology.

Cybersecurity, the use and safeguarding of customer data and data privacy have become the subject of increasing legislative and regulatory focus. The EU’s second Payment Services Directive (PSD2), GDPR and DORA are examples of such regulations. The resilience of financial institutions against ransomware attacks is now subject of the yearly stress test executed by the ECB in 2024. 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. We may become subject to new EU and local legislation or regulation concerning cybersecurity, security of customer data in general or the privacy of information we 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 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 for purposes of misappropriating assets or sensitive information, corrupting data, or impairing operational performance, each of which could have a security impact. These events could also jeopardise our confidential information or that of our clients or our counterparties. These events can potentially result in financial loss and harm to 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 mark
not be able to increase or maintain our market share, which may have an a
effect on our results.

There is substantial competition in the Netherlands and the other countries in which we do
types of wholesale banking, retail banking, investment banking and other products and serv
Customer loyalty and retention can be influenced by several factors, including brand recog
reputation, relative service levels, the prices and attributes of products and services, s
credit ratings and actions taken by existing or new competitors (including non-bank or fin
competitors). A decline in our competitive position as to one or more of these factors cou
impact our ability to maintain or further increase our market share, which would adversely
results. Such competition is most pronounced in our more mature markets of the Netherlands
rest of Western Europe and Australia. In recent years, however, competition in emerging ma
Asia and Central and Eastern Europe, has also increased as large financial services compan
developed countries have sought to establish themselves in markets which are perceived to
growth potential, and as local institutions have become more sophisticated and competitive
to form alliances, mergers or strategic relationships with some of our competitors. The Ne
largest market. Our main competitors in the banking sector in the Netherlands are ABN AMRO
Rabobank.

Competition could also increase due to new entrants (including non-bank and financial tech
competitors) in the markets that may have new operating models that are not burdened by po
costly legacy operations and that are subject to reduced regulation. New entrants may rely
technologies, advanced data and analytic tools, lower cost to serve, less extensive oversi
compared to the frameworks established in respect of traditional banks and/or faster proce
traditional banks. Developments in technology have also accelerated the use of new busines
ING may not be successful in adapting to this pace of change or may incur significant cost

Although the Covid-19 pandemic has now largely subsided, there has been an increase in the behaviour of our customers leading to reduced traffic in branches. Over 95 percent of our customers now interact with us via digital channels only. This increased reliance on digital banking and remote working may increase the risk of cybersecurity breaches, loss of personal data and related reputational risk. If any of these risks were to materialise that may adversely affect our business, results and financial condition.

business and operations to meet such changes. For example, new business models have been o retail payments, consumer and commercial lending (such as peer-to-peer lending), foreign e low-cost investment advisory services. In particular, the emergence of disintermediation i sector resulting from new banking, lending and payment solutions offered by rapidly evolvi challengers and new entrants, in particular with respect to payment services and products, introduction of disruptive technology may impede our ability to grow or retain our market our revenues and profitability.

Increasing competition in the markets in which we operate (including from non-banks and fi technology competitors) may significantly impact our results if we are unable to match the services offered by our competitors. Future economic turmoil may accelerate additional con activity. Over time, certain sectors of the financial services industry have become more c institutions involved in a broad range of financial services have been acquired by or merg

or have declared bankruptcy. These developments could result in our competitors gaining greater access to capital and liquidity, expanding their ranges of products and services, or gaining geographic diversity. We may 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, which may have a material adverse impact on our business, results and financial condition.

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 monetisation of our internal innovations.

We may also be subject to claims made by third parties for (i) patent, trademark or copyright infringement, (ii) breach of copyright, trademark or licence usage rights, or (iii) 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 (including where we or a third party have used generative Artificial Intelligence outputs based on data for which the generative model may not have had consent), we could in some circumstances be enjoined from providing certain products or services to our customers or from utilising 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 financial obligations or ou enforce our rights against counterparties could have a material adverse e results

Third parties that have an payment obligations to ING, or obligations to return money, sec assets, may not pay or perform under their obligations. These parties include the issuers (including sovereigns) of securities we hold, borrowers under loans originated, reinsurers counterparties, securities lending and repurchase counterparties, counterparties under swa and other derivative contracts, clearing agents, exchanges, clearing houses and other fina intermediaries. Defaults by one or more of these parties on their obligations to us due to liquidity, downturns in the economy or real estate values, continuing low oil or other com operational failure or other factors, or even rumours about potential defaults by one or m parties or regarding a severe distress of the financial services industry generally, could adverse effect on our results, financial condition and liquidity. Given the high level of between financial institutions, we are and will continue to be subject to the risk of dete commercial and financial soundness, or perceived soundness, of sovereigns and other financ institutions. This is particularly relevant to our franchise as an important and large cou fixed income and foreign exchange markets, including related derivatives.

We routinely execute a high volume of transactions, such as unsecured debt instruments, de transactions and equity investments with counterparties and customers in the financial ser including brokers and dealers, commercial and investment banks, mutual and hedge funds, in companies, institutional clients, futures clearing merchants, swap dealers, and other inst large periodic settlement amounts, which may result in us having significant credit exposu of such counterparties or customers. As a result, we could face concentration risk with re amounts we expect to collect from specific counterparties and customers. We are exposed to counterparty risk as a result of recent financial institution failures and weakness and wi exposed to the risk of loss if counterparty financial institutions fail or are otherwise u obligations. As a result of the Russian invasion of Ukraine and related international resp including sanctions and capital controls, we may be exposed to increased risk of default o located in Russia and Ukraine, counterparties of which the ultimate parent is located in R considered effectively controlled or influenced through Russian involvement, and other cou sectors affected by the response measures. Also, liquidity or currency controls enforced b central bank may impact Russian companies' ability to pay. In addition, we have counterpar Russian entities in connection with foreign exchange derivatives for future receipt of for against Russian rouble (RUB). Remaining at risk for ING at year-end 2023 is €0.4 billion l billion credit exposures booked outside of Russia, and €0.6 billion with clients in Ukrain even concerns about the creditworthiness of, one or more of these counterparties or custom financial services institutions could therefore have an adverse effect on our results or l

With respect to secured transactions, our credit risk may be exacerbated when the collateral held by us cannot be liquidated 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 ECB 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 developments or losses could materially and adversely affect our business, results, financial condition, and/or prospects.

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

Credit ratings represent the opinions of rating agencies regarding an entity's ability to repay its indebtedness. Our credit ratings are important to our 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 our 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 our liquidity. They can also have lower risk appetite for our debt notes, leading to lower purchases of (newly issued) debt notes. We have 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 downgrade at any time.

As rating agencies continue to evaluate the financial services industry, it is possible th heighten the level of scrutiny that they apply to financial institutions, increase the fre their credit reviews, request additional information from the companies that they rate and adjust upward the capital and other requirements employed in the rating agency models for of certain ratings levels. It is possible that the outcome of any such review of us would adverse ratings consequences, which could have a material adverse effect on our results an condition. We may need to take actions in response to changing standards or capital requir any of the rating agencies, which could cause our business and operations to suffer. We ca what additional actions rating agencies may take, or what actions we may take in response of rating agencies.

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

An inability to retain or attract key personnel may affect our business a

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

The increasing restrictions on, and public and political scrutiny of, remuneration (especi Netherlands), may continue to have an impact on existing ING Group remuneration policies a remuneration packages for personnel. For example, under the EU's amended Shareholder Right known as SRD II, which came into effect on 10 June 2019, ING is required to hold a shareho on ING's Executive Board remuneration policy and Supervisory Board remuneration policy at years. Furthermore, the shareholders have an advisory vote on ING's remuneration report ann may restrict our ability to offer competitive compensation compared with companies (financ otherwise) that are not subject to such restrictions and it could adversely affect ING Gro or attract key personnel, which, 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 actual results and underlying actuarial assumptions and

As noted above, regulation of the industries in which we operates is becoming increasingly and complex, while also attracting supervisory scrutiny. Compliance failures may lead to c laws and regulations governing the risk management practices and materially increase our c models.

ING Group companies operate various defined benefit retirement plans covering the post-employment benefits of a number of our employees. The liability recognised in our consolidated balance sheet in respect of our 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. 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 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 our present and future liabilities and costs associated with our defined benefit 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 and results. In addition, we use assumptions in to model client behaviour for the purpose of market risk calculations in our 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, our future results or reputation. Furthermore, we 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 '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 our operating costs and limit our activities' above.

We may be unable to manage our risks successfully through derivatives.

We employ various economic hedging strategies with the objective of mitigating the market risks inherent in our business and operations. These risks include currency fluctuations, change of our investments, the impact of interest rates, equity markets and credit spread changes of credit defaults and changes in client behaviour. We seek to control these risks by, amo entering into a number of derivative instruments, such as swaps, options, futures and forw including, from time to time, macro hedges for parts of our business, either directly as a a credit support provider to affiliate counterparties. Developing an effective strategy fo risks is complex, and no strategy can completely insulate us from risks associated with th Our hedging strategies also rely on assumptions and projections regarding our assets, liab market factors and the creditworthiness of our counterparties that may prove to be incorre inadequate. Accordingly, our hedging activities may not have the desired beneficial impact financial condition. Poorly designed strategies or improperly executed transactions could our risks and losses. Hedging strategies involve transaction costs and other costs, and if hedging arrangement, we may also be required to pay additional costs, such as transaction breakage costs. There have been periods in the past, and it is likely that there will be p during which we have incurred or may incur losses on transactions, possibly significant, a account our hedging strategies. Further, the nature and timing of our hedging transactions increase our risk and losses. Hedging instruments we use to manage product and other risks perform as intended or expected, which could result in higher realised or unrealised losse value adjustment risks or unexpected P&L effects, and unanticipated cash needs to collater such transactions. Adverse market conditions can limit the availability and increase the c instruments, and such costs may not be recovered in the pricing of the underlying products In addition, hedging counterparties may fail to perform their obligations, resulting in un and losses on positions that are not collateralised. As such, our hedging strategies and t we use or may use may not adequately mitigate or offset the risks they intend to cover, an transactions may result in losses.

Our hedging strategy additionally relies on the assumption that hedging counterparties rem willing to provide the hedges required by our strategy. Increased regulation, market shock market conditions and/or other factors that affect or are perceived to affect the financi and creditworthiness of ING may reduce the ability and/or willingness of such counterparti hedging activities with us and/or other parties, affecting our overall ability to hedge our affecting our business, results and financial condition.

Risks related to the Group’s liquidity and financing activities

We depend on the capital and credit markets, as well as customer deposits, to provide the liquidity and capital required to fund our operations, and adverse conditions in the capital and credit markets, or significant withdrawals of customer deposits, may impact our 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 our cost of borrowed funds and our ability to borrow on a secured and unsecured basis, thereby impacting our ability to support and/or grow our businesses. Furthermore, although interest rates are still relatively low by historical standards and have been since the financial crisis in 2008, interest rates are rising and we have experienced, and may continue to experience, increased funding costs due in part due to the withdrawal of perceived government support of financial 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.

We need liquidity to fund new and recurring business, to pay our operating expenses, interest on our debt and dividends on our capital stock, maintain our securities lending activities and replace certain maturing liabilities. Without sufficient liquidity, we will be forced to curtail our operations and our business will suffer. The principal sources of our 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 we rely on customer deposits to fund our business and operations, the 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 institutions may, for example, decrease due to our or our competitors’ failure to communicate to customers the terms of, and the benefits and risks to customers of, complex or high-fee financial products. Reduced confidence could have an adverse effect on our liquidity and capital position through withdrawal of deposits, in addition to our revenues and results. Because a significant percentage of our 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 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. Also see under the heading 'Ratings are important to our business for a number of reasons, and a downgrade or a potential downgrade in our credit ratings could have an adverse impact on our results and net result access to funds may be limited if regulatory authorities or rating agencies take negative If our internal sources of liquidity prove to be insufficient, there is a risk that we may successfully obtain additional financing on favourable terms, or at all. Any actions we mi financing may, in turn, cause rating agencies to re-evaluate our ratings.

Disruptions, uncertainty or volatility in the capital and credit markets may also limit ou Such market conditions may in the future limit our ability to raise additional capital to growth, or to counterbalance the consequences of losses or increased regulatory capital an capital requirements. This could force us to (i) delay raising capital, (ii) reduce, cance of dividends on our shares, (iii) reduce, cancel or postpone interest payments on our othe issue capital of different types or under different terms than we would otherwise, or (v) capital than in a more stable market environment. This would have the potential to decreas profitability and our financial flexibility. Our results, financial condition, cash flows, rating agency capital position could be materially adversely affected by disruptions in th

Furthermore, regulatory liquidity requirements in certain jurisdictions in which we operat stringent, undermining our efforts to maintain centralised management of our liquidity. Th developments may cause trapped pools of liquidity and capital, resulting in inefficiencies managing our liquidity and solvency, and hinder our efforts to integrate our balance sheet Such trapped liquidity includes our operations in Germany where German regulations impose liquidity requirements that restrict ING’s ability to move a liquidity surplus out of the

As a holding company, ING Groep N.V. is dependent for liquidity on paymen subsidiaries, many of which are subject to regulatory and other restricti ability to transact with affiliates.

ING Groep N.V. is a holding company and, therefore, depends on dividends, distributions an payments from its subsidiaries to fund dividend payments to its shareholders and to fund a its obligations, including debt service obligations.

ING Groep N.V.’s ability to obtain funds to meet its obligations depends on legal and regu applicable to ING Groep N.V.’s subsidiaries. Many of ING Groep N.V.’s direct and indirect including certain subsidiaries of ING Bank N.V., may be subject to laws that restrict divi well as requirements with respect to capital and liquidity levels. For example, certain lo regulators have taken steps and may take further steps to “ring fence” or impose minimum i loss-absorbing capacity on the local affiliates of a foreign financial institution to prot of such affiliates in the event of financial difficulties involving such affiliates or the Increased local regulation and supervision have therefore limited and may in the future fu

ability to move capital and liquidity among affiliated entities and between ING Groep N.V. and its direct and indirect subsidiaries, limit the flexibility to structure intercompany and external activities of ING as otherwise deemed most operationally efficient, and increase in the overall level of capital and liquidity required by ING on a consolidated basis.

Lower earnings of a local entity may also reduce the ability of such local entity to make dividends and distributions to ING Groep N.V. Other restrictions, such as restrictions on payments from subsidiaries or limitations on the use of funds in client accounts, may also apply to distributions to ING Groep N.V. from its subsidiaries.

ING Groep N.V. has also in the past guaranteed and may in the future continue to guarantee the payment obligations of some of its subsidiaries, including ING Bank N.V. Any such guarantees may require ING Groep N.V. to provide substantial funds or assets to its subsidiaries or the creditors or counterparties of such subsidiaries at a time when the guaranteed subsidiary is in need of liquidity to fund its own obligations.

Finally, ING Groep N.V., as the resolution entity of ING, has an obligation to remove impediments to resolution and to improve resolvability. Regulatory authorities have required and may continue to require ING to increase capital or liquidity levels at the level of the resolution entity or at particular subsidiaries. This may result in, among other things, the issuance of additional long-term debt issuance at the level of ING Groep N.V. or particular subsidiaries.

Additional risks relating to ownership of ING shares

Holders of ING shares may experience dilution of their holdings and may be impacted by any share buyback programme.

ING’s AT1 Securities may, under certain circumstances, convert into equity securities. Such conversion would dilute the ownership interests of existing holders of ING shares and such dilution could be substantial.

ordinary shares, ADSs or other securities to be higher than it would be in the absence of buyback programme, however, could potentially reduce the market liquidity of our ordinary share securities. There can be no assurance that any share buybacks will enhance shareholder val market price of our ordinary shares or ADSs may decline below the levels at which we repur ordinary shares or ADSs.

In addition, ING cannot guarantee that any future share buyback programme will be fully co The timing and amount of share repurchases pursuant to a share buyback programme will depe number of factors, including market, business conditions, and the trading price of the our ADSs. A share buyback programme may also be suspended or terminated at any time, and any s suspension or termination could negatively affect the trading price of, increase trading p reduce the market liquidity of our ordinary shares, ADSs or other securities. Additionally programme could diminish our cash reserves, which may impact our ability to finance future pursue possible future strategic opportunities.

Because we are incorporated under the laws of the Netherlands and many of members of our Supervisory and Executive Board and our officers reside ou United States, it may be difficult to enforce judgments against ING or th our Supervisory and Executive Boards or our officers.

Most of our Supervisory Board members, our Executive Board members and some of the experts this Annual Report, as well as many of our officers are persons who are not residents of t and most of our and their assets are located outside the United States. As a result, inves able to serve process on those persons within the United States or to enforce in the Unite obtained in US courts against us or those persons based on the civil liability provisions laws.

Investors also may not be able to enforce judgments of US courts under the US federal secu courts outside the United States, including the Netherlands. The United States and the Net

Additionally, any conversion, or the anticipation of the possibility of a conversion, could depress the market price of ING shares. Furthermore, we may undertake future equity offerings with or without subscription rights. In case of equity offerings without subscription rights, holders of ING shares may suffer dilutions. In case of equity offerings with subscription rights, holders of ING shares in certain jurisdictions, however, may not be entitled to exercise such rights unless the rights and the related shares are registered or qualified for sale under the relevant legislation or regulatory framework. Holders of ING shares in these jurisdictions may suffer dilution of their shareholding should they not be permitted to, or otherwise chose not to, participate in future equity offerings with subscription rights.

Any share repurchases could affect the price of our ordinary shares, ADSs or other securities and increase trading price volatility. The existence of a share buyback programme could also cause the price of our

currently have a treaty providing for the reciprocal recognition and enforcement of judgme arbitration awards) in civil and commercial matters. Therefore, a final judgment for the p rendered by any federal or state court in the United States based on civil liability, whet solely upon the US federal securities laws, would not be enforceable in the Netherlands un underlying claim is re-litigated before a Dutch court. However, under current practice, th Netherlands may be expected to render a judgment in accordance with the judgment of the re court, provided that such judgment (i) is a final judgment and has been rendered by a cour established its jurisdiction on the basis of internationally accepted grounds of jurisdict rendered in violation of elementary principles of fair trial, (iii) is not contrary to the Netherlands, and (iv) is not incompatible with (a) a prior judgment of a Netherlands court

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 recognised 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 US investors will be able to enforce against us or members of our board of directors, officers or certain experts named herein who are residents of the Netherlands or countries other than the United States any judgments obtained in US courts in civil and commercial matters, including judgments under the US federal securities laws.

In addition, there is doubt as to whether a Dutch court would impose civil liability on us, the members of our board of directors, our officers or certain experts named herein in an original action predicated solely upon the US federal securities laws brought in a court of competent jurisdiction in the Netherlands against us or such members, officers or experts, respectively.

Item 4. Information on the Company

A. History and development of the company

General

ING Groep N.V. was established as a Naamloze Vennootschap (a Dutch public limited liability company) on March 4, 1991. ING Groep N.V. is incorporated under the laws of the Netherlands.

The corporate site of ING, www.ing.com, provides news, investor relations and general information about the company.

ING is required to file certain documents and information with the United States Securities and Exchange Commission (SEC). These filings relate primarily to periodic reporting requirements applicable to issuers of securities, as well as to beneficial ownership reporting requirements as a holder of securities. The most common filings we submit to the SEC are Forms 6-K and 20-F (periodic reporting requirements). The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov. ING's electronic filings are available on the SEC's internet site under CIK ID 0001039765 (ING Groep NV).

The official address of ING Group is:

ING Groep N.V.
Bijlmerdreef 106
1102 CT Amsterdam
P.O. Box 1800,
1000 BV Amsterdam
The Netherlands
Telephone +31 20 563 9111

The name and address of ING Group's agent for service of process in the United States in c ING's registration statement on Form F-3 is:

ING Financial Holdings Corporation
1133 Avenue of the Americas
New York, NY 10036
United States of America
Telephone +1 646 424 6000

Changes in the composition of the Group

For information on changes in the composition of the Group, reference is made to Note 43 'Consolidated companies and businesses acquired and divested'

B. Business Overview

ING's purpose is empowering people to stay a step ahead in life and in business. Our strategy – making the difference for people and the

Our enablers

Providing seamless digital services

We know that we can serve our customers better if we use robust, 'always-on' channels, pro planet – is built around this purpose.

In a world that is constantly changing, we aim to be digital and sustainability pioneers, skilled at adapting to the trends impacting our business. Our two overarching priorities are providing customers with a superior customer experience (CX) and aiming to put sustainability at the heart of what we do. These priorities are supported by four ’enablers’: providing seamless digital services, using our scalable technology and operations, staying safe and secure, and unlocking our people’s full potential.

Providing customers with a superior experience

As an organisation, we need to be customer focused – after all, customers are who we’re here for, our reason for being. We want to provide them with the products and services they need: executing payments and other transactions, keeping and managing their money and savings and extending loans and making investments. Our aim is to do all that with an experience that is easy, instant, personal and relevant. We realise that different types of customers have different needs. We can make a difference by helping them to plan for the future and make informed financial decisions, and by providing suitable financial products and customised advice. Read more on how we cater to our customers’ needs, private individuals, small businesses and large corporates in 'Superior customer experience'.

Putting sustainability at the heart of what we do

We have a role in society to define new ways of doing business that align with economic changes, growth and social impact. Climate change is one of the world’s biggest challenges, threatening societies as we know them today. We’re determined to be a banking leader in building a sustainable future for customers, society and the environment. We want to lead by example by striving for net zero in our own operations. We also want to play our part in the low-carbon transformation that’s necessary to achieve a sustainable future, aiming to steer our financing towards meeting global climate goals and working with clients to achieve their own sustainability goals. Read more on our sustainability efforts in the 'ESG overview'.

enabled personalised experiences and end-to-end digitalising processes, with human interve where needed or desired.

Using scalable technology and operations

A technology and operations foundation that is modular and scalable brings many benefits, support for providing a superior customer experience, increased safety, speeding up time-t shortening time-to-market, and lowering cost-to-serve.

Staying safe and secure

For a bank, trust is the starting point, the most basic requirement for all stakeholders. their money and with their data, and keeping that safe is crucial. As a gatekeeper to the we play an important role in the collective fight against fraud, cybercrime, and financial crimes.

Unlocking our people’s full potential

People are our greatest asset. We seek to attract, develop and retain the best people, and success is founded on their continued commitment. What will unlock their full potential is Orange culture where everyone has the opportunity to develop and have impact for our custo society. In 2023, we focused on three pillars to deliver for our people: ‘talent & leaders organisation’ and ‘Employee Experience’. Read more about how we unlock our people’s full p 'Social'.

Superior customer experience

We want to provide customers with an experience that is easy, instant, personal and relevant. What this looks like depends on the type of customer. For private individuals and small businesses, our emphasis is predominantly on mobile banking, while for mid-corporate and Wholesale Banking clients it’s all about personal relationships and sector and network expertise.

What we strive for

In response to changing expectations in today’s always-on digital society, ING wants to offer customers an experience that is easy, instant, personal and relevant.

Easy is about taking the complexity out of banking, making it intuitive, transparent and understandable so customers feel confident. For example, we aim to clearly price products and services, avoid complicated jargon and always be accessible.

Instant is about customers having solutions at their fingertips that put them in the driver’s seat of their finances and make them feel in control by allowing them, for instance, to switch seamlessly between self-service banking on the app and personal advice in a branch. Different groups of customers have different requirements. For private individuals and some Business Banking clients (i.e. the self-employed and small and medium-sized enterprises), the emphasis is on mobile, for both products and services.

Personal is about recognising customers as individuals and getting to know their needs, goals and challenges so they feel valued. For example, to tailor messaging to their specific situation.

Relevant is about bringing value to customers, anticipating their needs, and proactively providing the right insights, advice and solutions at the right time, making them feel empowered. For example, by guiding them on important financial decisions, such as re-financing a mortgage in an environment of rapidly increasing interest rates.

For Business Banking mid-corporates and Wholesale Banking clients, the emphasis remains on client relationships, offering deep sector knowledge and networking expertise, tailored pr supported by seamless digital delivery and services.

Retail Banking – Private Individuals

For customers using Retail Banking products and services, ING intends to provide a seamles led experience that’s easy, instant, personal and relevant. We want to engage with our cus at every stage of their journey and give them personalised products and services based on their insights. Seamless end-to-end digital delivery of customer services is an enabler f customer experience to earn, and keep, the primary relationship.

Earning ‘primary relationships’ with customers is an important driver for profitable growt relationships, greater customer satisfaction, and ultimately customers choosing us for mor needs. We want to be our customers’ first partner for their financial business. In Retail customers have at least two active ING products. One of these should be a current account deposit regular income. In 2023, the number of primary customers increased by 750,000 over a year 15.[illegible] million. Particularly strong growth was achieved in Germany (+252,000), Spain (and the Netherlands (+99,000).

A seamless digital, mobile-led experience

Reflecting customer demand, we are continuously improving our mobile capabilities. In 2023 62 percent of customers used mobile banking only (mobile device login through the app or mobi through the website), compared to 58 percent in 2022. High adoption of mobile banking is e in Türkiye (90 percent), Romania (84 percent), the Netherlands (69 percent), and Spain (66

In the Netherlands, Australia, Germany, and Spain, over 60 percent of new customers are no onboarded, due to continuous improvements in the mobile onboarding flow. Those improvement make digital onboarding available to as many new customers as possible. Similar efforts ar other Retail countries.

More customers are using remote video advice and digital self-service channels. We can con customers across multiple channels through ING’s cloud-based customer interaction platform chat and video contacts. Our global customer interaction platform is used across seven Ret in Wholesale Banking to harmonise the experience and ensure customers receive the same ser everywhere. This year, we continued to expand the platform’s footprint, rolling out voice Germany and Romania, and chat/chatbot capabilities in Italy. In total, the platform facili 100,000 video meetings and over 1.8 million authenticated chat conversations in 2023.

Daily banking and savings products

Everyday Roundup is a digital functionality that aims to make saving simpler, and it is now used by more than 1.5 million customers in seven countries (Poland, Australia, Germany, Romania, Türkiye, Spain and, since the fourth quarter of 2023, the Netherlands). It works by rounding up every transaction on a customer’s current account and automatically transferring the difference to their savings account. In Spain, we also connected Everyday Roundup to investment products to help customers who want to start investing, little by little.

In March, ING in Australia introduced Everyday Roundup to Charity, becoming the first Australian bank to launch a charitable round-up feature. This enables customers to round up eligible everyday card transactions to the nearest dollar or five dollars and donate the difference to a charity.

ING in Germany expanded its current account to include a sustainable option. Customers of the so-called ‘Future current account’ pay one additional euro per month, and can choose between various social and ecological projects that are selected in partnership with the social impact company share®. These projects are supported by the amount equal to the monthly payment made by the customer. Additionally, a sustainable use of deposits is earmarked to sustainability criteria defined by ING Germany. These take the UN principles for responsible banking into account and are aligned with the EU taxonomy. By the end of 2023, 21,000 ‘Future current accounts’ were opened, resulting in more than €90 million in sustainable deposits that are matched with sustainable loans and investments.

Dealwise, a smart shopping platform available in the app in Romania, Germany and Belgium, offers personalised deals, supporting customers to save on their daily spending.

Mortgage products

In Belgium, we launched the HomeHub functionality – a new online journey that takes the customer through the mortgage application process in just four steps, including a conditional approval. Customers can now simulate this process using the Quick & Easy Simulator, as well as make an appointment using the recently launched Call me back flow. Customers can get an overview of required documents and check the

98 percent of early repayment requests being processed automatically or with minimal manua one simple check by the employee). In Romania, customers who visit an ING office monthly t early repayment with loan duration reduction can now make the same changes online.

ING in Poland introduced a fully digital process for customers that apply for a change to agreement. In the second half of 2023, almost all customers (>99 percent) conducted the ch mortgage tenor online. Additionally, since the fourth quarter of 2023, customers in Poland their repayment account and/or repayment date online.

Investment products

ING customers have access to smart digital investment tools to make investing accessible. Dutch investment platform, entry products Easy Invest and Self Invest are now also availab Easy Invest is the most basic product for clients with no experience of investing independ an online risk assessment that helps clients choose the risk level they can tolerate when one of the ING’s mutual funds. Self-Invest is ING’s online brokerage platform offering a wide international equities for clients to invest in directly by themselves.

In Germany, our self-execution investment tool is serving more than two million clients. A clients in Germany can make use of our robo-adviser, offered in partnership with online we Scalable Capital.

Insurance products

ING works together with several insurance partners in various markets to offer our custome insurance products, based on local customer needs. We offer insurance related to bank prod a range of standalone non-life insurance policies. We enhanced our insurance proposition i example, by launching car insurance in Spain, improving our home, car, health and travel i Netherlands, and adding pet insurance to our product offering in Türkiye.

status of their application via the HomeHub.

In the Netherlands, orientating customers who have made an appointment via mobile app or web can now digitally prepare for their appointment by uploading documents based on a personalised document list.

In Belgium and Romania, digitalising partial repayments simplified this process for customers, enabling them to make changes online to reduce a monthly charge and/or reduce the duration of a loan. This gives our clients more control of their financing without hassle. In Belgium, these digitalisation efforts led to over

Retail Banking – Private Banking & Wealth Management

Private Banking & Wealth Management offers banking services and personalised wealth management to affluent and (ultra) high-net worth individuals and their entities in the Netherlands, Belgium and Luxembourg. Through dedicated relationship managers and the support of product specialists and asset management, Private Banking aims to give customers access to a diverse range of products and services suited to their needs. This includes tailor-made and standardised investment advice based on comprehensive financial planning. We have been awarded best private bank in the Netherlands by PWM/The Banker (Financial Ti magazine) and in the MT1000 ranking.

In 2023, the Netherlands introduced investing in private markets, allowing wealthy customers (from €2.5 million in advice/discretionary portfolio management) to invest in, for example, private equity, private credit, and infrastructure. ING works closely with renowned international players in this regard. Private markets importance the economy is increasing wor and adding our services fits in with ING Private Banking's ambition to serve customers even better with innovative investment solutions.

In Belgium, we introduced a new concept of family business events. Over 12 events, 600 family business owners were invited to exchange views on the transition of a family business to the next generation. Our customers appreciated these events, combining both the business and private wealth needs.

Retail Banking – Business Banking

The Business Banking segment covers the following three sub-segments:

Self-employed and micro companies: Independent professionals or small companies that employ up to 10 people and have a turnover up to one million euros.

SMEs: Small to medium-sized companies that employ between 10 and 250 people and have a turnover of between one and 10 million euros.

Mid-corporates: Sophisticated larger companies employing more than 250 employees with a turnover of between 10 million and 250 million euros.

Business Banking serves customers in seven markets: the Netherlands, Belgium, Luxembourg, Poland, Romania, Türkiye and Germany. Our customers are focused on managing and growing their businesses profitably in an ever-changing and increasingly complex environment. Our goal is to support them through relevant, seamless, trusted and personal financial solutions in key moments.

We apply a needs-based customer segmentation approach that differentiates between basic, a complex and/or specific needs. This enables customers to 'self-serve' using our strong dig also access remote and face-to-face advice, when needed.

We are therefore advancing our digitalisation roadmap to create a seamless customer experi digitalising key customer journeys: from onboarding to customer in life, and from lending banking and payments. We have placed emphasis on critical customer journeys, including dig onboarding in the Netherlands, Belgium, Poland, and Türkiye. Furthermore, we offer instant lending solutions in the Netherlands, Belgium, Poland, Romania, and Türkiye to cater to ou lending requirements. These solutions have significantly enhanced our end-to-end digital r cash and customer-acquisition journeys.

For more complex and specific needs, especially for bigger SMEs and mid-corporates, we off relationship banking. This not only covers tailored solutions and advice, but also sector to ING's international network.

Customer Experience (CX) day

As part of ING's focus on continuous improvement of the customer journey, we hold an annua experience (CX) day. On 28 September, ING held its fourth global CX day where over 8,000 c across the bank, together with customers, put their collective minds together to come up w ideas to delight our customers and make their experiences easy, instant, personal and rele attracted employees from Retail Banking, Wholesale Banking, ING Hubs, and support function the world. Together, they identified over 400 improvements to delight our customers, some created and tested on the day.

Measuring NPS

One of the ways we measure our ability to deliver a superior customer experience is throug Promoter Score (NPS). The NPS indicates whether customers would recommend ING to others. W our NPS to selected peers in each market.

Our ambition is to achieve a number one NPS ranking in all 10 of our Retail markets. In 20 number one in five of our 10 Retail markets: Australia, Poland, Germany, Romania and Spain the top three in another four markets: the Netherlands, Luxembourg, Italy and Belgium (all Australia, Belgium and Italy, ING's NPS improved versus last year, while Germany, Romania maintained their strong NPS.

We ran a separate NPS programme in 32 Wholesale Banking markets throughout 2023, to ensure broad coverage of our client base. ING's relationship NPS score rose to an all-time high of 72 (on a scale of -100 to +100), compared to last year's score of 67. All regions showed an increase in NPS and response rate, with the latter rising from 71 percent to 76 percent overall. The number of detractors decreased from 54 to 33. The NPS result aids our efforts to continuously improve our customer service and product offering.

Wholesale Banking

ING's ambition is to provide corporate clients and financial institutions with the financial solutions they need across their value chains. Underpinning our work is the 'ING difference', three major characteristics that offer value to clients:

1. **Our global reach, with local experts:** No matter where clients are, our network of experts offers them a seamless local experience with a global view.
2. **We're sector experts:** clients trust us to provide tailored solutions to meet their needs.
3. **We're sustainability pioneers:** we're not just leaders in sustainable finance; we work hand-in-hand with clients to address some of the most pressing issues in the world today.

ING's Wholesale Banking business line network covers three regions: EMEA, APAC and the Americas. To bring our local experts closer to clients, we focused on hiring more talent for client-facing teams in 2023 – such as for our trade and commodity finance team in Switzerland, our sustainable finance team in Asia, and our investment banking team in the Netherlands.

Wholesale Banking clients benefit from our deep sector knowledge of over seven sectors and 29 sub-sectors, including: commodities, food and agriculture; corporate sector coverage; energy; infrastructure and real estate; financial institutions; technology, media, telecom and healthcare; transport and logistics. Together with our target sector research capabilities and our client segmentation model, we aim to help clients navigate the highs and lows of economic cycles, providing them with relevant advice, data-driven insights and customised, integrated solutions that support their business ambitions.

As a large wholesale bank, with billions of euros flowing through our balance sheet, ING aims to play an important role in accelerating our clients' transitions to net zero by 2050. In addition to the financial support and incentives we provide, we help and advise clients by putting our sector expertise, international network, climate-action experience and other sustainability-related insights to work for them. This includes our Terra approach, which uses science-based and sector-agreed pathways for getting our in-scope sector portfolios in sync with reaching net zero by 2050, and guides us in making business decisions that aim to accelerate the transition. To better assess the climate performance of our clients and use these insights to identify risks and opportunities for supporting them in their transitions, we have developed a bespoke 'client transition plan' tool. This online platform is where we have started to centrally collect, assess and monitor the publicly disclosed climate transition plans of each client. For more information on Terra and the c (see 'Environment').

Our support comes in the form of financing too. In 2023, we saw €126.3 billion of volume mobilised and clos 792 sustainability transactions. One example is the green loan provided by ING as sole ban implementation of RetuRO Sistem Garantie Returnare, an important circular-economy project The loan will finance the set-up of regional centres, which will aim to collect, sort and billion returned plastic, glass and metal beverage packages for recycling each year.

In 2023, ING won the Euromoney Award for Best Bank for ESG in Germany, as well as five awa Global Finance Magazine Sustainable Finance Awards. These included the global award for Ou Leadership in Sustainable Bonds for the third year running, three regional awards in Weste Outstanding Leadership in Sustainable Finance, Sustainable Bonds and ESG-related Loans res a country award for Best Bank for Sustainable Finance in the Netherlands. Our client segme aligns our strengths with client needs and plays an important role in deepening relationsh working allows us to respond rapidly to our clients' changing needs, and to close the gap global specialists, making an impact in our markets.

Strengthening our foundations

As part of our efforts to strengthen our product foundations, we continued to develop our platform, InsideBusiness, in 2023. This included setting up alerts for payments, improving comply with local anti-money laundering regulation, and making it easier to download lendi among other updates. Additionally, we rolled out real-time instant payments in the Netherl Italy, Luxembourg, and Portugal, and digitalised the account-opening journey in the Netherl and Belgium.

To further streamline and simplify the infrastructure in our Financial Markets business, w enhance our digital ecosystem in 2023, from introducing new process automation, APIs and a across sales and e-trading to providing better pricing, greater stability, and more insigh

Following the creation of our dedicated Payment & Settlements Services (PSS) organisation continued to implement strategic change within Transaction Services in 2023 by laying the a new structure that took effect on 1 January 2024. This includes a separation of commerci management activities from delivery activities, enabling us to evolve our product offering competitive and seamless digital solutions for clients at pace, amid a rapidly changing ma environment.

We established Capital Markets & Advisory (CMA) in 2023 as the single centre of excellence business and related financing globally across Wholesale Banking. We want to be the strate

our clients in transformational moments in the boardroom and also accelerate our capital velocity deliverables. Under CMA, we're upgrading and refocusing our commercial engine, including selective senior hires, to ensure we have the right capabilities to support our clients throughout their lifecycle.

Finding new ways to help customers stay a step ahead

ING is proud of its innovative culture and considers this an important contributor to a superior customer experience. To keep surprising customers in a fast-moving competitive environment, we need to keep finding fresh ways to translate emerging trends and technologies into new business opportunities. Therefore we also experiment with new and emerging technology (e.g. digital assets, generative AI), translating it into bite-sized use cases, with central oversight.

For incremental-type innovations that support our strategic priorities of CX and sustainability, such as digitalising processes, we believe this is best done within individual business lines (Retail, Business Banking, and Wholesale Banking) where we are closer to the customer.

Blacksmith was established in 2017, as part of ING Labs Singapore, and offers a single platform to digitalise and automatically apply policy requirements to KYC processes. It also delivers standardised and actionable customer due diligence (CDD) files. In 2023, Blacksmith reduced ING's time spent on desk research as part of the CDD process by 48 percent. This removed a lot of the manual work for analysts, who must typically collect data and analyse how its attributes are risk rated according to ING policies. Blacksmith also onboarded Skandinaviska Enskilda Banken (SEB) to digitalise the KYC processes for financial institutions.

Also in 2023, ING sold Invisible Tickets, a next-gen ticketing and payment solution that allows commuters to pay for the cost of travel using their mobile phone, to Tata Consultancy Services (TCS), which is part of India's largest multinational group. TCS will be taking the Invisible Tickets solution to the next level by introducing it to railway and public transport operators around the globe.

XLINQ is an enterprise software development and SaaS platform with a unique technology to generate secure and compliant software automatically from business knowledge captured. ING Labs served as an incubator for XLINQ, which spun out of ING in June 2023. ING retains a warrant to become a minority shareholder and is a client of XLINQ in several ING countries. XLINQ has two big corporate clients in the financial services and energy sectors that use its platform to develop reliable software faster with lower costs.

Sustainability at the heart

ING's purpose is empowering people to stay a step ahead in life and in business. This also means helping customers and society stay a step ahead of the challenges they're facing. Climate change is one of the world's greatest challenges. Also, people may struggle with inequality, poor financial health, or a lack of basic human rights. There's a growing sense of urgency and rising expectations that governments and businesses must help tackle these challenges.

ING aims to put sustainability at the heart of what we do, defining new ways of doing business that align economic growth with positive environmental and social impact.

Our priorities are as follows:

Climate acti This is our main focus. We want to lead by example by striving for net zero in our own operations. We aim to play our part in the low-carbon transformation that is necessary to achieve a sustainable future, steering the most carbon-intensive parts of our lending portfolio towards reaching net zero by 2050. Read more on ING's climate action in 'Environment'.
Collaborati We work with clients to achieve their own sustainability goals, increasing our impact through partnerships and coalition-building. Read more in 'ESG overview'.
Climate-related, environmental and social risk: We manage the most relevant environmental and social risks. We also contribute to positive change by supporting clients that seek continuous improvement in environmental and social practices. Read vironment'.
Financial health and inc We're working to advance financial health and inclusion for customers and communities. Read more in 'Social'.
Empowering colleagu We empower colleagues to contribute to it all, for example by providing them with the right knowledge and training. Read more in 'Social'.

ING's sustainability efforts have been recognised externally by environmental, social and governance (ESG) rating agencies and other benchmarks. In 2023, Sustainalytics assessed our management of ESG material risk as 'strong'. Also in 2023, investment research firm MSCI awarded ING an AA ESG rating for the fourth consecutive year.

As society transitions to a low-carbon economy, so do our clients, and so does ING. The lo transition cannot happen overnight. Even though we finance a lot of sustainable activities more that's not, which is a reflection of the current global economy and how far the world Our approach follows data and science, and evolves as the available science evolves. We wa the solution and strongly believe we can make the most impact by engaging with clients, ta about their climate goals, and helping finance what they need to reach them.

While we are committed to doing our part, we know that the world's problems cannot be solv sector, much less by one bank. We specifically call on governments and regulators to guide more firmly. They have to help answer the question "What does 'good' look like?". We belie approach is the best way to make a meaningful impact. From climate to human rights and fin we seek to increase our impact through partnerships and coalition-building.

How we are making the difference

ING is making the difference by concentrating on two overarching strategic priorities: giving customers a superior experience and putting sustainability at the heart of what we do. To put these into practice, and to make that difference for all customers, we have defined four enablers: providing seamless digital services, using scalable technology and operations, staying safe and secure, and unlocking our people's full potential.

Providing seamless digital services

In a world where accelerating digitalisation is one of the main global trends impacting banking, customers are spending more and more time online. That's why we want to make their lives easier by giving them a seamless digital service.

Customers deserve an easy, instant, personal and relevant experience at every touchpoint, from the way we communicate and onboard them to how we provide products and handle customer requests. ING facilitates this by developing, maintaining and enhancing personalised, reliable digital services that aim to be available 24/7.

Developing, maintaining and enhancing these basics gives us the foundation for providing a superior customer experience. By digitalising key customer journeys, we are enabling a superior customer experience at a reduced cost-to-serve, while measuring impact through NPS and cost efficiency. In 2023, our Digi Index Score was 71.2 percent. The Digi Index concerns a figure that reflects the average of straight-through processing (STP) rates of key customer journeys that are handled without manual intervention.

The previously reported Digi Index Score was based on scores from countries that included global and local amounts to 66.8 percent. Our previously reported aim of reaching a Digi Index Score of ove 2025 has not been adjusted.

Individual customers increasingly only use the mobile channel. For them, our emphasis cont mobile and further improving our mobile capabilities.

In 2023 77.4 percent of our communication was personalised. We use data analytics and machin to personalise digital services for customers. Personalising customer interactions helps c more informed financial decisions and supports mobile sales, while also reducing the need use other channels. Given the importance of data for offering personal and relevant servic and privacy protection are crucial.

Data analytics

ING uses advanced data analytics to help achieve both superior customer experience and sus priorities, making the difference for customers, colleagues and society.

Handling calls better by further digitalising our contact centre processes plays a signifi better customer experience. In 2023, ING's Analytics team implemented speech analytics as the Netherlands and Belgium, providing generated insights into the root causes of contact helping ING to improve its digital journeys in the app and website. In parallel, ING has f virtual assistants. These work to provide more precise answers to address customer FAQs, r bots in the Netherlands, Belgium, Spain, Poland and Türkiye, handling up to 45 percent of volumes.

For Retail and Business Banking, ING's Analytics team has developed acceptance and afforda the lending process with the goal to improve customers' digital experience and to ensure w secure. In the Netherlands, the artificial intelligence-based lending models enabled insta granting within a few minutes instead of days, achieving a higher acceptance ratio by thre keeping the same risk level. In Germany, the use of transactional data based on customer c allowed for the redevelopment of the consumer loan models. This has led to a notable incre production and approval ratings, helping the business to provide services to more eligible processes. Global processes are aligned and consistent throughout countries, while local processes differ slightly per country. Starting from the first quarter of 2023, the Digi Index has been rebaselined to enhance consistency and comparability. Currently, only 33 global processes are used as a baseline, and local processes have been eliminated. All STP processing has been updated retrospectively, meaning comparative figures have been adjusted and are based on the 33 global processes. The unadjusted 2022 Digi Index Score amounted to 64.4 percent and, as a result of the rebaselining, the adjusted 2022 score

ING has also used advanced analytics to reduce advertisement blindness (where consumers consciously pivotal enhancements to ING's recommendation engine resulted in highly personalised campai management and, eventually, higher customer engagement. We've updated the underlying model deep learning method, helping us tailor our offerings to better meet customer needs. Meanw processing has been enabled to address customers' needs instantaneously.

In Wholesale Banking, advanced analytics has helped the front office in their preparations for client interactions, ensuring our colleagues can provide better ideas and ask relevant questions at relevant times.

For example, we use the entity-matching model, which uses a name-matching algorithm to identify our own clients in datasets, even if the data is not perfectly organised. Using just a small amount of information, it helps us better understand how our clients behave within our network.

The Analytics team continued to focus on improving the customer due-diligence (CDD) process for Wholesale Banking, leading to a clearer process for our clients and eliminating the need to ask related questions in person.

More broadly, the team continued to provide support to protect our customers and the bank against increasingly sophisticated fraud attempts, such as impersonation scams, through AI-based detection models.

Additionally, ING, as a partner of the Kickstart AI foundation in the Netherlands, hosted a hackathon with the foundation in 2023 to boost progress of the Allow More initiative. Based on existing research by the Dutch government, up to 15 percent of those who are eligible for a financial allowance don't claim it. Allow More aims to help individuals identify whether they may be eligible for these allowances. This can encourage more people to use the available help, which could improve the financial situation of many people in the Netherlands. As a result of the hackathon, analysis and model development based on the method generated during the hackathon will be followed across a few banks.

On top of the existing models, ING's Analytics team continues to improve the customer experience by exploring new technologies. ING recognises the potential of generative AI (GenAI) and we are taking a prudent and responsible approach to doing this in a safe and secure way. To better learn about both the opportunities and risks, we explored opportunities in two areas with a central oversight: customer contact (like chatbots and transcript analysis) and software engineering (to write code or fix bugs).

As an example, we piloted LLM (large language models) technologies to improve our chatbot performance and help customers. The first phase of the pilot came to a close in 2023 with promising customer satisfaction and deflection improvements – the rate at which our alternative channels and self-service resources fulfil demand. These experiments have shown there is value in incorporating GenAI into our processes. In 2024, we will expand our GenAI explorations into a few selected areas: KYC, marketing content generation and early warning systems. Application of GenAI technology in these domains has the highest potential to transform our business processes and contribute to our ambition of a superior customer experience.

Scalable technology and operations

Reflecting our role as a digital-first bank and to enable a superior customer experience, scalable technology and operations foundations are key requirements. We have therefore mad integral part of our strategy. Standardisation and automation give us a shorter time to ma to volume, consistent and higher quality, and improved productivity. Scalable technology a also help us attract and retain talent by offering employees the opportunity to not only w technology but also collaborate across countries and make an impact globally. Scalable tec ING to create specific and local propositions that serve our customers, while leveraging I comes to engineering, security, and data experts.

Scalable technology

Our scalable technology strategy provides a foundation for the modular components we use t operate propositions. It allows ING countries to introduce propositions quickly and easily opportunity to add local flavour.

Our scalable technology is divided into three parts: ING's private cloud infrastructure (I pipeline (OnePipeline), and our banking technology platform, with its extendable and reusa components. Given the flexibility and scalability of public cloud technology in general, I hybrid cloud strategy, i.e., using public cloud providers in addition to IPC. Cloud comput component for scaling our digital capabilities. IPC is where we store and manage applicati as channel applications, core banking systems and other banking applications. We measure I the percentage of physical cores – also known as processing cores or CPU cores – in IPC co total number of physical cores in ING data centres globally. By the end of 2023, 63 percen cores in ING were on IPC (2022: 52 percent). By the end of 2025, we expect that figure to least 70 percent.

OnePipeline, our continuous integration and delivery pipeline, provides engineers with a c secure global capability to develop, test and deploy software. OnePipeline's key features compliant, secure and reliable. In addition, the platform allows for simple ways of collab multiple teams. We invest heavily in infrastructure, test and risk automat 62.9 At the end percent of applications were onboarded to this pipeline (2022: 48 percent). We measure the adoption by the number of applications onboarded to the pipeline (used to develop and depl production), compared to the total number of applications registered in our IT management all ING entities. Our ambition is to have 90 percent of applications on OnePipeline by 202

Touchpoint is part of our banking technology platform. Touchpoint provides a set of reusab services, freeing up capacity for engineers to create more value for customers and employe

these shared platform services like an authentication service or Engagement suite, engineers can realise business solutions like Instant Payments and Open Banking quicker and easier. We measure the Touchpoint-enabled customer online traffic using the Touchpoint authentication, represented by the number of Touchpoint-enabled unique customer authentications against the total ING number of unique customer authentications. At the end of 2023, approximately 84 percent of customer logins used Touchpoint (2022: approximately 60 percent). By 2025, we expect that figure to increase to 84 percent.

Digital access

In a digital society, customers expect to have round-the-clock access to digital channels, including their banking services. To live up to their expectations, we strive to provide uninterrupted access to our banking services, while allowing for scheduled maintenance and downtime. In Retail Banking in 2023, the digital channel availability for the Netherlands and 99.56 percent.

ING's Chief Technology Office has been diligently working on the identification and analysis of the root causes of major incidents experienced in 2023. Based on the outcome, we took measures to strengthen our reliability. For example, we started a reliability programme across the Tech organisation, including an extensive training for all Tech employees, with the aim of strengthening the overall resilience of our channels.

For Wholesale Banking clients worldwide, the availability for our Inside Business payments channel and for our Inside Business Connect channel (file tra percent. These figures are based on outputs of 100 availability monitoring processes, which are run with a high frequency per hour.

Payment & Settlement Services

The Payment & Settlement Services organisation (PSS), part of the CTO (Chief Technology Office), covers the full scope of payment and settlement services for Retail and Wholesale Banking.

Our scalable tech and ops provide PSS with high-quality and efficient payment, settlement and open banking services, leveraging our scalable payment and settlement solutions. As of 2023, PSS processed well over four billion transactions through our central payment engines.

We aim to further consolidate most of our payment services on this platform, improving quality and reducing price per transaction.

Scalable operations

Our scalable operations are driven by digitalisation and capability hubs, focusing on beco leveraging expertise and using scale, and sharing productive, quality services across the

Capability hubs provide shared services and solutions across ING worldwide. The hubs are m the Netherlands, Poland, Romania, Slovakia and the Phil 34 percent of operations were carried out with the support of these hubs, 32 percent in 2022. Our aim for 2025 is to have hubs carry out at least 50 percent of the operational work.

By digitalising client contacts, accelerating remote advice, and increasing the use of cha inbound contacts to contact cen 18 percent in 2023 (versus 2021). We aim for 30 percent less (versus 2021). Similarly, by automating and centralising our know-your-customer (KYC) acti we reached 58 percent of KYC workforce in our hubs and expect to increase that to 60 percent b through more consolidation, automation and straight-through processing.

Staying safe and secure

Trust is the starting point, the most basic requirement, for all stakeholders. That's espe digital-first bank like ING. People trust us with their money and their data. Keeping thes maintaining this trust, is crucial. See also 'Risk management'.

Risk appetite framework

The risk appetite framework (RAF) combines various financial and non-financial risk appeti (RAS) into a single, coordinated approach, to provide the business with a clear overview o and the tools to manage them. These tools include the boundaries and instruments set for e that help to manage the risk appetite. This view allows the EB, the MBB, and senior manage ING's business strategy in a safe, secure and compliant way while meeting regulatory requi time. See also 'Risk management'.

Anti-money laundering and KYC

Knowing who we do business with helps to protect our clients, ING and the financial system economic crimes. As part of our continuing anti-money laundering (AML) efforts, we screen carry out due-diligence checks, and monitor transactions for unusual or suspicious activit strengthened our KYC by enhancing our global way of working. Read more about KYC and AML i 'Compliance risk' in 'Risk management'.

Cyberthreat landscape

Cybercrime remains a continuous threat to companies and to financial institutions in particular. Ransomware is one of the prime threats, with phishing the most common way that attackers gain access to a company's system or network. Phishing is also used to plant information-stealing malware or for drive-by download attacks – the unintentional download of malicious code to users' computers or mobile phones.

Other high-ranking threats are attacks against availability, or Distributed Denial of Service (DDoS) attacks, used against the financial sector and digital services operators for reputational damage and/or extortion. Different types of cyberthreats are not only relevant for the financial industry, but are increasingly hitting their supply chains. ING continues to invest in cybersecurity capabilities in all domains (prevention,

We have a responsible disclosure procedure for security researchers that may find issues i applications or infrastructure. See also 'Non-financial risk'.

Identity and access management (IAM)

Identity and access management (IAM) is an important element in our control framework to p mitigate the risk of unauthorised access to IT systems and the data processed and stored t IAM global processes, and controls in place which are periodically reviewed and tested. See 'Non-financial risk'.

detection, response and recovery). See also 'Non-financial risk'.

Cybersecurity incidents

No cybersecurity incidents with criminal intent were identified on ING IT infrastructure in 2023 that met the ECB cyber-incident reporting thresholds.

However, in June 2023, a third-party bank account switching service suffered a breach that affected ING customers in Germany. This involved a customer data leak for private customers who, when opening a current account with ING, used the German legal account change assistance (Gesetzliche Kontowechselhilfe). German banks are legally obliged to support private customers in moving their account from the old to the new bank in this defined generic process. ING in Germany informed authorities and affected customers about the incident and provided safety instructions and contact options to further protect personal information.

Preventative measures

Being cybercrime-resilient is a high priority. We continuously test our IT and IT organisational resilience, and perform crisis management and red-team exercises to improve our response to DDoS and targeted attacks. Cybersecurity risks from suppliers are monitored and mitigation is initiated where needed. ING maintains a strong global cybercrime alliance within the financial industry and government institutions to monitor trends.

ING recognises the value of an effective regulatory framework and is in favour of cybersecurity requirements being responsive to actual cyberthreats. The adoption of threat-led penetration testing in the EU's Digital Operational Resilience Act, which also ensures continuity of business, is a good example. Testing critical systems on real-life threats helps entities to gain insights. Our staff awareness and training programme is regularly updated with the latest cybercrime trends and prevention measures.

Fraud landscape

Types of fraud are also evolving. As the digital world continuously changes, fraudsters ha
international and their modus operandi more complex. Customers are being deceived in incre
sophisticated ways. Online fraud has become a societal problem and in several countries, b
collaborated with governments, law-enforcement entities, and other sectors to find innovat
prevent and detect fraud. ING continues to play an important role in preventing and detect
digital world and wants to minimise the impact of fraud losses and the number of fraud vic

We recognise this transformation in the fraud landscape with developments high on our agen
improved our ability to monitor and react to fraud incidents and to adapt quickly to new f
using innovative technology, data analytics and IT solutions, we're better able to identif
activities. We are increasingly collaborating with peers and other relevant sectors, such
telecommunications companies.

In 2023, the Fraud organisation was made part of the Global KYC organisation. Joining the
draw on combined knowledge and experience, which can help keep ING and our customers safe
Read more in 'Risk management'.

Data privacy, protection and ethics

In its capacity as a global financial institution, ING processes personal data belonging t
employees, suppliers and business partners. They trust us with confidential and personal i
important that we maintain that trust and keep this data safe from loss or misuse. This is
commitment to ensure safe and transparent banking practices, including in how we manage pe
in an environment that's increasingly open and interconnected. ING is bound by European an
protection laws, which can differ from country to country. For more information on how ING
implemented its personal data protection measures, see 'Compliance risk'.

As ethical standards evolve over time, we closely monitor regulatory compliance and potential new requirements to gain an 'outside-in' view on data ethics. This includes legislation for new trends, like artificial intelligence.

Everything we do is guided by ING's Orange Code, which describes the values and behaviours that underpin our way of working, and which puts integrity above all. Building on the Orange Code is ING's Global Code of Conduct. Its 10 core principles provide more detail on our main values. These help to give greater balance to ING's decision-making, as we weigh up different relevant factors. We've developed supporting methodologies for this purpose, like Orange Code decision-making, which allow us to arrive at decisions that are considerate and well informed. As such, ethics routinely plays a significant role in all our decision-making. Read more in 'Governance'.

To provide further protection, we actively encourage employees to speak up when they are confronted with unethical or illegal behaviour. Through a variety of reporting channels, like managers, persons of trust, or ING whistleblower reporting officers, concerns can be reported. ING also has external whistleblower channels. We take great care to protect the identity of those who report concerns, which they can do anonymously, as well as the confidentiality of their reports to protect them against potential retaliation. We believe that trust, integrity and ethical behaviour are at the core of any reliable business. They go hand-in-hand with satisfied customers. Read more in 'Compliance risk'.

Unlocking our people's full potential

'Unlocking our people's full potential' is a key enabler of our strategy. We are making the difference through the skills, expertise and actions of our 60,000+ people worldwide. We attract, develop and retain the people and skills we need at all levels by offering the opportunity to make a global impact and to belong to a friendly, collaborative and inclusive company. Fostering such an environment is made possible through our Orange Culture, built on the values of honesty, prudence and responsibility. These values are aligned to the Orange Behaviours our people exhibit: 'you take it on and make it happen', 'you help others to be successful', and 'you are always a step ahead'. We see the effect of this throughout our business, but in particular in our levels of retention and in our Organisational Health Index (OHI), which is part of our continuous-listening approach.

We use the OHI to get an ongoing sense of how our people feel and we make sure to act on their feedback. We held two pulse OHI surveys in 2023. In May, we had more than 46,000 employees participating, and all our priorities saw improvements globally, particularly strategic clarity. The second pulse took place in October. We received feedback from 77 percent of employees, making this our highest-ever response rate. We sustained the gains from May, which indicates our focused efforts led to sustainable improvements across our OHI priorities.

Using these data points, together with external trend research and internal needs assessme
reviewed our people strategy and are focusing on three pillars to further unlock our peopl
'talent & leadership', 'culture & organisation', and 'employee experience'.

Talent & leadership

ING has an abundance of internal talent and a strong culture of developing our people. We
the opportunity to develop their business, technical and leadership skills, and we're open
for them to do so. For example, we have a wide range of academies that deliver specialist
development. These are complemented by our leadership curriculum, as part of which we laun
leadership accelerator in 2023. As a result, our people are building the right skills to t

Culture & organisation

Our culture of diversity, inclusion and belonging continues to improve. Since 2019, we hav
our 70 percent principle, in which we aim for no group or level to be comprised of more th
the same age, nationality or gender. Our culture & organisation pillar takes this further,
make sure that ING is a place where everyone, regardless of background or identity, can th
their full potential. We do this by embedding inclusion and equity in all our people proce
specific gender-diversity targets for which the Executive Board and Management Board Banki
accountable. We look at indicators such as the number of women in senior management positi
amounts to 31 percent at year-end 2023, up from 29 percent at year-end 2022.

We also continue to build a vitalised culture and organisation that foster healthy perform
our people by offering hybrid working so that they have the autonomy to better balance the
and personal lives. Some 77 percent of our employees are working hybrid (one to four days
based on self-reported data). We care about giving our people this flexibility, and it is
employees, helping us attract and retain great talent. Alongside this flexibility, we offe
reward package, and strong learning and development opportunities. This is roffe/rted in ou
which creates clarity on what we offer, and what we ask in return.

Employee experience

We want to free up people's time so they can focus on making the difference, which is why
our employee experience as easy, instant and relevant as our customer experience. In 2023,
progress, with more than 70 percent of our people now covered by our global people managem
enabling them to process employee transactions on their mobile devices. We also started a
functional initiative to reduce bureaucracy and make services easier to use for employees.
the Netherlands, we reduced the number of notifications and approval steps on HR-related p

more than 16,000 to 6,000 per month. In 2024, we plan to further automate HR documents in major countries such as the Netherlands, the Philippines and Germany.

For more on unlocking our people's full potential, see 'Social'.

Competition

ING is a leading European universal bank with global activities. Our more than 60,000 colleagues based in 38 countries serve around 40 million individuals, corporates and financial institutions in 10 retail and over 100 wholesale banking markets. ING's purpose is to empower people to stay a step ahead in life and in business.

Our Retail Banking business, which consists of Private Individuals, Business Banking, and Private Banking & Wealth Management, offers individuals, small to medium-sized businesses (SMEs) and mid-corporates a full range of products and services covering payments, savings, insurance, investments, mortgages, trade finance, structured finance and financial markets solutions, among others. In Wholesale Banking we provide corporate clients and financial institutions with specialised lending, tailored corporate finance, debt and equity market solutions, sustainable finance solutions, payments and cash management and trade and treasury services. We also offer daily banking services such as payments and cash management and trade and treasury services.

There is substantial competition in the countries in which we do business for the types of wholesale banking, retail banking, business banking and other products and services we provide. In recent years, competition has further increased in both developed and emerging markets. Our largest market is the Netherlands, where our main competitors are ABN AMRO and Rabobank.

Our competitive landscape is transforming as society becomes increasingly digitalised and ever more reliant on technology and the online economy. In our Retail markets we see an accelerated shift to mobile banking and contactless payments, which has provided new opportunities for new entrants to join. Our main competitors are no longer just other banks.

The opening up of the European payments market under the open banking regulation is a significant competitive development. It has created a more crowded, uneven playing field as third-party payment providers, fintechs and Big Tech enter this lucrative area once dominated by banks. These new entrants have operating models that are not burdened with potentially costly legacy operations. Less regulated than banks, new entrants use technology and advanced data and analytic tools to lower cost to serve and to

Advances in technology are accelerating the use of new business models, for example in ret
peer-to-peer lending, foreign exchange and low-cost investment advisory services. New solu
rapidly evolving incumbents, challengers and new entrants, especially with respect to paym
products, have disrupted the financial services sector and led to the emergence of disinte

In this competitive landscape, where banking products and services have mostly become comm
main differentiator is customer experience. For consumers, this means a seamless, safe, mo
experience that is easy, instant, personal and relevant. Businesses too want to benefit fr
transparency, security and efficiency created by technologies such as blockchain and artif
Winners will be those with a strong trusted brand and a superior digital experience, takin
managing finances and offering personalised, real-time advice, products and services for a

Statements regarding ING's competitive position reflect the assessment of ING's management
general competitive landscape in which ING operates.

speed up processes.

Environmental, social and governance overview

Preparation for CSRD

ING will have to report for the first time in accordance with the CSRD over financial year 2024, for reports published as of 2025. The CSRD is a legal framework that requires the issuance of a sustainability report. In July 2023, the European Commission adopted the delegated act of the European Sustainability Reporting Standards (ESRS), which were published in the Official Journal of the EU in December 2023. For the banking sector, detailed rules on reporting are expected to follow. However, the EU reached a political agreement on postponing the deadline for the sector-specific standards by two years.

We will use these ESRS, developed by the European Financial Reporting Advisory Group (EFRAG), to report on our impacts, risks and opportunities. Up until this year, we have used the Global Reporting Initiative (GRI) standards to do so. We expect the interoperability between the GRI standards and the ESRS to assist us in our compliance. However, we also acknowledge some key differences, hence preparation work will be undertaken in 2024 to comply with CSRD disclosure requirements.

One of the notable differences with the introduction of the CSRD is on the materiality assessment. This year's materiality assessment is performed in alignment with GRI standards. Moving from GRI Materiality Assessment to Double Materiality, in line with the ESRS requirements, will be one of the first actions in 2024 as we determine which material topics and which ESRS to report on in the 2024 Annual Report.

ESG topics addressed in this chapter are divided into three sections: Environment, Social and Governance. Within the Environment chapter, we address areas including our approach to climate action, sustainable finance products, and our own carbon footprint. In Social, we address our responsibility towards the well-being of our employees, customers and society. In Governance, we focus on business ethics, our Orange Code and way of working. For more on Board composition, structure and oversight, see 'Our leadership and corporate governance'.

Collaboration and stakeholder engagement

No one sector, much less one bank, has the ability to solve the world's problems. We believe that an inclusive approach is the only way we can make any meaningful positive impact. As such, we seek to increase our impact through partnerships and coalition-building. ING also recognises the importance of regular and meaningful engagement and dialogue with its many and diverse stakeholders on s issues.

Collaboration to increase impact

Contributing to climate standard-setting is an example of our approach to collaboration an engagement. We work with peers, clients, other companies and experts to contribute to stan frameworks that banks and clients use to measure and disclose progress towards net-zero ta

This is important because it means companies in the same industry, and in the same sectors portfolios, can be compared in the same way. Banks get a shared understanding of how they the decarbonisation of hard-to-abate sectors.

For example, in 2023, our collaborations with industry peers and other partners saw us mak contributions to climate standard-setting. Building on our previous efforts to help develo that can be used by financial institutions and sector participants to benchmark their own zero and other climate goals – like the Poseidon Principles for the shipping sector and th Principles for the steel sector – we're now collaborating with RMI's Center for Climate Al three banking peers on a new methodology for the aluminium sector. This resulted in the la Sustainable Aluminium Principles at COP28 in December 2023.

We also joined the Partnership for Carbon Accounting Financials (PCAF) and aim to contribu improvement of PCAF methodologies by supporting ongoing and new working groups that are he financial institutions understand the impacts of products that are not yet covered.

Human rights is also a topic we collaborate on, as part of the Thun Group, the OECD Adviso part of the steering committee for the Equator Principles. We also participate in learning promote a shared language among banks, for example through the Shift Financial Institution Circle and the Shift Business Learning Programme, to name a few.

Ongoing stakeholder dialogue

As regards our approach to stakeholder engagement, retail customers, business clients, emp investors, NGOs, suppliers, supervisors and regulators are among our most important stakeh than having one-off consultations around specific topics, we have an ongoing dialogue abou society, our products and services, our business performance and other issues.

Our engagement approach is informed by the standards of the Global Reporting Initiative (G Sustainability Accounting Standards Board (SASB), and aims to adhere to the best practice section 1.1.5 of the Dutch Corporate Governance Code. We engage in dialogue in a risk-base

taking into account the outcomes of our saliency assessment. In all the stakeholder dialogues we engage in, ING is committed to adhering to its relevant legal obligations relating to confidentiality.

Our ESG governance approach

We have updated our ESG governance approach, integrating and aligning ESG governance with the existing business-as-usual governance of the bank. We want to be a banking leader in building a sustainable future for our company, our customers, society and the environment. We do this through the following actions:

- We focus on climate action, leading by example by striving for net zero in our own operations. We play our full part in the social and low-carbon transformation that's necessary to achieve a sustainable future, steering the most carbon-intensive parts of our portfolio towards reaching net zero by 2050.
- We collaborate, working with clients to achieve their own sustainability goals, increasing our impact through partnerships and coalition-building.
- We manage the most relevant environmental and social risks while fostering the protection of biodiversity and human rights across all of our relationships.
- We work to advance financial health and inclusion for our customers and communities.
- We empower our colleagues to contribute to our sustainability approach and climate action, making sure they are highly engaged with our strategy and all sustainability-related topics. For more on upskilling our workforce, see 'Social'.
- We show climate leadership by stepping up advocacy on government guidance needed for the transition, by contributing to the development climate standards for the financial industry and by sharing our insights and learnings.

Board-level governance

The Supervisory Board's ESG Committee assists the Supervisory Board (SB) with matters relating to ESG, including, but not limited to, the development and integration of ESG across the company and its strategy. The ESG Committee also assists the SB by monitoring and advising on relevant ESG developments. To prevent an overlap between the ESG Committee and the other Supervisory Board committees, and to safeguard an aligned and common view on ESG, the ESG Committee consists of at least one member of each of the other committees.

The ESG Committee mfourtimes in 2023. An overview of the variety of topics discussed and supported can be found in the Supervisory Board report, including how the board monitors and oversees progress against targets and performance. In addition to the regular meetings, in the first half of 2023 the ESG Committee participated in a full day of climate-focused training, which included deep-dives on climate change, biodiversity and sustainable finance. The outside-in view and external inspiration was provided by a prominent climate academic from a leading Dutch university and the head of the UN's Environment Programme Finance Initiative (UNEP FI). In the second half of 2023, the ESG Committee part social and ESG regulations-focused training session, which included deep-dives on financia inclusion, human rights, Just Transition, ESG regulations and assurance.

ESG is a regular subject on the agenda of ING's Management Board Banking (MBB), which incl members of the Executive Board (EB) in their capacity of day-to-day management of the busi the strategy.

ESG was a formal agenda point in MBB meetings 37 times in 2023. In addition, as we take st integrate and embed climate action into the business, many of the other topics on the MBB' meeting agenda have a sustainability angle. This means that the MBB is discussing and taki sustainability- and climate-related topics on a frequent basis. The MBB also plays a role monitoring and oversight of our Terra climate-alignment approach.

Senior management-level governance

ESG Change Board

For the integrated oversight of all ESG-related regulatory and change initiatives, and to and efficiency of delivery in each of the involved domains, we've created an ESG Change Bo Change Board is comprised of representatives of all global ESG-related change and regulato alongside representatives from Data, Compliance and internal audit (CAS - Corporate Audit

Steering Committees and Sounding Board

For all major ESG-related regulatory programmes and/or opportunities, dedicated Steering C have been set up with the aim of ensuring that relevant ESG-related regulations and progra monitored, assessed, and implemented. The ESG Sounding Board, comprised of around 15 senio from across the organisation, helps guide the development and implementation of our strate ESG topics, as well as monitoring and reporting on our progress.

ESG Risk Committee

The ESG Risk Committee (ERC) is responsible for ensuring the execution and delivery of any matters discussed by the Supervisory Board or its committees.

Members have practical insight into strategic and operational issues and are able to align functional or business issues. Within its competences, the ERC serves as a technical (cont

to MBB and MBB delegated committees (Risk-led committees and the ING Group Disclosure Committee). The ERC serves as a planning body for ESG risk priorities and advises on the approval of all material ESG risk related items.

Disclosure Committee

The Disclosure Committee (DisCom), which comprises various members of senior management and business and risk representatives, advises the Boards in fulfilling their responsibilities with regard to ING's periodic and ad-hoc disclosure obligations and activities. It aims to ensure that external publications including sustainability information of ING are reviewed prior to public release.

Global Sustainability department

For Wholesale Banking, responsibility for ING's sustainable finance business sits with the department. The reporting line is via the head of Wholesale Banking Lending to ING's hea Banking. This team operates as a centre of expertise for engaging and advising corporate c supports the execution of sustainability-linked transactions.

Retail Banking

For Retail Banking (which from a governance and organisational perspective includes Busin the development of new and innovative sustainable products and the progress of lending por climate goals are steered through the Retail Banking Sustainability Steering Committee, wh responsibility to the relevant experts and country teams as needed. Sustainability/ESG lea countries have a functional line to the global head of Sustainability to create a stronger global and local activities.

The Global Sustainability department is responsible for developing ING's overall sustainability approach. The department partners with the business lines on developing ING's policies, programmes and targets on sustainability-related risks and opportunities, and is involved in measuring progress towards these targets. We take a holistic approach to sustainability, which means that climate-change mitigation, climate adaptation, nature, human rights, financial health, business ethics and other ESG-related topics are all in scope and supported by dedicated experts. ING's global head of Sustainability reports directly to ING's CEO.

Stakeholder engagement is of crucial importance to ING, and we engage in dialogue with key external stakeholder groups, such as NGOs, governments, academics, sustainable research agencies, investors and international development organisations. Internal engagement is just as important, by developing global learning and upskilling programmes on ESG-related topics, also supporting further integration of sustainability into our business.

Business-level governance

Wholesale Banking

ING has had a Wholesale Banking Sustainability Steering Committee since September 2022. The committee's main purpose is to assign clear ownership, accountability and resources within Wholesale Banking (WB) and relevant support functions to help set and implement WB's sustainability commitments.

Each of the seven WB sector teams has a sector global sustainability lead. There are also two regional sustainability leads for Asia-Pacific and the Americas, two key regions in our WB network. These nine leads coordinate and implement WB's sustainability ambitions and related tasks at the sector/regional level, following a clear strategy and associated action plans.

ESG risk governance

ESG risk, and in particular climate risk, is not identified as an independent risk categor
a set of drivers affecting the likelihood and severity of existing risk categories/ risk t
management of ESG risk is embedded within all risk types. The ESG risk framework outlines
to managing ESG risk as a driver of existing risk types. For full details on ING's risk fr
organisation structure and ESG Risk department, see 'Risk management'.

ESG-linked executive remuneration

ING aims to align its remuneration policy with its risk profile and considers the broader
stakeholders. To that end, targets in areas such as customer-centricity, risk & regulation
people are just as important as financial results. At least 50 percent of our Executive Bo
remuneration targets are based on non-financial performance criteria, including ESG-relate

For full details of our ESG-linked executive remuneration, see the 'Remuneration report'.

Environment

Climate change is one of the biggest challenges facing society. The financial sector has a role to play in acting on climate change, supporting the transition to a net-zero economy, protecting nature and enabling the circular economy. We take this role seriously, and want to be a banking leader in building a sustainable future for our company, our customers, society and the environment.

Our approach to climate action

We have the ambition to empower our clients to reach net zero by 2050. To achieve this, we need to carefully manage the risks and potential impacts on our business, while making the most of the opportunities that come with supporting our customers in making their transitions. Our approach focuses on taking action at both portfolio level and client level, with the aim of making positive climate impact.

We've made sustainability an integral element of our business strategy. And while we believe our biggest impact comes from focusing on climate action, our climate action approach is closely interlinked with our approach to nature and to human rights and recognises the interdependencies. Climate change is accelerating biodiversity and nature loss and negatively impacting human rights. Taking measures to safeguard and foster nature supports climate mitigation, while taking an inclusive approach to the climate transition helps to protect human rights.

To be successful, and make the difference for people and the planet, we take a dynamic approach to climate action: we follow the latest climate science and actively seek guidance from governments and regulators in how to assess and manage climate risks while supporting a smooth and inclusive transition.

We work closely with reputable third parties to translate climate science into climate pathways, scenarios and frameworks that guide our actions, aimed at delivering near- and medium-term emissions reductions in our portfolios on the path to net zero by 2050.

We're taking action to achieve the ambitious targets we've set, yet the achievement of targets is also dependent on factors that are outside of ING's direct influence. If a particular sector is unable to align with net zero by 2050 targets because of, for example, a lack of scalable alternative technolog
incentives to encourage the necessary changes in customer behaviour, then as a result we m
steer our portfolios along the relevant net-zero pathways.

Integrity matters, and transparency drives accountability and accelerates action. ING is c
sharing the progress on our targets and the actions we're taking in our efforts to meet th
organisations and alliances that promote transparency, clarity and uniformity in reporting
see further international alignment and harmonisation of reporting requirements, including
on climate impact measurement and target-setting, as well as public sector endorsement of
sectoral pathways. And we continue to call for more concrete guidance from governments and
on climate risk and climate adaptation. These improvements help to provide clarity to our
choices impact the real economy.

Our climate action objectives are:

- Aim to reach net zero in our own operations;
- Steer our portfolios and engage with clients for positive climate impact;
- Manage climate and environmental risks.

Aim to reach net zero in our own operations

We aim to play a role in the necessary transition to a net-zero society which begins with
operations. This means bringing our buildings, data centres and business travel in line wi
economy of the future. We measure and steer our progress towards this ambition through our
environmental programme, which is steered by a committee chaired by our chief operations o
with the participation of colleagues from finance, real estate, IT and HR.

Our path towards net-zero buildings

Our ambition for our buildings worldwide, both owned and rented, is to reach net zero by 2
this, we focus on improving energy efficiency, using space more efficiently, and moving to
carbon heating systems. A good example of this is the ING Marnix building in Brussels, whi
sustainable renovations – insulating the windows and frames, adding rooftop solar installa
switching to heat pumps. Digitalisation of the way we work and the way we interact with cl
customers also supports a decrease in the footprint of our branches and offices.

We also continue to improve our renewable electricity sourcing and reporting. In the Netherlands, for
example, we have a virtual power purchase agreement (PPA) with Vattenfall for the majority
from the 'Hollandse Kust Zuid' wind farm. We also continue to increase the amount of insta
electricity generation – this includes in the Netherlands, where installed rooftop solar b
four new locations in 2023, with an additional annual generating capacity of 176,000 kWh.

to move over time towards more onsite renewables and direct purchasing agreements from local renewable projects.

Sustainability at the heart of procurement

We have a process in place that helps us screen our suppliers better (through our Know Your Supplier (KYS) approach), enabling us to assess whether they share our commitment in fighting climate change and protecting human rights. In 2023, we also launched a Sustainable Procurement Guideline that contains environmental and human rights criteria for the different procurement categories to inform the process of supplier selection.

Working towards sustainable tech & operations

ING's Tech teams are focusing on reducing CO2 emissions and the impacts of physical materials (e.g. hardware, cabling, packaging and other waste) related to our data centres, end-user devices and applications. As part of our data centre consolidation, which involves moving to more energy-efficient data centres in the Netherlands, ING's data centres in Singapore and the United States were closed in 2023. We were also able to reduce the number of servers supporting our Workplace Services (WPS) environment by 90 percent or approximately 3,000 servers. They were moved to cloud-based servers which are more sustainable than physical servers in our data centre. In addition, we enhanced our CO2 footprint awareness in our workforce, leading to notable reductions in the use of inefficient IT applications. In 2023, we launched a pilot involving four markets to validate ING's approach to measuring the environmental impact of our banking operations processes. Building on this, we are further developing a framework to embed sustainable processes in our operations.

Conscious working

We promote work practices that encourage employees to be conscious of their impact on the climate. In particular, we focus on striving to reduce our business travel through the use of CO2 budgets, the continued use of video-conferencing tools, and policies designed to encourage the use of rail for travel under 500km. In addition to our efforts to rravel, we also started working on data availability and developing a methodology to measure our employee commuting impact. In 2023, we continued to procure low-carbon fuel on a life cycle basis, known in the market and referred to in this report as 'Sustainable Aviation Fuel' (SAF), from our partners at SkyNRG and Neste (producers). We also procured SAF certificates from Air France-KLM, Lufthansa Group and Singapore Airlines as measures to mitigate our environmental impact. Additionally, we entered into a partnership with Qantas as part of our SAF sourcing approach this year. In total, we proc 1465mt of SAF. Globally, we have an ambition to reach at nt electric ce vehicles (EVs) in our car fleet by 2030.

Steer our portfolios and engage with clients for environr impact

ING's largest impact on the environment and earth's climate is through our financing. We a
financing more sustainable activities, however we know that we still finance more that is
Endorsing the Paris Agreement in 2015 and joining the Net Zero Banking Alliance in 2021 ha
the context for the strategic direction of ING to steer our portfolio to net zero by 2050. W
climate-alignment approach to address the most carbon-intensive parts of our overall lendi
steer those to net zero by 2050 or sooner. At client level we use our sector expertise, in
and climate-action experience to accelerate our clients' transitions to a low-carbon econo

To improve how we advise and finance clients in support of their transitions, we're increa
sustainability and climate-related considerations into our decision-making processes. For
of our Terra approach, we have devised transition plans for each sector in scope of Terra
portfolio-level alignment with net-zero-by-2050 pathways.

When we finance our clients, different governance bodies are in place to assess the incorp
sustainability and environment-related considerations in financing decisions.

Supporting the energy transition

We believe that the financial sector has a role in helping the world transition to a low-c
ING, we take this role seriously, as we strive to be a banking leader in driving the energ
systemic change required means no one can do it alone – governments, NGOs, businesses, fin
institutions and individuals all have a part to play – and we can all make the difference
future generations if we work together towards the same goals.

The energy sector is under external scrutiny in the journey to decarbonisation and is the
transition to net zero. It is also where ING is focused on driving change with ambitious t
to financing the energy sector balances three main societal interests: the need to reduc
climate change, the need for energy to remain accessible and affordable for people and com
need for security of the energy supply.

Ultimately, building enough new renewable and low-carbon sources of energy will reduce the
fuels and ING strongly supports the objective of this transition. The global economy's rel
in particular on coal for power generation, must reduce to significantly lower levels over
years, according to the energy transition pathway set out in the International Energy Agen
Zero Emissions by 2050 (NZE 2050) Scenario.

Terra approach

We use our Terra approach to steer the most carbon-intensive parts of our loan book towards net-zero by 2050. We continue to refine and optimise Terra, dynamically incorporating developments in climate science and have expanded our coverage to include the mid- and downstream parts of the oil & gas sector value chain, where previously only the upstream part of the value chain was in scope. We also cover our global commercial real estate portfolio, where previously we only covered the book for the Netherlands, and we are expanding Terra to cover Business Banking clients. In doing so, we are first focusing on small and medium-sized enterprises (SMEs) in the Netherlands active in the agriculture (especially dairy farming) and transportation (especially iping and road transportation) sectors.

The process for reporting on Terra consists of several steps. Internal data relating to our portfolio composition is made available soon after ING's year-end close. External data relating to climate performances is collected later (often between May and September) when this data becomes available. For this reason, our actual performance considering year-end financial information and climate-related information is only available well after the annual report is published and is shared in a separate climate publication. The overall reporting process includes checking the external data for consistency and matching it with internal data. A year-on-year portfolio comparison is made to analyse fluctuations at company or asset level for each sector. This helps us to understand the drivers behind any changes, which can usually be attributed to the climate performance of clients, the composition of sector portfolios and improvements in methodologies. When necessary, scenarios and targets are updated in line with scientific updates to the decarbonisation pathways aimed at keeping global temperature rises within the necessary limits for a sustainable future.

Once the process is complete, we draft a progress report, which is incorporated into our integrated climate report. In the report, we make specific calls on sector level to governments and regulators to more firmly guide the transition with harmonised policies and incentives that accelerate the decarbonisation of the global economy. The report, approved at Board level, was published in October 2023.

We utilise external data vendors for the sourcing of information related to all Terra sectors (with the exception of upstream oil & gas). Our data vendors have procedures and methodologies in place to perform checks and controls on their data. The data processes and models of our data vendors are not audited, which means that regardless of their checks and controls, data limitations may still exist. Although we perform our own reviews and sanity checks, our procedures cannot fully mitigate the risk of applying inaccurate, incorrect and/or incomplete data. For some sectors, like residential and commercial real estate and mid- and downstream oil & gas, we also make use of proxies and modelling assumptions in our measurements where the data is not available or partly available from our data vendors. Proxies are often the sector-average emissions intensities published by governmental agencies. In some cases, the proxy data used for certain countries and is based on public data sources from a specific district within that country. Furthermore, these sector-average emissions intensity proxies often may not coincide with the current reporting period, which could lead to over- or understating the portfolio emissions intensity.

Sector transition plans for portfolio-level impact

To clarify our sector strategies and approaches to net-zero targets, we have devised trans
each of the sectors in scope of Terra (sector transition plans). These help us to translat
and targets into tangible actions and drive portfolio-level alignment with net-zero-by-205
Tailored plans to each sector take into account the specific conditions, opportunities and
industry. They are also consistent in that they all strive to create alignment, will drive
impact at three levels: with clients, with the market/industry (and our peers active in th
industries), and with governments and policy-makers – with a fourth element being the upsk
colleagues.

To be able to better assess the climate performance of our clients, and then use these ins
risks and opportunities for supporting clients in their transitions, we have developed a b
transition plan' tool. This online platform is where we've started to centrally collect, a
publicly disclosed climate transition plans of our largest corporate clients, starting wit
Terra. The transition plan data collected includes, where possible, historic emissions (sc
commitments, targets, action and investment plans, governance and strategy (such as low-em
products and services). The data is sourced from the Carbon Disclosure Project (CDP), the Science-B
Targets initiative and public sustainability reports, and where possible including scope 1
targets and investment plans of each client, starting with those in scope of Terra and eve
to cover all Wholesale Banking clients. By aggregating this information, we can engage in
discussions with our clients that should lead to greater impact. The tool will also help m
approval process more efficient.

Challenges facing our sector transition plans

Each sector for which we have introduced specific transition plans faces unique challenges
net-zero. Our sector teams, together with ING's Economics department, have identified poli
that we believe are necessary for each sector to achieve its net-zero goals. In steering o
are dependent on these external actions to meet the 2030 and 2050 targets we have set.

Power generation

The sector is facing various hurdles, including increased costs, delays in issuing permits
and wider supply-chain bottlenecks. Given that the actions described below typically have
urgent government action is required.

Maximise solar and wind energy: via permissions and funding incentives like contracts for differ
Boost power storage technologies such as batteries and hydrogen via hydrogen infrastructur
necessary, provide subsidies.

CO2 infrastructure: grant permits and build infrastructure for carbon capture and storage (CCS) on existing waste and biomass incineration plants to create negative emissions.

Power grids: expand, strengthen and modernise (high voltage) power grids to prepare for increased electricity demand, rapid renewable capacity build out and extreme weather conditions. This includes the use of batteries for grid support.

Dynamic pricing: for corporates and for consumers, to better match the supply and demand of highly variable output from renewable power sources (solar and wind).

Oil & gas

The challenges we see in this sector include:

Reduce methane (CH4) emissions: This can include binding commitments and the implementation of norms and regulations, as well as bringing in additional countries to the Global Methane Pledge. Reducing methane leaks to the atmosphere is the single most important and cost-effective way to bring down these emissions. There are also opportunities in the elimination of routine flaring during crude oil extraction and integrating renewables and low-carbon electricity into oil & gas production.

Maximise carbon capture and storage (CCS): The pace of decarbonisation of fossil fuels can be hastened by harnessing the potential for CCS. For this, both permissions and infrastructure are required – in the oil & gas industry, and also in 'hard to abate' energy-intensive sectors that remain heavily dependent on fossil fuels like the cement, steel and petrochemicals industry. Many net-zero and 'true greening technologies' still take years to scale-up before they have a sizable impact on emission reduction, and in the meantime, CCS is an important bridging technology.

Maximise hydrogen (H2), biomethane and advanced biofuels: These present near-term opportunities to supply the energy system benefits of oil & gas without additional carbon emissions. According to the IEA, these low-carbon fuels would need to account for 15 percent of total energy supply by 2030 for the world to be on track for net-zero emissions by 2050. We are seeing increased support for hydrogen, for instance from the European Commission, which created the European Hydrogen Bank to 'guarantee' a price for H2 off take. However, member state and EU support mechanisms are not always aligned.

Cement

According to the IEA Tracking Clean Energy Progress report, the global cement industry is not on track to meet its net-zero targets. The report shows that the direct CO2 emissions intensity of cement production has been broadly flat over the last five years. Major policy developments of the last year (such as the US Inflation Reduction Act and the EU Green Industrial Plan) hold promise for reducing emissions from the cement sector, but more cooperation between advanced and developing economies is needed to
effective climate policies and prevent carbon leakage. Development and deployment of low-c
technology innovation – such as low clinker cement, carbon capture and storage, and electr
to be stimulated, together with emerging technologies in material efficiency and cement re

Steel

For the steel sector to be able to reach its net-zero targets, clear regulation that incen
the substantial investments needed in new technology is essential. In addition, the transi
going through requires green electricity and hydrogen infrastructure. Cooperation between
countries on carbon pricing and border taxes will be required to avoid carbon leakage in t
after which the knowledge gained should be used to support other major markets like China
their transition.

Automotive

Given the global footprint of the automotive industry, the following steps should be under
aligned across the major regional markets of China, Europe and the USA.

Electrification: continue to stimulate the shift to electric vehicles (EVs), by setting norms
internal combustion engine vehicles (ICEs), with the aim to gain scale in EV production, s
development of product ranges, and reduce the relative total cost of ownership (TCO)/km of

Infrastructure: invest in the accelerated roll-out of EV-related (charging) infrastructure, s
fossil fuels to renewable power, establish localised battery value chains and promote circ
secure resources in the long term.

Decarbonise EV value chain: enforce EV battery recycling and hold both manufacturers and minin
companies accountable for decarbonising their production processes.

Behavioural change: incentivise the replacement of existing ICEs and stimulate the productio
efficient EVs by introducing CO2-related road-charging systems, as well as encouraging the
transport and car-sharing. Educate and inform car owners of the lower total cost of owners
ICEs.

Shipping

In steering our own portfolio we are dependent on these external actions to address challe
shipping sector, to meet the 2030 and 2050 targets we've set.

Efficiency in fleet and voyages: significantly reduce carbon intensity of vessels and voyages through increased efficiency measures in the short term (such as energy-saving devices, 'slow steaming', use of shore-power in ports and voyage optimisation).

Availability of alternative fuels: scale up availability of low(er) carbon fuels in ports, including drop-in fuels for existing vessels. Mandate alternative-fuel-capable new builds and retrofits for operating on low carbon fuels (produced through green pathways) including hydrogen-based e-fuels. Promote green shipping corridors to create demand for alternative fuels.

Aviation

Actions to engage with government and policy makers are needed to meet net-zero targets. For example, via IMPACT, there is a need to advocate for reporting standards for airlines and lessors to create more transparency and consistency. There is also a need for more research into policy, regulations and market trends to monitor developments in pricing schemes and sustainable aviation fuel (SAF).

Commercial real estate

EU legislation on sustainability in real estate, including climate-related policies, is be
example the 2021 revision of the EPBD, adopted in early 2023), however the requirements fo
sector from current legislation are still limited, and sometimes voluntary.

We therefore believe that it is necessary to urgently implement a blend of subsidies, regu
that incentivise the deployment of decarbonisation measures (like insulation and heat pump
transition risks.

We also see the need for norms and regulation on data measurement and disclosure. Data mea
a precondition for managing CO2 emissions. The real estate sector should be required to me
disclose the CO2 emissions of buildings, and define strategies to fill in 'data gaps'. Sou
is not only needed to reduce emissions, but is also a way to anticipate (future) legal rep
Data quality and disclosures should be ensured via central registration.

Residential real estate

Reaching net-zero milestones in residential real estate is largely dependent on the national energy mix of the countries where the homes are located, and requires governments and institutions to accelerate the installation of new renewable electricity capacity and shift away from fossil fuels like coal, oil, and natural gas.

Governments also have a primary role to play in driving changes in consumer behaviour by mandating, incentivising, and supporting homeowners to make sustainability an integral consideration when constructing or renovating their homes. While the take-up of our sustainable housing products and services has shown the promise of change to come, we note that demand among customers is still not at the level required to drive the transition.

We continue to engage with government and regulators, like in Australia, where we participate in discussions with government and banking sector peers to advocate for improvements to the data and systems used to understand household energy use.

In both the Netherlands and Belgium, we participate in round-table discussions with government on how to finance improvements in energy efficiency, also participating in regional Belgian working groups aimed at accelerating sustainable home renovations.

At EU level we've contributed (as a member of the steering committee) to the Energy Efficiency Financial Institutions Group and to the evolving Energy Performance Buildings Directive (EPBD), and generally seek opportunities to engage on energy efficiency policy.

Carbon pricing: introduce market-based mechanisms such as a global carbon pricing to incentiv
up of alternative fuels, bring about drastic reduction of emissions, and provide price par
fuels.

Nature

Our nature approach builds on our Terra approach on climate. We aim to integrate nature in
we've already put in place for climate action, and in our sustainability approach in gener
is one of the drivers of nature loss; with our updated approach we aim to address other ma

We've identified three objectives that support this, focusing on the impact we have throug
companies:

- Managing risk and impacts;
- Steering our portfolio and engaging with clients;
- Promoting 'nature-mainstreaming' internally and externally.

With our approach on nature, we aim to take impactful steps to contribute to halting and u
reversing nature loss.

ING's role in accelerating our Wholesale Banking clients' transition to net zero by 2050

ING has a role to play in partnering with governments, corporates, citizens and other banks to mobilise the capital needed to successfully finance the unprecedented economic paradigm shift and facilitating the transition to net zero by 2050. An important part of this role is to work with clients and help them achieve their sustainability goals, and where possible in line with science-based trajectories.

Our strategy builds on the following crucial pillars for our success:

- Partnerships in the evolving sustainable finance markets, be it with regulators, other banks or corporations to set standards that increase transparency for the market. We cannot transition alone and therefore we deem partnerships with our peers and governments as one of the most important pillars.
- Measure our own progress by continuously reporting on our main strategic objective: to increase volume mobilised to support the transition.
- Tailoring our products to the needs of our clients. We recognise the diversity of our lending book where strong sector expertise is required to match our well-established and leading sustainable finance expertise. Therefore, we work together across teams to develop innovative new products that anticipate and meet the needs of our clients and support their sustainable actions.
- Engaging with individual clients to understand their sustainability strategies and transition plans, support them to connect within their value chains, jointly working to meet global targets set out in the Paris Agreement and the Sustainable Development Goals and adhere to ESG regulations.

Through our sustainable finance activities, we aim to deliver on our main ambition – reaching net zero by 2050 through the engagement we have with our clients. We recognise that green is not always black and white and that delivering on this commitment is not an easy task. As the world of sustainable finance is maturing, so are we and we are continuously adapting to new market standards, data availability and quality and the availability of sector-specific pathways that can accelerate our sustainable transition.

Developments in the sustainable finance market

2023 was a year where sustainable finance markets around the world significantly evolved. From the Green Light Committee, to the Green Bond Standard by EU Memo the Financial Conduct Authority (FCA) that requires asset managers to improve ESG fund disclosures. A global wave of regulatory proposals has impacted how we do our business. All these developments are aimed to increase transparency, establish market norms and above all, to prevent greenwashing in the sustainable finance market.

Specifically, product-based market standards have provided guidance on how we engage with our clients. ING welcomes the market-led standards from the International Capital Market Association (ICMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Associations (LSTA) and the greenwashing guidance from supervisors like the European Securities Markets Authority (ESMA) and the Du
for the Financial Markets (AFM). The additional guidance sets a market precedent and a min
which enables us to engage with our clients, but also other banks in a similar way.

An important development earlier in 2023 was the update to the Sustainability-Linked Loan
set up by a working group, including ING and led by the LMA. The update provides enhanced guid
structuring a sustainability-linked loan. In addition, the LMA has helped standardisation
legal language for loan agreements that all banks should use when describing SLL structure
documentation.

What remains less specifically defined is the term 'sustainable' as well as 'transition fi
what attributes are required for a particular asset or project to be classified as 'green'
'sustainable', 'social' or any similar label. A basis for the determination of such a defi
established in the EU with the publication in the Official Journal of the EU on 22 June 20
(EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the 'Sustaina
Taxonomy Regulation') on the establishment of a framework to facilitate sustainable invest
Sustainable Finance Taxonomy'). We follow such regulations closely and encourage our clien
same.

How we measure our contribution: sustainable volumes mobilised

In the absence of clear definitions on the terminology and use of the term 'sustainable',
mobilised' as the internal and external measurement of progress. We are committed to suppo
clients in their sustainable transition through our product offering and set ourselves the
€125 billion of volume by 2025. We differentiate between green and social products and sus
linked products. For green and social products, the proceeds are dedicated to finance asse
with the Green or Social Loan/Bond Principles, hence, financing a specific sustainable eco
Sustainability-linked products are a client engagement product and designed to change the
client and steer their transition. The Sustainability-Linked Loan Principles by the LMA ar
guidance. Our product offering applies to our lending, as well as to our investment activi
markets.

Supporting our clients through green and social financing structures

We believe that by financing dedicated proceeds to green and/or social investments, we can
accelerate a green economy.

Green financing solutions, such as green bonds and loans, form an integral part of our sus
strategy as they are used to fund specific green or sustainable projects. To make sure the
loans and bonds are allocated to activities which have a positive impact on our environmen
our Green Loans and Green Bonds according to the market-accepted practices, in particular

Bond Principles, and align them where possible with the EU Taxonomy. These principles give guidance on eligible categories for green financing, as well as guidance on the allocation process for proceeds and how to report on the allocation.

Our sustainability efforts are also directed towards the social aspects of helping customers and society stay a step ahead of the challenges they face. Social loans and bonds focus on providing funding for social projects which aim to address or mitigate a specific social issue. They can also seek to achieve positive social outcomes for specific demographic groups, such as access to healthcare in low-income countries. For this, we also use the Social Loan/Bond principles for guidance.

Our sustainable finance experts work across sectors to harness innovation and disruptive technologies that have the potential to accelerate the transition of our clients and our portfolio to net zero. They collaborate with our global sector coverage colleagues to achieve this, complemented by teams and centres of expertise dedicated to particular emerging themes. For example, the Sustainable Value Chains team, created in May 2023, aims to investigate and capitalise on new business opportunities that cut across existing and new value chains.

Green bond framework funding green through ING's green bond framework

To support the growth of our green finance portfolio, and to meet green funding needs, ING issues green bonds, supported by our green bond framework. The framework aligns with the International Capital Market Association's (ICMA) Green Bond Principles (GBP). We intend to allocate the proceeds of our green bonds to an Eligible Green Loan Portfolio of new and existing loans including renewable energy projects and green buildings.

Under this framework, ING Group and its subsidiaries can issue any debt security (such as senior bonds, subordinated bonds, covered bonds, commercial papers and medium-term notes) to finance and refinance assets and projects which aim to contribute to the UN's Sustainable Development Goals and our own sustainability. ING established its sustainable debt strategy via the publication of the framework. Since then, we have continued to take steps to enhance our sustainable debt strategy and see it as an important tool in supporting the growth of our own sustainable finance portfolio.

In alignment with the ICMA's 2021 GBPs, the framework is presented through four pillars: use of proceeds, process for project evaluation and selection, management of proceeds and reporting. The framework also follows the recommendations of the Green Bond Principles regarding external review.

Supporting our clients through sustainability-linked structures

Sustainability-linked loans/ bonds (SLLs) link interest margins to a company's sustainability performance through mutually agreed KPIs and pre-defined annual performance targets. This mechanism enables ING to support, motivate and reward or punish clients in their aim to become more sustainable. IN
of the sustainability-linked loan, pioneering it in 2017 for Philips. The original loan wa
improvement of Philips's Sustainalytics ESG rating and later converted into a KPI-linked l
aligned with Philips's sustainability goals for lives improved, lives improved in underser
circular revenues, and operational carbon footprint.

Improved market standards and guidelines support us in having more focused discussions wit
regarding defining KPIs and address the most material ESG topics of our clients through me
ambitious sustainability performance targets. We ask our clients to externally verify sust
performance targets in line with the Sustainability-Linked Loan Principles by the Loan Mar
(LMA). We believe that through the annual check-in on targets and continuous client dialog
chance to support our clients' transitions from up close, thereby also delivering on our o
originator of the sustainability-linked loan, we strive to keep standards for the use of s
instruments high and welcome all initiatives to strengthen and protect the credibility of
linked loan market. In 2023, sustainability-linked loans accounted for nearly 41 percent o
volume mobilised by ING that contributes to our clients' transitions to more sustainable b

Supporting our clients through ESG advisory

Besides financial support, we help clients navigate the rapidly changing regulatory landsc
their net-zero strategy. Clients benefit from our deep and broad experience built up over
other companies on ESG-related journeys. Some clients are ahead of the curve and for them
act as a sounding board, alongside our financing-related role. Other clients are at the ea
sustainability journey. For them, we provide guidance based on our market experience and s
where they can make impact to become aligned with climate pathways and their peers. The co
we offer through our ESG Advisory expertise are centered around ESG strategy advisory, ESG
advisory, ESG reporting advisory and ESG product advisory.

Other ways to support our clients

We also look for other ways to support clients taking steps to achieve their sustainabilit
anticipate the future economy. Many of these ambitions are based on innovative technologie
models or client propositions that have a higher risk profile and are not yet suitable for
solutions. ING supports clients with their sustainability goals by providing risk-bearing
range of tailor-made financial solutions, including equity (investments) and subordinated
to this, we help drive the necessary net zero-supporting innovation by functioning as a la
sustainable technologies and business models in need of financing within the EMEA region,
circular economy, bio-chemicals, waste and water, and other sustainable development projec

Product offerings for Retail Banking

In Retail Banking, we aim to help customers transition to a low-carbon environment. While we have provided sustainability products and services in Retail Banking since 2017, in the last two years we have introduced sustainable banking products across our markets, following a sustainable alternative products roadmap, to facilitate this transition. It is our aim to have sustainable alternatives for our main retail products in all markets by 2025.

Product offerings for Retail - Private Individuals

Sustainable housing is one of our main priorities in this area. Residential real estate represents one of the more carbon-intensive sectors that we lend to. Therefore, it is an opportunity for us to work together with our customers to reduce the CO_2e intensity of their homes.

We aim to steer our work in this area as part of our Terra approach, towards delivery of ING's overall net zero commitment by 2050 – including intermediate 2030 ambitions. To reach net zero, homes in ING's mortgages portfolio should reach an average CO_2e intensity of 16.8 kg CO_2e/m2 in 2030 and 0.3 kg CO_2e/m2 in 2050. These milestones are informed by our convergence pathway, with the latest net zero pathways published by the Carbon Risk Real Estate Monitor (CRREM V2.02). We aim to steer our mortgage portfolio in the Netherlands, Germany, Belgium, Poland, Spain, and Australia, representing around 96 percent of our mortgages book (excluding WestlandUtrecht Bank) in terms of outstanding.

In 2023, we continued to work on this priority, covering how we finance customers to change, provide inspiration and information that helps them in this process, and finally how we engage with partners and governments to support ecosystem change. Such engagement with external stakeholders helps to inform choices we make, particularly related to how we connect our customers with renovation service providers.

To limit negative consequences and empower our customers to realise the positive impacts of making their homes more sustainable, we offer sustainable mortgages that incentivise customers to choose energy-efficient homes in the Netherlands, Germany, Belgium, Italy, Romania, and Spain. In Poland, we continued to support customers in making sustainable decisions with a mortgage for energy-saving houses. In the Netherlands, we launched a new renovation mortgage, which, for example, allows customers to increase their loan-to-value to help cover the cost of renovations. We also continued to offer unsecured sustainable consumer loans that can be used for energy-efficiency renovations in Belgium, Luxembourg and Poland, extending this offer to Germany in 2023. In Romania we provide incentives for the installation of solar panels.

In addition to our own financing, we contribute to efforts that connect homeowners to public financing - like our financing (through our Business Banking lending) of the Warmtefonds (National Heat Fund), which aims to have both a positive environmental and social impact by enabling low-income households in the

Netherlands to make their homes more sustainable. In 2023, ING made a further €200 million available to the National Heat Fund.

We also provide customers with a range of tools and platforms that can support them in the efforts. This includes providing access to renovation platforms that help customers determ renovation actions to take, link them to renovation contractors, and connect them to finan the necessary improvements. These platforms include homeQgo in the Netherlands, CFP in Bel (through our mortgage advisers) and a renovation calculator built in partnership with KfW

We strive to raise awareness and educate customers, and have made increasing amounts of in available. In Belgium, for example, we have launched a Sustainable Buildings Guide, a free helps customers identify which investments to make to improve the energy performance of th We are also providing renovation-related insights to customers via email newsletters and o the Netherlands, our web pages on sustainable housing have been visited more than 200,000

We also continue to build our customer advisory services, for example in the Netherlands, Germany, where we provide training to mortgage advisers on eco-renovations so they can bett customers interested in improving the sustainability of their homes.

We monitor the effectiveness of each of these efforts at the country level, and collective those through a Net Zero Housing Committee, which brings together representatives from our mortgage markets, and colleagues from ESG Risk, Retail Banking, and Sustainability. A key learned from all our efforts is that renovating homes to improve energy efficiency is a ma homeowners (particularly those most vulnerable) and housing renovation companies, and requ significant government intervention to regulate, incentivise, and support the process. Acc committed to increase our engagement with government and other stakeholders to create more momentum towards such renovations in society.

Product offerings for Retail - Business Banking

We are helping Business Banking customers make their businesses future-proof, by offering leasing solutions for sustainable purposes (e.g. transition to renewable energy, sustainab electric vehicles). Our ambition is to offer relevant sustainable financing alternatives i segments and grow our new production of sustainable financing from approximately €1 billio over €2 billion by 2025.

To offer relevant solutions for all customer segments, our product offering ranges from in loans for the self-employed and micro companies, to tailor-made sustainable loans and leas SMEs and mid-corporates. Products such as sustainable loans, sustainable lease solutions a improvement loans are now offered in the Netherlands, Belgium, Romania, Poland, Türkiye an

Luxembourg. A key development in 2023 was a new agreement with the European Investment Bank (EIB), making €600 million available for new sustainable loans and leases, at favourable interest rates, to SMEs in Belgium, the Netherlands and Luxembourg to boost sustainability.

In the Netherlands, we continue to build on our successful real estate platform that helps customers gain insights on their commercial real estate, provide actionable insights and advice to improve their energy performance while providing financing solutions. We have scaled this platform to Belgium and are exploring further ways to extend it to other markets and sectors.

Another notable development in 2023 was the launch of a carbon footprint calculator in Poland, which helps SMEs calculate their carbon footprint using their own data on energy consumption, raw materials, and resource use.

Manage climate and environmental risks

Managing our climate (and other environmental) risks is a key element of our climate approach and ING's overall strategy. We have invested a significant amount of time and resources in developing our capabilities and expertise in this emerging and fast-developing area of risk, and strive for continuous improvement.

ING's integrated climate approach considers how we can mitigate climate change through our financing as well as how climate change may adversely impact our business. We're working to become more resilient to climate risk, and have the ambition to become an expert in managing and mitigating these risks as we are in managing credit and other forms of financial risk.

Climate risk can impact the macro-economy, businesses, and individual households. Ultimately, physical and transition risks could impact our balance sheet and profitability. Our approach is focused on consistently embedding climate risk considerations across our global organisation, aiming to make it an integral part of how we do business.

Over the near-term time horizon, we plan to continue refining our methodologies to evaluate climate risks and opportunities. We're working on putting into practice quantitative methodologies for climate and environmental (C&E) risk identification, materiality assessment and risk appetite setting. This is supported by the integration of C&E risk considerations in risk policies and procedures, our ESG Risk Framework.

Going forward we aim to further enhance our climate and environmental risk management by:
- Continuing to address the expectations of the European Central Bank (ECB) Guide on climate-related and environmental risk;
- Continuing to close the gaps on climate risk data;
- Improving our understanding and assessment of the impact of other environmental factors biodiversity;
- Identifying opportunities to support our customers who face transition or physical clim
- Building up capacity and upskilling colleagues to understand and deal with the impacts environmental risks.

Read more on ESG risk structure and governance in 'Risk management'.

Meeting ECB expectations

The European Central Bank expects all banks to be aligned with the 13 expectations outline guide on climate-related and environmental risk. We are currently addressing these, and ai with the ECB's expectations by the end-of-2024 deadline.

Continuing to close data gaps

Climate-related data is essential to fully understand and manage C&E risks and to report i and upcoming regulations on ESG disclosures. To keep improving our assessment methods for and transition risk, we need detailed data from our counterparties, including data on spec regions, their vulnerability to risks, and the actions they are taking to mitigate these r partnered with various external data providers and have launched internal initiatives to s from our clients and suppliers. Data quality poses a universal challenge for companies and institutions managing climate and environmental risk.

Understanding and assessing interlinkages and dependencies

Biodiversity loss is inextricably linked to climate change, and our approach to ESG risk i nature-related risks. We aim to introduce further granularity in our biodiversity hotspot been testing an approach for measuring biodiversity impact which we expect to give us more insight into the sectors in our portfolio that are both most dependent on and most impacte

Supporting customers

We're currently developing an online platform to centrally collect, assess and monitor the climate transition plans of our clients. This platform will rely on information sourced fr Disclosure Project (CDP), the Science Based Targets initiative and clients' own public sus aggregating this information, we'll improve our insights into our clients' transition plan to identify both risks and opportunities - enabling us to better support our clients in mi to the effects of climate change.

Social

As an employer, we aim to provide a safe and inclusive workplace, with a workforce that reflects the diversity of our customer base. We believe financially healthy people contribute to a healthy economy and drive social progress, which is why we aim to support customers in meeting their financial commitments now, while building their financial security for tomorrow. We believe every person deserves to be treated with dignity and have their interests considered equally.

We can help address social challenges as a financier, employer, service provider, and driver of progress and prosperity. We consider our social priorities to begin with our employees, including diversity, equity and inclusion, learning and development, engagement and well-being. The satisfaction and financial health of

Completion of learning courses increased by 5.7 percent and 1,189,829 hours of learning we The positive trend for non-mandatory learning continued, making up 48 percent of all learn 2023, up from 43 percent in 2022, with more people electing to learn new skills and build relevant to their job roles and function.

In the context of sustainability, we aim to make sure that our colleagues are highly engag strategy and all sustainability-related topics, especially climate action. In support of t global sustainability learning programme. The first delivery – an e-learning covering the our sustainability approach – launched in April 2023. We have also created upskilling prog developing more expertise, and the first modules on Climate & Environmental Risk were rele 2023.

We provide role-based development via 10 global academies. These academies offer relevant, ING-specific training for the skills required now and in the future. For example, our tech rolled out a new ING-specific learning offering, which was developed in-house, in collabor engineers. More than 4,700 engineers have so far enrolled to this global offer and have ta opportunity to upskill on topics like Public Cloud, Java and Oracle.

our customers is also central to our social contribution, as is our commitment in society to human rights and financial inclusion.

Unlocking our people's full potential

ING makes the difference through the activities and actions of our people. We unlock our people's full potential through our inclusive culture, where everyone has the opportunity to develop and have impact for our customers and society. In 2023, we focused on three pillars to deliver for our people: ‘talent & leadership’, ‘culture & organisation’, and ‘employee experience’.

Talent & leadership

Skills and capabilities

Our success depends on our ability to attract, develop and retain people with the skills we need to deliver great performance. We upskill our workforce by providing our people with the learning and development they need to perform well and grow their careers. In 2023, we made learning solutions more accessible through a global learning offer, rolling out Udemy Business to 37 countries, which provides on-demand, relevant and engaging content in an accessible, digital way. We have had a successful uptake of more than 20,000 global users, earning a 4.2 out of 5 rating from learners.

Also in 2023, our COO academy defined six core future skills for our more than 16,000 COO members. These skills are being assessed across the organisation and learning journeys are developed, as we want our Operations teams to be equipped for high performance now, and re roles change due to increased efficiency, digitalisation and AI.

We also had the Wholesale Banking Business School launch the capital velocity programme in support our strategic ambitions. Participants learned how to optimise the balance book in challenging external conditions.

Building leaders for today and tomorrow

ING has an abundance of internal talent and a strong culture of developing our people. In introduced a new approach that gives us a broader, deeper and more global visibility of ou ING. This includes emerging leaders and the functional and technical experts that drive th business. As a result, we’re able to accelerate the development of these leaders, aiming f leadership pipeline that reflects our global and diverse organisation, and retain our expe find in the market.

In 2023, we delivered a successful pilot programme to train rising leaders who are prepari roles. A diverse, global pool of participants (50 participants, coming from 10 countries, 5 were women) graduated from this intensive leadership programme focused on strategically re

such as sustainability, digitalisation and AI, combined with business challenges that allowed them to apply their learning to genuine business risks and challenges. The programme achieved an above-average Net Promoter Score (NPS) of 73 and will be scaled up in 2024.

We also support the development of leaders at other key transition points. Our first-time leadership programme, Leadership Fundamentals, supported 315 people in 21 countries. Our programme for more experienced People Leaders was updated to include skills required to lead hybrid teams, with 463 participants in 2023.

In addition, we continue to attract and develop early-in-career talent through our global International Talent Programme (ITP). In 2023, we hired 119 graduates in 11 countries and nine different areas of expertise (Retail Banking, Business Banking, Wholesale Banking, Tech, Analytics, Risk, Operations, Finance and HR). These 119 new trainees will replace the 77 that started in 2021, concluded the programme in 2023, and are now in roles across the bank.

Culture & organisation

Our vision is to unlock our people’s full potential through our inclusive culture where everyone has the opportunity to develop and have impact for our customers and society. To achieve this vision, we follow an approach that is based on data and evidence to keep track of progress.

Equal pay for equal work

Equal pay for equal work assesses whether female and male employees in the same job receive equal pay for equal work. We calculate this with our GJA, which allows us to compare like-for-like jobs. It categorises all 1,425 job profiles within ING in a standardised and simple way, using common language that makes it easier to compare and match accountabilities and capabilities across countries and business lines.

In 2023, ING performed an ‘equal pay for equal work’ assessment across all countries using data from 2022. The results have been shared with the countries we operate in for further analysis. There are circumstances when it is appropriate to pay employees differently, even if they are doing similar jobs, for example because of differences in skills or differences in performance. Where any unjustified differences are found, we make the necessary adjustments to ensure equal treatment.

Diversity, inclusion and belonging

Using insights like the gender pay gap and equal pay for equal work analysis, we bring diversity, inclusion and belonging (DIB) to life with a full package of structure, data, metrics and communication. Our diversity and inclusion (D&I) policy commits us to:

- Actively support diversity, equity, and inclusion, and embed a culture where everyone is treated with dignity and respect;
- Ensure that people leaders work in partnership with their teams to create and sustain an working environment where everyone's unique contribution is valued and where everyone fe of belonging;
- Ensure that decisions affecting employment, learning and development, promotion and care development are based on an individual's ability and reflect genuine requirements of the
- Conduct annual analyses of our global gender pay gap and equal pay for equal work as par commitment to denounce discrimination and to promote equal remuneration for work of equa all employees;
- Provide everyone with the appropriate information, and training, on diversity, equity an workplace;
- Make the necessary adjustments to meet the needs of people with disabilities where reaso practicable to do so;
- Strive continually to provide people with a working environment that is free from discri harassment of any kind;
- Behave in accordance with the values and behaviours of our Orange Code, which applies to business units in all countries worldwide.

Our stance on discrimination

At ING, we denounce all forms of discrimination. We are working together to create an incl and, in turn, play our part in building an inclusive world. To support our ongoing efforts change, we have measures that aim to keep discrimination from happening within our company Discrimination includes any distinction, exclusion or preference made on the basis of age, identity or expression, gender reassignment, sexual orientation, family responsibility (in maternity, paternity and adoption), partnership status, cultural background, religion, rac physical or mental disability, nationality, political opinion, social origin or any other effect of nullifying or impairing equal opportunity or treatment in employment. Any distin preference not based on the inherent requirements of the job is deemed as discrimination.

A renewed global diversity, inclusion and belonging (DIB) strategy

To achieve the commitments set out in our global D&I policy, ING's senior management endor global DIB strategy in November 2022, which builds on our previous 70 percent principle. I actions on increasing gender diversity and equity, while setting a strategic roadmap for s behavioural inclusion at ING, in the actions of our leadership, in our individual and coll in our structures and processes. This way, we can achieve sustained and measurable change.

We are equipping our most senior leaders with practical skills on inclusion through targeted workshops, attended by 140 leaders across ING globally so far. In 2023, members of our Management Board became allies of our diversity and inclusion employee networks, of which there are over 35 globally relating to gender, LGBTQI+, culture, race and ethnicity, disability, and generations. Through structured dialogue with the leaders of our employee network across ING, the members of the Management Board are learning about the experiences of employees of diverse identities with the aim of addressing structural inequalities and driving inclusive behaviour. As well as fostering diversity, inclusion and belonging in these areas, the networks raise awareness around how workplace issues affect certain groups and provide employees with a sense of connection and belonging. To celebrate the diversity of our global workforce and encourage inclusive behaviour, we held our fifth consecutive Global DIB Day in 2023, with 22 countries hosting over 90 events with the active engagement of 4,000 employees.

To improve gender diversity in senior management, in 2023 we made it a requirement that external recruitment firms provide gender diverse candidate lists. We promote flexible working to enable all parents to succeed professionally while managing their family lives. We have seen how flexible working benefits the lives of employees – especially those with care-giving responsibilities – which is why we remain an advocate of it. In our largest market, the Netherlands, we introduced extended parental leave for new mothers in 2023. This new provision complements our existing parental leave, which is gender neutral and inclusive of diverse families.

To achieve greater equity, we have embedded ‘bias interrupters’ in our recruitment, performance evaluation, and talent-assessment processes. We're also developing the capabilities of our people leaders and HR professionals to judge fairly and without bias.

We are committed to building a strong internal pipeline of talented women into senior leadership roles. Through our leadership accelerator programme, which has a 54 (female)/46 (male) percent gender split in the participant group, we provide content that addresses gender-specific barriers to progression. We also monitor the gender balance in our leadership pipelines. In 2023, we added a second bank-wide gender diversity target to increase the representation of women in our leadership pipeline, in addition to the existing gender diversity target for senior leadership. The variable pay of our Executive Board and Management Board Banking is linked to the delivery of these internal targets on gender diversity.

Much of our diversity data is based on demographic representation. Our gender diversity analysis continues to become more advanced, with combined dashboards of hiring, retention, and progression and forecasting tools. Furthermore, we are broadening the diversity demographics against which employees can self disclose, within legal and data protection parameters, to continually inform our strategies and meet increasing external reporting requirements. As we improve the quantity and quality of diversity demographics across ING, we will evolve our diversity target-setting where needed to address under representation.

To better understand our employees’ experiences of inclusion, we introduced an Inclusion I fourth quarter of 2023 in our OHI survey. As part of this, we analysed different experienc based on gender, age and organisational demographic, allowing us to take targeted action w The Inclusion Index will be measured annually.

In 2023, we rolled out a diversity, inclusion and belonging learning curriculum for all em leaders and senior leaders to encourage inclusive behaviours at all levels. The curriculum with training on diversity, equity, and inclusion in the workplace.

External recognition of DIB efforts

One of the ways we create a more equitable and inclusive workplace is through external and review. ING was one of the 484 firms recognised in the 2023 Bloomberg Gender Equality Inde offers public companies the opportunity to disclose information on how they promote gender across five separate areas: female leadership and talent pipeline, equal pay and gender pa culture, sexual harassment policies, and pro-women brand. In 2023, ING scored 72.3 percent improvement on the 70.35 percent score from 2022. This is the eighth year that we've been listing.

We are a founding partner of Workplace Pride, an organisation dedicated to improving the l people in workplaces worldwide. Its activities include the International Workplace Pride G which assesses companies in eight areas and identifies best practices. In 2023, ING scored the benchmark, an improvement on the 78.8 percent score in 2022, earning us a recognition Pride Ambassador for the fourth year running. ING is dedicated to having an LGBTQI+-inclus our Rainbow Lions networks across 10 locations have played an important role in shaping th

Vitality

Our people are our biggest asset and only by unlocking their full potential will we be abl difference for our customers, our society and our planet. Therefore, we need the right ene we call vitality. We are aware that work-related stress is a reality for some, and this is locally and globally through a vitality section in our employee survey once a year, with t shape and track our vitality initiatives.

Building on the initiatives of 2022 to enhance our people’s vitality by supporting them in right working habits, in 2023 we created a global set of ‘working habits for vitality’ tha make the right decisions to maintain and improve their vitality. We also give people insig working habits through technology, and offer practical tools to help them work in a sustai can be team agreements on working flexibly, or training on how to maintain a healthy work- We promote a flexible way of working among our employees through our International Remote programme, hybrid-work flexibility and various paid-time-off programmes.

We aim to equip managers with the resources they need to support and guide their teams in having more 'vitality', because managers play a key role in the success of the 'working habits for vitality' by setting the right example. The training programme followed a phased roll-out approach until the end of 2023, and will continue in the first quarter of 2024.

We continue to count on local initiatives to offer customised vitality solutions to our employees. Alongside the continuous vitality offerings that are available every year, there were a number of local initiatives in 2023 to support our vitality pillars:

Mental health

In Germany, we put a focus on mental health by discussing sensitive topics in interviews with experts and gave colleagues information and support via monthly newsletters and lunch-and-learns. And at our Poland Hubs, we marked Mental Health Week by giving employees access to related topics webinars, podcasts and activities.

Physical health

As part of our Collective Labour Agreement (CLA) in the Netherlands, more than 3,700 employees underwent a personal health check via an external partner. Based on their individual outcomes, we offered customised support to improve their vitality, such as online nutrition coaches, face-to-face vitality coaches and digital support tracks. Employees in Poland also received the same offer.

Social connection

Australia and Germany have either set up or expanded their mental health first aider peer-support networks. ING employees can opt in to be trained in mental-health first aid to signpost those struggling or in distress to the appropriate help.

Financial health

In countries such as the Netherlands, Romania, Poland, Spain, the Americas, Belgium, and Australia, we offer financial coaching for our employees to discuss how financially healthy they are.

Family and friends

Spain's 'Plan Familia' is a programme intended to support employees who have a dependent child with a congenital or acquired disability of over 33 percent with a monthly allowance. Poland has a similar offering. Belgium rolled out the vitality boost programme, in which employees can follow an 8-10-week journey in the area of vitality they need most (on any of the pillars). This was a unique and multidimensional approach that has already led to positive employee experiences and impact.

Employee experience

Providing a superior customer experience is a strategic priority. This matters just as muc and we are therefore focused on continuing to improve our employee experience. We aim to p personal, easy and efficient services that encourage our people to unlock their full poten they can be. In 2023, we continued to deploy our global HR system to more than 70 percent employee population. We also made progress in digitising our employee journeys with more a such as in the area of expenses or employee document handling. Another priority has been t simplification of HR processes and the reduction of administrative tasks for managers. For Netherlands, we reduced the number of notifications and approval steps on HR-related proce 16,000 to 6,000 per month.

Customers

Part of ING's purpose to empower people to stay a step ahead in life and in business means customers and society stay a step ahead of the challenges they're facing. One of the ways difference here is by aiming to advance financial health and inclusion for customers and c

Customer centricity policy

As a global bank, we recognise the impact our activities can have on society and individua Orange Code promise is: 'Integrity above all, by balancing the rights and interests of all 2023, we solidified this promise by creating a global customer centricity policy. The intr policy is one measure we have taken to prevent contributing to customers' financial distre based on our customer golden rules (CGR).

ING's purpose is to empower people to stay a step ahead in life and in business. To help c existing customers do this, ING offers a large variety of financial products to a large va a result, ING faces a multitude of risks and regulations. The CGR define high-level common ensure ING handles these risks and regulations appropriately. Complying with the CGR will

- Ensure we protect, safeguard, and not violate the rights of customers;
- Ensure we put the customers' best interests, protection, and needs at the centre of all
- Contribute to a sustainable society;
- Mitigate the risk of mis-selling and customer detriment.

The customer golden rules are:

- We offer products and services suitable for the customers throughout the whole relations
- We offer products and services at a fair price considering the market, costs and risks.

- We communicate information on products and services in a clear and non-misleading manner.
- We provide services and trusted advice through professionals with the necessary knowledge and expertise.
- We consider the Environmental, Social and Governance (ESG) risks and impact of our products and services.

When we create and sell products, it is our policy to take into account the wider interests of society. This means we aim to provide products that add value to individual customers, work to offer sustainable products and avoid publishing information that amounts to greenwashing or ethics washing. We also aim to provide access to our services for all clients, including those with, for example, low levels of digital literacy or a disability. Finally, we aim to meet the needs of customers at risk of vulnerability or marginalisation.

Financial health and inclusion

Financially healthy people and businesses can contribute to a healthy economy and help drive social progress. At the same time, money is a leading cause of stress for people, with half of European households struggling to make ends meet. According to the group European Pensions, one third are unable to face unexpected financial expenses and close to 40 percent are not saving for retirement.

ING aims to empower people and businesses towards improved financial health, a state in which an individual, household, micro, small or medium-sized enterprise can manage their current financial needs and have confidence in their financial future. This includes managing day-to-day finances to meet short-term needs, the capacity to absorb financial shocks (resilience), the capacity to reach future goals, and feeling secure and in control of finances (confidence).

We're working with the United Nations Environment Programme Finance Initiative under the Principles for Responsible Banking to contribute to setting a measurement standard for financial health impact for our industry. As a founding signatory of the Commitment to Financial Health and Inclusion in December 2021, we've committed to setting ambitious targets supported by measures around products and services, processes, data analytics and/or partnerships, with the aim of promoting financial inclusion, and fostering a banking sector that supports financial health.

Advancing customers' financial health and inclusion

ING aims to contribute to a positive, measurable impact on our customers' financial health those with whom we can have the biggest impact. We do this by focusing on a few specific i For each area, best practices are shared between business units with the goal of learning

Financial inclusion, the first area, is about accessibility. ING wants to be an accessible including people living with disabilities, whether that means sight, hearing, physical dis learning disabilities. We have taken various steps, such as installing voice-activated ATM countries that make it easier for people with a visual impairment to withdraw money and al cards with a notch on top so they can insert them correctly. These cards are also useful f limited hand functionality. In Australia, customers with speech or hearing difficulties ca banking via the national relay service and there's a sign-language service in some of our Poland. Also, in the Netherlands, customers with a visual impairment can use screen reader applications that read out information displayed on a screen) in compatibility with ING.nl app, Mijn ING.

It is also about making sure everyone can easily understand our terms and conditions, that on our websites is readily accessible and that customers can use our online banking channe apps, irrespective of their situation. We started a programme in 2022 to align digital cha Retail Banking countries with the EU's Web Content Accessibility Guidelines standard (WCAG Netherlands, the Mijn ING app is accessible with a voice-over to transfer money or to get insights.

The second area is focused on building financial resilience. Everyday Round Up, for exampl customers in Poland, Australia, Türkiye, Germany, Spain and Romania to build savings. ING Up! money-management tool aims to help build healthy savings habits and optimise expenses. Netherlands and Belgium, forecasting tools like Kijk Vooruit help customers plan and contr

For businesses, we launched a similar self-evaluation tool for our Romanian customers in 2 on financial indicators using the customer's own data, and a bank diagnosis feature that i financial-health vulnerability. Also in Poland, we introduced a financial-health platform called Firmove. This provides guidance to entrepreneurs in improving their financial well- business operations. Additionally, it offers valuable advice and assistance to foster busi enhance sustainability.

Another focus area is that of financial education. Financial illiteracy is one of the bigg health, which we aim to address especially for our young customers. In Belgium, we do this check-up session offered to young clients. In countries such as Germany, Italy and Spain, communication and education programmes to help them develop healthy savings and spending h

Lastly, we see an important role of collaboration with external parties to support the energy transition of households. In an effort to have an inclusive transition, we are making steps to collaborate with parties such as banks, governments and others to provide financing means and access to energy education. Here we aim to focus our efforts on customers who could be struggling with financial health or with energy poverty. In the Netherlands, ING is a participant of a collaboration between banks, the national heat fund, local municipalities and energy coaches to help homeowners tackle energy poverty.

Supporting financial health in the community

Our approach to community investment adapts to changing needs. Through a combination of global and local funding, we support programmes that contribute to inclusive economies in which everyone can participate. In 2023, ING, together with colleagues and clients, donated €18.7 million to social programmes, €9.7 million of which was specifically focused on building financial health in communities, covering the areas of future-proof employment, financial capabilities and social enterprises.

We also donated to the humanitarian appeal to help communities affected by two devastating earthquakes in southern Türkiye and northern Syria, in February 2023. Together with colleagues and clients, we donated more than €7.6 million to UNICEF's emergency response and other humanitarian and development organisations.

Ukraine has been another target of our community investment. An example is our support for the NGO 'For

labour market. In Belgium, we work with the King Baudouin Foundation managing four funds s more circular/inclusive economy, (ii) a more digitally inclusive economy, (iii) financial sustainable buildings.

During 2023, ING also initiated projects that assist with financial capabilities In Spain, in the FARO Project, a public-private partnership between Madrid City Council, ING, and th Foundation. The programme trains the social workers in financial education, so they can he users of the city's social services about financial capabilities, including family finance debt.

We also promote financial health in the community by supporting social enterprise. For exa Bulgaria, we collaborated with the Reach for Change foundation in the development of the G part of the Open the Circle initiative, which provides tailored support for social enterpr and job readiness among young people from disadvantaged backgrounds. In Germany, together Impact GmbH, we match innovative social start-ups with established charities, to exchange expertise and experience. We also provided funding to other social enterprise projects in France, Poland, Romania, Singapore, Ukraine and the United States.

Human rights

the good people', focused on financial health and financial capabilities with the specific people who have lost their jobs due to mental health disorders. ING also supports 'Convictus Ukraine' and its WINGs programme that helps improve the economic security of rural, vulnerable and marginalised women, especially those affected by the war.

ING’s Global Community Investment Fund provided funding to 20 financial-health projects from 13 countries to help them amplify the impact created at country level.

The ING Netherlands Foundation works with 11 local partners for equal job opportunities. One example is the collaboration with VHTO, a programme supporting gender diversity in the technology sector. VHTO has reached more than 11,000 primary and secondary education students with different activities in the classroom, removing the obstacles that can prevent girls choosing to study IT and eventually selecting it as a profession. The ING Netherlands Foundation also invests in Young Digitals, an organisation that teaches young people with fewer opportunities the skills they need to become digital marketers.

As examples of supporting employment, in Germany we partnered with MentorMe, a mentoring programme that supports vulnerable women in the job market. In Italy, we partner with ‘Fondazione Mondo Digitale’ (Digital World Foundation) to train around 8,000 people per year, especially women, small entrepreneurs and young people not in education, with digital skills to better face the challenges of the

We believe every person, everywhere, has the right to be treated with dignity and have the considered equally. ING and our clients have the potential to impact human rights through and business relationships. Our impact is in the different roles we have: as an employer, and services and a provider of financial services to corporate and individual customers.

We work to influence and support business partners to respect human rights in multiple way framework includes an overarching policy on human rights to guide us when assessing client transactions we finance. We also act on a variety of environmental, climate and social top highlighting their interconnectivity.

In the beginning of 2024, we published our 2023 Human Rights Report where we assessed and most severe potential human rights issues for our workforce, our Wholesale Banking and pro activities. For our workforce we identified discrimination, harassment and work-related st In our Wholesale Banking activities, the identified issues are child labour, forced labour and resource issues. Regarding our procurement activities, we identified forced labour and health and safety.

Through our financing activities we have the potential to contribute to or be linked to ne impacts and issues, such as child labour and forced labour in relation to workers in the v and resource-related community impacts in relation to local communities. Negative land and

related community impacts may, for example, occur due to land acquisition and use of scarce or shared resources by clients we finance.

To mitigate these potential human-rights impacts, we have an Environmental and Social Risk (ESR) Policy Framework, which includes an overarching human-rights policy that applies to all sectors we finance. In addition, we have human-rights elements in dedicated sector policies. We also mitigate potential negative human rights impacts in line with the UN Guiding Principles on Business and Human Rights (UNGP), as well as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. We do this by understanding regional and portfolio risks, engaging with clients, using financial leverage when needed, and being cognisant of human-rights impacts when engaging with stakeholders.

We engage with different stakeholders (internally and externally) to identify common solutions to address human-rights issues. We consulted with human-rights consultants and civil-society organisations in drawing up our ESR policy review. We have been working on an integrated approach to stakeholder engagement at ING and invited clients to discuss challenges and issues that have been brought to our attention. We find it beneficial to have ongoing dialogue about our role in society, our products and services, our business performance and other issues. We also engage with other key stakeholder groups, including communities affected by projects in which we invest, government, regulators and national associations, as well as pressure groups and NGOs.

The transition out of fossil fuels and into a green economy may impact people, for example, potentially resulting in stranded assets and consequently affecting surrounding communities. It could also increase energy poverty for vulnerable people reliant on fossil fuels. We recognise that as the world transitions from a carbon-intensive economy into a green economy, we must collectively acknowledge the needs of people, especially the most vulnerable.

Through platforms that set standards on this topic, ING aims to be transparent about our progress in the hope that others will join us and strive to be a step ahead of broader expectations. Read more in ‘Environmental, social and governance risk’ in ‘Risk management’.

Governance

Good governance is an essential foundation for an effective strategy. We are guided by our Orange Code, which sets our behaviours and ensures we work with integrity, transparency standards of business ethics. Strong management in our cor leadership and board composition is also key to effective ensuring the overall success of our ESG approach.

Business ethics and integrity

Our culture, including our risk culture, informs the behaviours we share across the organi to make responsible decisions – for ourselves and for our customers – now and in the futur with integrity, whether in encouraging employees to speak up and report concerns, guarding corruption and financial crime, or managing our taxation responsibly and transparently.

Orange Code and global Code of Conduct

Our culture starts with the Orange Code, which is a declaration of who we are. It describe expect from each other when we turn up to work each day. It is a set of standards that we strive to live up to, and invite others to measure us by.

The Orange Code is the sum of two parts, the ING values and ING behaviours, with ‘Integrit the overarching principle. The ING values (being honest, prudent and responsible) are non- promises we make to the world, principles we seek to stick to, no matter what. The ING beh on and make it happen, help others to be successful, and always be a step ahead) represent differentiate ourselves. The Orange Code is embedded in commitments we make to each other standards by which we measure each other’s performance.

The ING Global Code of Conduct outlines the 10 core principles for conduct we expect from These principles build on the values and behaviours of our Orange Code and are based on IN minimum standards and guidelines we need to adhere to in our daily business. Having a glob

Conduct creates consistency in the way we do things and contributes to keeping ING safe, compliant. Ultimately it helps to safeguard our customers, society and our role in the f

Risk culture

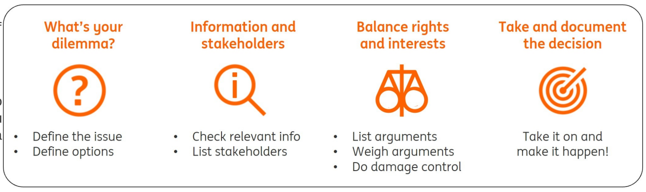
At ING, we attach great importance to a sound risk culture, which is essential for perfo society responsibly and in keeping the bank safe and secure. We determine our risk cultu which employees identify, understand, discuss and act on the many financial and non-fina confronted with every day.

The Orange Code and the global Code of Conduct are the foundation of ING’s risk culture. Conduct defines the most essential conduct principles expected from ING employees in their daily activities, to create additional risk awareness and better meet expectations stated in external rules and guidelines. When ING employees onboard, they are required to take an e-learning and sign-off on their adherence to the global Code of Conduct. Also, every year, all ING employees receive an updated (micro-)e-learning on (parts of) the global Code of Conduct. As of 2021, the global Code of Conduct is also embedded into our employees’ performance management cycle with the aim to ensure continuous attention to the global Code of Conduct, and encourage the dialogue on how to apply it in our daily work practice.

The effectiveness of and compliance with the ING Global Code of Conduct is measured via acknowledgements and whistleblower data. Reporters can raise (suspicions of) breaches of Code of Conduct to the ING whistleblower channels. All 10 principles and their underlying topics (such as market abuse, conflict of interest, etc.) of the ING Global Code of Conduct are considered in scope of the Whistleblower Policy.

Orange Code decision-making

Balancing the rights and interests of all our stakeholders is one of the key Orange Code principles. To further enhance risk judgement, we continued to apply the Orange Code decision-making model to dilemmas. This four-step model supports well-balanced decision-making.



Following the incorporation of the four-step model in the global product approval and revi policy, the Orange Code decision-making model was incorporated in Model Validation guidanc and behavioural risk is continuing to train experts in this area to support the organisati applying the model in practice.

Behavioural risk

Behavioural risk is an increasingly important risk area for ING and across the financial i when behavioural patterns are at the root of financial and non-financial risks in the orga

The complexity of this type of risk is that it is less tangible compared to other risk are on behavioural patterns and their drivers. There are patterns in how decisions are made, h communicate, and whether they can take ownership. Behaviour is driven by formal and inform mechanisms. Examples of formal drivers are the processes ING applies and how its governanc Informal drivers are less tangible, such as group dynamics or underlying beliefs that infl

Behavioural risk assessments

Behavioural risk assessments identify and analyse undesired behaviours within ING and prov management with specific direction on how to change these behaviours. They focus on the ef groups rather than individuals, the role of leadership, and on less visible aspects such a unwritten social norms. The goal is to understand and systematically assess what drives un ING. The behavioural risk management framework is used as a guide across ING to identify b in the organisation which require deeper investigation.

Behavioural risk interventions

Based on the results of the executed behavioural risk assessments, interventions are taken to mitigate the behavioural risks in a focused manner. Effective mitigation requires a deep understanding of what drives undesired behaviours. Behavioural and organisational science theories and evidence-based techniques and tools play an important role in designing and facilitating interventions.

In 2023, interventions were focused on KYC. New interventions have been designed and developed in close cooperation with HR and Compliance to improve speak-up and escalation behaviour across the organisation.

Whistleblower

Everyone at ING is expected to always act with integrity and uphold the values and behaviours of our Orange Code. We won't ignore, tolerate, or excuse behaviour that breaches our values or people's trust in ING. There are many ways for employees to speak up if they have a concern. Reporting is always confidential and, if preferred, also anonymous. It is our policy to follow up on reports, with an emphasis on protecting whistleblowers' identity.

We aim to protect those who report concerns, which is why we regularly look for ways to enhance and standardise the whistleblower process. This includes safeguarding identities and trying to protect them to prevent retaliation. Across the organisation we're aligning channels, like our 'speak up' channels for undesirable behaviour, which we've brought together in our global Speak Up programme. Anyone who reports a concern can now choose the appropriate channel, so the reporter journey becomes more consistent with the same level of protection. Collecting insights across certain channels has allowed us to better manage anonymous concerns and track whether those that were found to be substantiated were followed up. We continue to share sanitised reports with the organisation to encourage employees to speak up.

Financial economic crime

By fulfilling the role of gatekeeper to the financial system, ING plays a role in the collective fight against financial crime while ensuring that ING remains safe, sound, and compliant – in accordance with applicable regulations such as the Dutch Financial Supervision Act (Wft) and the Dutch Anti-Money Laundering and Anti-Terrorist Financing Act (Wwft), and with expectations of society at large.

Bribery and corruption

Bribery and corruption undermine business confidence and corporate integrity, hinder fair business competition, and harm international trade. ING takes these risks seriously. Bribery and corruption risks are part of our non-financial risk framework, and are in the design of our client and third-party due diligence, and monitoring measures in our financial crime risk-management framework. We have continue strengthen our ability to respond to bribery and corruption risks in key areas, as part of maturity programme. This supports our zero-tolerance approach to bribery and corruption, a governance elements of our sustainability objectives.

All ING employees and third parties acting for and on behalf of ING at every level of the expected to always do business in accordance with the values and behaviours of ING's Orang a zero-tolerance approach to bribery and corruption in all of its relationships and busine forms part of its commitment to conduct business in an honest, prudent, and responsible ma not, and will not, accept and pay bribes or offer improper inducements or anything that co as such. ING expects the same from its customers, business partners, and third parties tha or deliver business on its behalf. In support of its anti-corruption and bribery policies has a sound governance structure in place.

Failure to detect signals of money laundering related to human trafficking and modern slav the lives of customers and/or other people being substantially harmed. For instance, if a human trafficker and their activities remain undetected, the safety, security, and dignity at risk. If a customer is a victim of human trafficking, failure to detect signals of mone economic fraud and human trafficking may stand in the way of saving that customer fro practice. On an annual basis, ING conducts a Systemic Integrity Risk Analysis (SIRA) for a the basis for risk assessment for bribery and corruption. In 2023 the outcome of the asses location was perceived as having residual risks of concern.

Know Your Customer

Know Your Customer and financial crime compliance continue to play a major role in making engage and do business with people and entities that meet regulatory requirements. Knowing business with is vital to keeping ING safe, secure and compliant. As part of our ongoing a laundering efforts, we continuously assess relationships with customers, and monitor and s transactions. It is our policy to review potentially unusual transactions and suspicious t where applicable, report these to the relevant authorities.

Given that we operate in many countries, and our position in the Dutch financial sector an ING is considered an important stakeholder in the financial sector in realising this prior other gatekeepers in the financial system. These include the Dutch Banking Association, th Bank and other public partners, such as the Tax and Customs Administration, Financial Inte Fiscal Intelligence and Investigation Service (FIOD) and the Public Prosecutor's Office.

ING is focused on continuing to embed applicable requirements in our processes and procedu in our IT systems and data sources, in a robust and sustainable way, and driving a busines

that 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.

Transparency

As we strive to be a banking leader in building a sustainable future, we communicate transparently on our actions, we share our successes, but also our challenges. We're clear and open, sharing our progress towards our ESG targets. We also recognise how important it is to continuously interact with all stakeholders, cultivating relationships that drive positive change.

Taxation

Our tax policies and performance are key elements under the governance pillar of our ESG framework. We are mindful that every aspect of our business, including our approach to tax, has an impact on society. We have therefore chosen to formalise our approach to clarify our views on responsible tax behaviour and tax governance.

Our tax principles, which are applicable worldwide, mirror ING's values of integrity, honesty, prudence and responsibility. These values are the main drivers for our relationship with tax authorities and for the adoption of tax transparency as standard practice.

Tax principles and governance

Wherever we operate, we seek to establish and maintain an open and constructive dialogue with local tax authorities and other government bodies, based on the disclosure of all relevant facts and circumstances. In this dialogue we seek to provide clarity and establish certainty on all relevant local tax positions in advance. We are transparent about our approach to tax and our tax position. In formulating this approach, we have taken account of the interests of our stakeholders, including (tax) authorities, non-governmental organisations, customers, shareholders and society in general.

Disclosures are made in accordance with relevant domestic regulations, as well as applicable reporting requirements and standards such as the International Financial Reporting Standards. The ING annual report contains a country-by-country overview of the result (before tax) and the total corporate income tax charge paid and accrued per tax jurisdiction. ING also submits, annually, a similar type of overview to tax authorities which enhances their insight into our tax position.

ING joined the Dutch Tax Governance Code developed by the Confederation of Netherlands Industry and Employers (known as VNO-NCW). ING embraces the principles of the code and will work consciously to comply with the targets set, as laid out in our Tax Governance Code booklet. This is available on ing.com in the Compliance section under About Us. The financial information in the Tax Governance Cod under notes to the consolidated financial statements in this annual report (see Note 31, I geographical areas and Note 34, Taxation).

Tax policies, procedures and a tax control framework have been implemented to support mana mitigating potential tax risks in a prudent manner. Internal monitoring, control and repor risks takes place on a continuous basis with annual reporting to the Management Board and Board and various other stakeholders. For SOx 404 purposes (section 404 of the Sarbanes-Ox 'effectiveness of internal control statement' with respect to tax controls has been provid management is subject to Corporate Audit testing and evaluation. As part of the tax risk a applicable, the potential use of (tax) incentives and/or subsidies is considered acceptabl explicitly intended by the authorities.

In all countries in which ING is present, it is ING's position to be cooperatively tax com being transparent about, and disclosing, relevant tax risks towards tax authorities.

We also believe in the principle that tax should follow business, so profits are allocated where business value is created. It is our policy to comply with domestic and internationa regulations, taking account of both the letter and the spirit of the law, as well as stand guidelines for multinational enterprises, and we apply the arm's length principle.

Tax position of clients

As a global bank, we play a crucial role in fighting financial crime and protecting the fi harmful behaviour. This includes criminal activities such as tax evasion, but also aggress which although not illegal can be damaging to the communities in which we operate. We aim facilitate such activities.

Tax risks not only refer to ING's own tax position, but also our role as gatekeeper for th well as risks in relation to our customers. In this respect, we have integrated a tax-inte our overall customer risk assessmen process.

It is our policy not to advise clients on taxation matters. Clients remain responsible for

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 our 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, ESG, remuneration policies, personal conduct and our 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.

As discussed under "Item 3. Key Information — Risk Factors", as a large multinational financial institution we are subject to reputational and other risks in connection with regulatory and compliance matters involving these countries.

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

by risk-weighted contributions from banks. Since 2015, the EU has been discussing a pan-Eu banking union) DGS (the European Deposit Insurance Scheme (EDIS)), which would (partly) re complement national compensation schemes, but there is no EDIS yet as political negotiatio On 18 April 2023, the European Commission published the proposals for the revision of the framework for bank crisis management and deposit insurance (CMDI) that focuses on small an size banks, but will affect all EU banks. The CMDI framework consists of the Bank Recovery and Resolution Directive (BRRD), the Single Resolution Mechanism (SRMR) and the Deposit Guarantee Schemes (DGSD). The proposals on revision of the CMDI are now subject to political negotiations (with uncertainty, changes to so called "daisy-chain" deductions framework that were already and might affect how ING's subsidiaries calculate their internal MREL ratios once proposal The revision of the CMDI framework is part of the debate on the completion of the Banking particular its third and missing pillar EDIS.

Dutch Regulatory Framework

The Dutch regulatory system for financial supervision consists of prudential supervision – soundness of financial institutions and the financial sector, and conduct-of-business supe institutions' conduct in the financial markets. As far as prudential supervision has not b the ECB, it is exercised by the Dutch Central Bank (De Nederlandsche Bank or "DNB"), while business supervision is performed by the Dutch Authority for the Financial Markets (Autori Markten or "AFM").

Global Regulatory Environment

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 ING Group's and ING Bank's principal prudential supervisor. The ECB is amongst others responsible for tasks such as market access, compliance with capital and liquidity requirements and governance arrangements. National 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.

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. 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 the third pillar of the Banking Union, the EU wants to further harmonise the regulation for Deposit Guarantee Schemes (DGS). One of the key elements is the creation of ex-ante funded DGS funds, financed

There is a variety of proposals for laws and regulations that could impact ING globally, i
made by the Financial Stability Board and the Basel Committee on Banking Supervision at th
level and an expanding series of supranational directives and national legislation in the
"Item 3. Key Information — Risk Factors — We operate in highly regulated industries. Chang
or regulations governing financial services or financial institutions or the application o
regulations governing our business may reduce our profitability). The aggregated impact an
interaction of all of these proposals are hard to determine, and it may be difficult to re
they are not aligned. The financial industry has also taken initiatives by means of guidel
regulatory initiatives.

Dodd-Frank Act and other US Regulations

ING Bank has a limited direct presence in the United States through the ING Bank Represent
New York, Dallas (Texas), Houston (Texas), and Los Angeles (California). Although the offi
strictly limited to essentially that of a marketing agent of bank products and services an
the offices may not take deposits or execute any transactions), the offices are subject to
the State of New York Department of Financial Services, the State of Texas Department of B
California Department of Financial Protection and Innovation, as well as the Federal Reser

has a subsidiary in the United States, ING Financial Holdings Corporation, which through several operating subsidiaries 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 that regard, because ING Capital Markets LLC is not subject to regulation by a prudential regulator, it is required to comply with the CFTC's 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 and new risk management requirements have been proposed focused on business continuity, cybersecurity, and operation resilience generally. It is possible that some of these compliance requirements, especially the capital 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 proposed new risk management requirements could impose significant compliance costs to the extent inconsistent with the existing group-wide framework.

ING Capital Markets LLC is also registered as a security-based swap dealer and is subject to a statutory regulatory regime and SEC rules and oversight. 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 security-based swap dealer rules for margin, capital, and related financial reporting instead of the CFTC swap dealer rules applied to security-based swaps with respect to margin, capital, and related financial reporting.

On 15 December 2021, the SEC proposed new rules that would for the first time impose public reporting requirements for some significant security-based swaps positions. The rules would apply even to trades between non-U.S. counterparties, including ING Bank, provided that the issuer of the reference securities underlying the security-based swaps is organized in the U.S., the issuer of the reference securities underlying the security-based swaps has its principal place of business in the U.S., or the securities are in certain categories registered with the SEC. These proposed regulations, if adopted in their current form, could constrain trading activity in security-based swaps. In addition, there are, or may be in the future, regulatory requirements or limitations related to other categories of equity derivatives, such as options or forwards, that could similarly constrain trading activity in such instruments as well. These various

requirements and limitations with respect to equity derivatives generally could have a sig
the liquidity and utility of these markets, materially impacting ING's business in this ma

In addition, position limits requirements have been imposed by the CFTC for uncleared swap
any of twenty-five commodity futures contracts on physical commodities. In addition, on 1
these position limits were extended to certain positions in swaps that are "economically e
enumerated futures contracts. The position limits on futures and related swaps could limi
sizes in these swaps referencing specified physical commodities and similarly limit the ab
counterparties to utilize certain of our products to the extent hedging exemptions from th
are available.

The Dodd-Frank Act also created a new agency, the Financial Stability Oversight Council (F
interagency body that is responsible for monitoring the activities of the U.S. financial s
systemically significant financial services firms and recommending a framework for substan
regulation of such firms, including systemically important non-bank financial companies th
of securities firms, insurance companies and other providers of financial services, includ
companies. ING has not been designated a systemically significant non-bank financial compa
and FSOC initiating such a designation currently is deemed unlikely.

Dodd-Frank continues to impose significant requirements on us, some of which may have a ma
on our operations and results, as discussed further under "Item 3. Key Information — Risk
operate in highly regulated industries. Changes in laws and/or regulations governing finan
financial institutions or the application of such laws and/or regulations governing our bu
our profitability".

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

In all jurisdictions where the bank operates through a separate legal entity that is a cre
must meet the local implementation of Basel requirements as well. ING uses the Advanced IR
credit risk, the Internal Model Approach for its trading book exposures and the Advanced M
Approach for operational risk. A small number of portfolios including certain sovereign ex
reported under the Standardized Approach for credit risk.

In December 2010, the Basel Committee on Banking Supervision announced higher global minim
standards for banks, and introduced a new global liquidity standard and a new leverage rat
Committee's package of reforms, collectively referred to as the "Basel III" rules, among o
increased the amount of common equity required to be held by subject banking institutions,
amount of liquid assets and the long term funding a subject banking institution must hold
moment, and limited leverage. Banks are required to hold a "capital conservation buffer" t
periods of stress. Basel III also introduced a "countercyclical buffer" as an extension of
conservation buffer, which permits national regulators to require banks to hold more capit

of high credit growth (to strengthen capital reserves and moderate the debt markets). Further, Basel III strengthened the definition of capital that had the effect of disqualifying many hybrid securities over the years 2013-2022, as well as increased 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 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 a "other SII" (O-SII) since 2011. Since December 2020 DNB has required ING Group to hold a 2.5% O-SII Buffer in addition to the capital conservation buffer and the countercyclical buffer described above. In May 2023 DNB announced that O-SII Buffer for ING will be lowered to 2.0% from 31 May 2024.

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 CRDIV 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. CRDV was implemented in Dutch law in 2020. The Banking Reform Package updates the framework of harmonized rules established following the financial crisis of 2008 and introduces changes to the CRR, CRDIV, 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
binding Net Stable Funding (NSFR) ratio based on the Basel NSFR standard but including adj
regarding e.g. pass-through models and covered bonds issuance, mandatory restrictions on d
permission for reducing own funds and eligible liabilities, macroprudential tools, a new c
"preferred" senior debt, the minimum requirement for own funds and eligible liabilities (MR
integration of the TLAC standard into EU legislation. Further, the EBA obtained a mandate
how to incorporate environmental, social, and governance (ESG) risks into the supervisory
the prudential treatment of assets associated with environmental or social objectives shou

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

In 2020, the last TRIM ECB inspection ended. Most of the remedial actions triggered by the
resulted in the redevelopment of the credit risk models and were addressed. The resolution
remedial actions is ongoing and is linked mainly to the implementation timelines of the CR

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
amending Regulations CRR as regards certain adjustments in response to the COVID-19 pandem
(commonly referred to as CRR "quick fix") was published.

The CRR 'quick fix' introduced certain adjustments to the CRR, including temporary measure
that early adopt changes in the regulations that were intended to become effective at a fu
notably included reduced capital requirement for certain exposures to small- and medium si
(SMEs), a more favourable prudential treatment for certain software assets, one year delay
application of the leverage ratio buffer requirement of 50% of the G-SIB buffer (to 1 Janu
'quick fix' extended by 2 years transitional arrangements for mitigating the impact on own
introduction of IFRS 9 (Article 473a (8) of CRR).

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) risks 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 will bring forward a significant part of this impact before the EU implementation date.

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).

This proposed legislative review's key aim is to implement the final Basel III framework as 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 (often 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 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.

In December 2023 the EU co-legislators reached a political agreement on the review, but the final legislative texts are yet to be published.

Capital requirements applicable to ING Group at a consolidated level

In accordance with the CRR the minimum Pillar I capital requirements applicable to ING Gro
Common Equity Tier 1 (CET1) ratio of 4.5%, a Tier 1 ratio of 6% and a Total capital ratio
weighted assets.

In 2020, as a reaction to the COVID-19 pandemic, relevant regulators introduced a number o
the Pillar II capital requirements and the capital buffer requirements applicable to ING,
ready. These structural reductions of these capital requirements reflect the applicatio
which allowed ING to replace CET1 capital with additional Tier 1 / Tier 2 securities to
requirement, and a reduction in the overall systemic buffer (i.e. the Systemic Risk Buffer
the O-SII and G-SII buffer) by the Dutch National Bank from 3% to 2.5%. Similarly, various
authorities changed or removed their Countercyclical Buffer (CCyB) requirements as a respo
pandemic.

Recently, however, various authorities began to increase the CCyB again, including De Nede
(DNB; for exposures in the Netherlands), Bundesanstalt für Finanzdienstleistungsaufsicht (
exposures in Germany) and National Bank of Belgium (NBB; for exposures in Belgium). DNB in
CCyB to 1% from May 2023 and to 2% from May 2024 (in line with the revised countercyclical
framework DNB intends to apply a 2% CCyB in a standard risk environment). BaFin decided to
at 0.75% from February 2023. NBB increased the CCyB to 0.5% from October 2023 and to 1% fr
2024. Other authorities announced increases, too.

The CET1 requirement, including buffers, for ING Group at a consolidated level was 10.98%
This requirement is the sum of a 4.5% Pillar I requirement, a 0.98% Pillar II requirement,
Conservation Buffer (CCB), a 0.50% Countercyclical Buffer (CCyB) (based on 31 December 202
and a 2.5% O-SII buffer that is set separately for Dutch systemic banks by the Dutch Centr
Nederlandsche Bank). This requirement excludes the Pillar II guidance, which is not disclo
loaded CET1 requirement (that reflects measures already known on 31 December 2023 but not
applicable) would amount to 10.76% (4.5% Pillar I requirement, a 0.93% Pillar II requireme
0.84% CCyB and a 2.0% O-SII buffer).

The Maximum Distributable Amount (MDA) trigger level stood at 10.98% as end of 2023 for CE
Tier 1 Capital and 15.25% for Total Capital (after the application of Art.104a of CRDV). I
requirements. In the event that ING Group breaches the MDA level, ING will face restrictio
payments, AT1 instruments coupons and payment of variable remuneration.

Bank recovery and resolution directive

Since its adoption by the European Parliament in 2014, the Bank recovery and resolution di
has become effective in all EU countries after transposition into national law, including

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 recapitalization capacity.

In April 2023 the European Commission published a legislative proposal to review the EU's existing bank crisis management and deposit insurance (CMDI) framework, with a focus on medium-sized and smaller banks. Key elements of the proposal include among others: 1) a further harmonization of national insolvency hierarchies - all deposits would rank above ordinary unsecured claims in insolvency, and the relative ranking between the different categories of deposits would be replaced by a single tier depositor preference (this may result in a detriment to ordinary unsecured liabilities in case they would no longer rank pari-passu with some of the deposits), 2) a broader use of deposit guarantee schemes to support resolution of banks, and 3) an expansion of the scope of resolution tools for smaller and mid-size banks. The EU co-legislators continue to negotiate the proposals. Based on the draft proposal, majority of the changes would apply from 18 months from the date of entry into force.

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 2023, 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 MREL requirements for ING Group were applicable on 31 December 2023: 22.29% of RWA, and 5.97% of LR exposure (intermediate MREL targets set by SRB). From 1 January 2024, ING Group will be subject to the following MREL requirements: 23.51% of RWA, and 7.27% of LR exposure.

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% of the resolution group's RWA or 6% of the leverage ratio exposure measure—applied immediately. The higher requirement—18% and 6.75%, respectively—came into
as of 1 January 2022. As a G-SII ING is required to meet the TLAC requirement alongside th
MREL-requirements set out in EU regulation.

On top of MREL and TLAC RWA requirements, ING Group is required to meet the Combined Buffe
Requirement (CBR) of 5.50% of CET1 (as of 31 December 2023). Fully loaded CBR (that reflec
already known on 31 December 2023 but not yet applicable) would amount to 5.34%. ING Group
requirements. If ING Group breaches the CBR on top of MREL/TLAC (M-MDA), ING may face rest
dividend payments, AT1 instruments coupons and payment of variable remuneration.

Apart from the requirements for the Group on a consolidated level, the internal MREL requi
set for individual ING subsidiaries in EU.

Stress testing

Stress testing is an important risk management tool that provides input for strategic deci
planning. The purpose of stress testing is to assess the impact of plausible but severe st
ING's capital and liquidity position. Stress tests provide complementary and forward-looki
vulnerabilities of certain portfolios, with regards to adverse macroeconomic circumstances
financial markets, and changes in the (geo)political climate. In addition to assessing P&L
liquidity positions of ING for a range of different scenarios, idiosyncratic risks are als
of these stress tests help management get insight into the potential impact and define act
this potential impact.

In addition to running internal stress test scenarios to reflect the outcomes of the annua
ING also participates in regulatory stress test exercises. ING participated in the 2023 EU
exercise has been coordinated by the European Banking Authority (EBA) and carried out in c
the European Central Bank (ECB), the European Systemic Risk Board (ESRB), the European Com
and the Competent Authorities (CAs) from all relevant national jurisdictions. The baseline
scenario is based on the projections from the EU national central banks, IMF and OECD. The
test scenario was developed by the ESRB. Both the scenario covers the three years from 202
with the EBA methodology.

The 2023 EU-wide stress test exercise was carried out applying a static balance sheet assu
December 2022, and therefore does not take into account current or future business strateg
mitigating actions. The results of the EBA stress test shows that even under the severe bu
scenario ING's is able to withstand these circumstances even when no mitigating actions ha
into account. Under the hypothetical baseline scenario and EBA's methodological instructio
would have a fully loaded common equity Tier 1 capital ratio (CET1) of 14.37% in 2025. Und
hypothetical adverse scenario and EBA's methodological instructions, ING Group would have
CET1 ratio of 8.92% in 2025. Our commitment to maintain a robust, fully-loaded Group commo

1 (CET1) ratio in excess of prevailing requirements remains. ING Group published an actual CET1 ratio of 14.47% per 31 December 2022 (a reference date for the stress test), and 14.68 % per 31 December 2023. The next EBA EU-wide stress test will be held in 2025.

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 we operate, 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). Based on 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 as 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'), but so far no political agreement has been reached on the creation of EDIS. To strengthen the Banking Union, the common framework for bank crisis management and deposit insurance (CMDI) might be reformed by making changes to three existing key pieces of EU legislation: the Bank Recovery and

The main changes relate to fraud, further development of open banking, the granting of acc
systems to non-bank payment service providers, further improving consumer rights and oblig
national competent authorities to closely monitor compliance and take enforcement action w

The combat of fraud stands out and addresses new fraud types, such as impersonation fraud.
PSR introduces: an obligation for electronic communications services providers to contribu
fight against fraud, the IBAN/name check, a legal basis for payment service providers to s
data, intensified transaction monitoring and an obligation for payment service providers t
awareness through education. All actors in the ecosystem must contribute to the combat of
grants certain refund rights to consumers that suffered damages from the failure of the IB
verification or that are a victim of bank employee impersonation fraud. Agreement on final
expected for the upcoming European elections.

The single currency package: the digital euro and access to cash

In October 2023 the ECB's governing council announced to start the preparation phase for t
In June 2023 the European Commission launched its legislative proposal establishing the le
for a digital euro. It will ensure that people and business when paying with central bank money
possibility to pay digitally, both online and offline, in addition to coins and banknotes.
proposal on the legal tender of euro cash safeguards the role of cash, it shall continue t
payment and should continue to be easily accessible.

Benchmarks Regulation

In 2016 the EU adopted a Regulation (the 'Benchmarks Regulation' or 'BMR') on indices use
benchmarks in financial contracts and financial instruments. The Benchmarks Regulation bec

Resolution Directive (BRRD), the Single Resolution Mechanism Regulation (SRMR), and the Deposit Guarantee Schemes Directive (DGSD). The European Commission published the proposals on 18 April 2023.

Instant Payments and the Payment Services Regulation/PSD3

In November 2023 the Council and the European Parliament reached political agreement on the proposal for an instant payments regulation. The proposal aims to ensure that instant payments in euro are affordable, secure and without hindrance across the European Union. Instant Payments are to be credited to the account of the beneficiary within 10 seconds after receipt of the payment order by the payer's payment service provider and shall be available 24 hours a day all year round. The regulation introduces a service to be provided by payment service providers to payers to verify the match between the bank account number and the name of the beneficiary provided by the payer to prevent mistakes or fraud.

In June 2023 the European Commission launched its proposal for the Payment Services Regulation (PSR) and Payment Services Directive 3, which together will succeed the current directive for payment services (PSD2).

1 January 2016.

The BMR among others requires that supervised entities may only use benchmarks in the EU i benchmarks are provided by administrators that are registered with the European Securities Authority ('ESMA').

Benchmarks that are based on input from contributors shall have a code of conduct in place primarily to ensure reliability of input data, governing issues such as conflicts of inter and benchmark methodologies. Financial contracts and financial instruments in which benchm by supervised entities require to have robust fall back wording included in their document

Benchmarks, such as the London Interbank Offered Rate (LIBOR), the Euro Overnight Index Av the Warsaw Interbank Offered Rate (WIBOR), the Canadian Dollar Offered Rate (CDOR) and Mex Interbank Equilibrium Interest Rate (TIIE), have been either discontinued or are the subje national and international regulatory reform. ING has established a global benchmarks tran

which is coordinating benchmark transitions with a global impact, to safeguard a controlled execution of all elements in a transition. For qualitative and quantitative disclosures on IBOR transition refer to "Additional information – ING Group Risk Management – Market Risk".

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, we expect the scope and extent of regulations in the jurisdictions in which we operate 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. 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, there seems to continue to be no full uniformity within the European Union (EU) about the proper application, interpretation and/or execution of restrictive measures under EU sanctions against Russia (imposed as per February 2022, and updated from time to time since then, as further described in the below paragraph on 'Sanctions related developments'). Another example is the 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 applicable requirements in our processes and procedures, including in our 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 we can appropriately manage these risks in accordance with our risk appetite. For example, the volatile price and increased use of virtual assets, accompanied by the continuing growth of virtual assets service providers is a theme in that continued to attract regulatory attention for potential money laundering, tax and sanctions evasion and terrorist financing.

AML/CTF-related developments

In July 2021, the Commission of the European Union (EU) presented a new package of legislative proposals to strengthen the EU's rules on anti-money laundering and countering the financing of terrorism (AML/CFT). This package consists of the following four items:

- a draft regulation, aimed to establish a new EU AML authority, which shall have direct a enforceability powers to impose sanctions and penalties against obliged entities establ Member States (the AMLA). Given the cross-border nature of financial crime, the AMLA is the efficiency of the EU AML/CFT framework, by creating an integrated mechanism with nat supervisors to ensure obliged entities comply with AML/CFT-related obligations in the fi AMLA will also have a supporting role with respect to non-financial sectors, and coordin intelligence units in EU member states. In addition to supervisory powers and in order t compliance, in cases of serious, systematic or repeated breaches of directly applicable AMLA shall impose pecuniary sanctions on the selected obliged entities.
- a draft regulation, recasting the current regulation on transfers of funds which aims to crypto-assets more transparent and fully traceable by, inter alia, introducing the so-ca which aims to provide the EU with a solid and proportional framework that complies with demanding international standards on data sharing (data shall travel along with the fund 'travel rule') and the exchange of crypto-assets, in particular recommendations 15 Financial Action Task Force (FATF),
- a draft regulation on AML requirements for the private sector, having direct effect in t jurisdictions of EU Member States, catering for the prevention of the use of the financi purposes of ML/TF (the AMLR), and
- a draft directive (AMLD6) on AML/CTF mechanisms, to be implemented into national laws ar put in place by the EU Member States for the prevention of the use of the financial syst purposes of ML/TF, and repealing the fourth EU AML Directive, Directive (EU) 2015/840 (A amended by the fifth EU AML Directive, Directive (EU) 2018/843 (AMLD5).

In June 2022, the EU Council and Parliament reached a provisional agreement on the regulat of funds. More recently, in December 2023, the EU Council and the Parliament also reached agreement on the creation of the AMLA.

More (AMLA-, ALMR-, AMLD6- and other AML/CTF-related) developments are expected in the upc years, starting with 2024.

Policy with respect to certain countries

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

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 2023, ING Group had limited revenues (comparable to the revenues in 2022, amounting to approximately USD 40,000). No net profit is made as there were no repayments made in 2023.

Sanctions related developments

Russia's invasion of Ukraine has fundamentally changed the global political landscape, resulting in a world-wide response, whereby new and significant sanctions packages were imposed against Russia and Belarus since the end of February 2022 and continuing later such year and throughout 2023. These new sanctions add to existing sanctions imposed on Russia since the 2014 annexation of Crimea.

A significant amount of new sanctions has therefore been implemented since. During 2023, there have been several noteworthy developments highlighting the increasing focus of the EU, US, and other governments on the potential circumvention of sanctions against Russia, and the roles of third countries and companies in facilitating the circumvention or undermining of such sanctions' measures. This has prompted a concerted effort by said governments to impose pressure on companies operating in these jurisdictions, and to stop the sanctions measures from being sidestepped by targeted Russian parties. The EU introduced additional measures combating sanctions circumvention and several locations have come into focus as potential diversion hubs. ING continues to actively combat sanctions circumvention and takes great efforts to make its employees and customers aware of the sanctions circumvention risks of the named countries. The increase in sanctions as a result of Russia's invasion has contributed to the increased efforts to cater for ING's control framework to remain robust to effectively mitigate against the bank's sanctions risks, and apply greater scrutiny of transactions alerted for heightened risk of non-compliance with applicable sanctions. With the Russian invasion of Ukraine, the global sanctions regimes have been in overdrive, creating a very complex environment, besides other geopolitical developments. Intensive focus on sanctions (worldwide) is expected to be continued for the coming years.

This expectation is based on the built experience that the international community is collectively leveraging their sanction tools in response to the many escalations of Russia's invasion of Ukraine and the ongoing war ever since, thereby however also noting that sanction measures of the US, UK and EU and other partner countries can differ in their scope and these differences present complex operational and legal challenges for business that operate globally or facilitate global trade and payment activities. These complexities and challenges require careful navigation. The scope of the restrictive measures are generally extensive, but also nuanced and made subject to relatively detailed factual context, ranging from prohibitions and restrictions which target specific industries, or types of business or activity, to asset freeze sanctions which target specifically listed/designated corporates, private individuals, and certain legal entities and entities owned and/or controlled by these targeted individuals.

Accordingly, as part of ING's Know Your Customer and compliance risk governance and proced continuously monitoring the situation to stay abreast on all relevant updates to implement appropriate additional control measures and to manage the increased risk and financial imp developments.

Operationally, the impact of these enhancements has resulted in the need for additional st review and apply greater scrutiny of transactions alerted for heightened risk of non-compl applicable sanctions.

For additional information regarding regulatory developments, see also this Form 20-F 2023 "Additional Information – ING Group Risk Management- Compliance Risk".

ESG Reporting Regulatio

Environmental, Social and Governance (ESG) metrics and disclosures are an increasing focus as they respond to a wave of scrutiny from all manner of stakeholders, from investors and employees and customers. There's an expectation that ESG disclosures will comply with mand voluntary reporting requirements and be reliable, verifiable and comparable to allow those make decisions that matter to them.

Non-Financial Reporting Directive (NFRD)

Since 2018, companies like ING within the scope of the NFRD (Directive 2014/95/EU) have been required t disclose information on non-financial matters (environmental, social and employee matters, bribery and corruption). The objective of the NFRD is to improve the quality and quantity financial information reporting.

Under the NFRD, large, listed companies, banks and insurance companies ('public interest e more than 500 employees are required to publish reports on the policies they implement in responsibility and treatment of employees; respect for human rights; anti-corruption and b diversity on company boards (in terms of age, gender, educational and professional backgro particular, the NFRD requires companies to disclose information about their business model (including implemented due diligence processes), outcomes, risks and risk management, and performance indicators relevant to the business.

Corporate Sustainability Reporting Directive (CSRD)

The CSRD (Directive (EU) 2022/2464) was published in December 2022 in the Official Journal European Union and should be transposed into national law by 6 July 2024. It profoundly revises the requirements of the NFRD, Accounting Directive and the Transparency Directive, and it i bring sustainability reporting on par with financial reporting over time and monitor the p

companies' behaviors in relation to sustainability matters. With the CSRD, the existing s of ESG reporting will be expanded and standardized. Its aims are to:

- Strategy: how the undertaking's strategy and business model(s) interact with its materi and opportunities, including the strategy for addressing them

- harmonize and improve the quality of information published by undertakings, particularly information on ESG (sustainability-related information);
- provide financial undertakings, investors, relevant stakeholders and the general public with relevant, comparable and reliable sustainability information;
- encourage investment that supports the transition to a sustainable economy in line with the European Green Deal.

Undertakings subject to the CSRD will be required to provide more information than under the NFRD. Undertakings falling within its scope will be required to include the following disclosures in their management report:

- information necessary to understand the undertaking's impacts on sustainability matters, that is, ESG matters; and
- information necessary to understand how sustainability matters affect the undertaking's development, performance and position (double materiality).

The first-time application for undertakings such as ING that are already subject to reporting under the NFRD is for financial years beginning on or after 1 January 2024. These companies will be later joined by large non-listed companies (2025), listed SMEs (2026) and certain European subsidiaries of non-EU groups. Although the objective is to have a similar level of assurance for financial and sustainability reporting, a progressive approach is taken. Therefore, at this stage, the CSRD 'only' requires a 'limited' assurance from the auditors. ING Group, as well as some of its subsidiaries are to disclose sustainability related information in its Management Board report.

European Sustainability Reporting Standards (ESRS)

In July 2023, the European Commission has adopted the final delegated act of the European Sustainability Reporting Standards (ESRS). Companies subject to the CSRD shall report according to the ESRS and ING will have to apply the standards over financial year 2024, for reports published in 2025.

The first set of ESRS specify the new sustainability reporting requirements based on the CSRD, covering the full range of sustainability matters (Environment, Social and Governance). The overall architecture of the first set of ESRS is designed to ensure that sustainability information is reported in the companies' management report in a carefully articulated manner and is based on the following reporting structure:

1. Governance: the governance processes, controls and procedures used to monitor and manage impacts, risks and opportunities
3. Impact, risk and opportunity management: the process(es) by which impacts, risks and opp identified, assessed and managed through policies and actions
4. Metrics and targets: how the undertaking measures its performance, including progress to targets it has set

The first set of standards only includes the cross-cutting and sector-agnostic standards. SME-proportionate standards are in the process of being developed and will be submitted fo public consultation, however the Commission has announced a delay in the implementation.

The cross-cutting standards consist of:

- ESRS 1 which prescribes the mandatory concepts and principles to be applied when prepari sustainability statements under the CSRD.
- ESRS 2 is on general, strategy, governance, and materiality assessment disclosure requi

The topical standards consist of:

- Environment topical standards (ESRS E1–E5) outline disclosure requirements for companies matters related to climate change, pollution, water and marine resources, biodiversity a and resource use and circular economy.
- Social topical standards (ESRS S1–S4) provide a framework for entities to report on topi own workforce, the workers in their value chains, the communities impacted by their oper consumers and end-users of their products or services.
- Governance topical standards (ESRS G1–G2) set out disclosure requirements that seek to e understanding of a company's governance structure, its internal control and risk managem the company's strategy and approach, and the processes, procedures and performance in re their business conduct.

EU Taxonomy

The EU Taxonomy Regulation (EU Taxonomy), published in the Official Journal of the EU in 2 classification system, establishing a list of 'environmentally sustainable' economic activ reporting requirements. The EU Taxonomy provides companies, investors and policymakers wit appropriate definitions for which economic activities can be considered 'environmentally s can be reported accordingly. In this way, it creates security for investors and protect pr greenwashing. For an economic activities to be recognized as 'environmentally sustainable the following technical screening criteria:

- Substantially contributing to one of the six EU environmental objectives:
  - Climate change mitigation
  - Climate change adaptation
  - Sustainable use and protection of water and marine resources
  - Transition to a circular economy
  - Pollution prevention and control
  - Protection and restoration of biodiversity and ecosystems
- Doing no harm to any of the other 5 objectives, and
- Meeting minimum safeguards, including OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business, ILO standards and Human Rights

For each of the environmental objectives, additional delegated acts are published to provide detailed lists of eligible economic activities and related technical screening criteria. The delegated acts on the above mentioned environmental objectives have been published in the Official Journal of the EU which provide the detailed technical screening criteria to be met for the relevant climate and environmental objectives for defined activities. The delegated acts on Climate Change Mitigation and Climate Change Adaptation are applicable since January 2022 and have been adjusted by a complementary delegated act on nuclear and gas energy activities, which is applicable as of January 2023. The second delegated act for the remaining 4 objectives will be applicable as of 1 January 2024.

For disclosure requirements under the EU Taxonomy, a delegated act supplementing Article 8 of the Taxonomy is applicable since January 2022. Article 8 of the EU Taxonomy requires companies falling within the scope of the existing NFRD – and the additional companies to be brought under the scope of the proposed CSRD in the future – to report on the extent to which their activities are environmentally sustainable according to the EU Taxonomy. Article 8 of the EU Taxonomy aims to increase transparency in the market and help prevent greenwashing by providing information to investors about the environmental performance of assets and economic activities of financial and non-financial undertakings subject to the NFRD. This delegated act specifies the content, methodology and presentation of information to be disclosed concerning the proportion of environmentally sustainable economic activities in their businesses, depending on the type of the company (i.e. non-financial/financial). Within the scope of Article 8 delegated act, all NFRD non-financial companies have to determine the parts of their turnover, capital and operating expenditures that are eligible and aligned with the EU Taxonomy. Financial companies on the other hand, will disclose certain KPIs such as the Green Asset Ratio (GAR), and disclose the EU Taxonomy aligned part of their balance sheet such as their mortgage book, and loan book by using non-financial companies' EU Taxonomy disclosures. Credit institutions such as ING should follow the below listed disclosures requirements:

- From 1 January 2022 (reference date: 31 December 2021): only disclose (i) the proportion in their total assets of exposures to Taxonomy non-eligible and Taxonomy-eligible economic activities; (ii) the proportion in their total assets of the exposures to central governments, central banks, and supranational issuers, derivatives and undertakings that are not in-scope entities, toge certain qualitative information for the previous financial year.
- From 1 January 2024 (reference date: 31 December 2023): disclose 5 quantitative template the GAR and accompanying qualitative information.
- 1 January 2026: in addition to previous requirements, need to report on the Taxonomy-ali their trading book and fees and commissions for non-banking activities.

Pillar 3 ESG Disclosures

Article 449a of Regulation (EU) No 575/2013 (CRR) requires large institutions with securit regulated market of any Member State to disclose prudential information on environmental, governance risks, including physical risks and transition risks, as defined in the report 98(8) of Directive 2013/36/EU. Article 434a CRR mandates the EBA to develop draft implemen standards (ITS) specifying uniform formats and associated instructions for the disclosure

The ITS on Pillar III disclosures on Environmental, Social and Governance (ESG) risks was European Commission in November 2022, published in the Official Journal of the EU in Decem a first reporting date in 2023 (reference date: 31 December 2022). The ESG Pillar 3 requir such as ING to disclose the following information:

- Climate risks: how climate change may exacerbate other risks within banks balance sheets
- Mitigating actions: what mitigating actions banks have in place to address those risks, activities that reduce carbon emissions.
- Green Asset ratio and Banking Book Taxonomy Alignment ratio: to understand how banks are activities that will meet the publicly agreed Paris agreement objectives of climate chan adaptation based on the EU taxonomy of green activities.

The EBA ESG Pillar 3 requirements features (i) a set of 10 quantitative templates that req disclose climate-related risks and actions to mitigate them, together with exposure to ass the climate change mitigation and adaptation and (ii) qualitative information on their ESG governance and risk management arrangements with regard to ESG risk. It should be noted th ESG Pillar 3 requirements will become binding following a phased-in approach, with a trans certain disclosures until 2025 (reference date: 31 December 2024)

Sustainable Finance Disclosure Regulation

The Sustainable Finance Disclosure Regulation (SFDR) is a European regulation intended to sector transparency for certain sustainable investment products, via website and pre-contr disclosures. It also aims to prevent greenwashing and to increase transparency around sust made by financial sector participants. The SFDR imposes sustainability disclosure require financial actors who are offering certain type of financial products or investment advice

broad range of environmental, social and governance (ESG) metrics at both entity- and product-level. The SFDR came into effect on 10 March 2021, with certain disclosure requirements being in effect at a later stage.

SEC Climate-Related Disclosures

On March 6, 2024, the SEC adopted final rules that require registrants to disclose certain climate-related information in registration statements and annual reports. The final rules require, among other things, disclosure of material climate-related risks and their material impacts; activities to mitigate or adapt to such risks; information about the registrant's board of directors' oversight of climate-related risks and management's role in managing material climate-related risks; and information on any climate-related targets or goals that are material to the registrant's business, results of operations, or financial condition. In addition, the final rules require disclosure of Scope 1 and/or Scope 2 greenhouse gas (GHG) emissions by certain larger registrants when those emissions are material and the filing of an attestation report covering the required disclosure of such registrants' Scope 1 and/or Scope 2 emissions, each on a phased-in basis. Further, where applicable, the final rules also require certain disaggregated financial information relating to carbon offsets and renewable energy credits or certificates and the financial impacts of certain weather events and other natural conditions to be disclosed in the notes to the registrant's financial statements.

While the final rule will become effective in 2024, ING will be required to comply with certain of the rules on a phased-in basis beginning with the 2025 financial year.

Additional information regarding regulatory developments

For additional information regarding regulatory developments, see also this Form 20-F 2023, under "Additional Information – ING Group Risk Management- Environmental, social and governance Risk".

For a description of our segments including a breakdown of total revenues by category for the last three

C. Organisational structure

ING Groep N.V., a publicly-listed company, is the parent of one main legal entity: ING Ban ING Bank is the parent company of various Dutch and foreign banking and other subsidiaries

Reference is made to Exhibit 8 "List of subsidiaries of ING Groep N.V." for a list of prin Groep. N.V. For the majority of ING's principal subsidiaries, ING Groep N.V. has control b directly or indirectly owns more than half of the voting power. For subsidiaries in which below 50%, control exists based on the combination of ING's financial interest and its rig contractual arrangements which result in control over the operating and financial policies

D. Property, plants and equipment

ING predominantly leases the land and buildings used in the normal course of its business. has invested in land and buildings. Management believes that ING's facilities are adequate needs in all material respects.

For information on property, plants and equipment, reference is made to **Note 9** 'Property and equipment', for information on lease liabilities reference is made to **Note 16** 'Other liabilities' and for information on investment properties reference is made to **Note 11** 'Other assets' in the consolidated financial statement

Item 4A. Unresolved Staff comments

financial years, refer to Item 5. “Operating and financial review and prospects - Segment reporting”.

Not applicable.

Item 5. Operating and financial review and prospects

The following operating and financial review and prospects should be read in conjunction with the consolidated financial statements and the related Notes thereto included elsewhere herein. The consolidated financial statements have been prepared in accordance with IFRS-IASB. Unless otherwise indicated, financial information for ING Group included herein is presented on a consolidated basis under IFRS-IASB.

A. Operating results

Geopolitical and economic events not only have a significant impact on customers and individuals, but also on financial institutions like ING.

The global economy was lacklustre in 2023. A buoyant reopening phase, which drove GDP growth to well above pre-pandemic levels, was followed by a weaker spell driven by higher inflation, geopolitical uncertainty and a disappointing Chinese economy. Europe, being an open economy, suffered from this weak global environment and the simmering impact of the energy crisis on industry, resulting in stagnant economic activity.

However, inflation came down significantly in advanced economies, in part driven by lower energy prices, a fading of supply-chain problems, and of course higher interest rates.

China had a weak 2023 due to underwhelming household consumption upon reopening of the economy, continued problems in the real estate sector (which is still dealing with a debt overhang), and slowed demand for production from advanced markets. The latter put pressure on industrial production and exports.

The United States has been the positive exception, with resilient 2023 GDP growth. The US economy was supported by continued high government spending, but also by consumers running down excess savings. This, in turn, kept the job market roaring, which supported income. The effect of higher interest rates started to show but did not curb economic activity too much. This drove the Fed funds rate to five-and-a half percent and while a recession was expected, it did not materialise.

The US economy continued to perform well despite significant financial stress in the first
The failure of several smaller American banks caused instability and forced governments an
to take action. Eurozone banks were not significantly affected, but the industry did exper
financial stress. In Switzerland, this financial distress contributed to the emergency tak
by UBS. Overall, monetary tightening had a significant effect on borrowing and deposit gro
result in a major downturn in activity in advanced markets.

The performance of the eurozone economy in 2023 was stagnant. Germany underperformed the e
average due to a larger share of energy-intensive industries, which continued to suffer fr
prices (despite a decline from 2022 peaks) and overall competitiveness problems. Eurozone
struggled with the loss of purchasing power, with household consumption remaining below it
peak throughout the year.

However, the labour market remained strong in the eurozone and bankruptcies have not meani
increased. The inflation rate also fell substantially, which caused the European Central B
interest-rate rises after raising the deposit rate to a record high of four percent.

In general, 2023 saw a smaller impact on the economy from geopolitical events than 2022. W
risks did not abate, the impact of the Russia-Ukraine war had a more muted effect on advan
energy prices remained much more subdued and the Israel-Gaza conflict did not result in si
spillovers to the global economy. Still, the effect on the eurozone was larger than in oth
resulting in a weaker economic performance than peers like the US.

For further information on other factors that can impact ING Group’s results of operations
made to “Item 3. Key information - Risk Factors”.

For further information on regulatory changes reference is made to “Item 4. Information on
Regulation and Supervision”.

Fluctuations in markets

Fluctuations in equity markets

Our 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 we execute 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

Our banking operations are exposed to fluctuations in interest rates. Mismatches in the interest re-pricing and maturity profile of assets and liabilities in our 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 our customers, impacting the interest rate exposure, interest hedge positions and future interest earnings, solvency and economic value of the bank’s underlying banking operations. 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 our 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. Our management of exchange rate sensitivity affects the results of our operations through the trading activities (which includes local country versus international transactions) and because we prepare and publish our consolidated financial statements in Euros. Because a substantial portion of our 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, Romanian Leu, Korean Won, Brazilian Real, Singapore Dollar, Thai Baht and Russian Ruble into Euros can impact our 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 our investments in our 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 our 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 Group monitors and evaluates the performance of ING Group at a consolidated level and
using results based on figures according to IFRS as adopted by the European Union (IFRS-EU
Board and the Management Board Banking consider this measure to be relevant to an understa
Group’s financial performance, because it allows investors to understand the primary metho
management to evaluate the Group’s operating performance and make decisions about allocati
resources. In addition, ING Group believes that the presentation of results in accordance
investors compare its segment performance on a meaningful basis by highlighting result bef
attributable to ongoing operations and the profitability of the segment businesses. IFRS-E
by including the impact of the IFRS-EU ‘IAS 39 carve out’ adjustment compared to IFRS-IASB

The IFRS-EU ‘IAS 39 carve-out’ adjustment relates to fair value portfolio hedge accounting
mortgage and savings portfolios in the Benelux, Germany and Other Challengers that are not
IFRS-IASB. As no hedge accounting is applied to these mortgage and savings portfolios unde
fair value changes of the derivatives are not offset by fair value changes of the hedge it
savings).

For a reconciliation to IFRS-EU of non-GAAP measures 'Net core lending growth' and 'Net co
growth', please refer to the end of this section.

Segment Reporting

The published 2023 financial statements of ING Group includes financial information in acc
International Financial Reporting Standards as adopted by the European Union (IFRS-EU). Th
reporting in the annual report on Form 20-F has been reconciled with International Financi
Standards as issued by the International Accounting Standards Board (IFRS-IASB) for consis
other financial information contained in this report. The difference between the accountin
reflected in the Wholesale Banking segment, and in the geographical split of the segments
Netherlands, Belgium, Germany and Other Challengers. Reference is made to Note 1 ‘Basis of
and material accounting policy information’ for a reconciliation between IFRS-EU and IFRS-

ING Group’s segments are based on the internal reporting structure by lines of business.

The Executive Board of ING Group and the Management Board Banking (together the Chief Oper
Decision Maker (CODM)) set the performance targets, approve and monitor the budgets prepar
business lines. Business lines formulate strategic, commercial, and financial plans in con
strategy and performance targets set by the CODM.

Recognition and measurement of segment results are in line with the accounting policies as
Note 1 ‘Basis of preparation and material accounting policy information’. The results for

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.

As from 2022, results in the Corporate Line have been impacted by the application of hyper
accounting in the consolidation of our subsidiary in Türkiye (IAS 29).

Following a change in governance, the Asian stakes (our investments in Bank of Beijing and

Total assets by country, as presented in Note 31 'Information on geographical areas', include intercompany balances and reconciles to the total assets in the consolidated statement of financial position of ING Group.

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 Group reconciles the total segment results to the total result using Corporate Line. The Corporate Line reflects capital management activities, as ING Group 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.

Bank (TTB)) are reported in Corporate Line as of 2023 (with a profit before tax of EUR 185 previously they were reported in Retail Other. Comparable data have been adjusted accordin

Furthermore, Corporate Line includes certain other income and expenses that are not alloca banking businesses.

Total income for Corporate Line in 2023 amounted to EUR 450 million compared with EUR 84 m This included a hyperinflation accounting impact of EUR -179 million in 2023 versus EUR -2 2022. Excluding hyperinflation accounting impact, total income rose by EUR 266 million, ma to higher income from Treasury activities and because 2022 had included EUR -165 million i impairments on our stake in TTB.

Operating expenses for Corporate Line were EUR 542 million, 1.3% up from EUR 535 million i Expenses in 2023 included a hyperinflation impact of EUR 48 million and EUR 51 million tha provisioned, while 2022 had included a hyperinflation impact of EUR 30 million and a EUR 3 impairment loss related to the goodwill allocated to Türkiye.

Total 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 2023, 2022 and 2021.

Total operations

1 January to 31 December 2023 in EUR million	Retail Banking Netherlands	Retail Banking Belgium	Retail Banking Germany	Retail Other	Wholesale Banking	Corporate Line	Total
Income:							
- Net interest income	3,096	2,063	2,862	3,437	4,028	489	15,976
- Net fee and commission income	959	502	357	519	1,259	-1	3,595
- Total investment and other income	945	117	-67	277	1,771	-38	3,005
Total income	**5,001**	**2,683**	**3,152**	**4,233**	**7,057**	**450**	**22,575**
Expenditure:							
- Operating expenses	2,135	1,852	1,243	2,479	3,313	542	11,564
- Additions to loan loss provision	5	169	119	313	-92	5	520
Total expenditure	**2,140**	**2,022**	**1,362**	**2,792**	**3,222**	**547**	**12,084**
Result before taxation	**2,861**	**661**	**1,790**	**1,441**	**3,836**	**-97**	**10,492**
Taxation	740	182	631	359	900	158	2,970
Non-controlling interests				174	61		235
Net result IFRS-EU	**2,121**	**479**	**1,159**	**908**	**2,875**	**-255**	**7,287**
Adjustment of the EU 'IAS 39 carve-out'					-3,147		-3,147
Net result IFRS-IASB	**2,121**	**479**	**1,159**	**908**	**-272**	**-255**	**4,140**

Total operations

1 January to 31 December 2022 in EUR million	Retail Banking Netherlands	Retail Banking Belgium	Retail Banking Germany	Retail Other	Wholesale Banking	Corporate Line	Total
Income:							
- Net interest income	2,888	1,668	1,666	2,725	4,260	550	13,756
- Net fee and commission income	892	511	437	535	1,217	-6	3,586
- Total investment and other income	417	-32	69	377	849	-460	1,219
Total income	**4,196**	**2,147**	**2,172**	**3,637**	**6,325**	**84**	**18,561**
Expenditure:							
- Operating expenses	2,115	1,786	1,140	2,509	3,114	535	11,199
- Additions to loan loss provision	67	139	131	302	1,220	2	1,861
Total expenditure	**2,182**	**1,924**	**1,271**	**2,812**	**4,334**	**537**	**13,060**
Result before taxation	**2,014**	**223**	**901**	**825**	**1,991**	**-453**	**5,502**
Taxation	540	72	202	254	581	76	1,725
Non-controlling interests			3	47	52	1	102
Net result IFRS-EU	**1,474**	**151**	**696**	**525**	**1,358**	**-530**	**3,674**
Adjustment of the EU 'IAS 39 carve-out'					8,451		8,451
Net result IFRS-IASB	**1,474**	**151**	**696**	**525**	**9,810**	**-530**	**12,126**

Total operations

1 January to 31 December 2021 in EUR million	Retail Banking Netherlands	Retail Banking Belgium	Retail Banking Germany	Retail Other	Wholesale Banking	Corporate Line	Total
Income:							
- Net interest income	3,290	1,747	1,447	2,709	4,151	270	13,615
- Net fee and commission income	771	519	497	530	1,197	3	3,517
- Total investment and other income	201	209	65	202	568	114	1,359
Total income	**4,262**	**2,475**	**2,009**	**3,441**	**5,916**	**387**	**18,490**
Expenditure:							
- Operating expenses	2,403	1,667	1,174	2,442	2,926	580	11,192
- Additions to loan loss provision	-76	225	49	202	117		516
Total expenditure	**2,326**	**1,892**	**1,223**	**2,644**	**3,042**	**580**	**11,708**
Result before taxation	**1,936**	**583**	**786**	**797**	**2,874**	**-193**	**6,782**
Taxation	499	146	252	209	703	68	1,877
Non-controlling interests			4	98	26		128
Net result IFRS-EU	**1,437**	**437**	**529**	**490**	**2,144**	**-261**	**4,776**
Adjustment of the EU 'IAS 39 carve-out'					1,174		1,174
Net result IFRS-IASB	**1,437**	**437**	**529**	**490**	**3,318**	**-261**	**5,951**

Year ended 31 December 2023 compared to year ended 31 December 2022
Without application of the EU 'IAS 39 carve-out', ING's net result declined by EUR 7,986 million, or -66%, to EUR 4,140 million compared with EUR 12,126 million in 2022. The net result was affected by a EUR 3,147 million negative contribution of fair value changes on derivatives related to asset-liability management activities for the mortgage and savings portfolios in the Benelux, Germany, France, Spain, and Italy, versus a EUR 8,451 million positive contribution in 2022. These fair value changes were mainly caused by changes in market interest rates. No hedge accounting is applied to these derivatives under IFRS-IASB.

contributed to this growth. Net core lending growth (which is the increase in customer len currency impacts and excluding Treasury and the run-off portfolios) was EUR 8.6 billion in EUR 8.0 billion growth in our mortgage portfolio in a challenging housing market. Our dive deposit base was resilient. For the full-year 2023, net core deposits growth (which exclud movements in Treasury deposits) totalled EUR 10.6 billion, driven entirely by Retail Banki

Net interest income (NII) increased 16% to EUR 15,976 million, as we benefited from a posi environment. This was particularly visible in a strong increase of the liability NII. This offset by continued subdued loan demand, which impacted our lending NII. In addition, NII Financial Markets declined, but in each case this was more than compensated in other incom income in 2022 had included a EUR -343 million impact from new regulation in Poland for mo net TLTRO impact of EUR -87 million. ING's full-year net interest margin rose to 1.56% in 2022. Excluding the impact of the Polish moratorium and TLTRO, the net interest margin sho increase of 17 basis points year-on-year.

Net fee and commission income grew only 0.3% to EUR 3,595 million, despite a strong growth customers and pricing initiatives for payment packages. This is fully explained by limited mortgages, which led to lower mortgage brokerage volumes, and low trading levels in invest

Total investment and other income jumped to EUR 3,005 million in 2023 from EUR 1,219 milli was driven by strong results for Treasury and higher trading results in Financial Markets by a lower net interest income). Other income in 2022 had included a hedge accounting impa million and EUR 165 million of impairments on our stake in TTB (TMBThanachart Bank), partl 125 million gain from the transfer of our investment business in France, a EUR 67 million entity in Belgium, and EUR 38 million related to the sale of a non-performing loan portfoli

Operating expenses increased 3.3% to EUR 11,564 million. Expenses in 2023 included EUR 1,0 regulatory costs, a decline of EUR 208 million year-on-year due to a lower contribution to Resolution Fund and because 2022 had included a EUR 99 million contribution to the Institu Scheme in Poland. Furthermore, expenses in 2023 included EUR 247 million of incidental ite

ING's IFRS-EU net result (when applying the EU 'IAS 39 carve-out') increased to EUR 7,287 million from EUR 3,674 million in 2022. Our interest income benefited from the positive rate environment and expense growth was limited, despite inflationary effects on staff expenses and continued investments in the growth of our business. Risk costs declined considerably and were well below the through-the-cycle average, reflecting the quality of our loan book and our prudent credit risk management.

Total income increased 22% to EUR 22,575 million. Next to a positive rate environment, this was supported by a growing primary customer base and an increase in lending and deposits. In Retail Banking, we added 750,000 primary customers to reach a total of 15.3 million. Especially Germany, Spain and the Netherlands,

related to restructuring provisions and impairments, compared with EUR 325 million of inci 2022. Expenses excluding regulatory costs and incidental items increased by 6.8%. This inc driven by the effect of high inflation on staff expenses, while we also continued to inves cost/income ratio improved significantly in 2023, to 51.2%, compared with 60.3% a year ear

Net additions to loan loss provisions dropped to EUR 520 million, or eight basis points of lending, from EUR 1,861 million (29 basis points) in 2022. Our strong asset quality and robust approach t risk management resulted in limited new defaults and this was combined with effective recoveries addition of EUR 533 million on our Russia-related exposure in 2022 was followed by a net r million in 2023, mainly as a result of continued reduction of our Russia-related exposure

The effective tax rate in 2023 was 28.3%, down from 31.4% recorded in 2022 which had included non-deductible impairments on TTB and higher non-deductible expenses in various countries.

2022. Excluding TLTRO in both years and the impact of the Polish moratorium, the net inter showed an increase of 5 basis points year-on-year.

Year ended 31 December 2022 compared to year ended 31 December 2021
Without application of the EU 'IAS 39 carve-out', ING's net result increased by EUR 6,175 million, or 103.8%, to EUR 12,126 million compared with EUR 5,951 million in 2021. The net result was affected by a EUR 8,451 million positive contribution of fair value changes on derivatives related to asset-liability management activities for the mortgage and savings portfolios in the Benelux, Germany, France, and Spain, versus EUR 1,174 million in 2021. These fair value changes were mainly caused by changes in market interest rates. No hedge accounting is applied to these derivatives under IFRS-IASB.

Net fee and commission income rose 2.0% to EUR 3,586 million. Fee income for daily banking strongly increased, reflecting growth in primary customers, an increase in payment package service fees. Lending fees also increased, driven by lending growth in Wholesale Banking. offset by lower fees from investment products and from Global Capital Markets, reflecting conditions

ING's IFRS-EU net result (when applying the EU 'IAS 39 Carve-out') declined to EUR 3,674 million from EUR 4,776 million in 2021, fully due to higher net additions to loan loss provisions, which had been at a very low level in 2021. The effective tax rate in 2022 was 31.4%, up from 27.7% in 2021. The higher effective tax rate was caused by the impact of the following non-deductible items for corporate income tax purposes in 2022: hyperinflation accounting loss in Türkiye, impairments on TTB and interest expenses in various countries.

Total investment and other income decreased to EUR 1,219 million in 2022 from EUR 1,359 mi This included the largest part of the impact of Türkiye hyperinflation, EUR -288 million t fair value hedge of deposits in Belgium (of which EUR -247 million in Retail Banking and E Wholesale Banking) and EUR 165 million of impairments on our stake in TTB, while 2021 had 72 million recognition of a receivable recorded in Corporate Line. Other income in 2022 wa EUR 125 million gain from the transfer of our investment business in France, a EUR 67 mill legacy entity in Belgium and income from the sale of a non-performing loan portfolio in Sp

Income was supported by a growing primary customer base and an increase in lending and deposits. Our global retail customer base (excluding France, after the announced exit from the retail market) remained flat at 37.2 million, but even more customers chose ING as their primary bank. In 2022, we gained 585,000 primary customers, bringing the total number to 14.6 million, which was 4% higher than a year earlier (excluding France). Net core lending growth (which is growth in customer lending adjusted for currency impacts and excluding Treasury and the run-off portfolios) was EUR 18.2 billion in 2022, and net core deposits growth was EUR 25.1 billion.

Operating expenses increased by EUR 7 million, or 0.1%, to EUR 11,199 million. Expenses in EUR 1,250 million of regulatory costs, slightly lower than in the previous year. Expenses included EUR 320 million of incidental items, largely related to restructuring provisions also included EUR 75 million for adding the interest-on-interest effect to the compensati on certain Dutch consumer credit products. Incidental items in 2021 had amounted to EUR 52 mainly reflecting a EUR 180 million provision for the compensation to Dutch customers with consumer credit products and redundancy provisions and impairments related to the announce retail banking markets in France and the Czech Republic. Excluding regulatory costs and in expenses were up 2.3%, impacted by high inflation, which was mainly visible in staff costs offset by continued cost-efficiency measures and earlier actions taken to change the footp income ratio was 60.3% versus 60.5% in 2021.

In our profit or loss, we saw the benefits of the rising rate environment, which boosted net interest income. This was on top of the structurally higher fee base, resulting from our efforts to diversify income. All these positive developments were largely offset, however, by several exceptional income items in 2022 (including the impact of Türkiye hyperinflation, a mortgage moratorium in Poland and the unwinding of a deposits hedge in Belgium and our TLTRO-related derivative position), resulting in an income growth of 0.4% to EUR 18,561 million.

Net additions to loan loss provisions increased to EUR 1,861 million, or 29 basis points o lending, compared with only EUR 516 million, or 8 basis points, in 2021. Risk costs in 202 impacted by the Russian invasion in Ukraine, which led to a net addition of EUR 533 millio related exposure. The remainder was mainly due to an increase in Stage 3 individual risk c in Wholesale Banking, and new overlays to reflect the risks from secondary impacts, such a energy prices, higher interest rates and inflation, as well as supply chain disruptions.

Net interest income rose 1.0% to EUR 13,756 million. The increase was driven by higher margins on liabilities, following the return of positive interest rates in 2022. This was only partly offset by lower margins on mortgages and other lending, as client rates generally track the higher cost of funds with a delay, and prepayments on mortgages declined. After ECB's decision to change the conditions for the TLTRO programme, we had to unwind our TLTRO-related derivative position. Combined with the remaining TLTRO benefit until 23 November 2022, this led to a net TLTRO impact of EUR -87 million compared to a net benefit of EUR 483 million in 2021. Net interest income in 2022 also included a EUR -343 million impact from new regulation in Poland for mortgages. ING's full year net interest margin declined to 1.34% from 1.39% in

Retail Netherlands

Retail Netherlands			
in EUR million	2023	2022	2021
Income:			
Net interest income	3,096	2,888	3,290
Net fee and commission income	959	892	771
Investment income and other income	945	417	201
Total income	**5,001**	**4,196**	**4,262**
Expenditure:			
Operating expenses	2,135	2,115	2,403
Additions to the provision for loan losses	5	67	-76
Total expenditure	**2,140**	**2,182**	**2,326**
Result before tax	**2,861**	**2,014**	**1,936**
Taxation	740	540	499
Non-controlling interests	0	0	0
Net result IFRS-IASB	**2,121**	**1,474**	**1,437**

Year ended 31 December 2023 compared to year ended 31 December 2022
The net result of Retail Netherlands increased by EUR 647 million, or 44%, to EUR 2,121 million in 2023 from EUR 1,474 million in 2022. The result before tax of Retail Netherlands increased 42% to EUR 2,861 million from EUR 2,014 million in 2022. This was mainly driven by a 19% increase in total income while operating expenses were broadly flat and risk costs were minimal.

Net interest income was EUR 3,096 million, or 7.2% higher than a year earlier, supported by a strong increase in liability margins. This was offset, however, by lower Treasury-related interest income (compensated in other income), reflecting activities to benefit from favourable market opportunities through money market and FX transactions. Net fee and commission income rose by EUR 67 million, or 7.5%, supported by higher fees for payment packages and new service fees. Investment and other income increased by EUR 528 million, driven by much higher Treasury-related income (that was partly offset by lower net interest income).

Net core lending (which excludes Treasury products and a EUR 0.4 billion decline in the Westland Utrecht Bank run-off portfolio) grew by EUR 2.3 billion, as EUR 2.6 billion growth in the mortgage portfolio more than compensated for a EUR 0.3 billion decrease in other lending. Customer deposits (excluding Treasury) declined by EUR 1.6 billion, partially due to a shift from deposits to assets under management.

Operating expenses amounted to EUR 2,135 million compared with EUR 2,115 million in 2022. 38 million lower regulatory costs and EUR 75 million of incidental costs in 2022 (related to consumer credit products), expenses rose by EUR 133 million or 7.4%. This was primarily due to high reflecting the impact of a new collective labour agreement in 2023, and restructuring prov

The net addition to loan loss provisions was very low at EUR 5 million, down from EUR 67 m year. Limited net additions in 2023 for the mortgage portfolio, including the impact of a update, were almost fully offset by a net release for the business lending portfolio.

Year ended 31 December 2022 compared to year ended 31 December 2021
The net result of Retail Netherlands increased by EUR 37 million, or 2.6%, to EUR 1,474 mi EUR 1,437 million in 2021.

The result before tax of Retail Netherlands increased 4.0% to EUR 2,014 million from EUR 1 2021. This increase was attributable to lower expenses, mainly due to lower incidental cos offset by lower income and limited risk costs, after a net release in 2021.

Total income declined by EUR 66 million to EUR 4,196 million, fully due to a net TLTRO imp million compared to a EUR 53 million benefit in 2021. Excluding TLTRO, income rose 1.5%. N income excluding TLTRO declined 8.4% due to lower margins on lending products, reflecting of the duration of the book and lower prepayment penalties. This was partly offset by high income as margins improved and volumes increased. Net core lending (which excludes Treasur and a EUR 0.8 billion decline in the Westland Utrecht Bank run-off portfolio) grew by EUR of which EUR 2.2 billion was in residential mortgages and EUR 0.8 billion in other lending growth (excluding Treasury) was EUR 12.9 billion, mainly in savings accounts. Net fee and income strongly increased by EUR 121 million, or 15.7%, mainly due to higher fee income fr banking products, supported by increased fees for payment packages and new service fees fo banking. Investment and other income rose by EUR 216 million, mainly attributable to highe Treasury-related products.

Operating expenses declined to EUR 2,115 million from EUR 2,403 million in 2021, mainly du incidental cost items. 2022 included a EUR 75 million provision for adding the interest-on the compensation for customers on certain Dutch consumer credit products, while 2021 had c 289 million of incidental costs. Excluding these incidental items, expenses declined by EU 3.5%, mainly driven by lower staff and office-space-related expenses, as well as lower reg

The net addition to loan loss provisions was EUR 67 million, or 4 basis points of average compared to a net release of EUR 76 million, or -5 basis points, in the previous year. The additions in 2022 were mainly related to business lending and consumer lending, while risk mortgage portfolio were negligible.

Retail Belgium

in EUR million	2023	2022	2021
Income:			
Net interest income	2,063	1,668	1,747

Operating expenses were EUR 1,852 million, up 3.7% on the year before. This included EUR 76 million of incidental item costs related to restructuring and further optimisation of the branch network, while had EUR 97 million of incidental item costs. Expenses excluding regulatory costs (which we lower year-on-year) and incidental items increased 8.4%. This was mainly due to the impact salary indexation on staff expenses.

The net addition to the provision for loan losses amounted to EUR 169 million, or 18 basis

Net fee and commission income	502	511	519
Investment income and other income	117	-32	209
Total income	**2,683**	**2,147**	**2,475**
Expenditure:			
Operating expenses	1,852	1,786	1,667
Additions to the provision for loan losses	169	139	225
Total expenditure	**2,022**	**1,924**	**1,892**
Result before tax	**661**	**223**	**583**
Taxation	182	72	146
Net result IFRS-IASB	**479**	**151**	**437**

Year ended 31 December 2023 compared to year ended 31 December 2022
The net result of Retail Belgium (including ING in Luxembourg) more than tripled to EUR 479 million in 2023 from EUR 151 million in 2022. The result before tax for Retail Belgium (which includes ING's retail and activities in Luxembourg) jumped to EUR 661 million compared with EUR 223 million in 2022. The strong increase was mainly due to growth in net interest income and the impact of one-off income items in the year before. Total income rose by EUR 536 million, or 25%, to EUR 2,683 million. Net interest income increased by EUR 395 million, or 24%, as higher income from liabilities more than compensated for the impact of lower margins on mortgages due to higher funding costs.

Net fee and commission income slipped 1.8% from a year earlier as higher fees on investment products, reflecting an increase in assets under management, were offset by lower daily banking fees and higher fees paid to brokers. Investment and other income in 2022 had included an impact of EUR -247 million to unwind a macro fair value hedge and a EUR 67 million gain from a legacy entity. Excluding the aforementioned two items, investment and other income declined by EUR 31 million, mainly reflecting lower Treasury-related income.

Customer lending (excluding Treasury) rose by EUR 1.4 billion, equally split over mortgages and other lending. Customer deposits (excluding Treasury) declined by EUR 1.3 billion, mainly due to customers buying retail bonds issued by the Belgian government and a shift to assets under management.

customer lending, up from EUR 139 million in 2022. The increase year-on-year included the updates for the mortgage and consumer lending portfolios in 2023.

Year ended 31 December 2022 compared to year ended 31 December 2021
The net result of Retail Belgium (including ING's retail operations in Luxembourg) decline million to EUR 151 million in 2022 from EUR 437 million in 2021.

The result before tax of Retail Belgium declined to EUR 223 million compared with EUR 583 The decline was almost fully due to an impact of EUR -247 million to unwind a macro fair v EUR 97 million of incidental expenses in 2022.

Income fell by EUR 328 million to EUR 2,147 million from EUR 2,475 million in 2021. Net in 4.5% lower at EUR 1,668 million, including a net TLTRO impact of EUR -29 million compared million benefit in 2021. Excluding TLTRO, interest result rose 1.6%, driven by higher liab margins improved, partly offset by margin compression on lending products due to higher fu Net core lending (excluding Treasury) increased by EUR 3.6 billion in 2022, of which EUR 1 mortgages and EUR 2.2 billion in other lending. Net core deposits (excluding Treasury) we increase in savings and deposits was offset by a decline in current accounts. Net fee a income decreased by EUR 8 million, or 1.5%, as lower fees on investment products was only compensated by price increases for payment packages. Investment and other income dropped b million, due to the EUR -247 million impact of the hedge unwinding in 2022 and a EUR 25 mi on the sale of an associate in the prior year, partly offset by a EUR 67 million gain from 2022.

Operating expenses increased by EUR 119 million and included EUR 97 million of incidental mostly restructuring costs related to the optimisation of the branch network. Excluding th items, cost growth was limited to 1.3% as the impact of automatic salary indexation could compensated by FTE reductions and lower IT expenses.

The net addition to the provision for loan losses decreased to EUR 139 million, or 15 basi customer lending. In 2021, the net addition had been EUR 225 million, equivalent to 25 bas decline year-on-year was driven by lower risk costs in the mortgage and consumer lending p

Retail Germany

Retail Germany			
in EUR million	2023	2022	2021
Income:			
Net interest income	2,862	1,666	1,447
Net fee and commission income	357	437	497
Investment income and other income	-67	69	65
Total income	**3,152**	**2,172**	**2,009**
Expenditure:			
Operating expenses	1,243	1,140	1,174
Additions to the provision for loan losses	119	131	49
Total expenditure	**1,362**	**1,271**	**1,223**
Result before tax	**1,790**	**901**	**786**
Taxation	631	202	252
Non-controlling interests	0	3	4
Net result IFRS-IASB	**1,159**	**696**	**529**

Year ended 31 December 2023 compared to year ended 31 December 2022
The net result of Retail Germany increased by EUR 463 million, or 67%, to EUR 1,159 million in 2023 from EUR 696 million in 2022.

The result before tax for Retail Germany almost doubled to EUR 1,790 million compared with EUR 901 million in 2022, mainly on the back of a 45% increase in total income. This was driven by a 72% growth in net interest income, supported by higher liability volumes at significantly improved margins, and by an increase in interest income from treasury-related products and mortgages.

Net fee and commission income declined 18% to EUR 357 million. This reflected a decrease in fees from mortgages (due to lower brokerage volumes) and from investment products (due to a lower number of brokerage trades). Investment and other income decreased by EUR 136 million, largely due to lower Treasury-related revenues.

Net core lending growth (which excludes Treasury) was EUR 1.7 billion, consisting of EUR 1.4 billion growth in the residential mortgages portfolio and EUR 0.3 billion growth in other lending. Customer deposits (excluding Treasury) increased by EUR 8.5 billion following successful promotional campaigns to attract new savings and customers.

Operating expenses rose 9.0% to EUR 1,243 million. This included EUR 96 million of regulat 3 million from 2022) and EUR 20 million of incidental items for restructuring costs and st (compared with EUR 10 million in 2022). Excluding regulatory costs and incidental items, c 8.7% due to higher staff expenses related to annual salary increases, and higher marketing investments to support business growth.

Net additions to loan loss provisions declined to EUR 119 million (12 basis points of aver lending) and were primarily related to consumer lending.

Year ended 31 December 2022 compared to year ended 31 December 2021
The net result of Retail Germany (including ING's retail operations in Austria until the s increased by EUR 167 million, or 31.6%, to EUR 696 million in 2022 from EUR 529 million in

The result before tax increased 14.6% to EUR 901 million compared with EUR 786 million in higher income and lower expenses, partly offset by increased risk costs.

Total income rose 8.1% to EUR 2,172 million from EUR 2,009 million in 2021. Net interest i 15.1%, supported by significantly higher margins on liabilities. The increase was only par margin pressure, a EUR 35 million lower net TLTRO impact (EUR -19 million in 2022 compared million benefit in 2021) and the impact of the discontinuation of ING's Retail Banking act the previous year. In 2022, net core lending growth (which excludes Treasury products and off portfolio as from the second quarter of 2021) was EUR 6.1 billion, almost entirely in mortgages. Net core deposits rose by EUR 0.8 billion as a net outflow in the first half of followed a strong inflow in the second half of the year. Net fee income declined by EUR 12.1%, mainly in investment products after a record-high level in 2021, partly compensated from daily banking. Investment and other income increased by EUR 4 million, as a EUR 26 mi loss related to the transfer of our retail operations in Austria recorded in 2021 was part Treasury-related revenues in 2022.

Operating expenses decreased by EUR 34 million, or 2.9%, to EUR 1,140 million in 2022, ref following the discontinuation of the Austrian retail banking activities as well as lower r an adjustment of the deposit guarantee contributions in 2022. These decreases were partly staff costs and an increase in marketing expenses to support customer growth, as well as E incidental items for staff allowances and restructuring costs.

Net additions to loan loss provisions increased to EUR 131 million (13 basis points of ave lending) compared with only EUR 49 million (5 basis points) in 2021. Risk costs in 2022 we related to consumer lending.

Retail Other

Retail Other			
in EUR million	2023	2022	2021
Income:			
Net interest income	3,437	2,725	2,709
Net fee and commission income	519	535	530
Investment income and other income	277	377	202
Total income	**4,233**	**3,637**	**3,441**
Expenditure:			
Operating expenses	2,479	2,509	2,442
Additions to the provision for loan losses	313	302	202
Total expenditure	**2,792**	**2,812**	**2,644**
Result before tax	**1,441**	**825**	**797**
Taxation	359	254	209
Non-controlling interests	174	47	98
Net result IFRS-IASB	**908**	**525**	**490**

Year ended 31 December 2023 compared to year ended 31 December 2022
Retail Other consists of the Other Challengers & Growth Markets. The net result of Retail Other increased to EUR 908 million in 2023 from EUR 525 million in 2022.

Following a change in governance, the Asian stakes (our investments in Bank of Beijing and TMBThanachart Bank) are reported in Corporate Line as of 2023 (with a profit before tax of EUR 185 million), whereas previously they were reported in Retail Other. Comparable data have been adjusted accordingly.

Retail Other's result before tax increased 75% to EUR 1,441 million, from EUR 825 million in 2022, mainly thanks to higher interest income and lower regulatory costs.

retail market in 2022. Investment and other income in 2022 had included EUR 125 million in transfer of our investment business in France to Boursorama (with another EUR 14 million r for the final settlement) and EUR 38 million of proceeds from the sale of a non-performing Spain. Excluding these specific income items, investment and other income increased by EUR mainly due to higher Treasury-related income.

Net customer lending growth (adjusted for currency effects and Treasury) was EUR 4.3 billi growth in all countries, but particularly in Australia. Net core deposits growth (also exc impacts and Treasury) was EUR 12.9 billion, primarily driven by net inflows in Spain and P

Operating expenses in 2023 amounted to EUR 2,479 million. This included EUR 36 million of costs and impairments, mainly for Poland. By comparison, 2022 had included EUR 51 million item costs, mainly restructuring costs for France and the Philippines. Excluding these inc much lower regulatory costs (as 2022 had included a EUR 99 million contribution to the Ins Protection Scheme in Poland), expenses increased by EUR 102 million or 4.9%. This was main inflationary pressure on staff expenses, partly offset by savings following the discontinu activities in France and the Philippines, and FX impacts in Türkiye.

The net addition to loan loss provisions amounted to EUR 313 million, or 29 basis points o customer lending, compared with EUR 302 million in 2022. Risk costs in 2023 were primarily net additions in Poland and Spain, with Poland including EUR 67 million for adjustments to expected future cash flows of CHF-indexed mortgages.

Year ended 31 December 2022 compared to year ended 31 December 2021
Retail Other consists of the Other Challengers & Growth Markets. The net result of Retail EUR 525 million in 2022, from EUR 490 million in 2021.

Retail Other's result before tax increased to EUR 825 million, from EUR 797 million in 202 higher regulatory costs in Poland and higher risk costs.

Total income rose by EUR 196 million to EUR 3,637 million. Net interest income was up 0.6% million, despite a EUR -343 million impact from new mortgage moratorium regulation imposed

Total income rose 16% to EUR 4,233 million. Net interest income was up 26% to EUR 3,437 million, supported by improved margins on liabilities in a higher interest rate environment, and because 2022 had included a EUR -343 million impact from the introduction of the Polish mortgage moratorium. This more than compensated negative currency impacts and tighter lending margins.

Net fee and commission income declined by EUR 16 million, or 3.0%, mainly due to lower fees on investment products. This reflected subdued trading activity and the impact of ING's exit from the French

million. Excluding this impact, net interest income increased 13.3%. This increase main

higher margins on liabilities, notably in Poland, Australia and Spain, following increases interest rates. Interest income on lending products declined in most of the countries due margins. Net customer lending (adjusted for currency effects, Treasury and the run-off por from the second quarter of 2022) grew by EUR 3.2 billion in 2022, with growth in all count deposits growth (also adjusted for currency impacts and Treasury as well as the France run was EUR 5.2 billion, primarily driven by net inflows in Spain, Australia and Poland. Net f income rose by EUR 5 million to EUR 535 million, supported by higher daily banking and ins

These increases were largely offset by lower fees from investment products, reflecting low stock markets and subdued trading activity and the impact of ING's exit from the French retail market. Investment and other income rose to EUR 377 million and included EUR 125 million income from the transfer of our investment business in France. Excluding these exceptional income items, investment and other income increased by EUR 50 million, mainly due to higher Treasury-related income and the proceeds from the sale of a non-performing loan portfolio in Spain.

Operating expenses rose by EUR 67 million, or 2.7%, to EUR 2,509 million. In 2022, expenses included EUR 51 million of incidental items, mainly consisting of restructuring provisions related to the discontinuation of our retail banking activities in France and the Philippines and the refocusing of our partnership for insurance propositions. 2021 had included EUR 166 million of incidental costs, mainly consisting of restructuring provisions and impairments related to ING's decision to exit the retail banking markets in France and the Czech Republic. Regulatory costs increased by EUR 100 million as 2022 contained a EUR 99 million contribution to the new Institutional Protection Scheme in Poland. Excluding incidental items and regulatory costs, expenses increased by EUR 82 million, primarily attributable to inflationary pressure across all markets, investments in operational process improvements in Australia and EUR 21 million for a litigation provision in Spain.

The net addition to loan loss provisions amounted to EUR 302 million, or 28 basis points of average customer lending, in 2022. In the previous year this had been EUR 202 million, or 20 basis points. Risk costs in 2022 were primarily attributable to net additions in Poland and Spain.

Wholesale Banking

Wholesale Banking in EUR million	2023	2022	2021
Income:			
Net interest income	4,028	4,260	4,151
Net fee and commission income	1,259	1,217	1,197
Investment income and other income	1,771	849	568
Total income	**7,057**	**6,325**	**5,916**
Expenditure:			
Operating expenses	3,313	3,114	2,926
Additions to the provision for loan losses	-92	1,220	117
Total expenditure	**3,222**	**4,334**	**3,042**
Result before tax	**3,836**	**1,991**	**2,874**
Taxation	900	581	703
Non-controlling interests	61	52	26
Net result IFRS-EU	**2,875**	**1,358**	**2,144**
Adjustment of the EU 'IAS 39 carve-out'	-3,147	8,451	1,174
Net result IFRS-IASB	**-272**	**9,810**	**3,318**

Year ended 31 December 2023 compared to year ended 31 December 2022
Without application of the EU 'IAS 39 carve-out', ING's net result of Wholesale Banking tu EUR -272 million in 2023, compared with a gain of EUR 9,810 million in 2022. The adjustmen 39 carve-out', included in the net result, was EUR -3,147 million in 2023, compared with E 2022, due to fair value changes on derivatives related to asset-liability-management activ mortgage and savings portfolios in the Benelux, Germany, France, Spain, and Italy. These f were mainly a result of changes in market interest rates. No hedge accounting is applied t derivatives under IFRS-IASB.

The IFRS-EU net result (when applying the EU 'IAS 39 carve-out') increased to EUR 2,875 mi 1,358 million in 2022. In 2023, Wholesale Banking recorded strong results as higher income lower risk costs led to a 93% increase in result before tax, to €3,836 million. In 2023, t business was supported by strong capital management, which included steps to de-risk our p improve our book quality, for instance via sales initiatives and ongoing management of und risk-weighted assets (RWAs).

Wholesale Banking posted double-digit income growth to come out at EUR 7,057 million, up 1 6,325 million in 2022. This was mainly driven by a 30% increase in income for Daily Bankin

Finance, particularly in Payments & Cash Management, Bank Mendes Gans and Working Capital Solutions, all of which benefited from the higher interest rate environment. And we managed to grow our income from Trade Finance Services as we continued to support the activities and initiatives of our clients. Income from Trade & Commodity Finance declined as volumes were under pressure, reflecting lower commodity prices and lower economic activity.

In Lending we focused on further optimising our capital usage while decreasing risk-weights, prioritising the origination of high-quality loans. Average asset volumes decreased, reflecting the weaker economic climate and a continued reduction of our Russia-related exposure. This was more than compensated by slightly higher interest margins and a 5.3% growth in fees and commissions, lifting total income for Lending 2.1% to EUR 3,224 million. Combined with a 7.0% reduction in risk-weighted assets, this led to a significant improvement in income over average risk-weighted assets .

Financial Markets' income increased by 4.4% to EUR 1,280 million. They recorded strong trading results, especially in Rates and Credits, as these desks benefited the most from market volatility and good client flows. In addition, fee income was up by 55%, mainly reflecting higher Capital Markets issuance income.

Income from Treasury & Other increased by EUR 121 million to EUR 401 million, driven by higher income from Corporate Investments and Corporate Finance. The prior year had included high mark-to-market gains from credit default positions but also a EUR -41 million hedge accounting impact in Belgium and a net TLTRO impact of EUR -51 million.

Total operating expenses increased 6.4% to EUR 3,313 million. Excluding lower regulatory costs and EUR 17 million of restructuring costs (versus EUR 10 million of incidental items recorded in 2022) expense growth was 7.6%. This reflected the impact of collective labour agreements, higher performance-related payments and strategic investments for business expansion.

In 2023, a net release of EUR 92 million from loan loss provisions was recorded compared to a net addition of EUR 1,220 million in 2022. Risk costs in 2022 had been significantly impacted by the Russian invasion in Ukraine, which then led to a net addition of EUR 533 million on our Russia-related exposure. In addition, 2022 had included an increase in Stage 3 individual risk costs, partly as a result of a more negative macroeconomic outlook. In 2023, EUR 218 million of provisions for our Russia-related portfolio could be released, mainly due to a reduction of our exposure. Moreover, Stage 3 risk costs were limited in 2023 as additions for specific files in the real estate portfolio were largely offset by recoveries from previously provisioned files and secondary market sales.

Year ended 31 December 2022 compared to year ended 31 December 2021
Without application of the EU 'IAS 39 carve-out', ING's net result of Wholesale Banking increased to EUR 9,810 million in 2022 compared with EUR 3,318 million in 2021. The adjustment of the EU 'IAS 39 carve-out', included in the net result, was EUR 8,451 million in 2022, compared with EUR 1,174 million in 2021, due to

fair value changes on derivatives related to asset-liability-management activities for the savings portfolios in the Benelux, Germany, France, and Spain. These fair value changes we of changes in market interest rates. No hedge accounting is applied to these derivatives u

The IFRS-EU net result (when applying the EU 'IAS 39 carve-out') declined to EUR 1,358 mil 2,144 million in 2021. Wholesale Banking turned in a strong commercial performance. This w however, by a sharp increase in risk costs, partly due to the Russian invasion in the Ukra with an exceptionally low level in 2021. Therefore the net result was 36.7% lower at EUR 1 result before tax decreased 30.7% to EUR 1,991 million from EUR 2,874 million in 2021.

Total income rose 6.9% to EUR 6,325 million in 2022 compared with EUR 5,916 million in 202 reflecting income growth in Daily Banking & Trade Finance and Financial Markets. Net inter increased by EUR 109 million, or 2.6%, driven by Payments & Cash Management which benefite from higher interest rates. The increase was largely offset by a EUR 168 million lower net (which was EUR 20 million in 2022 compared with EUR 188 million in the previous year) and income in Financial Markets. The net core lending book (adjusted for currency impacts and Treasury and the Lease run-off portfolio) grew by EUR 2.4 billion in 2022. Strong growth i largely offset by a net outflow in Daily Banking & Trade Finance and in Financial Markets. (excluding currency impacts and Treasury) increased by EUR 6.2 billion, primarily in Payme Management. Net fee and commission income rose by EUR 20 million, or 1.7%, supported by st growth in Lending, which was largely offset by the impact of a lower deal flow in Global C to adverse market conditions. Investment and other income surged by EUR 281 million, mainl higher trading results in Financial Markets, only partly offset by Treasury & Other which million hedge accounting impact in Belgium.

Operating expenses increased 6.4% to EUR 3,114 million from EUR 2,926 million in 2021. Exp included EUR 38 million higher regulatory costs and EUR 10 million of incidental items mai restructuring costs, while 2021 had included a EUR 44 million impairment on Payvision. Exc incidental items and regulatory costs, expenses increased 7.0%, of which 2.8% was FX impac the weakening of the euro relative to other currencies. The remaining increase was mainly higher staff costs (due to CLA increases and indexation), partly mitigated by continued co measures.

The addition to loan loss provisions was EUR 1,220 million, or 65 basis points of average while in 2021 risk costs had been exceptionally low at EUR 117 million, or 7 basis points lending. Risk costs in 2022 were significantly impacted by the Russian invasion in Ukraine addition of EUR 533 million on our Russia-related exposure. The remainder was mainly due t Stage 3 individual risk costs, partly as a result of a more negative macroeconomic outlook

Lending income increased slightly to EUR 3,157 million. Net interest income declined by EUR 17 million, fully due to a EUR 57 million lower net TLTRO impact. Excluding TLTRO, interest result increased 1.6%, as higher average volumes more than compensated for lower interest margins. Net fee and commission income increased by EUR 88 million or 19.3%, reflecting significantly higher fee income from several sectors. Investment and other income declined by EUR 42 million, mainly due to negative fair value adjustments and secondary sales discounts.

Income from Daily Banking & Trade Finance increased by EUR 352 million to EUR 1,662 million, predominantly driven by Payments & Cash Management, which benefited strongly from higher interest

Income for Financial Markets increased by EUR 122 million to EUR 1,226 million, supported results, especially in forex and money markets which benefited from volatility on the mark interest rate hikes, the strengthening of the US dollar and inflationary pressure. Commiss declined due to a lower deal flow in Global Capital Markets, reflecting a slowdown in the

Income for Treasury & Other decreased by EUR 94 million due to a net TLTRO impact of EUR - 2022 (compared to a benefit of EUR 4 million in the previous year), a EUR -41 million hedg impact to unwind a macro fair value hedge in Belgium and a EUR 28 million gain on an inves sale recorded in 2021. This was partly offset by mark-to-market gains from credit def rates, and furthermore supported by Bank Mendes Gans. 2022.

Customer lending IFRS-IASB versus Customer lending IFRS-EU and Netcore lending growth by business line

	Retail Banking Netherlands			Retail Banking Belgium			Retail Banking Germany			Retail Banking Other Retail			Wholesale Banking			Corporate Line			Total		
in EUR billion	2023	2022	change	2023	2022	change	2023	2022	change	2023	2022	change	2023	2022	change	2023	2022	change	2023	2022	change
Customer lending IFRS-IASB (Loans and advances to customers excluding LLP)	**152,8**	**153,6**	**-0,7**	**94,3**	**91,7**	**2,6**	**102,9**	**98,3**	**4,6**	**109,8**	**108,2**	**1,6**	**192,9**	**198,9**	**-6,1**	**0,3**	**0,2**	**0,1**	**652,9**	**650,9**	**2,1**
Remove impact of: EU 'IAS 39 carve out'													4,9	9,4					4,9	9,4	-4,5
Customer lending IFRS-EU	**152,8**	**153,6**	**-0,7**	**94,3**	**91,7**	**2,6**	**102,9**	**98,3**	**4,6**	**109,8**	**108,2**	**1,6**	**188,0**	**189,5**	**-1,6**	**0,3**	**0,2**	**0,1**	**648,0**	**641,5**	**6,5**
Exclude: FX impact												-0,3			-2,6			0.0			-2,9
Exclude: Treasury, run-off portfolios and other			3,0			-1,2			-2,9			3,0			3,0			-0,1			4,9
Net core lending growth			**2,3**			**1,4**			**1,7**			**4,3**			**-1,2**			**0.0**			**8,6**

Customer deposits IFRS-IASB versus Customer deposits IFRS-EU and Netcore deposits growth by business line

	Retail Banking Netherlands			Retail Banking Belgium			Retail Banking Germany			Retail Banking Other Retail			Wholesale Banking			Corporate Line			Total		
in EUR billion	2023	2022	change	2023	2022	change	2023	2022	change	2023	2022	change	2023	2022	change	2023	2022	change	2023	2022	change
Customer deposits IFRS-IASB	**199,7**	**201,1**	**-1,4**	**91,2**	**91,5**	**-0,3**	**143,6**	**135,9**	**7,7**	**151,0**	**137,7**	**13,3**	**64,8**	**74,6**	**-9,8**	**0.0**	**0.0**	**0.0**	**650,3**	**640,8**	**9,5**
Remove impact of: EU 'IAS 39 carve out'													0,0	0,0					0,0	0,0	0,0
Customer deposits IFRS-EU	**199,7**	**201,1**	**-1,4**	**91,2**	**91,5**	**-0,3**	**143,6**	**135,9**	**7,7**	**151,0**	**137,7**	**13,3**	**64,8**	**74,5**	**-9,8**	**0.0**	**0.0**	**0.0**	**650,3**	**640,8**	**9,5**
Exclude: FX impact												0,4			-0,3			0.0			0,1
Exclude: Treasury, run-off portfolios and other			-0,2			-1,0			0,8			-0,8			2,1			0.0			1,0
Net core deposits growth			**-1,6**			**-1,3**			**8,5**			**12,9**			**-7,9**			**0.0**			**10,6**

Customer lending IFRS-IASB versus Customer lending IFRS-EU and Netcore lending growth by business line

	Retail Banking Netherlands			Retail Banking Belgium			Retail Banking Germany			Retail Banking Other Retail			Wholesale Banking			Corporate Line			Total		
in EUR billion	2022	2021	change	2022	2021	change	2022	2021	change	2022	2021	change	2022	2021	change	2022	2021	change	2022	2021	change
Customer lending IFRS-IASB (Loans and advances to customers excluding LLP)	**153,6**	**154,3**	**-0,7**	**91,7**	**89,7**	**1,9**	**98,3**	**97,1**	**1,2**	**108,2**	**106,7**	**1,5**	**198,9**	**182,4**	**16,5**	**0,2**	**0,2**	**0,0**	**650,9**	**630,4**	**20,5**
Remove impact of: EU 'IAS 39 carve out'													9,4	-2,4					9,4	-2,4	11,8
Customer lending IFRS-EU	**153,6**	**154,3**	**-0,7**	**91,7**	**89,7**	**1,9**	**98,3**	**97,1**	**1,2**	**108,2**	**106,7**	**1,5**	**189,5**	**184,8**	**4,7**	**0,2**	**0,2**	**0,0**	**641,5**	**632,8**	**8,7**
Exclude: FX impact												-1,3			3,9			0.0			2,5
Exclude: Treasury and run-off portfolios			3,7			1,7			4,9			2,9			-6,2			0,0			6,9
Net core lending growth			**3,0**			**3,6**			**6,1**			**3,2**			**2,4**			**0.0**			**18,2**

Customer deposits IFRS-IASB versus Customer deposits IFRS-EU and Netcore deposits growth by business line

	Retail Banking Netherlands			Retail Banking Belgium			Retail Banking Germany			Retail Banking Other Retail			Wholesale Banking			Corporate Line			Total		
in EUR billion	2022	2021	change	2022	2021	change	2022	2021	change	2022	2021	change	2022	2021	change	2022	2021	change	2022	2021	change
Customer deposits IFRS-IASB	**201,1**	**185,6**	**15,4**	**91,5**	**91,3**	**0,2**	**135,9**	**134,6**	**1,3**	**137,7**	**141,4**	**-3,7**	**74,6**	**64,4**	**10,2**	**0.0**	**0.0**	**0.0**	**640,8**	**617,4**	**23,4**
Remove impact of: EU 'IAS 39 carve out'													0,0	0,1					0,0	0,1	-0,1
Customer deposits IFRS-EU	**201,1**	**185,6**	**15,4**	**91,5**	**91,3**	**0,2**	**135,9**	**134,6**	**1,3**	**137,7**	**141,4**	**-3,7**	**74,5**	**64,3**	**10,3**	**0.0**	**0.0**	**0.0**	**640,8**	**617,3**	**23,5**
Exclude: FX impact												-2,4			0,7			0.0			-1,7
Exclude: Treasury and run-off portfolios			-2,5			-0,2			-0,4			11,3			-4,7			0.0			3,4
Net core deposits growth			**12,9**			**0,0**			**0,8**			**5,2**			**6,2**			**0.0**			**25,1**

B. Liquidity and capital resources

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

For information regarding our material short and long- term cash requirements from known contractual and other obligations, see “Additional information – ING Group Risk Management section Funding and liquidity risk” and Note 47 'Capital management' in the consolidated financial statements.

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 consolidated financial statements.

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 38 'Liabilities and off-balance sheet commitments by maturity' in the consolidated financial statements.

For information on currency and interest rate structure, see “Additional information – ING Group Risk Management section Market risk” and “Additional information – ING Group Risk Management section Funding and liquidity risk”.

For information on the use of financial instruments for hedging purposes, please see Note 36 'Derivatives and hedge accounting' in the consolidated financial statements.

ING Group Consolidated Cash Flows

cash and cash equivalents

in EUR million	2023	2022	2021
Treasury bills and other eligible bills included in securities at AC	0	1	23
Deposits from banks	-5,132	-6,172	-7,059
Loans and advances to banks	7,931	13,948	8,181
Cash and balances with central banks	90,214	87,614	106,520
Cash and cash equivalents at end of year	**93,012**	**95,391**	**107,665**

loans and deposits to/from customers (EUR -3,063 million), taxation paid (EUR -1,227), low from result before tax, after adjustment for non cash items (EUR -4,301 million). Offset by higher cash inflows from loans and deposits to/from banks (EUR 13,701 million) and non-trading derivatives (EU

Net cash flow from investing activities amounts to EUR -8,545 million for the year-end 2023 compared to EUR -5,307 million in 2022. The net cash flow from investing activities decreased by EUR -3, explained by a net decrease from Financial assets at fair value through OCI of EUR -3,802 increase from Securities at amortised costs of EUR 619 million.

Net cash flow from financing activities amounts to EUR 18,404 million in 2023, compared to EUR 4,649 million in 2022. The increase of EUR 13,755 million is explained by a net increase of EUR debt securities partly offset by a net decrease of EUR -562 million of Subordinated loans and repurchases of treasury shares of EUR -1,688 million in 2023.

The operating, investing and financing activities described above result in a decrease of cash and cash equivalents to EUR 93,012 million at year end 2023 including exchange rate effect on and cash equivalents of EUR -898 million.

Year ended 31 December 2022 compared to year ended 31 December 2021

Net cash flow from operating activities amounts to EUR -11,112 million for the year-end 20 EUR -14,943 million for the year-end 2021. The increase in cash flow from operating activi million in 2022 is explained by higher cash inflows from results before tax (EUR 8,973 mil liabilities (EUR 17,571 million), customer deposits (EUR 14,717 million) and lower cash in from banks (EUR -35,414 million).

Net cash flow from investing activities amounts to EUR -5,307 million for the year-end 202 EUR 6,220 million in 2022. The net cash flow from investing activities decreased by EUR 11 explained by a net decrease from Financial assets at fair value through OCI of EUR 8,842 m Securities at amortised costs of EUR 2,696 million.

Net cash flow from financing activities amounts to EUR 4,649 million in 2022, compared to in 2021. The decrease of EUR 738 million is explained by a net increase of EUR 900 million offset by a net decrease of EUR 821 million of Subordinated loans and higher dividend and treasury shares of EUR 821 million in 2022.

Year ended 31 December 2023 compared to year ended 31 December 2022

Net cash flow from operating activities amounts to EUR -11,340 million for the year-end 2023, compared to EUR -11,112 million for the year-end 2022. The lower in cash flow from operating activities of EUR -228 million in 2023 is explained by higher cash outflows for trading assets and liabilities (EUR -11,714 million),

The operating, investing and financing activities described above result in a decrease of in cash and cash equivalents to EUR 95,391 million at year end 2022 including exchange rat and cash equivalents of EUR -504 million.

C. Research and development, patents and licenses, etc.

Not applicable.

D. Trend information

For information regarding trend information, see Item 5.A of this Form 20-F.

E. Critical Accounting Estimates

Reference is made to Note 1 'Basis of preparation and material accounting policy information' to the consolidated financial statements for detailed information on Critical Accounting Estimates.

Item 6. Directors, Senior Management and Employees

A. Directors and senior management

Executive Board

Roles and responsibilities

The Executive Board is entrusted with the management of ING Group and its subsidiaries and is responsible for the continuity and long-term value creation of ING. This includes the day-to-day management of the business and the setting of the strategy of ING, which responsibility is vested in the members of the Executive Board collectively. The organisation, main roles and responsibilities of the Executive Board are set out in the Management Board Charter, which is available on ing.com.

The Executive Board performs its activities under the supervision of the Supervisory Board. The Articles of Association, the Management Board Charter and the Supervisory Board Charter, which are available on ing.com, outline which resolutions of the Executive Board are subject to approval by the Supervisory Board.

ING Group indemnifies the members of the Executive Board against direct financial losses in connection with claims from third parties filed, or threatened to be filed, against them by virtue of their service as a member of the Executive Board, as far as permitted by law, on the conditions laid down in the Articles of Association and their commission contract. ING Group has taken out liability insurance for the members of the Executive Board.

Composition and diversity

ING Group aims to have an adequate and balanced composition of its Executive Board, with a diverse selection of persons with knowledge, skills and executive experience, preferably gained in the banking sector, experience in corporate governance of large stock-listed companies and experience in the political and social environment in which such companies operate. In the selection of the members of the Executive Board, ING strives for a balance in nationality, gender, and educational and work background. In addition, there should be a balance of experience and affinity with the nature and culture of the business of ING. We believe that diverse leadership at the level of the Executive Board fosters a diversity of views and experiences and facilitates independent opinions and sound decision-making, which has a po on ING's busin The Gender Diversity Act requires ING to set appropriate and ambitious targe diversity in its Executive Board and senior management. In addition, there should be a bal and affinity with the nature and culture of the business of ING. Factors such as nationali education are also taken into account for the composition of the Executive Board. ING appl diversity target of at least 30 percent to the Executive Board, which was met over 2023. A Board had an international composition in 2023, with one board member of Dutch nationality board members with other nationalities.

The Supervisory Board is responsible for selecting and nominating candidates to be appoint reappointed to the Executive Board by the General Meeting, among others based on the Execu profile, which is available on ing.com. The Supervisory Board regularly assesses the compo functioning of the Executive Board.

Part of this process are the following two topics:

1. Bench strength and succession planning for Executive Board positions are continuous atte Potential internal candidates for such roles may be complemented with potential talent f ING.
2. A long-term view is taken on the composition of the Executive Board, which, for example, steps are taken to improve the development path of women within ING and the appointment in senior positions throughout the organisation, in line with ING's D&I policy.

See more information on diversity, including on gender diversity in senior management, in on Unlocking our people's full potential in 'How we are making the difference'. For more i on the composition of the Executive Board, see 'Our leadership'.

Appointment, suspension and dismissal

Members and proposed members of the Executive Board are appointed, suspended and dismissed by the General Meeting. Candidates for appointment to the Executive Board are assessed by the Dutch Central Bank (DNB) and the European Central Bank (ECB) for suitability and integrity and must continue to meet these criteria while in function.

For the appointment of Executive Board members, the Supervisory Board may draw up a binding list of candidates, which may be rendered non-binding by the General Meeting. A resolution of the General Meeting to render this list non-binding, or to suspend or dismiss Executive Board members without, being proposed by the Supervisory Board, requires an absolute majority of the votes cast. This majority must represent more than half of the issued share capital. This quorum requirem

Transactions involving actual or potential conflicts of intere

There were no transactions rep 2023 in which there were conflicts of interest with Executive members that are of material significance to ING Group and/or to the relevant board member

If a member of the Executive Board obtains financial products and services, other than loa provided by subsidiaries of ING Group in the ordinary course of business on terms that app this is not considered a significant conflict of interest and is therefore not reported. E products in which the granting of credit is of a secondary nature, e.g. credit cards and c accounts, is not considered a loan for this purpose and are therefor 'Remuneration in the repor. For an overview of loans granted to members of the Executive 'Remuneration see report'. t be