ING Bank Annual Report 2024

do your thing

Contents

About this report

ING's purpose is empowering people to stay a step ahead in life and in business. In this integrated report we disclose our results, strategy and management approach in the context of external developments, as well as emerging and existing impacts, risks and opportunities.

This integrated report is intended to inform stakeholder groups that have an impact on, or are affected by, our business. This includes our employees, customers, investors, planet and society (e.g. non-governmental organisations and supervisors) and suppliers & partners.

It covers the period beginning 1 January to 31 December 2024. We published our previous annual report on 7 March 2024, which covered the year 2023. This report covers the year 2024, and was published on 6 March 2025. This integrated report consists of:

- Report of the Management Board, which includes the section 'Strategy', 'Our financial performance', 'Our leadership and corporate governance', 'Capital management' and 'Risk management';
- Consolidated financial statements;
- Parent company financial statements; and
- Other information and appendices.

The consolidated financial statements included in this report have been prepared in accordance with International Financial Reporting Standards (IFRS) and the relevant articles of Part 9 of Book 2 of the Dutch Civil Code. The company financial statements of ING Bank N.V. are prepared in accordance with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. Reasonable assurance for the consolidated financial statements and the company financial statements is provided by KPMG Accountants N.V. (KPMG). See the 'Independent auditor's report' for further details.

This document is the PDF version of the 2024 Annual Report of ING Bank made available on ing.com. Another version of this document has been prepared in the European single electronic reporting format (ESEF). This ESEF reporting package is also available on ing.com. In the event of any discrepancies between this PDF version and the ESEF reporting package, the ESEF reporting package takes precedence.


Strategy

Our strategy

Our strategy is focused on Growing the difference by providing superior value for our customers and putting sustainability at the heart of what we do.

This evolved strategy is a result of ING's entrepreneurial spirit, collaborative attitude and customer focus, built on the strong foundation we laid with the previous phase of our strategy, called 'Making the difference'. These key ingredients make us uniquely ING and ready to grow.

Growing the difference is about building scale and impact in more market segments and the economies we operate in. We want to become more relevant to our customers, so we'll invest to expand our services, grow our customer base and deepen our customer relationships. We also continue to strive to make banking as easy and frictionless as possible.

Our goal is to accelerate growth, increase impact and deliver value to become the best European bank for all our stakeholders. This is how we want to be valued by investors and analysts compared to our banking peers. Our businesses in Asia Pacific and the Americas are instrumental to our strategy.

Growing the difference is translated into business-specific strategies. In Retail, being the best European bank is to 'Be First', becoming the most loved, most impactful and most valued retail bank. For Wholesale Banking, it's about continuing to leverage the ING difference, building on our network strength, sector expertise and sustainability leadership.

Our strategy is guided by our purpose – empowering people to stay a step ahead in life and business. This represents our belief in people's potential. However big or small, modest or grand, we empower people and businesses to realise their own vision for a better future.

Our two overarching priorities are providing superior value for customers and aiming to put sustainability at the heart of what we do. These priorities are supported by our four 'enablers'.

Providing superior value for customers

Banking is a relationship just like any other, and the best relationships are those in which people feel valued, confident, empowered and in control. That's how we want customers to feel at every step with us. Growing the difference means focusing more specifically on growing customer value, moving from more one-size-fits-all services to a more tailored approach for different customer segments. In Retail Banking, that means giving our customers the right services, at the right time, in the right way. In Wholesale Banking, we aim to provide ever more value to our clients by growing as their strategic partner and core bank.

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 growth and social impact. Climate change is one of the world's biggest challenges, threatening life on our planet, including its people, many of whom also struggle with inequality, poor financial health and a lack of basic human rights. ING wants to build a sustainable future for our company, our customers, society and the environment. We aim to lead by example by striving for net zero in our own operations. And we play our part in the low-carbon transformation that's necessary to achieve a sustainable future, aiming to steer financing towards meeting global climate goals and working with clients to achieve their own sustainability goals.

Four enabling priorities

Providing seamless digital services

We can serve our customers better if we use 'always-on' channels, providing data-enabled personalised experiences and end-to-end digital processes, with human intervention only where needed or desired.

Using scalable technology and operations

A technology and operations foundation that is modular and scalable brings many benefits, including superior customer experience and safety.

Staying safe and secure

Trust is the starting point, the most basic requirement, for all stakeholders. That's especially true for a digital-first bank like ING. People trust us with their money and with their data. Keeping it safe and maintaining this trust are crucial.

Unlocking our people's full potential

We want to attract, develop and retain the right fit-for-future talents and skills. We believe our people can thrive in a diverse, inclusive environment, where a superior employee experience can help unlock their time and energy to grow the difference.

Superior customer value

Providing superior value for customers is one of our two overarching priorities. For Retail Banking, delivering superior customer value means making banking simple and expertise accessible, offering the right products, at the right time, in the right way. For Wholesale Banking, delivering superior customer value means building on our network strength, sector expertise and sustainability leadership.

Retail Banking

In Retail Banking, we service customers across three pillars: Private Individuals, Business Banking and Private Banking. Equipped with leading digital capabilities, we aim to provide a digital-first, frictionless and relevant banking experience, shaped to specific client needs for all of these pillars.

Private Individuals

ING offers retail banking products and services to cover the needs of individual retail banking customers. We serve nearly 40 million customers in 10 countries: the Netherlands, Belgium, Luxembourg, Germany, Spain, Italy, Türkiye, Poland, Romania and Australia.

Growing the difference means focusing more specifically on growing customer value. As part of our strategy, we aim to expand our offering with a more tailored approach and develop relevant propositions for our customers. Priority areas include making ourselves the bank of choice for Gen Z and affluent customers, growing our subscription business through products and services that provide superior value for customers, diversifying our Private Individuals lending portfolio, and partnering to create full-service retrofitting offers to support homeowners in making their homes more sustainable.

ING aims to build 'primary relationships' with customers, earning their loyalty to the extent that they consider us as the first bank for their financial business. In Retail Banking, we define a primary relationship as one where customers hold an active payment account with recurrent income and at least one other active product with us.

Earning 'primary relationships' with customers is an important driver for profitable growth. It leads to deeper relationships, greater customer satisfaction and ultimately customers choosing us for more of their banking needs. In 2024, the number of primary customers increased by 0.8 million to 16.2 million.

Through our products and services, we aim to provide a seamless digital, mobile-led experience. We want to engage with our customers on mobile at every stage of their journey and give them personalised products and services based on relevant, data-driven insights. Mobile adoption is growing and customers are expecting more from digital services. In 2024, over 84 percent of customers used mobile as their preferred channel (mobile device login through the app or website), compared to 79 percent in 2023. High adoption of mobile banking is especially visible in Türkiye (93 percent), Romania (92 percent) and the Netherlands (91 percent).

This has resulted in more mobile primary customers, who are primary customers with at least one mobile interaction through our app or mobile website per quarter. In 2024, in line with our mobile-first ambition, we grew our mobile primary customer base by 1.1 million to 14.4 million. Particularly strong growth was achieved in Germany (+314,000), the Netherlands (+174,000) and Spain (+152,000). Mobile primary customers now represent 89 percent of our 16.2 million primary customers.

Our customers logged in more than eight billion times to our digital platforms in 2024, up by 6 percent versus 2023, with mobile representing 96 percent of total interactions. This increasing engagement offers us the opportunity to further increase the relevance and value we provide to our customers.

Business Banking

Business Banking serves customers in eight markets: the Netherlands, Belgium, Luxembourg, Poland, Romania, Türkiye, Germany and most recently Australia where we began offering Business Banking services in 2024.

Our ambition is to be the first choice for customers to manage and grow their businesses, contributing to their financial health and sustainable future through relevant, seamless, trusted and tailored financial solutions and expertise in key moments.

Our needs-based customer segmentation approach differentiates between basic and more complex and/or specific needs. We offer our customers solutions through a range of service models, from 'self-service' through our digital platform to remote and face-to-face advice, with the emphasis on deepening client relationships and offering deep sector knowledge and advice.

As with all our segments, we aim to deliver superior customer value in Business Banking. For example, we offer digital onboarding and instant lending in five of our markets (the Netherlands, Belgium, Poland, Romania, Türkiye) for certain customer groups. The Netherlands, Belgium and Poland have an e-commerce offer to support online sales of our customers.

Private Banking

Private Banking offers banking services and personalised wealth management to affluent and (ultra) high-net-worth individuals and their entities in the Netherlands, Belgium and Luxembourg. This is offered through digital channels, supplemented by dedicated relationship managers and the support of product specialists. Private Banking aims to give customers access to a diverse range of products and services suited to their specific needs.

We aim to lead the way to redefine private banking by leveraging digital engagement and data to be able to scale wealth management. In doing so, we endeavour to drive a step-change in delivering customer value, with interactive, digital and enabling tools.

In Private Banking, we see ourselves as the bank of choice for entrepreneurs looking to grow their wealth. Our ambition is to become the leader in business-originated wealth by providing a one-stop solution with a segmented approach, leveraging our strong position in Business Banking.

Customer Experience (CX) day

As part of ING's focus on continuous improvement of the customer journey, ING this year held its fifth global CX day where more than 6,800 colleagues from across the bank, alongside customers, put their collective minds together to come up with tangible ideas to delight our customers. The event attracted employees from Retail Banking, Wholesale Banking and support functions all around the world. They identified more than 270 improvements, some of which were created and tested on the day.

Wholesale Banking

Growing the difference for our customers means we strive to be the best - and in this case, the best European wholesale bank. We define 'best' by having a high net promoter score (NPS) (in the industry top quartile), aim to lead in sustainability, in our digital service offering and as an employer, and achieving sustainable returns. Our work begins in providing corporate clients and financial institutions with the financial solutions they need across their value chains. Underpinning this 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 don't just aim to be 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 network serves clients around the world and operates from 36 countries across three regions: EMEA, APAC and the Americas. Our global reach is reflected in the fact that 58 percent of our income is cross-border. Clients benefit from our deep sector knowledge of eight sectors and 29 sub-sectors, including: commodities, food and agriculture; corporate sector coverage; energy; financial institutions; infrastructure and real estate; sustainable value chains; technology, media, telecom and healthcare; and 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 climate-action experience and other sustainability-related insights to work for them.

Given the significant level of sustainable finance needed for the energy transition, banks have an opportunity and an imperative to increase the available level of finance. This is why in 2024 we set a new sustainable volume mobilised target of €150 billion per annum by 2027, up from our previous target of €125 billion by 2025.

In 2024, our Wholesale Banking team was recognised by Global Finance as Best Bank for Cash Management and Best Bank for Sustainable Project Finance in Western Europe, and Best Bank for Sustainable Finance in the Netherlands. The Digital Banker recognised ING as the Best Wholesale/Transaction Bank for Sustainable Finance in South-East Asia and the Netherlands, and ING ranked as CEE's Best Bank for Sustainable Finance according to Euromoney.

How we aim to become the best European wholesale bank

We've identified other 'must-wins' for us to become the best European wholesale bank. For our sustainable returns ambition, we are scaling our product foundations to increase our fee income, particularly in Transaction Services, Financial Markets and Capital Markets & Advisory (CMA). Regarding our lending income, we're improving our capital efficiency and digitalising our deal execution processes. And as part of our Transaction Services, we aim to continue growing our volumes and deposits, as well as diversifying our product mix and growing trade finance. The emphasis in our Financial Markets platforms is to harmonise our product suite and increase our green and regular product offerings. Finally, as part of our CMA work, we're benefiting from a greater loan distribution and a broader capital markets product mix, and have been building our capabilities to have more CMA teams closer to our clients.

To improve our digital delivery, we are standardising our lending capabilities through digitalisation and have brought together all our payment capabilities under one platform. Pilot projects have also begun to investigate how generative artificial intelligence (GenAI) can support credit pack reviews and make our know your customer (KYC) and customer due diligence (CDD) processes more efficient.

Not only have we been able to absorb volume growth and navigate regulatory changes in 2024, we've also made progress on our capital management activities. We've continued to optimise our portfolio, drawing on our three 'ING difference' characteristics to help us assess where our capital can generate the highest returns. And by improving our models and the tools we use to distribute capital, we're in a stronger position to continue increasing our income over risk-weighted assets.

Our NPS performance

One of the ways we measure our ability to deliver superior customer value is through the net promoter score (NPS). The NPS indicates whether customers would recommend ING to others. We compare our NPS to selected peers in each market.

Our ambition is to achieve a number one NPS ranking in all our Retail markets. In 2024, ING ranked number one in five of our Retail markets: Australia, Poland, Germany, Romania and Spain. ING ranks in the top three in another two markets: Italy (ranked second) and the Netherlands (ranked third).

We ran an NPS programme in 32 Wholesale Banking (WB) markets throughout 2024, to ensure a broad coverage of our client base, and achieved a 76 percent response rate. ING's WB NPS score rose to 74 (on a scale of -100 to +100), compared to a score of 72 in 2023. The insights from the survey showed how our sector expertise, global reach and local experts are highly appreciated by clients and important reasons for why they chose ING. We also asked clients how satisfied they were with our product areas, people, processes and digital offering, with the highest scores going to our product offering, relationship management and client support. Off the back of these results, we will continue to prioritise building strong relationships with excellent execution, simplifying and automating our KYC processes and optimising our digital offering.

Sustainability at the heart

Sustainability is one of the biggest challenges for society. ING aims to play a leading role in accelerating the transition to a low-carbon economy. We want to build a sustainable future for our company, our customers, society and the environment. That's why we're striving to put sustainability at the heart of what we do: it is a pillar of our strategy and central to our long-term success.

The urgency of climate change and biodiversity loss is becoming more evident all the time. Sustainability, in all its forms, is under threat, endangering the welfare of the planet and its people. The challenges do not only come from extreme weather events and rising ocean temperatures, but also as people struggle with inequality, poor financial health and even a lack of basic human rights.

As such, the need to build a more sustainable, climate-resilient future is a mission facing us all. As the challenges increase, there's a growing sense of urgency that governments and businesses should step in and help tackle them.

As a systemically important financial institution, we can contribute to the transition of society. We aim to do this by playing a leading role in financing the changes needed in the transition to a low-carbon economy. We focus on this because it matters to us as a bank, to our clients and to society.

We do this by bringing aspects of climate change, nature and respecting human rights into our dialogue with clients and financing decisions. We engage with clients to help them transition their businesses in line with net-zero goals and halt nature loss in their operations, and take a risk-and-rights-based approach to human rights that supports a just transition. We aim to be a frontrunner in financing the future economy and we want to find ways to empower people to prepare for the future, with financial health and inclusion a focus of our social approach.

Putting sustainability at the heart of what we do also means embedding sustainability into our decision-making processes, our risk-management frameworks, our own operations and our company culture. We strive to lead by example by aiming for net zero in our own operations well before 2050, and we're working to improve sustainability in our supply chain. We manage our material sustainability risks and are building up an effective sustainability culture through education, upskilling and other employee-engagement initiatives.

A successful transition demands systems-level solutions. Together with our partners, we advocate for the changes that need to happen and we want to collaborate with all those who have a role to play in contributing to solutions and accelerating progress. We also aim to take a leading role in driving collective efforts to set sustainability standards for the financial sector, working with partners, peers and the industry on new frameworks for helping to decarbonise and transform the sectors we're active in.

Focus on climate action

Our climate-action activities are focused on the three areas where we believe we can make the greatest impact, based on what needs to happen in the transition: helping to drive down emissions to meet the global goal of net zero by 2050; building up the financing of the new technologies and sustainable systems of the future; and finding ways to enable people to play their part in the transition.

Driving down emissions: supporting businesses in their transition to net zero

As a bank, the most significant contribution we can make to help drive down global emissions is to engage with our clients and steer our portfolios for net-zero alignment. In our recent Climate Progress Update, we shared how we have developed our engagement with clients to accelerate their plans for transition – and how we intend to strengthen that engagement in the future. Our analysis of clients' climate disclosures and transition planning guides our decision-making and informs discussions with clients about their transition strategy and how ING can support them. We also have in place our 'Terra' approach, through which we steer our portfolios in high-emitting sectors towards net-zero alignment by 2050.

While our main impact is in our financing and working with our clients, we also strive to lead by example by having an environmental programme in place that works towards net zero in our own operations. This means bringing our buildings, data centres and business travel in line with the net-zero economy of the future. We measure and steer our progress towards this ambition through our environmental programme. In 2024, our total operational footprint (scope 1, 2 and scope 3 business travel) was 27 kilotonnes (kt) of CO_2e. This is a reduction of 2 kt of CO_2e compared to our 2023 CO_2e emissions.

We consistently apply the same methodology and emission factors to track our progress towards our global ambition of a 75% emission reduction, compared to our 2014 baseline. In 2025 we will update our baseline to align with the latest emission factors and methodologies.

Building up a sustainable future: financing technologies and solutions for a low-carbon world

We have a role to play in mobilising the finance needed to make the low-carbon transition a reality, including backing the technologies and solutions that will contribute to a low-carbon world. We continue to evolve and innovate our approach to sustainable financing. This includes how we strive to make connections and support collaboration, both within particular value chains and across them, with the goal of supporting the development of the systemic solutions necessary to accelerate the transition.

In 2023 we tripled our target for financing of renewable power generation to €7.5 billion annually by 2025, up from our earlier €2.5 billion target set in 2022, where financing refers to the amount we commit to our clients, either as ING or via other parties involved in the transaction.

Including everyone in the transition: finding new ways to enable people to stay a step ahead on climate

We believe most people want to play a role in the transition and our climate action approach includes finding ways to enable people to play their part, starting with existing and prospective retail customers. This includes empowering mortgage customers to make their homes more sustainable and advocating for change in housing policy.

Progress can only be driven through collaborative action and partnering and advocating for change. We do this by working together across the industry and sectors, with governments, policymakers and civil society. We continue to play an active role in the development and adoption of methodologies and frameworks that support decarbonisation at sector level.

The low-carbon transition cannot happen overnight. Even though we finance a lot of sustainable activities, we still finance more that's not, which is a reflection of the global economy. We strongly believe we can make the most impact by engaging with clients, talking to them about their climate and nature goals, and helping finance what they need to reach them.

Climate action is a fast-changing, dynamic landscape, and our approach needs to evolve to keep pace. For instance, in our approach to take climate action we take the links and interdependencies into account between climate-change mitigation, climate adaptation, nature and biodiversity, human rights and just transition.

How we are growing the difference

We focus and continue to work on our four key enablers that will help us grow the difference: providing seamless digital services, using scalable technology and operations, staying safe and secure, and unlocking our people's full potential.

Providing seamless digital services

Through our 'Growing the difference' strategy, we strive to build on our success of making banking easy. One of the ways we aim to do this is by making banking as frictionless and relevant as possible. We can serve our customers better if we use 'always-on' channels, providing data-enabled personalised experiences and end-to-end digital processes, with human intervention only where needed or desired. For Private Individuals, for example, we seek to simplify customer journeys through digitalisation and to lead in using data and GenAI. In Private Banking and Business Banking, our ambition is to lead the digital way to service our clients. And as part of our aim to be the best European wholesale bank, we place a strong emphasis on digital leadership.

We use data analytics and machine learning to personalise digital services for customers. Personalising customer interactions helps them make more informed financial decisions and supports mobile sales, while also reducing the need to use other channels. In 2024, 77 percent of our communication to retail customers was personalised. Given the importance of data in offering personal and relevant services, data security and privacy protection are crucial.

Data analytics

We use advanced analytics and artificial intelligence (AI) as a way to fulfil our strategy. Our ING Analytics organisation, which delivers analytics and AI products across our markets and domains, is made up of four specialist areas that reflect the priorities of the bank in the analytics domain (Retail, Wholesale, Operations and Platforms).

In 2024, we extended our AI capabilities with GenAI. The new technology has the potential to transform banking and unlock significant value for our colleagues and customers. At the same time, it comes with challenges and risks, which demand a responsible approach to capture its opportunities.

We currently focus on GenAI projects in five high-value areas: contact centres, hyper personalisation in marketing, KYC, software engineering and Wholesale Banking lending – with risk, tech, people and governance being our enablers on this journey. In 2024, as part of the responsible scaling of the new technology, we worked on the challenges that come with multiple platforms and models in use, and launched a number of important solutions such as a brand-new GenAI chatbot in our contact centres.

To scale responsibly with GenAI, we identified a need for standardised risk assessments that can be efficiently and effectively applied across multiple GenAI use cases. In 2024, we executed several pilots (including customer facing), providing a solid foundation for 2025. A virtual AI Risk Center of Excellence (CoE) comprising expertise in model risk, non-financial risk and compliance was also established to support AI risk assessments and ensure consistent application.

We recognise that investing in people and talent is as vital as investing in technology. To this end, in 2024, we launched a mandatory GenAI e-learning. 92 percent of ING's global workforce completed this training, with insights into the opportunities and risks of the new technology. Also, more than 4,000 ING employees are now trained in data fluency through internal e-learnings, to be able to draw on data and analytics for informed decision-making.

We also initiated 'AI Future Leaders programmes' for employees who want to professionalise their AI capabilities. The aim is to build a healthy pipeline of future AI leaders throughout the organisation, and 'AI pivot' for employees who want to enhance their AI capabilities. Through these initiatives, we aim to empower our talent to actively contribute to innovation at ING and to take advantage of GenAI through learning and development initiatives. We are also continuing our partnerships with academia, including the University of Amsterdam and the University of Twente, to foster collaboration on advanced research in the GenAI domain.

Within Retail Banking, we applied AI and GenAI in areas like loans, mortgages and marketing personalisation. As in previous years, we delivered several AI capabilities that increased the percentage of loans provided instantly to both our retail and business banking customers. In marketing personalisation, we tested the use of GenAI in creating highly personalised campaigns for our customers in Spain and Germany.

In the contact-centre area, we upgraded traditional chatbots, empowering them with GenAI, with the aim of improving straight-through-processing (STP) and customers' NPS.

Our AI and GenAI initiatives are delivering significant business impact. We successfully introduced a programme that identifies affluent customers based on their transactional behaviour across units, yielding promising results. Key outcomes include a 40 percent increase in term deposit selling, a 40 percent growth in deposit volume per deposit and a 20 percent higher cross-sell performance in payment account campaigns. In 2025, we will scale a GenAI tool that will enable marketeers to create personalised campaigns globally.

Our team will continue to support and protect our bank against increasingly sophisticated fraud efforts through AI-based detection models globally. We're implementing AI to strengthen our ability to fight Financial Economic Crime and support the Retail Banking and COO domain in automating processes. To support the analysis of transactions, we also deployed an AI model, which we plan to scale in 2025.

In Wholesale Banking, we continued to build analytics products, supporting sustainability initiatives. In this domain, GenAI can make CDD more efficient, allowing analysts to spend less time on data gathering and more on customer analysis. We launched a project that provides the CDD transaction profile report, which was further developed in 2024. This initiative saves our front office an average of two hours per client and is now operational across 19 countries. We are also exploring a GenAI-powered solution aiming to boost productivity while maintaining risk effectiveness.

Scalable technology and operations

ING uses scalable technology and operations that enable us to reach the market faster, achieve volume more quickly, maintain consistent and higher quality, and enhance productivity. This also helps us attract and retain talent by offering employees the opportunity to not only work with technology but also collaborate across countries and make an impact globally. Scalable technology allows ING to create specific and local propositions that serve our customers, while leveraging ING's scale when it comes to engineering, security and data experts.

Scalable technology

Our scalable technology platform provides a foundation for the IT modular components we use to build and operate propositions. It allows ING countries to introduce propositions quickly and easily, while providing the opportunity to add local flavour.

In 2024, we reconfirmed our direction, further growing our scalable technology platform. The ING technology vision is one of a unified technology platform (ING 'Scalable Tech Platform') that provides a key competitive advantage. To reach the full potential of our scalable technology platform, the Chief Technology Office defined three major goals to set the tone for 'Banking with impact'.

The three goals are:

- increase our productivity by reducing complexity;
- excel in customer experience by driving for customer satisfaction; and
- be a top employer for engineering talents by cultivating a strong engineering mindset.

Our scalable technology is divided into three parts: ING's private cloud infrastructure (IPC), our engineering pipeline (OnePipeline) and our banking technology platform. IPC is where we store and manage applications and data such as channel applications, core banking systems and other banking applications. We measure IPC adoption by the percentage of physical cores – also known as processing cores or CPU cores – in IPC compared to the total number of physical cores in ING data centres globally. By the end of 2024, 67 percent of all physical cores in ING were on IPC (2023: 63 percent).

OnePipeline, our continuous integration and delivery pipeline, provides engineers with a consistent and secure global capability to develop, test and deploy software. At the end of 2024, 85 percent of applications were onboarded to this pipeline (2023: 63 percent) out of the total number of applications registered in our IT management platform across all ING entities. As part of our strategy, we structurally evolve towards a hybrid cloud set-up, optimising our infrastructure landscape using both private as well as public cloud to run our applications.

Touchpoint is part of our banking technology platform, providing a set of reusable shared services, used by engineers to deliver 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 2024, approximately 75 percent of customer logins used Touchpoint (2023: approximately 64 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. We are evaluating ways to broaden the scope of Retail Countries to be included in our Channel Availability calculations, taking into account technical feasibility. For 2024, we expanded our Retail scope to include Germany, in addition to the Netherlands and Belgium. The combined digital channel availability of the Netherlands, Belgium and Germany was 99.86 percent.

For Wholesale Banking clients worldwide, the availability for our Inside Business Payments channel was 99.82 percent and for our Inside Business Connect channel (file transfer), 100 percent. These figures are based on outputs of availability monitoring processes, which are run with a high frequency per hour.

Scalable operations

Our scalable operations are driven by digitalisation and capability hubs, focusing on becoming fully STP, removing friction towards a seamless experience for our customers in a safe and secure way. In all we do, our customers are our point of departure. Our processes, both digital and non-digital, are designed and executed to embed excellent customer experience. We apply the same mindset to all our employee journeys.

Digitalising key customer journeys allows us to enable superior customer value at a reduced cost-to-serve, while measuring impact through NPS and cost efficiency. In 2024, our digi index score was 77.2 percent. The digi index score concerns a figure that reflects the average of STP rates of key customer journeys that are handled without manual intervention.

Capability hubs provide shared services and solutions across ING worldwide, leveraging expertise and using scale, and sharing productive, quality services across the ING network. The hubs are mainly located in the Netherlands, Poland, Romania, Slovakia, the Philippines and Türkiye.

By enabling self-service through mobile and increasing the use of chatbots, we reduced inbound contacts to contact centres by 26 percent in 2024 (versus 2021).

We are boosting scalability with advanced analytics and (Gen)AI developments, supporting the bank with intelligence and insights to enrich our operational and decision-making processes.

Staying safe and secure

Trust is the starting point, the most basic requirement, for all stakeholders. That's especially true for a digital-first bank like ING. People trust us with their money and their data. Keeping these safe, and maintaining this trust, is crucial.

A comprehensive risk management framework helps to ensure that material risks to our business are identified, measured and managed. Alongside this, our Risk Appetite Framework (RAF) helps us to pursue our 'Growing the difference' strategy in a safe, secure and compliant way while meeting regulatory requirements at all times. And as we look to do business with more customers, it's important to know exactly who they are in order to protect our organisation, our clients and the financial system as a whole. As part of our ongoing anti-money laundering (AML) efforts, we screen customers, carry out due-diligence checks and monitor transactions for unusual or suspicious behaviour. While we deliver on this priority, we are also putting an increased emphasis on providing superior customer value in our processes. Alongside AML, we play an important role in preventing and detecting fraud. By deploying innovative solutions, we seek to limit the number of fraud victims and the impact of fraud loss on our clients and society.

Cybercrime remains a continuous threat to companies and financial institutions in particular. We monitor the cyberthreat landscape closely and invest in cybersecurity capabilities in all domains (prediction, prevention, detection, response and recovery). We continuously test both our technical and operational resilience, and perform crisis management as well as red-team exercises to improve our response to attacks. In 2024, we identified no cyber incidents on ING infrastructure that required public disclosure as soon as possible. However, earlier in the year we reported to the authorities that our login web channel in Spain suffered an unsuccessful attack, which was controlled by our cyber-defence capabilities. We reported another incident to authorities when an IT change resulted in limited non-personal data disclosure for a dozen clients. We are currently not aware of any threats in our environment that are likely to materialise in the near future.

As a global financial institution, we process personal data belonging to our customers, employees, suppliers and business partners. They trust us with confidential and personal information, so it's important that we maintain that trust and keep this data safe from loss or misuse. Ethical standards are always evolving, so we closely monitor regulatory compliance and potential new requirements to gain an 'outside-in' view on data ethics. And to provide further protection, we encourage employees to speak up when confronted with unethical, undesirable or illegal behaviour, which they can do anonymously through a variety of reporting channels.

For more information on ING's policies and processes to stay safe and secure, see 'Risk management'.

Unlocking our people's full potential

Unlocking our people's full potential is a key enabler of our strategy as we believe we have an abundance of talent and potential at ING. We attract, develop, retain and reward the right fit-for-future talents and skills. We strive to deliver a superior employee experience to unlock our people's time and energy to grow the difference. We are dedicated to fostering a safe and inclusive environment for our 60,000+ employees, as we aim to create a friendly, collaborative workplace that mirrors the diverse world we operate in. This is reinforced by our Orange Culture and Orange Behaviours. We ask our people to act with honesty, prudence and responsibility, and that they strive to 'take it on and make it happen', 'help others be successful', and are 'always a step ahead'.

In 2024, we continued to focus on unlocking our people's potential through three strategic pillars: 'talent & leadership', 'culture & organisation' and 'employee experience'.

Talent & leadership

To grow the difference and keep ING fit for the future, we need the right people with the right skills and a readiness to learn and develop. That's why we make it easy for employees to upskill, something we've seen a strong desire for in 2024. The positive trend for non-mandatory training has continued, with more people electing to learn new skills and build capabilities relevant to their job and function.

Our focused attention on training complements our efforts to build strong, diverse talent pipelines. Through our strategic global talent reviews, conducted for approximately 5,000 senior employees, each domain evaluated their contributions to growing the difference and identified the talent, leadership and capability needs to advance our ING goals and help future-proof our talent pipelines. One example is our Global Leadership Accelerator, run in partnership with the IMD Business School, where, following completion, participants are demonstrating increased readiness for senior roles. But as we strengthen the talent of today, we can also look ahead with confidence: the International Talent Programme continues to welcome new trainees to ING to develop their banking skills, cultivate professional expertise and support their personal growth. This rigorous, global two-year programme is just one of our investments in helping to grow our future experts and leaders.

Our commitment to a fair and transparent performance and rewards process supports our talent and leadership goals. Our focus for 2024 was on providing our people with more clarity and consistency. We introduced a new five-point performance rating scale in our performance evaluation scheme and clearly linked remuneration decisions to performance outcomes. These changes also included the upskilling of our managers to make our pay decisions more objective.

As of 2025 ING is using a transparent and communicated variable remuneration pay structure. This means that all employees eligible for variable remuneration (over 35,000 employees) will have a variable remuneration target, including our Wholesale Banking employees. Previously, variable remuneration awards were fully discretionary within Wholesale Banking, but from 2025, the annual variable remuneration will be based on a set percentage (target) of fixed pay. This will provide managers with a decision framework for determining variable remuneration rewards equitably, while having enough flexibility to differentiate outcomes for individual performance. Employees will see increased transparency and better understand how their personal performance influences their variable remuneration.

Culture & organisation

Teams and leaders that reflect the world we operate in are crucial in creating a diverse and inclusive environment. We aim to increase diverse representation and inclusive behaviours through our diversity, inclusion and belonging (DIB) policy, strategies, standards and trainings. Another effort includes aiming to increase the number of women in leadership roles. We define this leadership scope based on our Global Job Architecture (GJA), a globally applicable approach to describe and evaluate all ING jobs. In 2024, the number of women in senior positions (GJA 22+) was 32 percent, up from 31 percent at year-end 2023, and the number of women in the leadership pipeline (GJA 19-21) was 30 percent, up from 28 percent at year-end 2023. To further support our DIB efforts, we have structured feedback mechanisms, including our annual global Inclusion Index, and hold continuous dialogues with our employees via our Employee Resource Groups, of which there are over 45 globally relating to culture, disability, gender, generations, LGBTQI+, and race and ethnicity.

Furthermore, good mental and physical wellbeing can also contribute to an inclusive environment and a healthy and engaged workforce. We promote a flexible way of working among our employees, are piloting personalised healthy ‘Working Habits’, and equip managers to support their teams with their wellbeing.

Equally important is the role feedback plays in sustaining our Orange Culture. We maintain a continuous listening framework, which gives our people formal channels to provide feedback on our strategy, working conditions, behaviours and experiences. Our Organisational Health Index (OHI) is the most comprehensive of these listening tools. In 2024, we held two OHI surveys and received feedback from 80 percent of our workforce, achieving our highest response rate ever. We saw sustained engagement among our employees, and feedback showed that our people continue to value and appreciate their colleagues, the ability to work hybrid and the opportunities that support their wellbeing.

Employee experience

Providing superior customer value starts by delivering a superior employee experience. We aim to pave the way for our people to focus on the things that are truly important while enabling sustainable high-performance. In 2024, we focused on designing easier, more personal and relevant services for employees through the collective efforts of the Employee Experience Design Board, with representatives from Human Resources, Facilities Services, Operations, Information Technology and Global Communications. For example, we introduced large-scale projects to onboard new countries to our global people management systems and improved our process automation, resulting in a 45 percent reduction in manual employee notifications and an 18 percent decrease in Human Resources support tickets filed. Initiatives like these have enhanced the employee experience by reducing administrative burdens and allowing our people to focus on more meaningful work.

Our operating environment

It's essential that our business is resilient, adapting to and navigating the changing environment we operate in, including new consumer and banking sector trends, economic shifts and geopolitical volatility.

We continuously adapt the implementation of our strategy, taking into account changes affecting the banking sector, including technological advancements, competition and disruption, sustainability developments, regulatory demands and the battle for talent. While the trends outlined below are certainly not new, some intensified in 2024. By proactively addressing developments around us, we can mitigate risks while increasing impact and value for our customers.

Technology drives evolving consumer demands

Technology is transforming consumer expectations in banking by emphasising seamless, personalised and on-demand services. With increased reliance on mobile apps, AI-powered customer service and data-driven insights, consumers expect banks to offer an excellent customer experience. ING's digital-first approach (predominantly in Retail) provides customers with easy, instant, personal and relevant interactions. We'll continue to build on our position of strength and invest in digital infrastructure to make sure our services are simple and accessible. Generative artificial intelligence (GenAI) has the potential to revolutionise banking and unlock significant value. We recognise GenAI's potential and are taking a prudent and responsible approach to using it in a safe and secure way. But the new technology comes with challenges and risks. We recognise that the increased digitalisation of banking requires us to strengthen our measures to protect consumers, invest in cybersecurity capabilities and continue to focus on operational resilience.

Competition from banks and non-banks is intensifying

We face increasing competition from traditional and non-banking entities, including fintechs and digital-only banks. Competitors are capitalising on advanced technologies, low operating costs and flexible regulatory environments, enabling disruption in areas such as payments, lending and investment services. This competition pushes us to innovate, as new entrants challenge traditional banking models. We'll continue to focus on brand loyalty, enhancing digital services and customer experience and build on our strong customer base as we aim to become the best European bank for all our stakeholders.

Sustainability is moving to the core of society

The need to build a more sustainable, climate-resilient future is a mission facing the whole of society. As the challenges increase, governments and businesses should step in and help tackle them. ING aims to play a leading role in accelerating the transition to a low-carbon economy. We want to build a sustainable future for our company, our customers, society and the environment. That's why we're striving to put sustainability at the heart of what we do; it is a pillar of our strategy and central to our long-term success.

Regulatory demands are growing and fragmented

The complex and fragmented regulatory landscape we operate in requires us to be highly adaptable, ensuring robust controls and investing in compliance technology. We must also stay ahead of emerging regulations in data privacy & ethics, cybersecurity and ESG. We adapt to these evolving regulatory requirements to manage risk and stay competitive.

The battle for talent is globalising

Our sector faces significant talent shortages, particularly in technology and specialised areas such as cybersecurity, AI and sustainability. To stay competitive, we invest in a range of global recruitment and internal development programmes to develop our people's capabilities and skills and build a diverse and capable workforce. We have to use talent pools more globally to make sure the best people are considered for the job.

Dynamic geopolitical environment

The past year was a 'super election year', as nearly half of the global population went to the polls. In Europe, there was a broad political shift that could alter future EU policies. Following the US elections in November, we have seen significant shifts in foreign policy and economic policy from the new administration. This includes policy changes that have heightened concerns about long-term support for Ukraine. In 2024, the war there led to continued energy market and supply chain disruption. Tensions in the Middle East escalated, intensifying the suffering endured by civilians in Gaza and neighbouring areas and leading to military engagements between Israel and Iran. A six-week ceasefire agreed in early 2025 between Israel and militant group Hamas has provided temporary relief and helped stabilise oil prices, while efforts continue toward a permanent truce. However, the situation remains fragile, increasing uncertainty and risk of renewed hostilities, possibly affecting regional stability and consequently global trade

Our financial performance

Our financial performance

In 2024, we have again delivered strong results and are executing well on our strategy to accelerate growth, increase impact and deliver value for all stakeholders. Our net result of €6,187 million reflects resilient total income, supported by double-digit growth in fee income and strongly increased customer lending and customer deposit volumes. Higher expenses show the continued investments in the growth of our business, as well as inflationary effects on staff expenses. Risk costs remained below our through-the-cycle average.

Consolidated results

	2024	2023	Change
Profit or loss (in € million)			
Net interest income	14,749	15,809	-7%
Net fee and commission income	4,002	3,586	12%
Total investment and other income	3,584	3,006	19 %
Total income	**22,334**	**22,401**	**0%**
Expenses excl. regulatory costs	11,234	10,521	7%
Regulatory costs	882	1,042	-15%
Operating expenses	**12,116**	**11,563**	**5%**
Gross result	**10,219**	**10,838**	**-6%**
Addition to loan loss provisions	1,194	520	130%
Result before tax	**9,025**	**10,318**	**-13%**
Taxation	2,580	2,926	-12%
Non-controlling interests	258	235	10%
Net result[1]	**6,187**	**7,157**	**-14%**
Key financial metrics			
Net core lending growth (in € billion)[2]	27.7	8.6	
Net core deposits growth (in € billion)[2]	47.4	10.6	
Cost/income ratio	54.2%	51.6%	
Risk costs in bps of average customer lending	18	8	

1 Net result reflects the net result attributable to shareholders of the parent.
2 For a reconciliation of net core lending growth and net core deposits growth to customer lending growth and customer deposits growth respectively, see the appendix 'Alternative performance measure'.

Total income

Total income rose to a record €22,334 million. This was supported by continued growth of our customer base, double-digit growth in fee income and sharply increased lending and deposit volumes.

We recorded outstanding commercial growth in 2024. Net core lending growth (which is the increase in customer lending adjusted for currency impacts and excluding Treasury and the run-off portfolios) was €27.7 billion. We were particularly successful in increasing our residential mortgages portfolio, by €18.9 billion, spread across all our retail countries. In addition, we also grew our consumer lending and business lending books (by €6.9 billion in total). And we recorded a net growth in Wholesale Banking of €1.8 billion, while we continued to optimise our capital usage.

Net core deposits growth (which excludes FX impacts and movements in Treasury deposits) was a record €47.4 billion in 2024, with strong contributions from both Retail Banking and Wholesale Banking. At the end of 2024, 69% of our balance sheet was funded by customer deposits.

Net interest income (NII) from lending and liabilities held up well; however, total NII declined 6.7% to €14,749 million due to lower NII in Financial Markets and Treasury. Lending NII rose by €139 million, reflecting volume growth at a stabilising margin. Liability NII declined by €318 million as deposit growth could not entirely offset the impact of normalising margins. Financial Markets NII was €494 million more negative than in 2023 as higher interest rates led to an increase in funding costs. This impacted NII while the income from related positions is reflected in other income due to accounting asymmetry. NII in Treasury dropped by €443 million, primarily impacted by the ECB's adjustment in September 2023 of the remuneration on the minimum reserve requirements to zero basis points as well as by less favourable conditions in the money markets. Other NII included a one-off income of €70 million in Wholesale Banking and a €-39 million impact from the Polish mortgage moratorium. The net interest margin was 1.42% in 2024, which is 13 basis points lower than in 2023, mainly due to a lower NII in Financial Markets and Treasury.

Net fee and commission income strongly increased in line with our ambition to diversify our income and was up 12% to over €4 billion. Fee income from retail investment products was significantly up, reflecting an increase in accounts, in assets under management and customer trading activity. Daily banking fees rose on the back of strong growth in the number of customers and an updated pricing for payment packages. The increase in fee income for Wholesale Banking was mainly attributable to a higher income from Capital Markets issuance.

Total investment and other income increased 19% to €3,584 million. This was mainly due to the positive effect of accounting asymmetry in Financial Markets, as well as to a smaller IAS 29 impact (reflecting lower inflation in Türkiye). Furthermore, in 2024 we recorded €77 million as our share in the one-off profit of an associate in Belgium and a €53 million receivable (recorded in the Corporate Line) related to a prior insolvency of a financial institution in the Netherlands.

Operating expenses

Operating expenses increased 4.8% to €12,116 million. Expenses in 2024 included €882 million of regulatory costs, a decline of €160 million year-on-year, mainly because no contribution to the eurozone's Single Resolution Fund was required in 2024 and because the Dutch deposit guarantee fund reached its target level in 2024. Furthermore, expenses in 2024 included €178 million of incidental items (largely related to restructuring provisions) compared with €247 million of incidental items in 2023.

Expenses excluding regulatory costs and incidental items rose 7.6%, mainly attributable to the impact of inflation on staff expenses and the implementation of the 'Danske Bank' ruling on VAT in the Netherlands. In Retail Banking, this was coupled with investments in digitalisation and in client acquisition to support growth. Wholesale Banking expenses also reflect front office growth in Capital Markets & Advisory and Transaction Services, as well as investments to enhance the digital experience and the scalability of our systems. The cost/income ratio came out at 54.2% in 2024 compared with 51.6% a year earlier.

Addition to loan loss provisions

Net additions to loan loss provisions increased to €1,194 million compared with €520 million in 2023. This is equivalent to 18 basis points of average customer lending, and below our through-the-cycle average of 20 basis points.

The increase year-on-year was largely due to additions for a number of Stage 3 files in Wholesale Banking. This was partly compensated by a net release from loan loss provisions in Stage 1 and 2, mainly reflecting a partial release of management overlays.

Net result

The net result (attributable to shareholders of the parent) in 2024 was €6,187 million compared with €7,157 million in 2023. The effective tax rate in 2024 was 28.6% compared with 28.4% in 2023.

Retail Banking

Retail Banking	Total Retail Banking			Retail Netherlands			Retail Belgium			Retail Germany			Retail Other		
in EUR million	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change
Net interest income	11,449	11,459	0%	3,027	3,096	-2%	1,959	2,063	-5%	2,647	2,862	-8%	3,817	3,437	11%
Net fee and commission income	2,694	2,337	15%	1,049	959	9%	603	502	20%	433	357	21%	609	519	17%
Total investment and other income	1,113	1,272	-13%	835	945	-12%	189	117	62%	-173	-67		263	277	-5%
Total income	**15,256**	**15,069**	**1%**	**4,910**	**5,001**	**-2%**	**2,751**	**2,683**	**3%**	**2,906**	**3,152**	**-8%**	**4,688**	**4,233**	**11%**
Expenses excl. regulatory costs	7,361	6,938	6%	2,011	1,923	5%	1,605	1,642	-2%	1,215	1,147	6%	2,532	2,227	14%
Regulatory costs	668	771	-13%	114	212	-46%	206	211	-2%	88	96	-8%	261	252	4%
Operating expenses	**8,030**	**7,709**	**4%**	**2,124**	**2,135**	**-1%**	**1,811**	**1,852**	**-2%**	**1,303**	**1,243**	**5%**	**2,792**	**2,479**	**13%**
Gross result	**7,226**	**7,360**	**-2%**	**2,786**	**2,866**	**-3%**	**941**	**830**	**13%**	**1,604**	**1,909**	**-16%**	**1,896**	**1,754**	**8%**
Addition to loan loss provisions	566	607	-7%	-8	5	-260%	134	169	-21%	149	119	25%	291	313	-7%
Result before taxation	**6,660**	**6,753**	**-1%**	**2,793**	**2,861**	**-2%**	**807**	**661**	**22%**	**1,455**	**1,790**	**-19%**	**1,605**	**1,441**	**11%**
Taxation	1,819	1,912	-5%	723	740	-2%	210	182	15%	505	631	-20%	381	359	6%
Non-controlling interests	223	174	28%	0	0		0	0		1	0		221	174	27%
Net result IFRS	**4,618**	**4,667**	**-1%**	**2,070**	**2,121**	**-2%**	**597**	**479**	**25%**	**949**	**1,159**	**-18%**	**1,002**	**908**	**10%**
Key figures															
Net core lending growth (in € billion)	25.9	9.7		9.6	2.3		3.7	1.4		4.4	1.7		8.2	4.3	
Net core deposits growth (in € billion)	31.6	18.5		5.0	-1.6		6.4	-1.3		7.5	8.5		12.7	12.9	
Cost/income ratio	52.6%	51.2%		43.3%	42.7%		65.8%	69.1%		44.8%	39.4%		59.6%	58.6%	
Risk costs in bps of average customer lending	12	13		0	0		14	18		14	12		26	29	
Return on equity based on 12.5% CET1[2]	24.3%	24.8%		32.1%	33.4%		13.7%	11.2%		30.1%	33.3%		20.6%	20.1%	

1 After-tax return divided by average equity based on 12.5% of risk-weighted assets.

Retail Banking had another excellent year, with a net result of €4,618 million, close to the record level achieved in 2023 (€4,667 million). The result before tax came out at €6,660 million.

Retail Banking maintained strong commercial momentum in 2024. The mobile primary customer base increased by 1.1 million, and this was coupled with a record growth in customer lending and an exceptionally high growth in customer deposits.

Net core lending growth (which excludes currency impacts, Treasury and run-off portfolios) was €25.9 billion. This was particularly driven by a further increase of our mortgage portfolio across all markets. We also further grew our consumer lending and business lending portfolios.

We were very successful in attracting deposits in 2024. Net core deposits growth (which is the increase in customer deposits excluding FX impacts and movements in Treasury deposits) was €31.6 billion. All of our countries contributed, with the largest increases coming from Germany and Belgium following successful campaigns.

Total net interest income was resilient in 2024. The strong increase in lending and deposit volumes, in combination with improved liability margins outside the eurozone, had a favourable impact on our NII. This compensated for the impact of normalising liability margins in the eurozone.

Net commission and fee income rose 15% to €2,694 million. This strong increase was mainly attributable to higher fee income from daily banking services and investment products. We benefited from more customers choosing ING for their banking products, from an updated pricing for payment packages, as well as from growth in assets under management and in the number of brokerage trades. In addition, we also recorded double-digit growth in fee income from lending and insurance products.

Total investment and other income decreased 13% to €1,113 million, reflecting a drop in Treasury-related other income. This was partly offset by €77 million for our share in the one-off profit of an associate in Belgium.

Operating expenses amounted to €8,030 million and were up 4.2%. Regulatory costs were €103 million lower year-on-year, mainly because no contribution to the eurozone's Single Resolution Fund was required in 2024 and because the Dutch deposit guarantee fund reached its target level in 2024. Expenses in 2024 included €86 million of incidental items (largely related to restructuring provisions) compared with €131 million of incidental items in 2023. Expenses excluding regulatory costs and incidental items rose 6.9%, mainly attributable to higher staff and client acquisition expenses, as well as to higher VAT costs after the implementation of the 'Danske ruling'.

Net additions to loan loss provisions for Retail Banking declined to €566 million in 2024 and were 12 basis points of average customer lending. Risk costs were positively impacted by continued strong asset quality, a partial release of management overlays and a strong improvement in the housing markets.

Retail Netherlands

Retail Netherlands posted a result before tax of €2,793 million compared with €2,861 million in 2023. The 2.4% decline was due to lower Treasury-related income, while expenses were broadly flat and risk costs showed a small net release.

Net interest income was €3,027 million, or 2.2% lower than a year earlier. The decline was attributable to lower Treasury-related interest income, reflecting the impact of the ECB's adjustment of the remuneration on the minimum reserve requirement to zero basis points in September 2023 as well as less favourable money market conditions. Net interest income from lending increased, supported by significant growth in the mortgage portfolio.

Net fee and commission income was strong and rose 9.4% to €1,049 million. This was driven by growth in the number of customers, higher fees for payment packages and a double-digit increase in assets under management. Other income decreased due to lower other income from specific money market and FX transactions in Treasury.

Net core lending growth (which excludes movements in Treasury and in the WestlandUtrecht Bank run-off portfolio) was €9.6 billion, driven by strong growth of the mortgage portfolio. Customer deposits (excluding Treasury) grew by €5.0 billion.

Operating expenses slightly decreased to €2,124 million. Regulatory costs declined by €98 million because no contribution to the Single Resolution Fund was required in 2024 and because the Dutch deposit guarantee fund in the Netherlands reached its target level in 2024. This more than compensated for a higher bank tax in the Netherlands. Expenses excluding regulatory costs rose 4.6% to €2,011 million. This included higher internal staff expenses due to collective labour agreement (CLA) increases, partly offset by savings on external staff.

In 2024, a net release from loan loss provisions was recorded of €-8 million. This was attributable to a net release for mortgages, driven by a strong improvement in the housing market and a partial release of management overlays.

Retail Belgium

The result before tax for Retail Belgium (which includes our retail activities in Luxembourg) rose 22% to €807 million. The increase was attributable to higher income, coupled with lower operating expenses and a decline in risk costs.

Net interest income decreased by €104 million or 5.0%, mainly due to lower Treasury-related interest income. In addition, net interest income was impacted by higher funding costs for mortgages.

Net fee and commission income rose by €101 million or 20%, supported by an increase in assets under management and lower commissions paid. Investment and other income was strongly up because 2024 included €77 million for our share in the one-off profit of an associate.

Customer lending (excluding Treasury) rose by €3.7 billion, reflecting a €2.7 billion increase in business lending and €1.0 billion of growth in the mortgage portfolio. Customer deposits (excluding Treasury) increased by €6.4 billion, driven by a €5.5 billion inflow from our successful term deposit campaigns (exceeding the €2.6 billion outflow we saw in 2023 when customers bought bonds issued by the Belgian government).

Operating expenses amounted to €1,811 million, including €206 million of regulatory costs (versus €211 million in 2023) and €59 million of incidental item costs related to restructuring and a further optimisation of the branch network (compared with €76 million for this in 2023). Expenses excluding regulatory costs and incidental items declined 1.3%, as the impact of automatic salary indexation was offset by FTE reductions.

The net addition to the provision for loan losses amounted to €134 million, or 14 basis points of average customer lending, down from €169 million in 2023. Risk costs for mortgages and consumer lending declined while risk costs for business lending were stable.

Retail Germany

The result before tax for Retail Germany was €1,455 million, a decline of 19% year-on-year, which was mainly due to lower income from liabilities.

Net interest income decreased 7.5% to €2,647 million, as higher client rates on savings led to a narrowing of the liability margin in comparison to the elevated levels we had seen in 2023. This was partly offset by volume growth in both lending and deposits.

Net fee and commission income increased 21% to €433 million, mainly fuelled by investment products, where we recorded a higher number of trades and exceeded the milestone of €100 billion in assets under management in 2024. The increase in fee income was also attributable to higher fees from daily banking and mortgage brokerage. Total investment and other income declined, reflecting lower Treasury-related income.

Net core lending growth (which excludes Treasury) was €4.4 billion. Next to €3.6 billion in mortgages we grew our other lending portfolio by €0.8 billion, with an increase in both our consumer lending and business lending portfolio.

Customer deposits (excluding Treasury) increased by €7.5 billion following a successful campaign to attract new savings and private customers, as well as a net inflow of €0.8 billion in Business Banking.

Operating expenses rose 4.8% to €1,303 million. Excluding €88 million of regulatory costs (down from €96 million in 2023) and €20 million of incidental items for restructuring costs and staff allowances recorded in 2023, cost growth was 7.8%. This was due to higher staff expenses and investments in business growth.

Net additions to loan loss provisions amounted to €149 million (14 basis points of average customer lending) and were primarily related to consumer lending.

Retail Other

Retail Other consists of the Other Challengers & Growth Markets. For Retail Other, result before tax increased 11% to €1,605 million, mainly thanks to higher income.

Total income rose 11% to €4,688 million. Net interest income was up 11% to €3,817 million, supported by growth in both lending and deposit volumes in all countries, coupled with higher margins on liabilities outside the eurozone. Net interest income in 2024 included a €-39 million impact from the Polish mortgage moratorium, following amendments to the regulation that offers some customers the right to suspend up to four instalment payments on their mortgage loan.

Net fee and commission income increased 17% to €609 million. This was driven by higher fees in daily banking, reflecting an increase in the number of customers and an updated pricing for payment packages, combined with higher fee income from investment products. Other income decreased due to lower Treasury-related income.

Net customer lending growth (adjusted for currency effects and Treasury) was €8.2 billion in 2024, with growth in all countries, but particularly in Australia, Poland, Spain and Italy. Net core deposits growth (also excluding currency impacts and Treasury) was €12.7 billion, primarily driven by net inflows in Poland, Spain and Australia.

Operating expenses in 2024 amounted to €2,792 million. Excluding regulatory costs (which were slightly up on 2023) and restructuring costs and impairments (€17 million in 2024 versus €36 million in 2023), expenses increased by 15%. This was due to inflationary pressure (particularly in Türkiye), higher client acquisition expenses and investments in further business growth.

The net addition to loan loss provisions was €291 million, or 26 basis points of average customer lending, compared with €313 million in 2023. Risk costs in 2024 were primarily attributable to net additions in Poland and Spain.Retail Banking had another excellent year, with a net result of €4,618 million, close to the record level achieved in 2023 (€4,667 million). The result before tax came out at €6,660 million.

Wholesale Banking

Wholesale Banking			
in EUR million	2024	2023	Change
Net interest income	3,259	4,028	-19%
Net fee and commission income	1,317	1,259	5%
Total investment and other income	2,405	1,771	36%
Total income	**6,981**	**7,057**	-1%
of which:			
Lending	3,278	3,224	2%
Daily Banking & Trade Finance	1,954	2,153	-9%
Financial Markets	1,417	1,280	11%
Treasury & Other	332	401	-17%
Total income	**6,981**	**7,057**	**-1%**
Expenses excl. regulatory costs	3,346	3,043	10%
Regulatory costs	212	271	-22%
Operating expenses	**3,558**	**3,313**	**7%**
Gross result	**3,423**	**3,744**	**-9%**
Addition to loan loss provisions	627	-92	
Result before taxation	**2,796**	**3,836**	**-27%**
Taxation	693	900	-23%
Non-controlling interests	35	61	-43%
Net result IFRS	**2,068**	**2,875**	**-28%**
Key figures			
Net core lending growth (in € billion)	1.8	-1.2	
Net core deposits growth (in € billion)	15.8	-7.9	
Cost/income ratio	51.0%	47.0%	
Risk costs in bps of average customer lending	33	-5	
Return on equity based on 12.5% CET1[1]	11.0%	15.4%	

1 After-tax return divided by average equity based on 12.5% of risk-weighted assets.

Wholesale Banking achieved a gross result of €3,423 million. Total income was resilient, supported by increased lending and deposit volumes and strong results in Financial Markets, which compensated for margin compression in Payments & Cash Management. Expenses rose, primarily due to the impact of collective labour agreements, inflation and investments in business growth and in our product foundations. We remained disciplined in capital management, with a modest increase of €1.9 billion in risk-weighted assets, fully due to the strengthening of the US dollar, and income over average risk-weighted assets was resilient at 458 basis points. The net result declined 28% to €2,068 million, mainly due to higher risk costs versus a net release in 2023. The return on equity came out at 11.0% in 2024.

Net core lending growth was €1.8 billion in 2024, with the increase being softened by loan sales and other ongoing efforts to optimise our capital usage. Net core deposits growth was €15.8 billion in 2024, mainly attributable to strategic initiatives in Payments & Cash Management and Money Markets.

Total income in 2024 amounted to €6,981 million and was almost stable year-on-year. Our focus on income diversification yielded positive results, as evidenced by higher income from Financial Markets and an increase in fee income. Our Capital Markets & Advisory business continued to grow, following investments to further build on our expertise. Income from Payments & Cash Management declined, reflecting lower margins.

Total income in Lending rose 1.7% to €3,278 million, with an increase in both net interest income and in fee income. We further optimised our capital efficiency and kept our risk-weighted assets flat despite the strengthening of the US dollar, leading to an improvement in income over average risk-weighted assets.

In Daily Banking & Trade Finance we were successful in attracting deposit balances. Income declined year-on-year, reflecting lower margins for Payments & Cash Management. This was partly offset by income growth for Trade Finance Services, on the back of higher margins and increased fee income.

Financial Markets had a strong year, with income increasing 11% to €1,417 million. This was primarily driven by increased Capital Markets issuance income and an enhanced performance in Global Securities Finance products.

Income from Treasury & Other declined, largely due to a lower remuneration on the ECB minimum reserve requirement, while Treasury had also benefited from the rapid increase in interest rates in 2023. This was coupled with lower results from Corporate Investments, and partly offset by a €70 million one-off income.

Total operating expenses increased 7.4% to €3,558 million. Regulatory costs were lower, mainly because no contribution to the eurozone's Single Resolution Fund was required in 2024. Excluding regulatory costs and incidental item costs (€10 million in 2024 versus €17 million in the year before), expenses increased 10%. This was due to the impact of collective labour agreements, inflation and front office growth in Capital Markets & Advisory and Transaction Services, as well as investments to enhance the digital customer experience and the scalability of our systems.

The net addition to loan loss provision amounted to €627 million in 2024 (33 basis points of average customer lending). This compares to a net release of €92 million in 2023, when €218 million of provisions for our Russia-related portfolio could be released, mainly due to a reduction of our exposure. Risk costs in 2024 were primarily related to individual Stage 3 provisioning. Additions for a number of unrelated files in Stage 3 were partly offset by releases from collective provisions in Stage 1 and 2 (including a partial release of management overlays).

Our leadership and corporate governance

Our leadership and corporate governance

Effective governance is essential for ING to realise its strategic ambitions and to safeguard the interests of customers and other stakeholders. Our leadership plays a pivotal role in this: the Supervisory Board (SB) supervises and advises the Management Board Banking (MBB) and oversees the activities of ING and the business connected with it.

We aim for a balanced composition of our SB and MBB, with the boards consisting of a diverse selection of people with knowledge, skills and executive experience, preferably gained in the banking sector, in large stock-listed companies and in the political and social environment in which such companies operate.

There should also be a balance of experience and affinity with the nature and culture of the business of ING. The boards play a role in setting and promoting the culture, underlying values and behaviours and code of conduct that all help to run our business in a way that contributes to sustainable long-term value creation for our customers, our people, our shareholders and society.

ING has a matrix structure combining hierarchical and functional lines that work together to achieve a common goal, with dedicated roles and responsibilities and mechanisms for delegation, decision making and escalation. ING's risk governance safeguards the functioning of the matrix structure and is based on the three lines of defence model, which has segregated duties and independent internal control functions.

Read more on ING's risk governance and three lines of defence in 'Risk management'.

Members of the Supervisory Board

Karl Guha (chairperson)
Born: 1964
Nationality: Dutch
Term expires: 2027

Karl was appointed chairperson of the SB at the General Meeting in April 2023. He started in July 2023.

Karl is chairperson of the Nomination and Corporate Governance Committee and member of the Remuneration Committee, the Risk Committee, the Audit Committee, the ESG Committee and the Technology & Operations Committee.

Former position:
CEO of Van Lanschot Kempen

Relevant CRD IV position(s)
- Chairperson of the SB
- Member of the supervisory board of SHV Holdings N.V.

Other ancillary positions
- Member of the supervisory board of Rijksmuseum Fonds

Mike Rees (vice-chairperson)
Born: 1956
Nationality: British
Term expires: 2027

Mike was appointed a member of the SB at the General Meeting in April 2019.

Mike is vice-chairperson of the SB, chairperson of the Risk Committee and member of the Nomination and Corporate Governance Committee and the Audit Committee.

Former position:
Deputy CEO of Standard Chartered Bank PLC.

Relevant CRD IV position(s)
- Vice-chairperson of the SB
- Non-executive chairperson of the board of directors of Travelex International Limited
- Non-executive chairperson of the board of directors of Midlands Mindforge

Other ancillary positions
- Non-executive chairperson of the board of directors of Mauritius Africa FinTech Hub

Juan Colombás
Born: 1962
Nationality: Spanish
Term expires: 2028

Juan was appointed a member of the SB at the General Meeting in April 2020. He started in October 2020.

Juan is chairperson of the Technology & Operations Committee and member of the Risk Committee, the Audit Committee and the ESG Committee.

Former position:
Chief operations officer and executive board member of the board of directors of Lloyds Banking Group

Relevant CRD IV position(s)
- Member of the SB
- Non-executive member of the board of directors of Azora Capital S.L.
- Non-executive chairperson of the board of directors of Bluserena Spa

Other ancillary positions
- Member of the global alumni advisory board of the Institute de Empresa (IE) Business School

Margarete Haase
Born: 1953
Nationality: Austrian
Term expires: 2025

Margarete was appointed a member of the SB at the General Meeting in May 2017.

Margarete is chairperson of the Audit Committee and member of the Risk Committee and the Remuneration Committee.

Former position:
CFO of Deutz AG

Relevant CRD IV position(s)
- Member of the SB
- Chairperson of the supervisory board of ams-OSRAM AG
- Member of the supervisory board of Fraport AG

Other ancillary positions
- Chairperson of the employers association of Kölnmetall
- Member of the German Corporate Governance Commission

Lodewijk Hijmans van den Bergh
Born: 1963
Nationality: Dutch
Term expires: 2025

Lodewijk was appointed a member of the SB at the General Meeting in April 2021.

Lodewijk is chairperson of the ESG Committee and member of the Risk Committee.

Former position:
Partner/member of the management committee of De Brauw Blackstone Westbroek N.V.

Relevant CRD IV position(s)
- Member of the SB
- Deputy chairperson of the supervisory board of HAL Holding N.V.
- Member of the supervisory board of Heineken N.V.

Other ancillary positions
- Chairperson of the board of Utrecht University Fund (the Netherlands)
- Chairperson of the executive committee of Vereniging Aegon

Herman Hulst
Born: 1955
Nationality: Dutch
Term expires: 2028

Herman was appointed a member of the SB at the General Meeting in April 2020.

Herman is member of the Audit Committee, the Risk Committee and the ESG Committee.

Former position:
Global vice-chairperson EY Japan

Relevant CRD IV position(s)
- Member of the SB

Other ancillary positions
- None

Harold Naus
Born: 1969
Nationality: Dutch
Term expires: 2028

Harold was appointed a member of the SB at the General Meeting in April 2020.

Harold is member of the Remuneration Committee, the Risk Committee and the Technology & Operations Committee.

Former position:
Global head of Trading Risk Management and general manager Market Risk of ING Bank

Relevant CRD IV position(s)
- Member of the SB
- CEO of Cardano Asset Management N.V.
- CEO of Cardano Risk Management B.V.
- Member of the executive board of Cardano Holding Limited

Other ancillary positions
- None

Alexandra Reich
Born: 1963
Nationality: Austrian
Term expires: 2027

Alexandra was appointed a member of the SB at the General Meeting in April 2023.

Alexandra is member of the Risk Committee, the Technology & Operations Committee and the ESG Committee.

Former position:
CEO of Telenor Thailand

Relevant CRD IV position(s)
- Member of the SB
- Member of the non-executive board of directors of Cellnex Telecom S.A.
- Member of the non-executive board of directors of Salt Mobile S.A.
- Member of the non-executive board of directors of DELTA Fiber

Other ancillary positions
- None

Herna Verhagen
Born: 1966
Nationality: Dutch
Term expires: 2027

Herna was appointed a member of the SB at the General Meeting in April 2019, and started in October 2019.

Herna is chairperson of the Remuneration Committee and member of the Nomination and Corporate Governance Committee.

Former position:
Member of the supervisory board of SNS Reaal N.V. (now: SRH N.V.)

Relevant CRD IV position(s)
- Member of the SB
- CEO of PostNL N.V.
- Member of the supervisory board of Koninklijke Philips N.V.

Other ancillary positions
- Member of the supervisory board of Het Concertgebouw N.V.
- Member of the advisory council of Goldschmeding Foundation

Members of the Management Board Banking

Steven van Rijswijk (CEO)
Born: 1970
Nationality: Dutch

Steven was appointed CEO and chairperson of this Board in July 2020. Prior to his appointment as CEO and chairperson of this Board, he was the chief risk officer.

Steven is responsible for ING's strategy including ESG and sustainability, decision-making, results, governance, culture, branding, reputation and people.

Relevant CRD IV position(s)
CEO and chairperson of the EB and the MBB

Other ancillary positions
- Member of the Management Board of the Nederlandse Vereniging van Banken (NVB)
- Member of the Cyber Security Council (CSR)

Tanate Phutrakul (CFO)
Born: 1965
Nationality: Thai

Tanate was appointed as chief financial officer and member of the Management Board Banking in February 2019.

Tanate is responsible for ING's financial strategy, budgeting, cost control and the financing of the company.

Relevant CRD IV position(s)
CFO and member of the EB and the MBB

Other ancillary positions
- None

Ljiljana Čortan (CRO)
Born: 1971
Nationality: Croatian

Ljiijana was appointed as chief risk officer and a member of the Management Board Banking effective January 2021.

Ljiijana is responsible for ING's risk activities including formulating our risk framework and risk appetite, risk culture and awareness, risk governance and policies and compliance.

Relevant CRD IV position(s)
CRO and member of the EB and the MBB

Other ancillary positions
- None

Pinar Abay
Born: 1977
Nationality: Turkish

Pinar was appointed a member of the Management Board Banking in January 2020. She is also head of Retail, Market Leaders and Challengers & Growth Markets. She was appointed as non-executive member of the board of ING in Belgium in March 2021 and was chairperson of that board from May 2022 until December 2023. In May 2023, Pinar was appointed a member of the supervisory board of ING-DiBa AG.

Pinar is responsible for defining strategy and priorities for global retail banking and driving performance, operations and compliance of retail, market leaders and challengers & growth markets.

Relevant CRD IV position(s)
Member of the MBB, non-executive member of the board of ING Belgium N.V./S.A., member of the supervisory board of ING-DiBa A.G. and member of the board of EPI Company SE

Other ancillary positions
- None

Andrew Bester
Born: 1965
Nationality: British/South African

Andrew was appointed a member of the Management Board Banking and head of Wholesale Banking in April 2021.

Andrew is responsible for ING's wholesale banking activities globally.

Relevant CRD IV position(s)
Member of the MBB

Other ancillary positions
- None

Marnix van Stiphout (COO)
Born: 1970
Nationality: Dutch

Marnix was appointed a member of the Management Board Banking and chief operations officer in September 2021.

Marnix is responsible for translating, overseeing and implementing ING's strategies into a strategy for the operations function.

Relevant CRD IV position(s)
Member of the MBB

Other ancillary positions
- None

Daniele Tonella (CTO)
Born: 1971
Nationality: Swiss

Daniele joined ING's Management Board Banking as chief technology officer on 5 August 2024.

Daniele is responsible for overseeing and managing the total IT landscape and advising on technology-driven business opportunities.

Relevant CRD IV position(s)
Member of the MBB

Other ancillary positions
- None

Supervisory Board report

This section contains the Supervisory Board report, with information on the meetings of the SB and its committees, attendance of SB members and the MBB and SB annual self-evaluation.

Meetings of the Supervisory Board

The Supervisory Board (SB) met 11 times in 2024 and focused in particular on growth, strategy, risk, geopolitical developments, people & succession, and operational and regulatory resilience. The Management Board Banking (MBB) were present at regular SB meetings. The SB also had sessions without the MBB when this was justified by the nature of the topics on the agenda. The purpose of these sessions and SB-only meetings is to allow the SB to reflect independently on and consider important matters in the absence of the MBB. The SB also had so-called 'Restricted SB meetings', with only the CEO attending, except when matters concerning the CEO were discussed. Topics addressed were primarily nomination- and remuneration- related matters such as target setting and performance assessments with, among others, additional attention for strategic and governance topics.

In regular SB meetings, ING staff and the internal and external auditors are frequently asked to provide presentations on specific topics. Examples of such topics are progress of ING's performance in the various countries and business lines, supervisory developments including the ECB's Supervisory Review and Evaluation Process (SREP), geopolitical developments, the financing of ING in accordance with ING's capital and liquidity adequacy, ING's dividend and distribution policy, ING's financials, investor relations updates, strategy including M&A ambitions, risk appetite, audit plans, ING's risk culture and regulatory themes with a global ING scope, such as ESG-related matters, operational resilience, IT, cybersecurity and ransomware and the use of (generative) artificial intelligence.

The SB was also informed throughout the year of potential financial, non-financial and compliance risks for ING, including the political and economic developments in various countries and regions, climate- and ESG-related risks, cybersecurity and ransomware. The year 2024 was marked by continued uncertain market conditions and geopolitical tensions, against a backdrop of deglobalisation and geographic shifts in cross-border trade. The operating environment was challenged by a struggling global economy, decreasing interest rates, tightening monetary conditions and elections in various countries. The SB closely monitored those macroeconomic developments in 2024 and discussed the potential consequences for ING's operations.

With respect to ING's strategy, the SB regularly discusses intent and execution with the CEO. The SB challenges and advises on the strategy and priority setting. In June 2024, ING hosted a Capital Markets Day (CMD), where it presented the next phase of its strategy. The SB had an active and continuous dialogue with the EB and MBB in the preparation for the CMD. Under the headline 'Growing the difference', ING presented its ambition to be the best European bank by accelerating growth, increasing impact and delivering value. For more, see 'Our strategy'.

As one of the key enablers of ING's strategy, the SB closely monitored progress related to scalable technology and operations. The aim is to achieve scalable technology and operations that provide for a superior customer experience, while preventing technological failures, resolving the issues that do occur and addressing their root causes. The SB has a general and continuous focus on operational resilience. In addition to the updates on operational resilience, the SB regularly discussed the availability and reliability of ING's channels, including how (senior) management addressed any setbacks. Not only do scalable technology and operations require available and reliable channels, they also require systems that are safe for use for clients and employees. For that reason, cybersecurity warranted further attention in 2024.

Another core pillar of ING's strategy is putting sustainability at the heart of what we do. The management of climate and ESG risks is a priority. ING's focus on climate action and the 'Terra' approach were discussion items. The SB oversees these topics and challenges where necessary. Apart from this, ESG-related matters, including sustainability and climate risk, are intertwined in many other discussions and topics.

In addition to reviews by the SB of the composition and succession planning of the SB and MBB, the SB also discussed broader people development and diversity and inclusion matters. This included topics such as the organisational health within ING and a strategic session on 'Unlocking our people's full potential', which is a critical enabler of ING's strategy, and should ensure an inclusive culture where everyone has the opportunity to develop and have impact for ING's customers and society. In the SB's discussions with HR and MBB, the focus is on talent and leadership, culture and organisation, including the bank-wide diversity and inclusion approach, and on operational excellence. Plans to develop, attract and retain diverse talent have been part of those discussions, as well as gender diversity targets.

The SB discusses and reconfirms all of its members' outside positions on an annual basis. In addition, it discusses any intended outside positions and assesses if such positions can be approved while safeguarding the level of engagement.

Attendance of SB members

The attendance rates in 2024 of SB members for SB and SB committee meetings, as well as the number of meetings held, are listed in the following table. The continued high attendance demonstrates that SB members are engaged with ING and are able to devote sufficient time and attention to overseeing its affairs.

SB attendance 2024[1,2]

	SB	RiCo[3]	AC	NCGcom[4]	RemCo	ESGcom	T&Ocom
Karl Guha (chairperson)	11/11	6/6	7/7	11/11	7/7	4/4	3/3
Mike Rees (vice-chairperson)	11/11	6/6	6/7	11/11			
Juan Colombás	11/11	6/6	7/7		4/4[7]	4/4	3/3
Margarete Haase	11/11	6/6	7/7		3/3[7]		
Lodewijk Hijmans van den Bergh	11/11	6/6				4/4	
Herman Hulst	11/11	6/6	7/7			4/4	
Harold Naus	11/11	6/6			7/7		3/3
Alexandra Reich	11/11	6/6				4/4	3/3
Herna Verhagen[5]	11/11			11/11	7/7		
Total attendance[6]	**100%**	**100%**	**97%**	**100%**	**100%**	**100%**	**100%**

1 This SB attendance overview shows the SB (committee) meetings that took place during the year. In addition to these meetings, there were 10 Restricted SB meetings in 2024 in view of nomination and remuneration matters, with a total attendance rate of 98 percent. These are not shown separately in the overview for year-on-year, like-for-like comparison purposes.
2 Abbreviations used: RiCo = Risk Committee, AC = Audit Committee, NCGcom = Nomination and Corporate Governance Committee, RemCo = Remuneration Committee, ESGcom = ESG Committee; T&Ocom = Technology & Operations Committee
3 In addition to the six regular RiCo meetings, in 2024, two RiCo meetings were held in combination with the RemCo on remuneration matters that also required a risk view.
4 In 2024, one NCGcom meeting was held in combination with the RemCo.
5 Herna Verhagen participated twice in a RiCo meeting in combination with the RemCo.
6 The numbers exclude SB observers, if any. If SB members cannot join a meeting they will always receive the meeting materials prior to the meetings to allow them to provide feedback.
7 Margarete Haase replaced Juan Colombás as a member of the RemCo as of 1 July 2024. Their attendance is shown relative to their tenure.

In addition to the information included in this SB report, information on the SB can be found in 'Our leadership' and 'Corporate governance'.

SB committee meetings and composition

There are currently six SB committees: the Risk Committee, the Audit Committee, the Nomination and Corporate Governance Committee, the Remuneration Committee, the ESG Committee and the Technology and Operations Committee. In general, SB committee meetings take place prior to the SB meetings. The committees report to the SB on their deliberations and findings, prepare discussion and decision items, and thereby play a significant role in supporting the SB in its oversight and supervisory activities, allowing it to operate effectively. As such, all relevant items discussed by the committees were reported to the SB, with the SB approving those items as required from a governance perspective.

There was frequent interaction between the chairpersons of the relevant SB committees and the members of the MBB to ensure that everyone was up to date on the most recent developments. Furthermore, the chairpersons of the Risk Committee and the Audit Committee continued their informal interaction with the chairpersons of the local risk and audit committees of ING's five largest subsidiaries to enrich the SB dialogue.

To manage each of the committees' annual cycle of work and potential committee interdependencies, each committee has drawn up an annual work plan that is reviewed and updated throughout the year for priority-setting and forward-looking purposes. These plans all feed into the SB's annual meeting cycle.

Composition of the SB committees on 31 December 2024

Supervisory Board	Risk Committee	Audit Committee	Nomination and Corporate Governance Committee	Remuneration Committee	ESG Committee	Technology & Operations Committee
Karl Guha (chairperson)	Member	Member	Chairperson	Member	Member	Member
Mike Rees (vice-chairperson)	Chairperson	Member	Member	—	—	—
Juan Colombás	Member	Member	—	—	Member	Chairperson
Margarete Haase	Member	Chairperson	—	Member	—	
Lodewijk Hijmans van den Bergh	Member	—	—	—	Chairperson	—
Herman Hulst	Member	Member	—	—	Member	—
Harold Naus	Member	—	—	Member	—	Member
Alexandra Reich	Member	—	—	—	Member	Member
Herna Verhagen	—	—	Member	Chairperson	—	—

Risk Committee

The Risk Committee met eight times in 2024, and two of these meetings were combined with the Remuneration Committee to address remuneration-related proposals that include risk methodology elements, such as those relating to the Variable Remuneration Accrual Model (VRAM) (see also 'Remuneration Committee'). Eight out of the nine SB members are member of the Risk Committee, due to the continued importance of risk and how this is managed and supervised.

The Risk Committee assists and advises the SB with the performance of its duties in relation to overseeing the setting and monitoring of ING's risk appetite and risk strategy for all types of risk, including but not limited to financial, non-financial and compliance risk, the effectiveness of the internal risk management and control systems and other related risk management topics.

At each quarterly Risk Committee meeting financial and model risks, non-financial risks and compliance risks were discussed. This included the status of ING's accompanying metrics, such as for risks in the areas of solvency, liquidity and funding, credit, country, market, IT, non-financial risk and compliance. The discussions were supported by different analyses conducted on the macroeconomic and geopolitical impact and the changing interest rate environment on ING's credit portfolio, capital and liquidity position, and updates on credit developments in certain countries and portfolios. The non-financial and compliance risk discussions were supported by updates of the bank-wide KYC enhancement and maturity efforts, a variety of topical dashboards such as on IT (risk), cybersecurity, sourcing, data quality and data privacy (including GDPR) and the status of implementation of related regulatory programmes. The Risk Committee also regularly discussed the status of reported whistleblower concerns, the annual review of the Risk Appetite Framework and reviewed and discussed the annual update to ING's Recovery Plan.

Thematic sessions were organised on a variety of topics to focus specifically on themes that needed further attention and/or are forward looking with respect to emerging risks and developments. Also, five deep dives were organised for the Risk Committee in 2024 to contribute to a more in-depth understanding of, among others, ING's risk models and climate and environmental risk management in ING.

Read more on how ING manages its risks in 'Risk management'.

Audit Committee

The Audit Committee met seven times in 2024. The Audit Committee assists and advises the SB with the performance of its duties in relation to the integrity and quality of ING's financial and non-financial reporting and the effectiveness of ING's internal risk management and control systems in relation to financial reporting.

The Audit Committee addressed, among other things, the following recurring topics:

- Financial reporting, including the interim accounts and the financial statements and the Annual Report;
- Judgmental accounting topics;
- Key audit matters, as included in the auditors' reports;
- The external auditor's audit plan, engagement letters, independence reporting and fees;
- The overall internal control environment, the internal controls over financial reporting, the internal and external auditor reports;
- The internal audit plan and the review of the internal audit function;
- Matters related to the financing of the company, including the assessment of ING's capital and liquidity position; and
- ING's dividend and distribution policy.

Specific attention was paid to, among other things, the following topics:

- A review of interest rate sensitivity of ING's balance sheet;
- IFRS 9, ESG-disclosures;
- CSDDD and CSRD. These topics were discussed as a combined session with the ESG Committee; and
- Transition process towards the newly appointed external auditor as of reporting year 2026.

To properly prepare for the regular Audit Committee meetings, the chairperson of the Audit Committee held separate sessions with the external auditor, the general manager of the internal audit department, the chief financial officer and the group controller. The chairperson also met with various senior managers.

Directly following the Audit Committee meetings, the members of the Audit Committee met in a closed meeting with the internal and external auditors to seek confirmation that all relevant topics were discussed in the Audit Committee meetings.

Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee met 12 times in 2024. The Nomination and Corporate Governance Committee assists the SB in performing its duties, including the selection and nomination of members for the SB and MBB, as well as overseeing talent management and the effectiveness of ING's governance arrangements.

With regard to nomination-related matters, ING aims to ensure that all of its boards are, at all times, adequately composed to perform their duties. As its standard practice, the Nomination and Corporate Governance Committee therefore discusses the performance of the individual members of the MBB (also serving as input to the Remuneration Committee), MBB and SB composition, bench strength and medium- to long-term succession planning. A continuing conversation on MBB succession planning is facilitated by the chief human resources officer as part of the regular Nomination and Corporate Governance Committee meetings in the form of deep dives by function and business line.

When selecting suitable board succession candidates, there are various aspects to take into account regarding the board composition, such as regulatory requirements, suitability considerations, banking and other industry knowledge, outside positions, independence, potential conflicts of interest and availability. Also considered are the minimum and optimal size of a board and diversity aspects, such as how to arrive at an appropriate balance in its representation of regions, age, gender, knowledge and expertise. The generic profiles of the SB aim to capture these elements. The profiles can be found on ing.com. Find more on the boards' composition in the 'Composition of the Management Board Banking and Supervisory Board' and in the Diversity and Competence Matrix.

The Nomination and Corporate Governance Committee also focuses on ING's broader talent and succession planning in view of bench strength and diversity at higher management levels, with selected key roles receiving dedicated attention. This is done by taking into account ING's diversity policy and by accelerating refreshment where possible without jeopardising business continuity. The diversity policy is published on ing.com. The committee also holds periodic conversations outside of its regular meetings with internal talented individuals who are considered to have the potential to assume more senior and complex roles in the organisation over time. The results of these conversations feed into the individuals' coaching and development plans.

With regard to corporate governance, the Nomination and Corporate Governance Committee discussed among other things the suitability frameworks and procedures and their global implementation, ING's Governance Framework as well as organisational effectiveness, annual updates to the corporate board charters and ING's decision structure.

Remuneration Committee

The Remuneration Committee met seven times in 2024. The Remuneration Committee assists the SB with the performance of its duties in relation to remuneration, the remuneration policies and their application and compliance. In doing so, the Remuneration Committee takes into account the adequacy of information provided to shareholders on remuneration policies and practices.

As an annual recurring topic, the Remuneration Committee reviewed the remuneration report by way of benchmarking and alignment to shareholder expectations in order to further improve it. In addition, the Remuneration Committee discussed the progress and performance on the annual targets set for the MBB, the SB remuneration policy update, SB remuneration matters including the benchmarking results, the identified staff and high earner-related remuneration matters based on ING's remuneration governance structure, the variable remuneration and the application of ING's accompanying VRAM and updates to ING's Remuneration Regulations Framework.

ESG Committee

The ESG Committee was established in 2022 as an ad hoc committee. In 2024, the SB resolved to make the ESG Committee a permanent committee. The ESG Committee met four times in 2024.

The ESG Committee assists the SB with matters relating to the various areas of ESG, including but not limited to, the development of ESG and its integration in the company and its strategy and ESG-related disclosures, reporting and assurance (the latter together with the Audit Committee). In addition, the ESG Committee assists the SB by monitoring and advising on potential impediments as well as relevant trends and developments on 'environmental', 'social' and 'governance' topics and how to connect them with ING's response, actions and targets on the basis of ING's ESG dashboard.

In 2024, the ESG Committee discussed, among other things ESG strategy updates, ESG dilemmas, progress of sustainability targets and ING's Climate Progress Update 2024, which explains how ING's financing impacts climate change. It includes ING's progress on steering the most carbon-intensive sectors in its loan portfolio towards global climate goals (Terra approach) and how ING engages with clients to help them in their transitions. The ESG Committee monitored this progress.

Given the dynamic and continuously evolving nature of ESG, deep dives were held to contribute to a more in-depth understanding on certain topics, for example on net-zero housing.

Technology and Operations Committee

In the second quarter of 2024, the SB established a Technology and Operations Committee. The Technology and Operations Committee assists the SB in relation to oversight of ING's use of technology. This includes the technology strategy, major technology initiatives and programmes and other technology and operations related topics.

The Technology and Operations Committee met three times in 2024 and discussed, among other things the implementation of the Digital Operational Resilience Act within ING, ING's data centre strategy, developments around the ING Hubs and ING's generative artificial intelligence (GenAI) programme and in particular the use of GenAI within KYC. The Technology and Operations Committee was also provided with an outside-in view on quantum computing.

Continuous dialogue with stakeholders

The SB acknowledges the responsibility it has in view of ING's role in society to consider and balance the interests of ING's customers and other stakeholders of ING. It makes sure to take this into account in its oversight of the delivery on the strategic priorities.

At ING, we seek out open dialogue and maintain continuous interaction with our stakeholders, responding to their views and concerns, to drive increased collaboration. We aim to strike a balance between the interests of all stakeholders, including customers, shareholders, employees, regulators, supervisors and society at large. In 2024, the SB had periodic conversations with various stakeholders, including our clients and shareholders, employees, supervisors and the MBB. The SB exercised its oversight role, which aimed to ensure that actions resulting from these conversations were embedded in the organisation and were followed up effectively. Examples of topics covered in 2024 in this respect are cybersecurity, availability and reliability of ING's channels, use of generative artificial intelligence, climate risks and other ESG-related topics.

The dialogue between ING and external supervisors and regulators was a regular agenda item for the SB throughout the year. This included several discussions between the SB and MBB on the results of and follow-up to the annual SREP, through which the ECB aims to promote a resilient banking system as a prerequisite for a sustainable and sound financing of the economy. The SREP involves a comprehensive assessment of banks' strategies, processes and risks, and takes a forward-looking view to determine how much capital each bank needs to cover its risks.

Permanent education and other knowledge sessions

To further strengthen their knowledge, continuous learning is organised for the SB and MBB in combined sessions. Board members participate in permanent education sessions to exchange knowledge and information on a regular basis with ING's business and external experts. The sessions are aimed at keeping the board up to date on ING-relevant knowledge, skills and expertise and at increasing the understanding of and engagement with ING's business operations and stakeholders.

For 2024, a balance was sought in the specific topics of the sessions in which at least one of the following elements are covered: (i) outside-in views, (ii) new developments relevant for ING and (iii) ongoing topics within ING requiring a more in-depth view. Sessions were organised on the following subjects: a range of strategic topics, market developments, energy transition and climate change, geopolitical updates, operational resilience and technology related topics including artificial intelligence.

In addition to the permanent education sessions, the SB committees held deep dives which are sessions tailored to their respective areas of oversight. Deep dives are technical discussions that contribute to a more in-depth understanding of key topics in the remit of the respective committee.

As part of the annual business visit, the entire SB, together with the MBB, visited the ING locations in Spain and Italy in September 2024. This visit allowed the board members to get a better understanding of local clients, business challenges and the country-specific market opportunities, also contributing to a better mutual understanding and alignment on what matters most to ING and its stakeholders.

The various educational sessions and the business visits provided opportunities for SB members to interact with senior management, subject-matter experts and local talent.

Management Board Banking and Supervisory Board annual collective self-evaluation

In 2024 the MBB and SB conducted the annual collective self-evaluation. This was facilitated by an independent external party and with anonymous input from frequent attendees to the respective MBB and SB meetings.

Approach

During the October 2024 meetings, the MBB and SB discussed and approved the annual collective self-evaluation process and design for 2025. In December 2024, input was gathered from the MBB and SB members and a group of frequent attendees. This, together with the outcome of the 2024 mid-year review, the bilateral interactions between MBB members and the interaction of the SB chairperson with individual SB members, formed the basis for the collective MBB and SB self-evaluation dialogue in January 2025. During this dialogue the MBB and SB determined their collective positive points to maintain and its 2025 priorities for further improvement. This forms part of the MBB's and SB's practice to regularly deliberate on its collective performance i.e. towards year-end, halfway through the year and at the start of the year.

Results Management Board Banking

The MBB's collective dialogue centred around the following questions:
1. Positive points: are the positive points previously identified still valid? Where has the MBB further improved?
2. Priorities to improve: what would be the priority areas the MBB needs to further improve in 2025?

The MBB's agreed priorities for 2024 included:
1. (i) strategy and performance: when discussing strategy and performance continue to strengthen external insights and data; and (ii) people and talent: continue focus on attraction, development and retention of diverse talent to strengthen talent pipelines.
2. (i) consider opportunities to further enhance strategic focus of meeting agendas, managing the volume of operational reviews, with deep dives on priority areas where needed; (ii) continue to focus on developing MBB team dynamics; and (iii) continue to prioritise content of meeting agendas.

During 2024, the MBB addressed the above and, where applicable, embedded enhancements in its standard working practice. Item 1(i) was addressed by bringing enhanced insights into discussions, also in preparation for Capital Markets Day 2024, and by holding dedicated sessions on key topics (e.g. geopolitics, AI/Gen AI), which remains a priority for 2025. Item 1(ii) was addressed by significantly increasing focus on talent management with dedicated sessions, and increased engagement with the SB on talent and succession planning. Items 2(i) and 2(iii) were addressed by enhanced strategic focus of board agendas and quality of content. Item 2(ii) was addressed by investing time in team dynamics and effective onboarding of a new chief technology officer.

Looking ahead, the MBB concluded that several priorities of 2024 are still relevant. Consequently, in 2025 the MBB will continue to focus its attention on:

- external environment (including threats and opportunities) with specific focus on competition and digital developments, as well as broader macroeconomic and geopolitical trends;
- customers and relevant developments;
- strategy and growth opportunities, ensuring the organisation has appropriate structure and capacity to scale; and
- people and talent to enhance bench strength.

The MBB agreed to a number of specific actions for 2025 to contribute to its performance, such as:
1. Strategy and growth: continue to enhance strategic focus of meeting agendas.
2. Education/professional development: dedicated sessions to provide outside-in perspectives, including technology updates on key topics.

The MBB is of the opinion that the above contributes to ING delivering on its ambitions to keep transforming in line with the strategy.

Results Supervisory Board

The SB's collective dialogue was centred around the following questions:
1. Positive points: are the positive points previously identified still valid? Where has the SB further improved?
2. Priorities to improve: what would be the priority areas the SB needs to further improve in 2025?

The SB's agreed priorities for 2024 included:
1. (i) continue to improve the workings and effectiveness of the SB and its committees; and (ii) continue with the focus on business, market and (geo)political developments as well as stakeholder engagement.
2. (i) further enhance the SB's effectiveness in ING's people and talent management process including the talent pipeline; and (ii) continued attention to succession and composition of the SB, EB and MBB.

The results of the review were positive overall and compared to previous years, various positive points are still valid. The following points were identified:

- SB effectiveness at overseeing, challenging and advising the EB and MBB;
- SB composition including the interface between the Committees and the SB;
- Effective decision making through SB dialogues and interactions with the EB and MBB;
- Oversight of risk including the monitoring of macroeconomic and geopolitical developments;
- Continued focus on ESG and increased focus on technology; and
- Taking into account the views of key stakeholders.

Compared to previous years, it was concluded that some priorities are still relevant and require further attention during 2025. The following points were identified:

- Continued focus on key topics with specific attention for strategy, governance, leadership & people, (geo)political developments and digital & data;
- Continue to improve the workings and effectiveness of the SB and its committees; and
- Further improve the quality of board meeting materials through more focused and concise materials.

Key priorities for the coming year were identified as follows:

- Further deepen the focus on strategy and business performance including customer dimension and the monitoring of the competitive environment;
- Increase the focus on technology and digitalisation;
- Further enhance SB oversight on governance; and
- Maintain the focus on people and talent including EB/MBB succession planning – with an eye on longer-term strategy and ING's ambitions.

Overall, the SB agreed to a number of specific actions for 2025 to contribute to its performance:

1. Enhance the effectiveness of oversight by performing a periodic review of ING's governance model and corporate structure.
2. Increase oversight in strategic focus related to technology and digitalisation through its newly formed Technology & Operations Committee.
3. Deepen the SB's views on key topics by including additional external insights.

The SB is of the opinion that the above contributes to overseeing and constructively challenging ING in its strategic ambitions.

Composition of the Management Board Banking and Supervisory Board

ING aims to ensure that the boards are – at all times – adequately composed to perform their duties. ING believes that over 2024 its boards were well composed and balanced. At the 2024 General Meeting, the SB proposed to shareholders to reappoint Juan Colombás, Herman Hulst and Harold Naus. These proposals were approved. On 5 August 2024, Daniele Tonella became the Chief Technology Officer of ING Bank N.V. and a member of the MBB. Daniele Tonella succeeded Marnix van Stiphout who held the role ad interim since 1 November 2023, in addition to his role as Chief Operations Officer.

The Nomination and Corporate Governance Committee and the SB will continue to strive for an adequate and balanced composition of the SB when selecting and nominating new members for appointment, taking into account ING's diversity policy and other factors. Read more in 'Corporate governance' on the composition of the SB.

Diversity and competence matrix

Please note the following:

- The purpose of this matrix is to provide an overview on the experience and competencies that ING considers to be the most relevant for its stakeholders.
- The matrix represents the extent to which ING's board members have such experience and competencies (either developed already before joining ING and/or during their position(s) at ING).
- The content of the matrix is subject to change in light of ING's continually changing situation, markets and environment.
- For the appointments of new board members, all relevant competencies are also shared with ING's supervisors DNB/ECB based on their standard suitability matrix to assess the collective competence of members of the management/supervisory body.

Management Board (MBB)

	Diversity			Competences							
	Year of birth	Gender	Nationality	Executive experience	International experience	Banking	Finance/audit	Risk	Operations	IT & Cybersecurity	ESG
Steven van Rijswijk CEO	1970	Male	Dutch	⊛	●	⊛	⊛	⊛	●	●	⊛
Tanate Phutrakul CFO	1965	Male	Thai	⊛	⊛	⊛	⊛	●	●	●	●
Ljiljana Čortan CRO	1971	Female	Croatian	⊛	⊛	⊛	●	⊛	●	●	●
Pinar Abay Head of Retail, Market Leaders and Challengers & Growth Markets	1977	Female	Turkish	⊛	⊛	⊛	●	●	⊛	●	●
Andrew Bester Head of Wholesale Banking	1965	Male	British/ South African	⊛	⊛	⊛	⊛	●	⊛	●	⊛
Marnix van Stiphout Chief operations officer, chief transformation officer	1970	Male	Dutch	⊛	●	⊛	●	●	⊛	⊛	●
Daniele Tonella CTO	1971	Male	Swiss	⊛	⊛	⊛	●	●	⊛	⊛	●

● Meets the required knowledge/experience criteria for the role and it implies the capacity to take educated decisions on the relevant matters

⊛ In addition is considered an expert in relation to previous or current roles

MBB

7 Board Members

6 Nationalities

28% Female

54 Average age

3.5 Average board tenure (years)

Supervisory Board

	Diversity			Competences							
	Year of birth	Gender	Nationality	Executive experience	International experience	Banking	Finance/audit	Risk	Operations	IT & Cybersecurity	ESG
Karl Guha Chairperson	1964	Male	Dutch	⊛	⊛	⊛	⊛	⊛	⊛	●	⊛
Mike Rees Vice-chairperson	1956	Male	British	⊛	⊛	⊛	⊛	⊛	●	⊛	●
Juan Colombás	1962	Male	Spanish	⊛	⊛	⊛	⊛	⊛	⊛	⊛	●
Margarete Haase	1953	Female	Austrian	⊛	⊛	⊛	⊛	●	⊛	●	●
Lodewijk Hijmans van den Bergh	1963	Male	Dutch	⊛	⊛	●	●	●	●	●	⊛
Herman Hulst	1955	Male	Dutch	⊛	⊛	●	⊛	●	●	●	●
Harold Naus	1969	Male	Dutch	⊛	●	⊛	●	⊛	●	●	●
Alexandra Reich	1963	Female	Austrian	⊛	⊛	●	●	●	⊛	⊛	⊛
Herna Verhagen	1966	Female	Dutch	⊛	●	●	●	●	⊛	⊛	⊛

(*) As defined by the Dutch Corporate Governance Code

● Meets required knowledge/experience criteria for the role and it implies the capacity to take educated decisions on the relevant matters

⊛ In addition is considered an expert in relation to previous or current roles

SB

9 Board members

62 Average age

4 Nationalities

4 Average board tenure (years)

33% Female

100% Independent board members*

Appreciation for management and employees

The SB would like to thank the management and the employees for their hard work and collaboration to drive growth and deliver value for all stakeholders during the year. ING delivered a strong financial performance in 2024, despite the uncertain economic and volatile geopolitical circumstances.

The business made significant progress with the implementation of the next phase of the strategy, Growing the difference. The SB would like to express its sincere appreciation to all for their relentless focus and dedication and its confidence in our collective ability to navigate challenges and seize opportunities in 2025.

Amsterdam, 3 March 2025

Corporate governance

This section comprises ING Bank N.V.'s Corporate Governance Statement, together with the paragraph 'Unlocking our people's full potential', the below-mentioned booklets and other parts of this Annual Report to which reference is made in the booklets, comprise the corporate governance statement referred to in section 2a of the Dutch Decree on information in the management board report (Besluit inhoud bestuursverslag).

Dutch Banking Code

The Dutch Banking Code is applied by ING Bank N.V. (ING Bank). The application by ING Bank is described in the booklet 'Application of the Dutch Banking Code by ING Bank (FY2024)', 6 March 2025, available on ing.com. This is to be read in conjunction with and deemed to be incorporated in the Annual Report of ING Bank. The Banking Code can be downloaded from the website nvb.nl/English/.

Financial reporting

As ING Bank is a consolidated subsidiary of ING Groep N.V. (ING Group), its policies and procedures for establishing and maintaining adequate internal control over financial reporting are the same as those applied by ING Group for its consolidated financial statements with respect to ING Bank and the entities included in the latter's own consolidated financial statements.

ING's internal control over financial reporting is a process designed under the supervision of our principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

ING's internal controls over financial reporting include those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ING;
- Provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorisations of our management and directors; and
- Provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use or disposition of assets that could have material effect on the financial statements.

ING has a process in place where, under the supervision and with the participation of the CEO and CFO, the effectiveness of internal control over financial reporting is evaluated, based on the criteria of the Committee of Sponsoring Organisations of the Treadway Commission in Internal Reporting (COSO) - Integrated Framework (2013 Framework).

Supervisory Board composition

ING aims to have an adequate and balanced composition of its Supervisory Board, with a mix 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 Supervisory Board members, ING strives for a balance in nationality, gender, age, 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.

The Supervisory Board is responsible for selecting and nominating candidates for appointment or reappointment to the Supervisory Board, among others based on the Supervisory Board profile, which is available on ing.com. The Supervisory Board regularly assesses the composition of the Supervisory Board.

In 2024, three out of nine members of the Supervisory Board were female. ING believes the Supervisory Board is well-balanced in terms of other relevant diversity aspects. Overall, the preferred emphasis on members with a financial or banking background has been maintained. In terms of nationality, the ratio between Dutch and non-Dutch nationalities in 2024 was 56 - 44%.

Relevant positions pursuant to CRD IV

Members of the Supervisory Board may hold other positions, including directorships, either paid or unpaid. The Capital Requirements Directive 4 (CRD IV) restricts the total number of supervisory board positions or non-executive directorships with predominantly commercial organisations that may be held by a Supervisory Board member to four, or to two, if the Supervisory Board member also has an executive board position. The ECB may, under special circumstances, permit a Supervisory Board member to fulfil an additional supervisory board position or non-executive directorship. Positions with, inter alia, subsidiaries or qualified holdings are not taken into account in the application of these restrictions. Such positions may not conflict with the interests of ING Bank. It is the responsibility of the individual member of the Supervisory

Board and the Supervisory Board collectively to ensure that the directorship duties are performed properly and are not affected by any other positions that the individual may hold outside ING Bank.

Information on the members of the Supervisory Board

Reference is made to the Our leadership section for information on the members of the Supervisory Board, which information is deemed incorporated by reference. Also read more about the composition and duties of the Supervisory Board and its committees in the Supervisory Board report and on ing.com.

Management Board Banking composition

ING aims to have an adequate and balanced composition of its Management Board Banking, 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 addition, there should be a balance of experience and affinity with the nature and culture of the business of ING. Factors such as nationality, gender, age and education are also taken into account for the composition of the Management Board Banking.

The Supervisory Board regularly assesses the composition of the Management Board Banking.

The Gender Diversity Act, which came into force in the Netherlands on 1 January 2022, requires ING Group to set appropriate and ambitious targets for gender diversity in its Executive Board and senior management. ING Group has given effect to that obligation on behalf of ING Bank. ING Group considers the Management Board Banking to be part of this senior management for which the target for gender diversity is set at at least 30% by 2025. See more information on diversity, including on gender diversity in senior management, in the paragraphs on Unlocking our people's full potential in 'How we are making the difference'.

Relevant positions pursuant to CRD IV

Members of the Management Board Banking may hold other positions, including directorships, either paid or unpaid. CRD IV restricts the total number of supervisory board positions or non-executive directorships with predominantly commercial organisations that may be held by a Management Board Banking member to two. Positions with, inter alia, subsidiaries or qualified holdings are not taken into account in the application of these restrictions. Such positions may not conflict with the interests of ING Bank.

Information on the members of the Management Board Banking

Reference is made to the Our leadership and corporate governance section for information on the members of the Management Board Banking, which information is deemed incorporated by reference.

Conformity statement

The Management Board Banking is required to prepare the Financial Statements and the Annual Report of ING Bank N.V. for each financial year in accordance with applicable Dutch law and those International Financial Reporting Standards (IFRS) that were endorsed by the European Union.

Conformity statement pursuant to section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

The Management Board Banking is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable. It is also responsible for establishing and maintaining internal procedures to ensure that all major financial information is known to the Management Board Banking, so that the timeliness, completeness and correctness of the external financial reporting are assured.

As required by section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act, each of the signatories hereby confirms that to the best of his knowledge:

- the ING Bank N.V. 2024 Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of ING Bank N.V. and the enterprises included in the consolidation taken as a whole; and
- the ING Bank N.V. 2024 Annual Report gives a true and fair view of the position at the balance sheet date, the development and performance of the business during the financial year 2024 of ING Bank and the enterprises included in the consolidation taken as a whole, together with a description of the principal risks ING Bank N.V. is being confronted with.

Amsterdam, 3 March 2025

The Management Board Banking

S.J.A. (Steven) van Rijswijk
CEO, chairperson of the Management Board Banking

T. (Tanate) Phutrakul
CFO

L. (Ljiljana) Čortan
CRO

P. (Pinar) Abay
Head of Retail, Market Leaders and Challengers & Growth Markets

A.J.M. (Andrew) Bester
Head of Wholesale Banking

M.A. (Marnix) Stiphout
Chief operations officer

D. (Daniele) Tonella
Chief technology officer


Capital
management

Capital management

ING's capital management strategy ensures sufficient capital to cover risks, including economic risks, at all levels and comply with local and global regulations, while delivering value for our shareholders and to support the commercial business activities to serve our client needs. ING's capital position remained strong despite the uncertain geopolitical environment. At both the consolidated and entity level, ING has sufficient buffers to withstand various stressed scenarios.

Capital management strategy

Group Treasury ("GT") is responsible for maintaining the adequate capitalisation of ING Group and ING Bank entities to manage the risk associated with ING's business activities. This involves not only managing, planning and allocating capital within ING Group, ING Bank and its various entities, but also executing necessary capital market transactions, term (capital) funding and risk management transactions. ING takes an integrated approach to assess the adequacy of its capital position in relation to its risk profile and operating environment. This means GT takes into account both regulatory and internal, economic-based metrics and requirements as well as the interests of key stakeholders, such as customers, shareholders and rating agencies.

ING applies the following main capital definitions:

- Common equity Tier 1 capital (CET1) is defined as shareholders' equity less regulatory adjustments. CET1 capital divided by risk-weighted assets equals the CET1 ratio.
- Tier 1 capital is defined as CET1 capital plus Additional Tier 1 (hybrid) securities and other regulatory adjustments. Tier 1 capital divided by risk-weighted assets equals the Tier 1 capital ratio.
- Total capital is Tier 1 capital plus subordinated Tier 2 liabilities and regulatory adjustments. Total capital divided by risk-weighted assets equals the Total capital ratio.
- ING's fully loaded CET1 ratio target is built on the CET1 requirements specified for ING, potential increase in the regulatory requirement of the countercyclical buffer, the potential impact of a standardised and pre-determined stress scenario and available mitigating actions, and general uncertainties.
- Leverage ratio (LR) is defined as Tier 1 capital divided by the leverage exposure

Processes for managing capital

GT aims to ensure adherence to ING's solvency risk appetite statements by capital planning and executing capital management transactions. The ongoing assessment and monitoring of capital adequacy is embedded in the capital planning process as part of the ICAAP framework. As part of the dynamic business planning process, ING prepares a capital and funding plan on a regular basis for all its material businesses, and continuously assesses the timing, need and feasibility for capital management actions in scope of its execution strategy. Sufficient financial flexibility should be preserved to meet important financial objectives. Risk appetite statements are at the foundation of the capital plan and are cascaded to the different businesses in line with ING's risk management framework. Contingency capital measures and early warning indicators are in place - in conjunction with ING's contingency and recovery plan - to support the strategy in times of stress.

Adverse planning and stress testing, which reflect the outcome of the annual risk assessment, are integral components of ING's risk and capital management framework. It allows us to (i) identify and assess potential vulnerabilities in ING's business model, business portfolios or operating environment; (ii) understand the sensitivities of the core assumptions used in ING's strategic and capital plan; and (iii) improve decision-making and business steering through balancing risk and return following a forward looking and prudent management approach.

Capital position as per 31 December 2024

ING Bank capital position according to CRR II / CRD V		
in € million	2024	2023
Shareholders' equity [1]	42,743	40,191
- Interim profits not included in CET 1 capital	0	-766
- Other adjustments	-2,146	-1,029
Regulatory adjustments	-2,146	-1,795
Available common equity Tier 1 capital	**40,597**	**38,396**
Additional Tier 1 securities	7,967	6,962
Regulatory adjustments additional Tier 1	106	86
Available Tier 1 capital	**48,671**	**45,444**
Supplementary capital Tier 2 bonds [2]	9,853	9,115
Regulatory adjustments Tier 2	81	54
Available Total capital	**58,604**	**54,613**
Risk weighted assets	334,770	321,358
Common equity Tier 1 ratio	12.1%	11.9%
Tier 1 ratio	14.5%	14.1%
Total capital ratio	17.5%	17.0%

1 Shareholders' equity is determined in accordance with IFRS-EU.
2 All T2 securities are CRR/CRD V-compliant for 2024.

Capital developments

ING Bank's capital ratios at the end of the year increased compared to 2023 primarily due to higher available CET1 capital. Risk-weighted assets were mainly impacted by higher volume, currency movements, improvement in book quality and model impacts.

ING Bank paid €5.0 billion to ING Group, which includes €2.5 billion for additional distribution to shareholders by ING Group. ING Bank N.V. had a CET1 ratio of 12.1% as of December 2024 versus an overall CET1 requirement (including buffer requirements) of 9.83%. The Bank's Tier 1 ratio increased from 14.1% to 14.5% compared to last year. The Banks's Total capital ratio increased to 17.5%.

Regulatory requirements

Capital adequacy and the use of required regulatory capital are based on the guidelines developed by the Basel Committee on Banking Supervision (the Basel Committee) and the European Union Directives, as implemented by the Dutch Central Bank and the ECB for supervisory purposes. In 2010, the Basel Committee issued new solvency and liquidity requirements that superseded Basel II, implemented in the EU via CRR / CRD. In accordance with the CRR the minimum Pillar 1 capital requirements applicable to ING Bank are: a CET1 ratio of 4.5%, a Tier 1 ratio of 6.0% and a Total capital ratio of 8.0% of risk-weighted assets.

The overall SREP CET1 requirement (including buffer requirements) for ING Bank N.V. at a consolidated level was 9.83% at the end of 2024. This requirement is the sum of a 4.5% Pillar I requirement, a 2.5% capital conservation buffer (CCB), a 0.83% countercyclical buffer (CCyB) and a 2.0% O-SII (Other Systemically Important Institutions) buffer (based on December 2024 positions). The requirement increased compared to the end of 2023 (7.50%), mainly due to the inclusion of the O-SII buffer requirement. As of 1 January 2025, the capital requirement for ING Bank will further increase due to the applicability of the Pillar 2 requirement (1.65%) following the 2024 SREP decision.

Ratings

ING's credit ratings and outlook are shown in the table below. Each of these ratings only reflects the view of the applicable rating agency at the time the rating was issued. Any explanation of the significance of a rating may be obtained only from the rating agency.

Main credit ratings of ING Bank N.V. at 31 December 2024			
	S&P	**Moody's**	**Fitch**
ING Bank N.V.			
Issuer rating			
Long-term	A+	A1	AA-
Short-term	A-1	P-1	F1+
Outlook	Stable	Positive	Stable
Senior unsecured rating	A+	A1	AA-

A security rating is not a recommendation to buy, sell or hold securities and each rating should be evaluated independently of other ratings. There is no assurance that any credit rating will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the rating agency if, in the rating agency's judgement, circumstances so warrant. ING accepts no responsibility for the accuracy or reliability of the ratings.


Risk
management

Risk management

As a global financial institution with a strong European base, offering banking services, ING is exposed to a variety of risks. We manage these through a comprehensive risk management framework that integrates risk management into strategic planning and daily business activities. This aims to safeguard ING's financial strength and reputation by promoting the identification, measurement and management of risks at all levels of the organisation. Taking measured risks aligned with its risk appetite is core to ING's business.

This section sets out how ING manages its risks on a day-to-day basis. It explains how the risk management function is embedded within the organisation based on the 'three-lines-of-defence' (3 LoD) model. It describes the key risks that arise from ING's business model and how these are managed by dedicated risk management departments, with specific areas of expertise. The section provides qualitative and quantitative risk disclosures on solvency, credit, market, funding and liquidity, ESG (environmental, social and governance), operational, information technology (IT), compliance, model, and business and strategy risks.

Basis of disclosures (*)

The risk management section contains information relating to the nature and extent of the risks of financial instruments as required by International Financial Reporting Standards (IFRS) 7 'Financial Instruments: Disclosures'. These disclosures are an integral part of the ING Bank Consolidated financial statements and are indicated by the symbol (*). This is applicable for the chapters, paragraphs, graphs or tables within the risk management section that are indicated with this symbol in the respective headings or table header.

This risk management section includes additional disclosures beyond those required by IFRS standards, such as certain legal and regulatory disclosures. Not all information in this section can be reconciled back to the primary financial statements and corresponding notes, as it has been prepared using risk data that differs to the accounting basis of measurement. Disclosures in accordance with Part Eight of the CRR2 and CRD V, and as required by the supervisory authority, are published in our 'Additional Pillar III Report', which can be found on our corporate website ing.com.

Top and emerging risks

The risks listed below are defined as top (already existing) and emerging risks that could cause actual results to differ, in some instances materially, from those anticipated. They may have a material impact on the reputation of the company, introduce volatility in future operating results or impact ING's medium- and long-term strategy, including the ability to pay dividends, maintain appropriate levels of capital or meet liquidity and funding targets. An emerging risk is defined as a new or future risk that might challenge ING. Therefore, these risks require proactive identification and monitoring. The impact on the organisation is therefore more difficult to assess compared to other risks.

The topics mainly originated from the annual risk assessment that feeds into, among others, the annual review of the stress-testing framework and the Risk Appetite Framework. The sequence in which the risks are presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences.

The 2024 risk assessment confirmed our top and emerging risks. The top risks in 2024 relate to geopolitical risk, people risk, cybercrime, inflation risk, IT risk, and model risk. Environmental risk remains an emerging risk, and reflects the impact that climate change may have on ING's financial position and/or reputation.

Geopolitical risk

Geopolitical risk is an important concern for ING. Election outcomes in major economies such as the US and in Europe can lead to policy shifts that impact financial markets, regulatory environments, and trade relations. Economic growth was generally restrained in 2024, although eurozone growth faced significant challenges marked by sustained inflation and political instability in major countries. Ongoing conflicts, such as the war in Ukraine and conflict in the Middle East further heighten uncertainty, often causing market volatility, disrupting cross-border transactions, and increasing already elevated oil prices.

In 2024, ING conducted ad hoc risk assessments on significant geopolitical events for potential risk management measures if needed.

International elections

There were an unprecedented number of national elections in 2024, with nearly half of the global population voting. This surge in electoral activity has led to significant political shifts worldwide, creating both opportunities and challenges for banks and their clients. These developments are likely to introduce new economic policies and reshape public policy, impacting trade, immigration, and the climate agenda. In Europe, particularly in the Netherlands, a broad political shift emerged, reflecting growing support for parties that could influence future EU policies and regulatory frameworks, including trade agreements and financial regulation. Meanwhile, political instability in France and Germany further added uncertainty, with potential implications for policy coordination, economic decision-making, and investor confidence across the region. Similarly, the outcome of the US elections in November signaled a shift in political power, potentially affecting for global economic policy, trade relations, and financial markets.

US-EU-China relations and regional tensions

US-China relations face renewed strain as the United States moves to reintroduce tariffs on Chinese imports, raising concerns over potential retaliatory measures from China. These trade restrictions not only increase costs for businesses reliant on international supply chain but also risk triggering a cycle of escalating tariffs, as each side responds with countermeasure. This dynamic can disrupt global trade flows, pressure industries that depend on cross-border trade, and contribute to broader economic uncertainty.

Beyond tensions between US and China, trade frictions between the US, the EU, and China have also intensified, with tariffs and regulatory disputes affecting key industries. The US and the EU remain at disagreement over tariffs on steel, aluminium, and technology products, reflecting broader concerns about trade imbalances and industrial competitiveness. Simultaneously, the EU is considering imposing tariffs on Chinese electric vehicles and other industrial goods, citing market distortions and state subsidies. In response, China has signaled potential countermeasures, adding to uncertainty for global industries reliant on Chinese manufacturing and export markets.

These economic conflicts are further compounded by regional tensions, particularly in the Asia-Pacific region. Chinese military exercises near Taiwan and the Philippines have raised regional security concerns, prompting stronger US commitments to defend Taiwan and strengthen its alliance with the Philippines. Further tensions may escalate into further financial disconnection between major economies, causing significant disruption to global economic markets.

Deglobalisation

The period of Western-based liberalisation and globalisation is being challenged by a global trend towards polarisation and more assertive political policies. The rise of nationalism, protectionism, populist movements and anti-global sentiments in recent years has created an environment of increasing uncertainty. This could potentially lead to a reversal or slowdown of globalisation.

The war in Ukraine

The war in Ukraine continued to pose a significant geopolitical risk in 2024. The conflict has intensified, with Russian forces making advances and Ukraine conducting attacks on Russian territory. This escalation has heightened concerns among global leaders about sustaining military support, especially in light of potential policy shifts under the new US administration. The conflict has disrupted energy markets and supply chains, with an increased risk of further sanctions affecting global trade and increasing operational risk for businesses with exposure to the region. For further detailed information on sanctions see 'Compliance risk'.

Exposure in Russia

In March 2022, we announced a decision to no longer do new business with Russian counterparties. Nevertheless, ING's remaining operations in Russia and with Russian counterparties are subject to various risks, including, but not limited to, credit risk, changes in laws and regulations including sanctions and counter sanctions as well as conflicts of law, potential litigations and deconsolidation events.

In December 2024, ING's remaining credit exposures to Russian counterparties, booked outside of Russia, is €1.0 billion (2023: €1.3 billion).

On 28 January 2025, ING announced it had reached an agreement on the sale of its business in Russia to Global Development JSC, a Russian company owned by a Moscow-based financial investor with a background in factoring services. This transaction will effectively end ING's activities in the Russian market. Under the terms of the agreement, Global Development will acquire all shares of ING Bank (Eurasia) JSC, taking over all Russian onshore activities and staff. Global Development intends to continue to serve customers in Russia under a new brand. The transaction, which has been preceded by extensive due diligence, is subject to various regulatory approvals and is expected to be closed in the third quarter of 2025.

ING expects a negative P&L impact of around €0.7 billion post tax. This includes an estimated book loss of around €0.4 billion, representing the difference between the sale price and the book value of the business, which would have a negative impact of around 5 basis points on ING's CET1 ratio. It also includes an estimated negative impact of around €0.3 billion from recycling the currency translation adjustment through P&L. The latter does not affect CET1 capital.

During 2024 a trend emerged whereby Russian parties are holding Western banks liable in Russian courts. The Russian parties claim that such banks, by complying with sanctions imposed by the EU, US and other authorities, have caused damage to the Russian party. There have also been instances where Russian courts ruled in favour of the Russian party. In these cases, Russian courts did not recognise such sanctions, did not respect the choice of law and courts pursuant to the applicable contracts, and held Russian subsidiaries of Western banks liable for acts by other entities in that banking group. For more information on litigation involving ING, see Note 39 'Legal proceedings'.

Exposure in Ukraine

In Ukraine, our credit exposure was approximately €550 million (2023: €600 million), mainly with Central Bank liquidity facilities and other lending. A significant part is guaranteed by international parents or benefits from strong collateral.

Middle East tensions

Tensions in the Middle East escalated, specifically between Israel and Iran, leading to significant military engagements and intensifying the suffering endured by civilians in Gaza and neighbouring areas. Israel launched retaliatory airstrikes on Iranian military sites, following a series of escalations beginning with the assassination of key members of militant groups in the Middle East. Meanwhile, Iran, under economic sanctions, further heightened tensions with its nuclear ambitions. A six-week ceasefire between Israel and militant group Hamas has provided temporary relief and helped stabilise oil prices, while efforts continue toward a permanent truce. However, the ceasefire remains fragile as both sides accuse each other of violations, increasing uncertainty and risk of renewed hostilities. Market volatility, energy price shocks, and shifting sanction policies continue to pose significant risks for financial institutions and their clients, affecting operational stability, lending exposure, and regulatory compliance.

People risk

People risk remains as a significant concern for ING in 2024. Competitive pressures, especially in digital and specialised finance roles, make it challenging to attract and retain top talent. Also, employee concerns on compensation and benefits are amplified by the rising cost of living, leading to further retention challenges. Additionally, there is a growing demand for flexible work arrangements and enhanced career development opportunities, adding to the complexity of managing workforce stability.

Cybercrime risk

Cybercrime risks continue to grow in scope and complexity, driven by geopolitical tensions and technological advancements. Cybercrime risk was the highest risk in the 2024 risk assessment. As technology evolves, ING faces increased exposure to cybersecurity threats such as malware, ransomware, and distributed denial of services (DDoS) attacks. The emergence of generative AI heightens this risk, enabling threat actors to quickly develop and refine new attack methods. The number of threat actors is also expected to rise as barriers to entry for cyberattacks decrease.

Vulnerabilities in the cybersecurity of ING's third-party providers present additional risks. Cyber incidents impacting these providers could disrupt their ability to deliver critical services for ING.

Regulatory measures such as the EU's Data Act, Cyber Resilience Act (CRA), and Digital Operational Resilience Act (DORA) mandate proactive management of cyber, IT, and data-related risks. These measures require banks to maintain comprehensive frameworks and protocols to ensure resilient hardware and software infrastructures.

ING mitigates this risk by implementing relevant controls, regularly identifying and monitoring potential threats. For more details and mitigation actions, see 'Non-financial risk'.

Inflation risk

Inflation rates continued to moderate globally, prompting major central banks to adjust monetary policies accordingly. The European Central Bank and the Bank of England implemented rate cuts as inflation gradually approached target levels, marking a shift from the aggressive tightening cycles seen in previous years. In the US, the Federal Reserve implemented rate cuts with caution, influenced by mixed economic signals and the potential impact of the recent presidential election. Political shifts following the election will most likely add to inflation outlook uncertainty, as new policies could affect trade, taxation, and fiscal spending. Despite signs of easing, central banks remain cautious, balancing the need to support economic recovery with the goal of maintaining price stability in a complex environment.

This evolving inflation landscape can significantly influence banks' credit quality, funding costs and liquidity premia. Persistent inflation risk can erode borrowers' debt-servicing capacity, particularly in sectors sensitive to interest rate changes. Additionally, inflation and resulting volatility in interest rates can affect funding costs and asset valuations, impacting profitability. Furthermore, persistent inflation uncertainty can elevate risk premiums, tighten market liquidity, and increase refinancing risks for both public and private borrowers.

IT risk

IT risks stem from potential failures in maintaining and protecting the IT infrastructure. This risk includes system design flaws, physical damage to data centres, or infrastructure failures, all of which can disrupt banking operations and impact service delivery. In Europe, evolving digital transformation regulations such as DORA mandate strict requirements on IT resilience, requiring banks to ensure that their digital infrastructure can withstand and recover quickly from operational disruptions. DORA also addresses concentration risk by requiring rigorous oversight on third-party providers critical to IT operations. Additionally, new AI developments can enhance the IT landscape, but incorrect usage can lead to serious issues beyond IT.

Model risk

Model risk arises from potential errors in the design, implementation, or use of models that inform critical decision-making. Estimation errors, incorrect assumptions, and input inaccuracies can lead to unreliable outputs, affecting risk assessments, financial forecasts, and regulatory compliance. The growing reliance on AI models, machine learning, and advanced analytics has heightened the complexity of managing this risk, as these tools require rigorous model validation to ensure accuracy.

Environmental risk

Environmental risk remains one of the most critical concerns the world is facing, impacting ING and the global economy through regulatory pressures, and the increased frequency and intensity of climate-related events. Regulatory bodies worldwide have imposed stricter guidelines to disclose and manage environmental impact. Physical risks from climate change, such as extreme weather events and natural disasters, are intensifying operational challenges and impacting asset values. Additionally, the world's growing population and human behaviour contribute to the loss of biodiversity, adding pressure on environmental stability. These risks also affect our clients and customers, especially those in high-transition industries and in regions vulnerable to physical risks. Transition risks, driven by policy, technological or market changes towards a low-carbon economy, also pose challenges and could potentially lead to stranded assets.

For more details and mitigation actions, see Environmental, social and governance risk' and 'Credit risk'.

Risk governance

Effective risk management requires company-wide risk governance. ING's risk and control structure is based on the 'three-lines-of-defence' model. This model aims to provide a sound governance framework for risk management by defining and implementing three lines. Each line has a specific role and defined responsibilities, with the execution of tasks being distinct from the control of these same tasks. The three lines work closely together to identify, assess, mitigate and monitor risks.

This governance framework is designed in such a way that risk is managed in line with the risk appetite approved by the MBB, the EB and the SB, and this approach is cascaded throughout ING.

Three lines of defence

First line of defence

Who

Heads or their delegates of: banking business, support functions*, geographies, countries

Responsible for
- Running business with clients and accountable for assessing, controlling, mitigating and reporting all risks affecting their businesses, to ensure risks are within risk appetite, i.e. 1st LoD risk management activities
- Completeness and accuracy of the financial statements and risk reports with respect to their areas of responsibility

* *Although support functions are part of the first line of defence, they provide subject matter expertise to both the first and second line of defence*

Who

COO

Responsible for
- Setting, operating and maintaining effective and efficient processes and running operations for the bank, and managing risks arising from these activities

Who

CTO

Responsible for
- Setting, operating and maintaining an effective and efficient IT architecture and IT services provision for the bank, and managing risks arising from these activities

Second line of defence

Who

Risk including Compliance

Responsible for
- Overseeing, monitoring, advising and challenging the first line of defence on risk management (including compliance) and have escalation/veto power in relation to activities and decisions that are judged to present unacceptable risks to ING
- Setting minimum requirements in terms of quality and quantity of its resources (staff) at group and local level in ING's Risk (including Compliance) function
- Articulating and translating the risk appetite into methodologies, frameworks and policies and controlling execution of and adherence to their implementation/ embedding to support and monitor business management's control of risk
- Objectively challenging the first line of defence's risk management execution and control process including their reporting of risks and controls
- Coordinating the first line of defence's reporting of risks and controls

Third line of defence

Who

Internal audit function CAS

Responsible for
- Independent assurance to the MB, the Audit Committee and the SB on the quality and effectiveness of ING's internal control, risk management, governance and implemented systems and processes in both the first and second lines of defence

Board-level risk oversight

Both the EB (for ING Group) and the MBB (for ING Bank) play an important role in managing and monitoring our risk management framework. For more information on the SB and EB duties, powers and responsibilities in relation to risk management, see 'Corporate governance'.

Risk committees

The key risk committees described below act within the overall risk policy and delegated authorities granted by the MBB:

- The Global Credit and Trading Policy Committee (GCTP) discusses and approves policies, methodologies, and procedures related to credit, trading, country, and reputation (such as environmental and social risk or ESR) risks. The GCTP meets monthly. After the MBB and the GCTP, the Credit Risk Policy Committee (CRC) is the highest-level body authorised to discuss and approve models, policies, methodologies, and procedures related to credit risk.
- The Global Credit Committee – Transaction Approval (GCC(TA)) discusses and approves transactions that entail taking credit risk (including investment risk), country, legal, and environmental and social risk. The GCC(TA) meets twice a week.
- The Asset and Liability Committee Bank (ALCO Bank), a finance and risk committee, translates the strategy into a risk appetite and sets, monitors, and reviews the asset and liability objectives and risk management framework. Adequate supervision and coordination of asset and liability management is essential for good risk management and to serve customer and community needs by continued sound banking business. The MBB has delegated this responsibility to the ALCO Bank. The ALCO Bank meets on a monthly basis.
- The Bank Non-Financial Risk Committee (Bank NFRC) is accountable for the design and maintenance of the non-financial risk management framework, including operational risk management, compliance and legal policies, minimum standards, procedures and guidelines, development of tools, methods, and key parameters (including major changes) for risk identification, assessment, measurement, mitigating and monitoring/reporting. NFRC Bank meetings are held on a monthly basis.
- The Model Risk Management Committee (MoRMC) discusses and steers, on a monthly basis, the overall model strategy. MoRMC discusses and approves policies and methodologies related to model risk management.

Further, several other committees are involved in various steps in the different risk management frameworks, such as:

- The Credit Risk Model Committee (CRMC) can serve as a technical (content-related) adviser to the Credit Risk Policy Committee (CRC). The CRMC has an approval authority, delegated by the CRC, to approve the new and continued use for some IRB and IFRS9 models. Additionally, the CRMC has an approval authority, for the approval, conditional approval and rejection of the new and continued use for some Non-IRB models.
- The Non-Financial Risk Model Committee (NFR MC) is the dedicated authority for models owned by the Group NFR function. This responsibility is delegated to the NFR MC partly by the Bank NFRC and partly by the MoRMC.
- The Market Risk Model Committee (MRMC) is the dedicated authority for the approval of all funding and liquidity risk, market risk (including banking and trading risk), counterparty credit risk, and business risk models and parameters for ING Bank within its mandate delegated by ALCO Bank.
- The Valuation Model Committee approves pricing models for trading and banking books.
- The Financial Markets Risk Committee (FMRC) is the market risk committee that, within the risk appetite set by the ALCO Bank, sets the market risk limits both on an aggregated level and a desk level. The FMRC has delegated authority from ALCO Bank for the management of market risk related to all trading and banking book activities within Financial Markets (FM).
- The ICLAAP Committee is responsible for the internal capital and liquidity adequacy assessment process (ICLAAP) and documents, as per the ICLAAP framework. It focuses on technical liquidity documents and oversees business processes and deliverables concerning the internal liquidity adequacy assessment process (ILAAP). The ALCO Bank has delegated this responsibility to the ICLAAP committee.

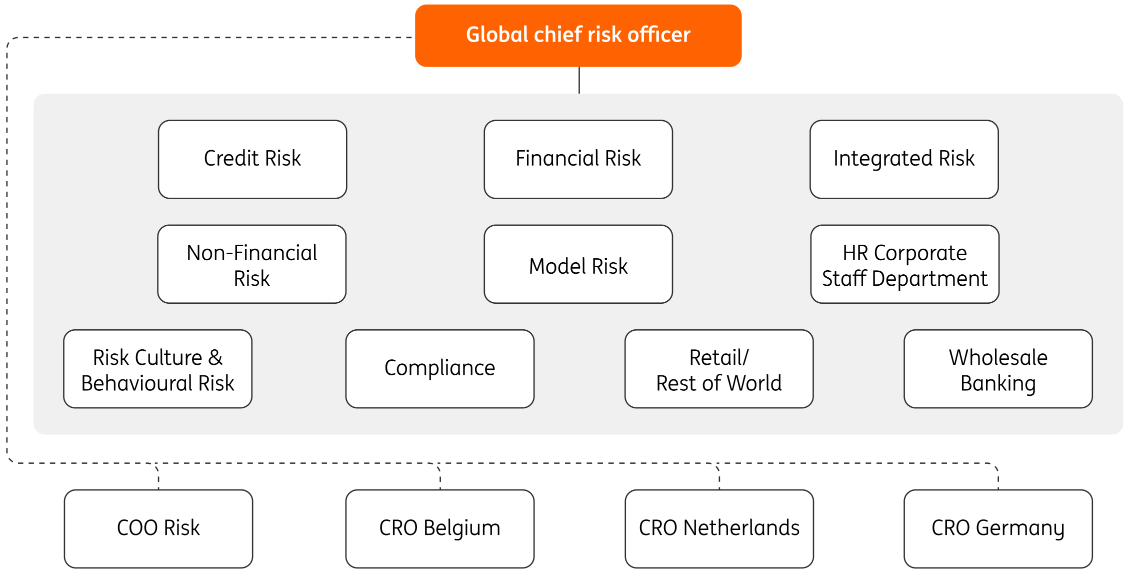
Regional and business unit level

ING's regional and/or business unit management have primary responsibility for the management of risks (credit, market, funding and liquidity, operational, IT, compliance and model) that arise in their daily operations. They are accountable for the implementation and execution of appropriate risk frameworks affecting their businesses in compliance with procedures and processes at the corporate level. Where necessary, the implementation is adapted to local requirements.

Organisational structure

The CRO function is organised along the lines of a matrix structure integrating (i) the Global Risk functions, (ii) the Regional/Country Risk functions at entity level, and (iii) the Risk Segments. Global Risk functions, organised by risk types into risk domains (departments), are ultimately responsible and accountable for the functional steering of the respective risk type globally. They ensure a uniform taxonomy and methodology are used for the setting of the relevant risk appetite levels, further cascading risk appetite into detailed risk strategies and for the effective monitoring and reporting of risks, on an individual and consolidated basis.

The following organisation chart illustrates the reporting lines in 2024 for the risk management organisation. The departments in the grey background reflect hierarchical reporting lines, whereas the dotted lines are for the functional reporting lines:



Risk management framework

Risk policies, procedures and standards

ING has a system of risk management frameworks, policies, mandatory instructions, procedures and control standards (hereinafter – internal control documents), which define requirements that are binding for all ING locations. ING locations shall comply with both internal control documents and local requirements. Internal control documents are regularly reviewed, updated, and approved in accordance with ING internal control binding principles. Senior management is responsible for ensuring the implementation of, and staff adherence to, internal control documents.

Internal control framework

The enterprise risk management (ERM) framework and its related internal control documents constitute the internal control framework in ING. The ERM framework ensures an ING-wide governance model that aligns strategy to risk appetite for all risk types. It applies to all business lines and ING locations on the global and local level. The internal control framework is based on the following principles:

- The ING governance structure follows three lines of defence.
- ING risk appetite stipulates the risk levels ING is willing to accept across all risk types to achieve its business objectives.
- The ING decision-making process is clear and documented. The decisions are taken in committees and management bodies in accordance with the ING governance framework. The decision-making process involves all relevant stakeholders, risk management and compliance.
- Global policies and internal control documents are linked to the ING risk taxonomy. Global policies and internal control documents are leading. They are cascaded from the Global function to locations after approval. Where local specific legislation is more stringent, local annexes to global policies are added.
- Processes and controls to mitigate critical and high inherent risks are linked to the relevant policies, documented and tested.
- Local management are accountable for local implementation of the global policies and processes in line with the local risk profile. Implementation is challenged by local 2nd LoD and any waivers/deviations from the global policies and processes must be approved locally and globally.

Risk culture

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

Learning

In 2024, we continued to expand and strengthen our required learning curriculum. This is foundational learning that is centrally created and rolled out to all staff across the bank. The topics covered in 2024 were GenAI, Competition, Concern reporting, Cybersecurity and Fraud. We continue to update our learning formats to increase engagement and drive practical application of the knowledge gained by staff. The curriculum is tracked centrally to monitor timely completion.

In addition to all staff modules, we continue to expand our learning offering on a range of risk topics and for risk staff. Working with risk experts, the Risk Academy has built role-based learning plans for risk colleagues that provide a wide selection of learning to support their professional development, including their knowledge, skills, and behaviours.

Dutch Banker's Oath

In the Netherlands, all employees are required to take the Banker's Oath. The oath came into force in the Netherlands on 1 April 2015, as part of a joint approach from all banks, aimed at introducing social regulations, a revised Dutch Banking Code implementing an oath with associated rules of conduct and disciplinary law. Before taking the oath, an e-learning and a challenge (discussing dilemmas) are mandatory, to stress the content and the importance of the oath. It also shows employees the dilemmas they may face in their daily work, and how to carefully balance the interests of all our stakeholders in the decisions they make.

Remuneration

ING aims to align its remuneration policy with its risk profile and the interests of all stakeholders. For more information on ING's compensation and benefits policies, and its relation to the risk taken, see the Capital Requirements Regulation (CRR) remuneration disclosure published on ing.com.

Risk cycle process

ING identifies, measures and manages risks through five recurrent phases of the management cycle: risk identification, risk assessment, risk mitigation, risk monitoring and risk reporting.

Risk identification

Risk identification is a joint effort of the business and the risk management functions. Its goal is to detect potential new risks and determine changes in known risks. Regular risk identification is essential for effective risk management. Potential risks that are not identified will not be controlled and monitored, and may lead to surprises later. Known risks may have changed over time and, as a consequence, the existing mitigating measures and monitoring may be inadequate or obsolete.

Risk identification is performed periodically. In case of material internal or external change, additional ad hoc risk identification can be performed.

Risk assessment

Each identified risk is assessed qualitatively or quantitatively to determine its importance. This enables ING to decide which of the identified risks need control measures and how strict or tolerant these measures should be. Known risks are reassessed to detect any change in the risk level.

The importance of a risk is based on both the likelihood that the risk materialises and the subsequent financial or reputational impact that may occur should the risk arise. Unlikely risks with a potentially high impact need to be controlled. A risk that is likely to happen regularly but expected to have a modest financial impact may not need to be mitigated if the consequences are accepted by management.

Risk mitigation

Risks can be controlled by mitigating measures that lower the likelihood the risk occurs, lower the impact when it occurs, or both. The ultimate measure to lower a risk is to stop the activity or service that causes the risk (risk avoidance). Risk control and mitigation measures are defined and maintained both bank-wide and at the local level.

Monitoring and reporting

ING monitors risk-control measures by checking if they are executed, complied with, and have the expected mitigating effects, and by following the development of the risks and their risk levels. Risk reporting provides senior and local management with the information they need to manage risks.

Risk Appetite Framework

The Risk Appetite Framework (RAF) is one of the key elements of the ERM framework. Its objective is to set an appropriate risk appetite at a consolidated level across different risk categories and to allocate the risk appetite throughout the organisation.

Procedure

The RAF procedure explains the setup of the overarching global risk appetite. Within the RAF, ING monitors a range of financial and non-financial risk metrics, with the aim of keeping our risk profile in line with our risk appetite while executing our strategy. ING's RAF, which is approved by the SB, defines the desired risk profile that is to be integrated in the strategic decision-making and financial planning process. It is designed to be able to withstand market volatility and stress, while meeting regulatory requirements. The framework, including underlying metrics and assumptions, is reviewed at least annually so that it remains relevant. The RAF combines various financial and non-financial risk appetite statements (RAS) into a single, coordinated approach.

Process

The RAF is focused on setting the risk appetite at the consolidated level and across the different risk categories, and provides the principles for cascading this risk appetite down into the organisation. The RAF and underlying limit allocation are reviewed on an annual basis, or more frequently if necessary, based on their monthly review in the MBB and quarterly review in the EB and the SB. It is therefore a top-down process, which bases itself on the ambition of the bank in terms of its risk profile, the regulatory environment and the economic context. Limits that require SB approval are called boundaries, and the underlying instruments supporting the boundaries require EB and MBB approval.

Step 1. Identify and assess ING's key risks

The outcome of the risk-identification and risk-assessment process is used as the starting point for the review of the RAF. Within this step, the risks ING faces when executing its strategy are identified in the context of the current economic, political, social, regulatory and technological environment. The assessment identifies whether the potential impact is material and if it is sufficiently controlled.

Step 2. Set risk appetite framework

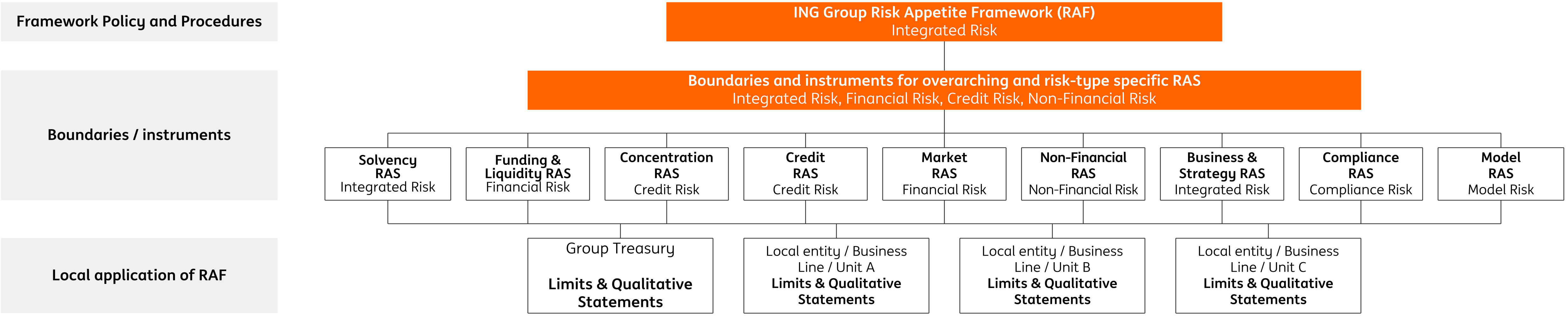
Based on ING's risk assessment and risk purpose, boundaries and instruments for the overarching risk frameworks are set. Once the overarching risk appetite thresholds have been set and approved by the EB/

MBB and subsequently by the SB, the statements are translated into risk-type-specific statements and lower-level risk metrics, which are set and approved by senior risk committees, like ALCO Bank, GCTP, MoRM and Bank NFRC. Cascading is done via several detailed risk appetite statements, which have been defined per risk type, the combination of which is aimed at ensuring compliance with the overarching solvency, (credit) concentration, and funding and liquidity RASs.

ING includes climate risk in its RAF by, among other things, introducing climate risk as one of the dimensions to determine sector concentration as part of the credit risk appetite statements. In the coming years, ING will extend the inclusion of climate risk impact on other risk types with the aim of ensuring that the potential risks stemming from, for example, transition risk and physical risk are properly captured in the RAF.

Step 3. Cascade into statements per risk type and business unit

The bank-wide risk appetite is translated per risk type, which is further cascaded into the organisation. Risk appetite statements are then translated into dedicated underlying risk limits that are used for the day-to-day monitoring and management of ING's risks. The risk appetite statements serve as input for the quarterly planning process as well as for the establishment of key performance indicators and targets for senior management. The next graph is an illustrative and non-exhaustive overview of the RAF.



Step 4. Monitor and manage underlying risk limits

To verify that ING remains within the RAF, it reports the risk positions vis-à-vis their limits on a regular basis to senior management committees. A monthly report is submitted to the MBB reflecting the exposure of ING against the risk appetite. An extended report is submitted quarterly to the EB and the SB and its Risk Committee. Moreover, every quarter the financial plan is checked for potential limit excess within a one-year horizon, where in the strategic dialogue the MBB can take mitigating measures or make adjustments to the dynamic plan.

Stress testing

Stress testing is an important risk management tool that provides input for strategic decisions and capital planning. The purpose of stress testing is to assess the impact of plausible but severe stress scenarios on ING's capital and liquidity position. Stress tests provide complementary and forward-looking insights into the vulnerabilities of certain portfolios, with regards to adverse macroeconomic circumstances, stressed financial markets, and changes in the political and geopolitical climate. In addition to assessing P&L, capital and liquidity positions of ING for a range of different scenarios, idiosyncratic risks are also included. The outcomes of these stress tests help management get insight into the potential impact, and define actions to mitigate this potential impact.

Types of stress tests

Within ING, we perform different types of stress tests. The most comprehensive type of stress tests are the firm-wide scenario analyses, which involve setting scenario assumptions for all the relevant macroeconomic and financial market variables in all countries relevant to ING. These assumptions usually follow a qualitative narrative that provides a background to the scenario. In addition to firm-wide scenario analyses, ING executes scenario analyses for specific countries or portfolios. Furthermore, sensitivity analyses are performed, which focus on stressing one or more risk drivers – usually without an underlying scenario narrative. Finally, ING performs reverse stress tests, which aim to determine scenarios that could lead to a predefined severe adverse outcome.

Process

ING's stress-testing process consists of several stages:

- Risk identification and risk assessment: it identifies and assesses the risks ING or the relevant entity is facing when executing its strategy, based on the current and possible future economic, political, regulatory and technological environment. It provides a description of the main risks and risk drivers related to the nature of ING's business, activities and vulnerabilities.
- Scenario definition and parameterisation: based on the outcome of the previous step, a set of scenarios is determined with the relevant scope and set of risk drivers for each scenario, as well as its severity, the key assumptions and input parameters. The output of this phase includes a quantitative description of the stress scenarios to be analysed, the relevant output metrics and, when applicable, a narrative description.
- Impact calculation and aggregation: based on the quantitative description of the stress scenarios determined in the previous step, the impact is determined for the relevant scenario, scope, and horizon. The impact calculation and aggregation can be part of a recurring process or part of a specific process set-up for one-off stress tests.
- Scenario reporting: for each stress test, a report is prepared after each calculation, which describes the results of the scenario and gives a recap of the scenario with its main assumptions and parameters. The stress-test report is sent to the relevant risk committees and/or senior management. It is complemented, if needed, with advice for management action based on the stress-testing results.
- Scenario control and management assessment: depending on the outcomes of the stress test and the likelihood of the scenario, mitigating actions may be proposed. Mitigating actions may include, but are not limited to, sales or transfers of assets and reductions of risk limits.

Methodology

Detailed and comprehensive models are used to calculate the impact of the scenarios. In these models, statistical analysis is combined with expert opinion to make sure the results adequately reflect the scenario assumptions. The methodologies are granular and portfolio-specific, and use different macroeconomic and market variables as input variables. The calculations are in line with our financial and regulatory reporting frameworks. The stress-testing models are subject to review by Model Risk management.

Solvency risk

Introduction

Solvency risk is the risk of lacking sufficient capital to fulfil business objectives, regulatory requirements or market expectations. An insolvent bank is unable to pay its debts and will be forced into bankruptcy.

The level and quality of capital is crucial for the resilience of individual banks. Banks are expected to assess the risks they face and, in a forward-looking manner, ensure they identify and manage all material risks. They must also make sure these risks are sufficiently covered by loss-absorbing capital to provide continuity if unexpected risks materialise in times of stress. Given the interdependencies with other financial and non-financial risks, this balancing act of capital adequacy needs to be done within a sound and integrated management approach. It must coherently link and align all the moving parts of the bank with its long-term business strategy.

ICAAP framework

ING's internal capital adequacy assessment process (ICAAP) framework aims to ensure that capital levels remain adequate – both forward-looking and under adverse conditions, in terms of covering material risks-to-capital from both a normative and an economic (internal) perspective. The assessment of ING's capital adequacy takes into account its business strategy and risk profile, market environment, and operating macro environment. This implies that views of various stakeholders, such as regulators, shareholders, investors, rating agencies, clients, and customers play an important role.

The continued strength of ING's capital position, the adequacy of the financial position, and risk management effectiveness are essential to achieving the strategy. ING's capital and funding strategy determines the underlying ICAAP elements, and thereby contributes to ING's business continuity from different perspectives.

Managing ING's capital entails finding the right balance between supply and demand, while taking into account market and macro circumstances. The process of balancing these strategic goals is captured in the ICAAP framework. It is enabled by six building blocks and underlying elements facilitating the ICAAP. The following building blocks have been defined in the ICAAP framework, which are applied for both the 'normative' and 'economic' perspective as defined in the ECB guide to ICAAP, published in November 2018:

- Risk identification and assessment;
- Risk appetite;
- Solvency stress testing;
- Planning and forecasting;
- Capital management; and
- Continuity.

Risk identification and assessment

ING's capital management and solvency risk management starts with the risk-identification and risk-assessment process, which is performed on an annual basis. In addition to this annual process, ING also reassesses its risks as part of its capital adequacy statement, a quarterly process to assess ING's capital adequacy.

Risk appetite

ING has solvency risk appetite statements in place for the following metrics: CET1 ratio, total capital ratio, leverage ratio, total loss-absorbing capacity (TLAC), and minimum requirement for own funds and eligible liabilities (MREL) based on RWA/leverage ratio and economic capital adequacy.

Solvency stress testing

Solvency stress testing allows ING to examine the effect of plausible but severe stress scenarios on the solvency position. It also provides insight into which entities or portfolios are vulnerable to certain types of risks or scenarios. Solvency stress testing is an important tool in identifying, assessing, measuring, and controlling risks to capital, providing a complementary and forward-looking perspective to other solvency risk management tools. For solvency stress testing, ING follows the same steps described in the overall section on stress testing.

The outcomes of solvency stress test analyses are taken into account in capital planning, but also for setting risk appetite statements and the capital management buffer.

Planning and forecasting

The capital and funding plan is an integral part of the dynamic plan, ING's financial and business planning process. For more information, see section 'Capital management'.

Capital management

Formulation of the CET1 target is a key element in solvency risk management. The target ratio, based on the management buffer concept, enables ING's senior management to steer, benchmark and assess the bank's current and future capital levels much more efficiently. The target level clearly supports trust-building among ING's key stakeholders (e.g. regulators, investors and customers).

The capital management buffer aims to protect the interests of key stakeholders and plays an important role in the overall capital adequacy governance. The rationale behind the buffer is that it provides an additional cushion on top of the (local) regulatory minimum requirements (e.g. supervisory review and evaluation process (SREP) requirements) to withstand a certain level of stress and facilitate awareness and preparedness to take management actions. ING reviews its capital management buffer on a regular basis to determine its effectiveness and robustness, updating it as appropriate. See section 'Capital management'.

Continuity

Risk events with high severity or significant deteriorations of economic and market conditions beyond ING's control could cause deviations from the business and capital plans, which may result in a potential capital shortfall.

ING has therefore set up a continuity (safety) net of contingency and recovery planning. As part of this, ING set up ongoing monitoring of relevant indicators with the aim of awareness and preparedness to act proactively to ensure continuity. The intervention measures, which can be activated when deemed necessary, consist of predefined RWA reduction measures, as well as direct capital-increasing measures. The escalation mechanisms are defined, governed and detailed in the contingency and recovery plans.

Both plans aim to restore ING's capital adequacy. Depending on the severity of the situation, the contingency plan can be activated at this warning phase, as well as trigger further mitigating action and the formation of the contingency crisis teams. Further drops in capital levels trigger the alert phase for recovery monitoring and/or the activation of the recovery plan and corresponding crisis teams.

Assessing capital adequacy: Capital Adequacy Statement

The Capital Adequacy Statement is ING Group's quarterly assessment of its capital adequacy and takes into account different elements with respect to its capital position. The degree to which ING's capital position is considered adequate depends on a variety of internal and external drivers:

- Current supervisory requirements and (expected) requirements going forward;
- Current internal requirements and (expected) requirements going forward (economic capital/view);
- Coherence of the available capital with the (realisation of) strategic plans; and
- The ability to meet internal and external requirements in the case of stressed events or should a risk materialise.

The Capital Adequacy Statement assesses the adequacy of ING's capital position in relation to the above-mentioned drivers and states the extent to which the capital position consequently is considered as adequate. The Capital Adequacy Statement document is prepared on a quarterly basis. Additionally, each year the EB/MBB signs and provides a comprehensive assessment of ING's capital adequacy, supported by the ICAAP outcomes, in the form of a capital adequacy statement.

Credit risk

Introduction

Credit risk is the risk of loss from the default and/or credit rating deterioration of clients. Credit risks arise in ING's lending, financial markets and investment activities. The credit risk section provides information on how ING measures, monitors and manages credit risk and gives an insight into the portfolio from a credit risk perspective.

Credit & counterparty risk categories (*)

In the following table the different types of credit and counterparty risk categories are described and a reconciliation with the notes in the financial statements is also included:

Reconciliation between credit & counterparty risk categories and financial position (*)

Credit risk categories	Notes in the financial statements	
Lending risk: The risk that the client (counterparty, corporate or individual) does not pay the principal interest or fees on a loan when they are due, or on demand for letters of credit (LCs) and guarantees provided by ING.	2	Cash and balances with central banks
	3	Loans and advances to banks
	4	Financial assets at fair value through profit or loss
	5	Financial assets at fair value through other comprehensive income
	7	Loans and advances to customers
	38	Contingent liabilities and commitments
Investment risk: The credit default and risk rating migration risk that is associated with ING's investments in bonds, commercial paper, equities, securitisations and other similar publicly traded securities. This can be viewed as the potential loss that ING may incur from holding a position in underlying securities whose issuer's credit quality deteriorates or defaults.	4	Financial assets at fair value through profit or loss
	5	Financial assets at fair value through other comprehensive income
	6	Debt securities
Money market risk: This arises when ING places short-term deposits with a counterparty in order to manage excess liquidity. In the event of a counterparty default, ING may lose the deposit placed.	2	Cash and balances with central banks
	3	Loans and advances to banks
	7	Loans and advances to customers
Pre-settlement risk: This arises when a client defaults on a transaction before settlement and ING must replace the contract by a trade with another counterparty at the then prevailing (possibly unfavourable) market price. This credit risk category is associated with derivatives transactions (exchange-traded derivatives, over-the-counter (OTC) derivatives and securities financing transactions).	4	Financial assets at fair value through profit or loss
	14	Financial liabilities at fair value through profit or loss
	37	Offsetting financial assets and liabilities
Settlement risk: This arises when there is an exchange of value (funds or instruments) and receipt from its counterparty is not verified or expected until after ING has given irrevocable instructions to pay or has paid or delivered its side of the trade. The risk is that ING delivers but does not receive delivery from its counterparty.	4	Financial assets at fair value through profit or loss
	11	Other assets
	14	Financial liabilities at fair value through profit or loss
	16	Other liabilities

Credit risk appetite and concentration risk framework (*)

The credit risk appetite and concentration risk framework is designed to prevent undesired high levels of credit risk and credit concentrations within various levels of the ING portfolio. It is derived from the concepts of boundaries and instruments as described in the ING RAF.

Credit risk appetite is the maximum level of credit risk ING is willing to accept for growth and value creation. The credit risk appetite is linked to the overall bank-wide RAF and is expressed in quantitative and qualitative measures.

The credit risk appetite is set at different levels and dimensions within ING. The credit risk appetite framework specifies the scope and focus of the credit risk which ING takes and the composition of the credit portfolio, including its concentration and diversification objectives in relation to business lines, locations, sectors and products. The credit risk appetite framework has also been extended to embed climate risk elements. The climate risk elements within the credit risk appetite framework allow for more efficient steering of sector concentrations from a climate risk perspective.

The credit concentration risk framework is composed of:

- **Country risk concentration**: Country risk is the risk that arises due to events in a specific country (or group of countries). To manage the maximum country loss ING is willing to accept, boundaries are approved by the SB. The estimated level is correlated to the risk rating assigned to a given country. Actual country limits are set by means of country instruments, which are monitored monthly and updated, when needed. For countries with elevated levels of geopolitical or severe economic cycle risk, monitoring is performed on a more frequent basis with strict pipeline and exposure management.
- **Single name and** secondary risk **concentration**: ING has an established credit concentration risk framework to identify, measure and monitor single name concentration including secondary risk. The same concept of boundaries and instruments is applicable.
- Sector and product concentration risk are managed via the credit risk appetite framework.

Credit risk models (*)

Within ING, internal CRR-compliant models are used to determine probability of default (PD), exposure at default (EAD) and loss given default (LGD) for regulatory and economic capital purposes. These models also form the basis of ING's IFRS 9 loan loss provisioning (see 'IFRS 9 models' below).

There are two main types of PD, EAD and LGD models used throughout the bank:

- **Statistical models** are created where a large set of default or detailed loss data is available. They are characterised by sufficient data points to facilitate meaningful statistical estimation of the model parameters. The model parameters are estimated with statistical techniques based on the data set available.
- **Hybrid models** are statistical models supplemented with knowledge and experience of experts from risk management and front-office staff, literature from rating agencies, supervisors and academics. These models are only used for 'low default portfolios', where limited historical defaults exist.

Credit risk rating process (*)

The majority of risk ratings are based on a risk rating (PD) model that complies with the minimum requirements detailed in CRR/CRD, ECB Supervisory Rules and European Banking Authority (EBA) guidelines. This concerns all borrower types and segments.

ING's PD rating models are based on a 1-22 internal risk rating scale (1 = highest rating; 22 = lowest rating) referred to as the 'master scale', which roughly corresponds to the rating grades that are assigned by external rating agencies, such as Standard & Poor's, Moody's and Fitch. For example, an ING rating of 1 corresponds to an S&P/Fitch rating of AAA and a Moody's rating of Aaa; an ING rating of 2 corresponds to an S&P/Fitch rating of AA+ and a Moody's rating of Aa1, and so on.

The 22 internal risk rating grades are composed of the following categories:

- Investment grade (risk rating 1-10);
- Non-investment grade (risk rating 11-17);
- Performing Restructuring (risk rating 18-19); and
- Non-performing (risk rating 20-22).

The first three categories (1-19) are risk ratings for performing loans. Ratings are calculated in IT systems with internally developed models, based on manually or automatically fed data, or for part of the non-performing loans set by the global or regional credit restructuring department. Under certain conditions, the outcome of a manually fed model can be challenged through a rating appeal process. For securitisation portfolios, the external ratings of the tranche in which ING has invested are leading indicators.

Risk ratings assigned to clients are reviewed at least annually, with the performance of the underlying models monitored regularly. Some of these models are global in nature, such as those for large corporates, commercial banks, insurance companies, central governments, funds, fund managers, project finance and leveraged companies. Other models are more regional or country-specific: there are PD models for small and medium enterprises (SMEs) in the Netherlands, Belgium, and Poland as well as residential mortgage and consumer loan models in the various retail markets.

Rating models for Retail clients are predominantly statistically driven and automated, such that ratings can be updated on a monthly basis. Rating models for large corporates, institutions and banks include both statistical characteristics and expert input, with the ratings being manually updated at least annually. More frequent reviews (e.g. quarterly) are performed where considered necessary.

In line with evolving regulatory expectations on models and emerging industry practices, ING has embarked on a multi-year redevelopment process of its credit risk models. This is also in line with ING's model governance to ensure continuous improvement of models.

Credit risk tools and data standards

The acceptance, maintenance, measurement, management and reporting of credit risks at all levels of ING are executed through single, common credit risk data standards using shared credit risk tools that support standardised and transparent credit risk practices. ING has chosen to develop credit risk tools centrally with the philosophy of using a single source of data in an integrated way.

Credit risk portfolio (*)

ING's credit exposure is mainly related to lending to individuals (also referred to as consumer lending, all Retail) and businesses (referred to as business lending, both in Retail and Wholesale), followed by investments in bonds and securitised assets, and money market (Wholesale). Loans to individuals are mainly mortgage loans secured by residential property. Loans (including guarantees issued) to businesses are often collateralised, but may be unsecured based on the internal analysis of the borrower's creditworthiness. Bonds in the investment portfolio are generally unsecured, but predominantly consist of bonds issued by central governments and EU and/or OECD-based financial institutions. Secured bonds, such as mortgage-backed securities and asset-backed securities are secured by the underlying diversified pool of assets (commercial or residential mortgages, car loans and/or other assets) held by the securities issuer. For money market, exposure is mainly deposits to central banks. The last major credit risk source involves pre-settlement exposures which arise from trading activities, including derivatives, repurchase transactions and securities lending/borrowing transactions. This is also commonly referred to as counterparty credit risk.

Overall portfolio (*)

During 2024, ING's portfolio size increased by €30.3 billion (3.2%) to €961.9 billion outstanding. Foreign exchange rate changes had a positive impact on the portfolio growth, mainly in WB, increasing total outstanding by €8.0 billion, driven by the appreciation of the US dollar against the euro. Retail banking increased by €18.9 billion mainly due to underlying growth in residential mortgages.

Rating distribution (*)

Overall, the rating class distribution remained stable in 2024. The share of investment grade rating classes increased from 76.8% to 78.1%, while the share of non-investment grade decreased from 21.2% to 19.9%. Performing restructuring outstandings decreased from 0.7% to 0.6% of the total portfolio, whereas non-performing loans increased from 1.3% to 1.4%.

With respect to the rating distribution within the business lines, in WB, investment grade increased to 83.7% from 81.2%, while non-investment grade exposures decreased to 14.6% from 17.1% compared to 2023. Performing restructuring assets decreased from 0.7% to 0.6% of total Wholesale Banking assets where non-performing loans for WB increased from 1.0% to 1.2%. The non-performing loans (NPL) increase in Wholesale Banking is mainly caused by Russian exposures as well as a few large NPLs that are unrelated in terms of asset class, sector or geography.

For Retail Banking, investment grade increased to 73.3% from 73.0%, while non-investment grade exposures decreased to 24.4% from 24.9% as compared to 2023. Performing restructuring increased to 0.7% from 0.6% whereas NPL remained constant at 1.5% in 2024.

Industry (*)

The industry breakdown is presented in accordance with the NAICS definition. The increase of €30.3 billion in total volume during 2024 was mainly due to the increase in Private Individuals (€18.4 billion), Non-Bank Financial Institutions (€8.8 billion) and Commercial Banks (€5.2 billion). The share of Private Individuals increased from 38.8% last year to 39.5%.

Portfolio analysis per business line (*)

Outstandings per line of business (*)[1, 2, 3]

in EUR million		Wholesale Banking		Retail Banking		Corporate line		Total	
Rating class		**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Investment grade	1 (AAA)	53,363	52,716	29,151	34,683	1,790	2,284	84,304	89,682
	2-4 (AA)	72,462	67,034	63,187	59,655	4	6	135,653	126,694
	5-7 (A)	101,831	95,320	140,479	132,076	157	147	242,467	227,543
	8-10 (BBB)	129,429	123,081	155,375	146,295	3,452	2,357	288,256	271,733
Non-investment grade	11-13 (BB)	53,757	57,348	94,753	94,408			148,510	151,756
	14-16 (B)	7,396	12,234	31,165	29,330			38,561	41,565
	17 (CCC)	1,037	1,122	3,345	3,113	170	196	4,552	4,431
Performing Restructuring loans	18 (CC)	1,792	2,523	2,001	1,957			3,794	4,481
	19 (C)	560	535	1,760	1,313			2,320	1,848
Non-performing loans	20-22 (D)	5,204	4,051	8,100	7,622			13,303	11,673
Total		**426,832**	**415,965**	**529,317**	**510,452**	**5,572**	**4,989**	**961,720**	**931,406**
Industry									
Private Individuals		2,116	2,330	377,712	359,057			379,827	361,387
Central Banks		61,091	70,139	15,044	21,740	1,785	2,269	77,919	94,147
Natural Resources		39,974	40,511	1,925	1,883			41,899	42,394
Real Estate		24,643	24,904	28,738	26,611			53,381	51,515
Commercial Banks		41,027	37,393	6,662	6,183	3,619	2,515	51,308	46,091
Non-Bank Financial Institutions		64,217	55,313	2,212	2,290	79	89	66,509	57,692
Central Governments		48,389	45,316	8,107	7,304	1	1	56,497	52,621
Transportation & Logistics		27,499	27,106	6,037	5,784			33,536	32,890
Utilities		25,517	23,324	2,196	2,184			27,713	25,509
Food, Beverages & Personal Care		13,827	13,503	10,419	9,883			24,246	23,386
Services		8,844	9,128	13,442	12,872	27	24	22,312	22,023
General Industries		10,512	12,039	8,812	9,086			19,324	21,126
Lower Public Administration		6,959	6,211	19,598	17,493			26,557	23,704
Other		52,218	48,748	28,412	28,082	62	92	80,691	76,922
Total		**426,832**	**415,965**	**529,317**	**510,452**	**5,572**	**4,989**	**961,720**	**931,406**

Outstandings per line of business (*) - continued[1, 2, 3]

in EUR million		Wholesale Banking		Retail Banking		Corporate line		Total	
Region		**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Europe	Netherlands	44,486	54,989	164,590	156,182	1,906	2,366	210,981	213,537
	Belgium	26,506	24,171	95,584	91,744	0	7	122,091	115,921
	Germany	27,443	26,152	128,598	128,885	30	31	156,071	155,067
	Poland	21,190	20,346	30,946	28,971	0	0	52,136	49,317
	Spain	11,990	11,047	28,507	27,158	36	35	40,533	38,240
	United Kingdom	28,257	28,587	265	275	91	112	28,613	28,974
	Luxembourg	26,176	23,805	5,139	5,557	0	0	31,314	29,363
	France	24,351	21,528	3,122	3,108	3	14	27,476	24,650
	Rest of Europe	72,860	65,157	23,203	20,368	14	32	96,076	85,558
America		86,402	78,851	2,402	2,042	22	25	88,827	80,917
Asia		44,136	49,851	215	159	3,464	2,365	47,815	52,374
Australia		10,887	9,409	46,723	45,977	8	2	57,618	55,389
Africa		2,148	2,071	22	26	0	0	2,170	2,098
Total		**426,832**	**415,965**	**529,317**	**510,452**	**5,572**	**4,989**	**961,720**	**931,406**

1 Based on credit risk measurement contained in lending, pre-settlement, money market and investment activities.
2 Based on the total amount of credit risk in the respective column using ING's internal credit risk measurement methodologies. Economic sectors (industry) below 2% are not shown separately but grouped in Other.
3 Geographical areas are based on country of residence, except for private individuals for which the geographical areas are based on the primary country of risk.

Portfolio analysis per geographical area (*)
The portfolio analysis per geographical area re-emphasises the international distribution of ING's credit portfolio. The Netherlands maintains the largest portfolio share in a single country with 21.9% (2023: 22.9%) of the total amount, followed by Germany with 16.2% (2023: 16.6%) and Belgium with 12.7% (2023: 12.4%).

In terms of region, the majority of the portfolio balance remained in Europe with 80% (2023: 79%), followed by Americas with 9.3% (2023: 8.7%) and Australia with 6.0% (2023: 5.9%). The top five countries within Rest of Europe based on outstandings were Italy (€20.7 billion), Switzerland (€16.4 billion), Romania (€12.4 billion), Türkiye (€8.6 billion) and Ireland (€4.8 billion).

The main contributors for the overall increase in outstanding are Americas (+€7.9 billion), Belgium (+€6.2 billion), Poland (+€2.8 billion) and France (+€2.8 billion).

Private Individuals remained the largest composition of portfolio balances for the Netherlands at 58.3% (2023: 54.6%), Belgium at 37.4% (2023: 38.5%), Germany at 68.8% (2023: 66.5%) and Australia at 66.1% (2023: 65.6%). The decrease in Central Banks is mainly attributed to the Netherlands (€8.5 billion explaining the decrease in WB Netherlands outstanding), Germany (€5.0 billion) and Asia (€4.1 billion).

In individual countries, the total share of investment grade/non-investment grade remains substantial for the Netherlands at 98.5% (2023: 98.6%), Germany at 98.9% (2023: 99.1%) and in Belgium 96.6% (2023: 96.6%).

In Europe, the increase in investment grade was mainly witnessed in Poland (+€4.3 billion), France (+€3.2 billion), Spain (+€3.2 billion), Belgium (+€3.2 billion) and Luxembourg (+€3.2 billion). Non-investment grade decreased in the Netherlands (-€2.7 billion), Poland (-€1.8 billion), Luxembourg (-€1.2 billion) and Spain (-€1.0 billion).

Outstandings by economic sectors and geographical area (*) [1]

in EUR million	Region													Total
Industry	Netherlands	Belgium	Germany	Poland	Spain	United Kingdom	Luxembourg	France	Rest of Europe	America	Asia	Australia	Africa	2024
Private Individuals	122,914	45,611	107,415	16,525	27,083	122	3,058	2,260	16,391	198	129	38,106	16	379,827
Central Banks	22,529	10,196	13,966	1,729	510	1,935	5,737	0	10,913	0	9,525	879	0	77,919
Natural Resources	2,197	1,531	881	778	152	3,021	2,503	405	11,212	8,475	8,989	1,593	159	41,899
Real Estate	16,749	13,387	1,218	2,085	1,595	552	3,446	2,713	3,707	3,220	1,066	3,642	0	53,381
Commercial Banks	1,353	314	4,129	695	376	4,733	5,268	5,074	7,779	10,700	9,394	1,336	157	51,308
Non-Bank Financial Institutions	2,872	1,766	5,147	2,874	249	8,479	6,031	5,932	5,174	23,157	3,518	1,255	55	66,509
Central Governments	1,416	11,009	51	9,435	5,308	48	82	3,202	9,203	15,377	288	488	589	56,497
Transportation & Logistics	4,290	2,076	1,426	1,623	679	2,262	828	765	7,407	3,983	6,912	504	781	33,536
Utilities	1,805	1,843	3,920	814	1,971	2,826	395	712	3,951	5,886	1,187	2,253	152	27,713
Food, Beverages & Personal Care	7,377	3,690	695	2,215	351	328	1,393	1,102	3,008	2,498	1,168	406	14	24,246
Services	4,919	8,431	1,852	1,538	122	869	540	310	1,271	1,265	516	680	0	22,312
General Industries	4,568	2,690	1,059	2,824	219	301	539	484	3,862	2,039	708	23	8	19,324
Lower Public Administration	782	6,824	7,435	608	557	0	246	3,091	476	1,554	44	4,941	0	26,557
Other	17,208	12,722	6,876	8,394	1,361	3,137	1,248	1,426	11,722	10,475	4,372	1,513	238	80,691
Total	**210,981**	**122,091**	**156,071**	**52,136**	**40,533**	**28,613**	**31,314**	**27,476**	**96,076**	**88,827**	**47,815**	**57,618**	**2,170**	**961,720**
Rating class														
Investment grade	170,161	74,882	136,096	36,029	32,741	23,844	27,235	21,886	67,110	72,476	41,203	46,959	59	750,680
Non-Investment grade	37,689	43,059	18,238	13,948	7,126	4,388	3,858	5,229	25,679	14,763	5,859	9,889	1,898	191,623
Performing restructuring	1,579	1,078	305	701	234	59	56	54	1,369	443	30	203	4	6,114
Non-performing loans	1,552	3,071	1,432	1,458	432	322	166	307	1,918	1,145	723	568	210	13,303
Total	**210,981**	**122,091**	**156,071**	**52,136**	**40,533**	**28,613**	**31,314**	**27,476**	**96,076**	**88,827**	**47,815**	**57,618**	**2,170**	**961,720**

[1] Geographical areas are based on country of residence, except for private individuals for which the geographical areas are based on the primary country of risk.

Outstandings by economic sectors and geographical area (*) [1]

in EUR million

	Region													Total
Industry	Netherlands	Belgium	Germany	Poland	Spain	United Kingdom	Luxembourg	France	Rest of Europe	America	Asia	Australia	Africa	2023
Private Individuals	116,530	44,637	103,151	14,860	25,452	128	3,347	2,472	14,179	149	121	36,340	20	361,387
Central Banks	31,017	9,756	18,945	2,530	489	4,335	4,853		6,166		13,668	2,379	9	94,147
Natural Resources	2,623	1,346	1,017	685	129	3,789	2,511	429	10,608	8,237	9,785	941	295	42,394
Real Estate	16,907	10,986	1,111	2,184	1,551	420	3,563	2,901	3,492	3,323	1,367	3,709		51,515
Commercial Banks	1,268	404	4,050	601	353	4,488	5,070	4,155	6,757	9,833	8,182	719	210	46,091
Non-Bank Financial Institutions	2,573	1,457	5,710	2,532	652	6,837	4,631	4,274	4,269	19,921	3,884	950		57,692
Central Governments	1,620	9,046	699	8,614	5,491	41	79	2,255	9,384	13,752	520	526	593	52,621
Transportation & Logistics	3,860	2,198	1,277	1,598	658	2,113	596	784	8,177	3,511	7,044	456	618	32,890
Utilities	2,419	1,634	3,516	792	912	2,723	480	619	4,469	4,424	1,306	2,041	173	25,509
Food, Beverages & Personal Care	7,138	3,127	550	2,242	490	540	1,505	1,250	2,455	2,652	1,140	281	18	23,386
Services	5,073	8,463	1,725	1,325	71	745	502	380	1,052	1,576	469	642		22,023
General Industries	5,746	2,604	1,193	2,827	333	199	649	287	3,661	2,848	761	18		21,126
Lower Public Administration	253	6,607	5,349	669	350	0	249	3,488	356	1,550	7	4,826		23,704
Other	16,510	13,657	6,774	7,858	1,309	2,615	1,326	1,356	10,532	9,141	4,120	1,562	163	76,922
Total	**213,537**	**115,921**	**155,067**	**49,317**	**38,240**	**28,974**	**29,363**	**24,650**	**85,558**	**80,917**	**52,374**	**55,389**	**2,098**	**931,406**
Rating class														
Investment grade	170,118	71,730	136,675	31,772	29,583	24,299	24,083	18,692	56,404	63,652	44,481	44,139	24	715,653
Non-Investment grade	40,399	40,236	16,929	15,785	8,134	4,508	5,013	5,713	25,967	15,806	6,769	10,715	1,776	197,751
Performing restructuring	1,433	799	349	830	230	2	105	122	1,983	245	72	132	26	6,328
Non-performing loans	1,587	3,155	1,114	929	293	165	162	124	1,205	1,213	1,051	403	272	11,673
Total	**213,537**	**115,921**	**155,067**	**49,317**	**38,240**	**28,974**	**29,363**	**24,650**	**85,558**	**80,917**	**52,373**	**55,389**	**2,098**	**931,406**

[1] Geographical areas are based on country of residence, except for Private Individuals for which the geographical areas are based on the primary country of risk.

Credit risk mitigation (*)

ING uses various techniques and instruments to mitigate the credit risk associated with an exposure and to reduce the losses incurred subsequent to a default by a customer. The most common terminology used in ING for credit risk protection is 'cover'. While a cover may be an important mitigant of credit risk and an alternative source of repayment, generally it is ING's practice to lend on the basis of the customer's creditworthiness rather than exclusively relying on the value of the cover.

Cover forms (*)

Within ING, there are two distinct forms of covers. First, where the asset has been pledged to ING as collateral or security, ING has the right to liquidate it should the customer be unable to fulfil its financial obligation. As such, the proceeds can be applied towards full or partial compensation of the customer's outstanding exposure. This may be tangible (such as cash, securities, receivables, inventory, plant and machinery, and mortgages on real estate properties) or intangible (such as patents, trademarks, contract rights and licences). Second, where there is a third-party obligation, indemnification or undertaking (either by contract and/or by law), ING has the right to claim from that third party an amount if the customer fails on its obligations. The most common examples are guarantees, such as parent guarantees, export credit insurances or third-party pledged mortgages. Insurance or reinsurance covers, including comprehensive private risk insurance (CPRI) may be recognised as guarantees and effectively function in an equivalent manner. ING accepts credit risk insurance companies and export credit agencies (ECAs) as cover providers.

Cover valuation methodology (*)

General guidelines for cover valuation are established with the objective of ensuring consistent application within ING. These also require that the value of the cover is monitored on a regular basis. Covers are revalued periodically and whenever there is reason to believe that the market is subject to significant changes in conditions. The frequency of monitoring and revaluation depends on the type of cover.

The valuation method also depends on the type of covers. For asset collateral, the valuation sources can be the customer's balance sheet (e.g. inventory, machinery and equipment), nominal value (e.g. cash and receivables), market value (e.g. securities and commodities), independent valuations (e.g. commercial real estate) and market indices (e.g. residential real estate). For third-party obligations, the valuation is based on the value that is attributed to the contract between ING and that third party.

Where collateral values are used in the calculation of Stage 3 individual loan loss provisions, haircuts may be applied to the valuation in specific circumstances, to sufficiently include all relevant factors impacting future cash flows. ING applies haircuts to the collateral values of real estate, shipping and aviation assets that are used in the calculation of the loss-given-default in recovery scenarios. The haircut reflects the risks of adverse price developments between the moment of valuation of an asset and the actual settlement/cash receipt.

Cover values (*)

This section provides insight into the types of cover and the extent to which exposures benefit from collateral or guarantees. The disclosure differentiates between risk categories (lending, investment, money market and pre-settlement). The most relevant types of cover include mortgages, financial collateral (cash and securities), guarantees and other covers (mainly pledges). ING obtains covers that are eligible for credit risk mitigation under CRR/CRDIV, as well as covers that are not eligible. Collateral covering financial market transactions is valued on a daily basis, and as such not included in the following tables. To mitigate the credit risk arising from financial markets transactions, the bank enters into legal agreements governing the exchange of financial collateral (high-quality government bonds and cash).

The cover values are presented for the total portfolio of ING, both the performing and non-performing portfolio.

Cover values including guarantees received (*)

in EUR million		Cover type and value				Collateralisation		
2024	Outstandings	Mortgages	Financial Collateral	Guarantees	Other covers	No cover	Partially covered	Fully covered
Consumer lending	378,832	865,466	6,257	25,428	55,115	6.5 %	2.0 %	91.5 %
Business lending	368,424	163,143	24,838	119,410	484,148	34.0 %	23.7 %	42.3 %
Investment and money market	153,495	0	0	1,115	95	99.3 %	— %	0.7 %
Total lending, investment and money market	**900,752**	**1,028,609**	**31,095**	**145,953**	**539,357**	**33.6 %**	**10.5 %**	**55.9 %**
of which NPL	**13,295**	**10,427**	**194**	**3,093**	**11,109**	**27.6 %**	**27.7 %**	**44.7 %**
Pre-settlement	60,968							
Total Bank	**961,720**							

Cover values including guarantees received (*)

in EUR million		Cover type and value				Collateralisation		
2023	Outstandings	Mortgages	Financial Collateral	Guarantees	Other covers	No cover	Partially covered	Fully covered
Consumer lending	360,124	804,994	22,401	25,269	29,070	6.2 %	2.0 %	91.8 %
Business lending	363,680	162,491	26,333	115,944	428,531	35.2 %	22.5 %	42.3 %
Investment and money market	158,506		—	1,040	549	99.0 %	0.6 %	0.4 %
Total lending, investment and money market	**882,309**	**967,485**	**48,735**	**142,252**	**458,149**	**34.8 %**	**10.2 %**	**55.0 %**
of which NPL	**11,653**	**8,880**	**1,609**	**3,204**	**9,241**	**25.7 %**	**26.9 %**	**47.4 %**
Pre-settlement	49,096							
Total Bank	**931,406**							

The above tables gives an overview of the collateralisation of ING's total portfolio. Excluding the pre-settlement portfolio, 55.9% (2023: 55.0%) of ING's outstandings were fully collateralised in 2024. Since investments traditionally do not require covers, the 'no covers' percentage in this portfolio is over 99%.

Consumer lending portfolio (*)

The consumer lending portfolio accounts for 39.4% (2023: 38.7%) of ING's total outstanding, primarily consisting of residential mortgage loans and other consumer lending loans. As a result, most collateral consists of mortgages. Mortgage values are collected in an internal central database and in most cases external data is used to index the market value. A significant part of ING's residential mortgage portfolio is in the Netherlands (34.6%), Germany (27.5%), Belgium including Luxembourg (12.8%) and Australia (10.8%).

Note that the large increase in Other covers and decrease in Financial Collateral is related to a reclassification of certain cover types.

Business lending portfolio (*)

Business lending accounts for 38.3% (2023: 39.1%) of ING's total outstanding. Business lending presented in this section does not include pre-settlement, investment and money market exposures.

Credit quality (*)

ING uses three distinct statuses to categorise the management of clients with (perceived) deteriorating credit risk profiles. ING usually classifies a client first with a “watch list” status when there are concerns of any potential or material deterioration in credit risk profile that may affect the ability of the client to adhere to its debt service obligations or to refinance its existing loans. Watch list status requires more than usual attention, increased monitoring and quarterly reviews. Furthermore, ING makes use of Early Warning Indicators (EWIs) in daily credit risk management processes in non-Retail portfolios which relate to a change in (internal and/or external) circumstances or outlook of the specific Obligor, the sector or portfolio. Some clients with a watch list or EWI status may develop into a performing restructuring status (performing loans that hold a reasonable probability that ING will end up with a loss, if no specific action is taken) or a non-performing status.

When there is increasing doubt as to the performance and the collectability of the client’s contractual obligations the loans are managed by Global Credit Restructuring (GCR) or by restructuring units in the various regions and business units. The statuses and links with rating grades are illustrated in the table below.

Credit risk ratings				
Internal Rating Grade	1-10	11-17	18-19	20-22
Category	Investment Grade	Non-Investment Grade	Performing Restructuring	Non-Performing
Credit risk management	Regular incl EWI/ Watchlist	Regular incl EWI/ Watchlist	Credit restructuring	Credit restructuring
ECL Stage	1/2[1]	1/2[1]	2	3

[1] Stage 2 in case one of the Stage 2 triggers is hit, where Watchlist files are always Stage 2

Credit quality outstandings (*)		
in EUR million	2024	2023
Performing not past due	823,336	795,796
Business lending performing past due	9,174	8,825
Consumer lending performing past due	802	846
Non-performing	13,295	11,653
Total lending and investment	**846,607**	**817,120**
Money market	**54,145**	**65,189**
Pre-settlement	**60,968**	**49,096**
Total	**961,720**	**931,406**

Past due obligations (*)

Retail Banking measures its portfolio in terms of payment arrears and determines on a monthly basis if there are any significant changes in the level of arrears. This methodology is applicable to private individuals, as well as business lending. An obligation is considered 'past due' if a payment of interest or principal is more than one day late. ING aims to help its customers as soon as they are past due by reminding them of their payment obligations. In its contact with customers, ING aims to solve the (potential) financial difficulties by offering a range of measures (e.g. payment arrangements, restructuring). If the issues cannot be resolved, for example because the customer is unable or unwilling to pay, the contract is sent to the recovery unit. The facility is downgraded to risk rating 20 (non-performing) when the facility or obligor – depending on the level at which the non-performing status is applied – is more than 90 days past due and to risk rating 21 or 22 in case of an exit scenario.

The table below represents the breakdown of lending and investment credit risk outstandings that are performing by age and geographic area.

Ageing analysis (past due but performing): Consumer lending portfolio by geographic area, outstandings (*)

in EUR million		2024				2023			
Region		Past due for 1–30 days	Past due for 31–60 days	Past due for 61–90 days	Total	Past due for 1–30 days	Past due for 31–60 days	Past due or 61–90 days	Total
Europe	Belgium	185	49	29	263	223	43	29	295
	Germany	65	37	24	125	89	40	18	147
	Poland	61	9	4	74	76	8	5	89
	Netherlands	62	35	4	101	67	24	6	97
	Luxembourg	22	6	3	32	21	2	2	25
	Spain	12	16	8	36	19	13	6	38
	Rest of Europe	93	15	4	112	64	19	11	94
America		0	0	0	1	1	0	0	1
Asia		0	0	0	0	0	0	0	1
Australia		38	19	2	59	43	15	1	59
Africa		0	0	0	0	0	0	0	0
Total		**538**	**186**	**78**	**802**	**602**	**164**	**79**	**846**

The past due but performing consumer lending outstanding decreased by €44 million, due to a decrease in 1-30 days (-€64 million) which was partially offset by an increase in 31-60 (+€22 million). The largest decrease was observed in Belgium (-€32 million) and Germany (-€22 million), mainly in the 1-30 days bucket. The largest increase was seen in Rest of Europe (+€18 million).

Ageing analysis (past due but performing): Business lending portfolio by geographic area, outstandings (*)									
in EUR million		2024				2023			
Region		Past due for 1–30 days	Past due for 31–60 days	Past due for 61–90 days	Total	Past due for 1–30 days	Past due for 31–60 days	Past due for 61–90 days	Total
Europe	Belgium	1,187	17	13	1,217	929	98	11	1,037
	United Kingdom	830	8		838	623	659	128	1,410
	Luxembourg	367	51	5	423	577	8	11	596
	Netherlands	929	14		943	509	10	12	531
	Poland	173	17	19	209	346	26	10	383
	Spain	26			26				
	France	194			194	58	132		190
	Germany	215	3	2	220	131	110	1	242
	Rest of Europe	630	4	46	681	972	2	2	977
America		3,504	95		3,599	2,508	101	41	2,650
Asia		310			310	284		22	306
Australia		469	6		475	501	1		502
Africa		39			39				
Total		**8,873**	**215**	**86**	**9,174**	**7,437**	**1,148**	**240**	**8,825**

Total past due but performing outstanding of business lending increased by €0.3 billion. Increase was witnessed in the 1–30 days past due bucket (€1.4 billion) which was offset by the decrease observed in the 31-60 days (-€0.9 billion) and 61-90 days (-€0.2 billion) past due buckets. The largest increase was in the Americas (€0.9 billion) while the largest decrease was in the United Kingdom (-€0.6 billion).

Forbearance (*)

Forbearance occurs when a client is unable to meet their financial commitments due to financial difficulties they face or are about to face and ING grants concessions towards them. Forborne assets are assets in respect of which forbearance measures have been granted.

Forbearance may enable clients experiencing financial difficulties to continue repaying their debt.

For business clients, ING mainly applies forbearance measures to support clients with fundamentally sound business models that are experiencing temporary difficulties. The aim is to maximise the client's repayment ability, thereby avoiding a default situation, or help the client to return to a performing situation.

For ING Retail units, clear criteria have been established to determine whether a client is eligible for the forbearance process. Specific approval mandates are in place to approve the measures, as well as procedures to manage, monitor and report the forbearance activities.

ING reviews the performance of forborne exposures at least quarterly, either on a case-by-case (Business) or on a portfolio (Retail) basis.

All exposures are eligible for forbearance measures, i.e. both performing (risk ratings 1-19) and non-performing (risk ratings 20-22) exposures. ING uses specific criteria to move forborne exposures from non-performing to performing or to remove the forbearance statuses that are consistent with the corresponding European Banking Authority (EBA) standards. An exposure is reported as forborne for a minimum of two years. An additional one-year probation period is applied to forborne exposures that move from non-performing back to performing.

Summary Forborne portfolio (*)

in EUR million	2024				2023			
Business line	Outstandings	Of which: performing	Of which: non-performing	% of total portfolio	Outstandings	Of which: performing	Of which: non-performing	% of total portfolio
Wholesale Banking	5,934	3,191	2,743	1.9 %	6,063	3,919	2,144	1.9%
Retail Banking	6,883	3,987	2,897	1.3 %	7,026	4,128	2,898	1.4%
Total	**12,817**	**7,178**	**5,640**	**1.5 %**	**13,089**	**8,047**	**5,042**	**1.6%**

Summary Forborne portfolio by forbearance type (*)

in EUR million	2024				2023			
Forbearance type	Outstandings	Of which: performing	Of which: non-performing	% of total portfolio	Outstandings	Of which: performing	Of which: non-performing	% of total portfolio
Loan modification	11,726	6,734	4,993	1.4 %	11,881	7,550	4,331	1.4%
Refinancing	1,091	444	647	0.1 %	1,208	497	711	0.1%
Total	**12,817**	**7,178**	**5,640**	**1.5 %**	**13,089**	**8,047**	**5,042**	**1.5%**

As of 31 December 2024, ING's total forborne assets decreased by €272 million compared to 31 December 2023. WB decreased by €129 million and Retail decreased by €143 million.

Wholesale Banking (*)

As of December 2024, WB forborne assets amounted to €5.9 billion (2023: €6.1 billion), which represented 1.9% (2023: 1.8%) of the total WB portfolio.

Wholesale Banking: Forborne portfolio by geographical area (*)

in EUR million		2024			2023		
Region		Outstandings	Of which: performing	Of which: non-performing	Outstandings	Of which: performing	Of which: non-performing
Europe	Netherlands	217	69	148	361	301	60
	Belgium	172	165	7	454	446	8
	Germany	372	62	310	288	148	139
	United Kingdom	444	266	178	583	425	158
	Italy	389	353	36	54	19	34
	Norway	0	0	0	6	0	6
	Poland	630	284	346	520	519	0
	Rest of Europe	1,339	940	399	1,421	1,142	279
America		1,586	867	719	1,025	532	493
Asia		652	111	541	1,198	277	921
Australia		79	34	44	87	87	—
Africa		54	40	15	68	23	45
Total		**5,934**	**3,191**	**2,743**	**6,063**	**3,919**	**2,144**

Wholesale Banking: Forborne portfolio by economic sector (*)

in € million	2024			2023		
Industry	Outstandings	Of which: performing	Of which: non-performing	Outstandings	Of which: performing	Of which: non-performing
Natural Resources	781	424	356	788	321	467
Real Estate	1,115	703	412	1,320	1,254	66
Transportation & Logistics	214	83	131	315	175	139
Food, Beverages & Personal Care	810	415	395	866	465	401
Services	211	176	34	284	254	30
Automotive	332	183	149	138	98	40
Utilities	677	301	376	510	255	255
General Industries	127	70	58	145	74	71
Retail	149	21	128	282	104	178
Chemicals, Health & Pharmaceuticals	668	136	532	571	559	11
Builders & Contractors	122	118	5	133	72	61
Other	729	561	168	712	287	425
Total	**5,934**	**3,191**	**2,743**	**6,063**	**3,919**	**2,144**

Net decrease in WB is driven by the performing forborne exposures -€728 million. Non-performing forborne assets increased by €599 million, mainly in Chemicals, Health & Pharmaceuticals and in Real Estate in line with earlier mentioned NPL increases.

WB's forborne assets are mainly concentrated in real estate; food, beverages & personal care; natural resources; chemicals, health & pharmaceuticals; and utilities. These five sectors accounted for 68.3% of the total WB forborne outstandings.

Retail Banking (*)

As of 31 December 2024, Retail Banking forborne assets amounted to €6.9 billion (2023: €7.0 billion), which represented 1.3% (2023: 1.4%) of the total RB portfolio. 26.7% f the forborne exposures were in Private Individuals.

Retail Banking: Forborne portfolio by geographical area (*)

in € million		2024			2023		
Region		Outstandings	Of which: performing	Of which: non-performing	Outstandings	Of which: performing	Of which: non-performing
Europe	Netherlands	1,548	1,134	414	1,483	981	502
	Belgium	1,942	800	1,142	2,153	838	1,315
	Germany	1,379	1,052	327	1,309	1,064	246
	Poland	777	403	374	852	522	330
	Türkiye	13	9	4	25	15	10
	Italy	122	43	79	123	51	71
	Romania	173	72	101	135	49	86
	Spain	159	127	31	138	118	21
	Rest of Europe	102	50	52	88	58	30
America		22	17	6	21	20	
Asia		1		1	2	1	1
Australia		646	279	367	697	411	286
Africa							
Total		**6,883**	**3,987**	**2,897**	**7,026**	**4,128**	**2,898**

The main concentration of forborne assets in a single country was in Belgium with 28.2% (2023: 30.6%) of total Retail Banking forborne assets and 39.4% (2023: 45.4%) of the non-performing forborne assets, followed by the Netherlands with 22.5% (2023: 21.1%) and Germany having 20.0% (2023: 18.6%) of the total Retail forborne assets.

Non-performing loans (*)

ING has aligned the regulatory concept of non-performing with that of the definition of default. Hence, borrowers are classified as non-performing when a default trigger occurs:

- ING believes the borrower is unlikely to pay. The borrower has evidenced significant financial difficulty, to the extent that it will have a negative impact on the future cash flows of the financial asset. The following events could be seen as indicators of financial difficulty:
  - The borrower (or third party) has started insolvency proceedings;
  - A group company/co-borrower has NPL status;
  - Indication of fraud (affecting the company's ability to service its debt);
  - There is doubt as to the borrower's ability to generate stable and sufficient cash flows to service its debt; and
  - Restructuring of debt.
- ING has granted concessions relating to the borrower's financial difficulty, the effect of which is a reduction in expected future cash flows of the financial asset below current carrying amount.
- The obligor has failed in the payment of principal, interest or fees; the total past due amount is above the materiality threshold and this remains the case for more than 90 consecutive days.

Further, WB has an individual name approach, using early warning indicators to signal possible future issues in debt service.

The table below represents the breakdown of credit risk outstandings that have been classified as non-performing by sector and business line.

Non-performing Loans: outstandings by economic sector and business lines (*)[1]

in EUR million	Wholesale Banking		Retail Banking		Total	
Industry	2024	2023	2024	2023	2024	2023
Private Individuals	4	4	4,766	4,416	4,769	4,419
Natural Resources	965	669	99	85	1,064	754
Food, Beverages & Personal Care	452	565	357	520	809	1,085
Transportation & Logistics	347	437	157	134	504	572
Services	102	101	394	481	495	582
Real Estate	831	592	603	462	1,434	1,053
General Industries	236	111	451	385	687	497
Builders & Contractors	51	124	445	453	496	577
Retail	157	207	224	188	381	395
Utilities	582	331	19	18	600	348
Chemicals, Health & Pharmaceuticals	654	101	185	132	839	233
Telecom	151	378	12	12	163	390
Other	666	412	387	336	1,052	748
Total	**5,196**	**4,034**	**8,099**	**7,619**	**13,295**	**11,653**

1 Based on lending and investment outstandings.

Non-performing Loans: outstandings by economic sectors and geographical area (*)

in EUR million	Region													Total
Industry	Netherlands	Belgium	Germany	Poland	Spain	United Kingdom	France	Luxembourg	Rest of Europe	America	Asia	Australia	Africa	**2024**
Private Individuals	646	1,461	1,066	210	304	10	8	44	545	2	2	469		4,769
Natural Resources	13	54		33					569	31	343	21		1,064
Food, Beverages & Personal Care	196	154	1	93		23	5		158	51	127			809
Transportation & Logistics	93	40	3	124	47			1	136			1	59	504
Services	57	293	5	87	2	1	3	5	10	34				495
Real Estate	12	374	63	114	59		59	90	6	606		52		1,434
General Industries	153	123	24	147	20		2	1	170	17	30			687
Builders & Contractors	68	175	5	162				7	78					496
Retail	53	97	39	62			3		14	97	15	1		381
Utilities	13	8	25	21		285			12	128	109			600
Chemicals, Health & Pharmaceuticals	37	94	84	340		1	110		113	36		24		839
Telecom	7	1		3			44		14	90	4			163
Other	202	198	117	60		2	72	17	90	54	92		150	1,052
Total	**1,549**	**3,071**	**1,432**	**1,457**	**432**	**322**	**307**	**166**	**1,916**	**1,145**	**723**	**567**	**210**	**13,295**

Non-performing Loans: outstandings by economic sectors and geographical area (*)

in EUR million	Region													Total
Industry	Netherlands	Belgium	Germany	Poland	Spain	United Kingdom	France	Luxembourg	Rest of Europe	America	Asia	Australia	Africa	**2023**
Private Individuals	609	1,535	885	225	235	3	8	45	489	2	2	380	1	4,419
Natural Resources	30	60	1	23				55	164	31	369		20	754
Food, Beverages & Personal Care	281	157	1	131		139	7		158	82	128			1,085
Transportation & Logistics	110	50	2	51	47	20		1	168	49	1	2	72	572
Services	121	342	2	55	2		3	8	13	37				582
Real Estate	40	297	53	55	9		36	16	7	519		21		1,053
General Industries	145	127	49	99			2	7	24	42				496
Builders & Contractors	113	181	2	135				22	91	32				577
Retail	51	82	36	52			2		14	149	7			395
Utilities	14	5		21					18	153	138			348
Chemicals, Health & Pharmaceuticals	31	77	13	25			64		11	12				233
Telecom	12	1	28	3					13	56	277			390
Other	28	239	42	55		2	1	6	23	46	128		179	748
Total	**1,586**	**3,153**	**1,114**	**929**	**293**	**165**	**124**	**162**	**1,193**	**1,210**	**1,050**	**403**	**272**	**11,653**

In 2024, the NPL portfolio increased to €13.3 billion. n increase in Wholesale Banking (+€1.2 billion) together with an increase in Retail Banking (+€0.5 billion). The increase in Wholesale Banking was mainly witnessed in real estate; chemicals, health & pharmaceuticals; and in natural resources, partially offset by telecom. In Retail Banking, the increase was concentrated in Private Individuals. The top three countries by NPL outstanding are Belgium, the Netherlands and Poland.

Loan loss provisioning (*)

ING recognises loss allowances based on the expected credit loss (ECL) model of IFRS 9, which is designed to be forward-looking. The IFRS 9 impairment requirements are applicable to on-balance sheet financial assets measured at amortised cost or fair value through other comprehensive income (FVOCI), such as loans, debt securities and lease receivables, as well as off-balance-sheet items such as undrawn loan commitments, financial- and non-financial guarantees issued.

ING distinguishes between two types of calculation methods for credit loss allowances:

- Collective 12-month ECL (Stage 1) and collective lifetime ECL (Stage 2) for portfolios of financial instruments, as well as collective lifetime ECL for credit-impaired exposures (Stage 3) below €1 million;
- Individual lifetime ECL for credit-impaired (Stage 3) financial instruments with exposures above €1 million.

IFRS 9 models (*)

ING's IFRS 9 models leverage on the internal rating-based (IRB) models (PD, LGD, EAD), which include certain required conservatism. To include IFRS 9 requirements, such regulatory conservatism is removed from the ECL parameters (PD, LGD and EAD). The IFRS 9 models apply two other types of adjustments to the IRB ECL parameters: (i) to the economic outlook and (ii) for Stage 2 and Stage 3 assets only, to the lifetime horizon. The IFRS 9 model parameters are estimated based on statistical techniques and supported by expert judgement.

ING has aligned the definition of default for regulatory purposes with the definition of ‘credit-impaired’ financial assets under IFRS 9 (Stage 3). ING has also aligned its definition of default between IFRS 9 and the regulatory technical standards (RTS) and EBA guidelines. More information can be found in section 1.5.6 of the consolidated financial statements.

Climate and environmental risks in IFRS 9 models (*)

Climate risk drivers (physical and transition risks) can reduce the ability of businesses and households to fulfil their obligations due on existing lending contracts. These may also lead to the depreciation/erosion of collateral values, which would translate into higher credit losses and loan-to-value ratios in the lending portfolio of ING.

Currently, it is not yet possible to fully incorporate climate risk separately into IFRS 9 ECL models given the lack of sufficient empirical historical data and data limitations in the risk assessments on client level. However, ING has taken next steps in 2024 to more explicitly cover for climate-risk drivers in loan loss provisioning. A management adjustment to ECL models for business clients was introduced to specifically cover for the medium- to long-term transition risk on high greenhouse gas-emitting sectors. For households, particularly the mortgage book, next step in the development will be to apply differentiation in collateral valuation based on EPC labels.

Additionally, where climate and environmental factors have impacted the economy in the recent past or present, these impacts are implicitly embedded in ING’s IFRS 9 ECL models through the projected macroeconomic indicators (e.g. indirectly via GDP growth and unemployment rates). We note, however, that our ECL models are primarily sensitive to the short-term economic outlook as we use a three-year time horizon for macroeconomic outlook, after which a mean reversion approach is applied.

With regard to our evaluation of specific climate-related matters, particularly physical risk events that have already occurred (e.g. floods, stranded assets etc.), the impact of such events is individually assessed in the calculation of Stage 3 individual provisions, collective SICR or management adjustments to ECL models. For example, we consider whether affected assets have suffered from a significant increase in credit risk (or are credit impaired) and whether the ECL is appropriate. Furthermore as at 31 December 2024 we have reported a management adjustment for the increased expected credit risk in the Mortgage and Consumer Lending portfolio in Spain due to payment holidays provided for customers with collateral or activities in the Valencia area impacted by the severe floods in the fourth quarter of 2024. For more, see ‘Management adjustments applied this reporting period’.

Going forward, ING aims to continue to improve on climate risk data, which will enable us to further embed climate risks into the IFRS 9 ECL models. For further details on ESG risk management, see ‘ESG risk’

Reconciliation gross carrying amount (IFRS 9 eligible) and statement of financial position

in EUR million	2024							2023						
	Gross carrying amount	Loan Loss Provisions	Cash and on-demand bank positions	Reverse repurchase transactions	Cash collateral	Other	Statement of financial position	Gross carrying amount	Loan Loss Provisions	Cash and on-demand bank positions	Reverse repurchase transactions	Cash collateral	Other	Statement of financial position
Amounts held at central banks	71,280	-14	-1,550			637	70,353	90,602	-5	-794				90,214
Loans and advances to banks	4,684	-22	3,195	10,777	2,362	773	21,769	5,835	-30	2,381	5,251	3,063	208	16,708
Financial instruments FVOCI loans	1,671	-7				-56	1,608	983	-8				-24	951
Financial Instruments FVOCI debt securities	42,185	-12				46	42,219	38,323	-13				-30	38,281
Securities at amortised cost	50,701	-15				-413	50,273	48,770	-22				-435	48,313
Loans and advances to customers	679,488	-5,833		3,471	4,956	-1,783	680,299	647,925	-5,621		499	3,914	-4,265	642,453
Total on-balance (IFRS 9 eligible)	**850,009**	**-5,902**	**1,645**	**14,248**	**7,318**	**-796**	**866,521**	**832,439**	**-5,697**	**1,587**	**5,750**	**6,978**	**-4,137**	**836,919**
Guarantees and irrevocable facilities (IFRS 9 eligible)	198,420	-146						192,458	-142					
Total gross carrying amount (IFRS 9 eligible)	**1,048,429**	**-6,048**						**1,024,897**	**-5,839**					

This table presents the reconciliation between the statement of financial position and the gross carrying amounts used for calculating the expected credit losses. No expected credit loss is calculated for cash, on-demand bank positions, reverse repurchase transactions, cash collateral received in respect of derivatives and other. Therefore these amounts are not included in the total gross carrying amount (IFRS 9 eligible). Other includes value adjustments on hedged items, deferred acquisition costs on residential mortgages and a receivable which is offset against a liquidity facility.

Portfolio quality (*)

The table below describes the portfolio composition over the different IFRS 9 stages and rating classes. The Stage 1 portfolio represents 91.1% (2023: 91.5%) of the total gross carrying amounts, mainly composed of investment grade, while Stage 2 makes up 7.6% (2023: 7.3%) and Stage 3 makes up 1.3% (2023: 1.2%) of the total gross carrying amounts, respectively.

Gross carrying amount per IFRS 9 stage and rating class (*)[1,2,3]

in EUR million		12-month ECL (Stage 1)				Lifetime ECL not credit impaired (Stage 2)				Lifetime ECL credit impaired (Stage 3)				Total			
Rating class		Gross carrying amount		Provisions		Gross carrying amount		Provisions		Gross carrying amount		Provisions		Gross carrying amount		Provisions	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Investment grade	1 (AAA)	79,076	87,122	1	1	281	439							79,357	87,561	1	1
	2-4 (AA)	140,671	132,159	10	8	1,579	2,553	1	2					142,250	134,711	11	9
	5-7 (A)	244,306	231,018	22	24	6,908	6,188	8	6					251,214	237,206	29	30
	8-10 (BBB)	310,114	302,967	55	85	24,683	17,004	55	24					334,797	319,971	110	108
Non-Investment grade	11-13 (BB)	154,348	157,387	190	226	18,479	19,273	91	93					172,827	176,661	281	319
	14-16 (B)	25,377	26,414	124	164	17,433	19,336	366	455					42,811	45,750	490	618
	17 (CCC)	905	617	8	10	3,992	3,928	173	233					4,897	4,545	181	242
Performing Restructuring	18 (CC)					4,059	4,617	233	402					4,060	4,617	233	402
	19 (C)					2,474	1,919	203	221					2,474	1,919	203	221
Non-performing loans	20-22 (D)									13,742	11,956	4,509	3,887	13,742	11,956	4,509	3,887
Total		**954,798**	**937,684**	**409**	**517**	**79,888**	**75,257**	**1,130**	**1,435**	**13,742**	**11,956**	**4,509**	**3,887**	**1,048,429**	**1,024,897**	**6,049**	**5,839**

1 Compared to the credit risk portfolio, the differences are mainly undrawn committed amounts (€155 billion; 2023: €151 billion) and other positions (€6 billion; 2023: €9 billion) not included in credit outstandings and non-IFRS 9 eligible assets (€75 billion; 2023: €67 billion), mainly pre-settlement exposures) included in credit outstandings but not in the gross carrying amounts.

2 Stage 3 lifetime credit impaired provision includes €21 million (2023: €11 million) on purchased or originated credit impaired.

Changes in gross carrying amounts and loan loss provisions (*)

The table below provides a reconciliation by stage of the gross carrying amount and allowances for loans and advances to banks and customers, including loan commitments and financial guarantees. The transfers of financial instruments represent the impact of stage transfers upon the gross carrying/nominal amount and associated allowance for ECL. This includes the net-remeasurement of ECL arising from stage transfers, for example, moving from a 12-month (Stage 1) to a lifetime (Stage 2) ECL measurement basis.

The net-remeasurement line represents the changes in provisions for facilities that remain in the same stage.

Please note the following comments with respect to the movements observed in the table below:

- Stage 3 gross carrying amount increased by €1.7 billion from €12.0 billion as at 31 December 2023 to €13.7 billion as at 31 December 2024, mainly as a result of €4.8 billion net inflow into NPL (credit impaired) in 2024 which is offset by €1.8 billion derecognitions and repayments and €1.3 billion write-offs and disposals. Following the increase in carrying amount, Stage 3 provisions increased by €0.6 billion.
- Stage 2 gross carrying amounts increased by €4.6 billion from €75.3 billion as at 31 December 2023 to €79.9 billion as at 31 December 2024, largely driven by €23.7 billion net transfers from Stage 1 into Stage 2, including the impact of changes in risk drivers (including updated macro-economic forecasts), model redevelopments mainly for Wholesale Banking models and new Stage 2 overlays. This was offset by a decrease of exposure by €16.2 billion due to derecognised financial assets (including sales), repayments and €2.9 billion exposure moving to Stage 3. Stage 2 provisions decreased by €0.3 billion to €1.1 billion as of 31 December 2024.

Changes in gross carrying amounts and loan loss provisions (*)[1, 2]

in EUR million	12-month ECL (Stage 1)		Lifetime ECL not credit impaired (Stage 2)		Lifetime ECL credit impaired (Stage 3)		Total		12-month ECL (Stage 1)		Lifetime ECL not credit impaired (Stage 2)		Lifetime ECL credit impaired (Stage 3)		Total	
	Gross carrying amount	Provisions	Gross carrying amount	Provisions	Gross carrying amount	Provisions	Gross carrying amount	Provisions	Gross carrying amount	Provisions	Gross carrying amount	Provisions	Gross carrying amount	Provisions	Gross carrying amount	Provisions
	2024								2023							
Opening balance	937,684	517	75,258	1,435	11,956	3,887	1,024,897	5,839	884,886	580	70,725	1,679	11,708	3,841	967,319	6,100
Impact of changes in accounting policies									37,079	9	4,704	13	158	73	41,941	95
Adjusted opening balance									921,965	589	75,429	1,692	11,866	3,914	1,009,260	6,195
Transfer into 12-month ECL (Stage 1)	20,276	22	-20,026	-195	-249	-34		-207	11,832	28	-11,583	-239	-249	-36	0	-247
Transfer into lifetime ECL not credit impaired (Stage 2)	-43,155	-49	43,900	429	-745	-96		285	-29,134	-67	29,849	449	-716	-105	0	276
Transfer into lifetime ECL credit impaired (Stage 3)	-2,980	-18	-2,856	-235	5,836	1,802		1,548	-2,053	-10	-1,775	-114	3,828	978	0	853
Net remeasurement of loan loss provisions		-180		-137		185		-133	0	-149	0	-94	0	59	0	-183
New financial assets originated or purchased	212,529	192					212,529	192	195,826	204	0	0	0	0	195,826	204
Financial assets that have been derecognised	-126,858	-76	-11,840	-153	-1,450	-257	-140,148	-485	-121,991	-72	-14,239	-215	-1,475	-266	-137,705	-552
Net drawdowns and repayments	-41,763		-4,406		-309		-46,478		-38,758	0	-2,386	0	-229	0	-41,372	0
Changes in models/risk parameters		8		-6		-22		-20	0	7	0	11	0	84	0	102
Increase in loan loss provisions		**-101**		**-297**		**1,578**		**1,179**		**-58**		**-203**		**714**		**452**
Write-offs[3]					-1,017	-1,017	-1,017	-1,017	-3	-3			-787	-787	-790	-790
Disposals[3]	-935	-1	-141	-8	-279	-215	-1,355	-225			-38	-38	-283	-283	-321	-321
Recoveries of amounts previously written off						69		69	0	0	0	0	0	71	0	71
Foreign exchange and other movements		-5				208		203	0	-12	0	-15	0	257	0	231
Closing balance	**954,798**	**409**	**79,888**	**1,130**	**13,742**	**4,509**	**1,048,429**	**6,048**	**937,684**	**517**	**75,258**	**1,435**	**11,956**	**3,887**	**1,024,897**	**5,839**

1 Stage 3 lifetime credit impaired provision includes €21 million (2023: €11 million) on purchased or originated credit impaired.
2 The addition to the loan provision (in the consolidated statement of profit or loss) amounts to €1,194 million (2023: €520 million) of which €1,170 million (2023: €483 million)related to IFRS 9 eligible financial assets, €9 million (2023: €-31 million) related to non-credit replacement guarantees and €15 million(2023: €67 million) to modification gains and losses on restructured financial assets.
3 Table was updated for presentation purposes to disaggregate utilisation of the provision between write-offs and disposals. Comparatives have been updated accordingly.

Exposure per stage, coverage ratio and stage ratio's [2]

in EUR million			2024			2023
Balance sheet	**Gross carrying amount**	**Loan loss provisions**	**Stage Ratio**	**Gross carrying amount**	**Loan loss provisions**	**Stage Ratio**
Loans and advances to banks (including central banks)	75,964	35		96,436	34	
Stage 1	74,631	4	98%	95,935	4	99%
Stage 2	1,258	15	2%	494	17	1%
Stage 3	75	16	0.10%	6	13	%
Loans and advances to customers	679,488	5,833		647,927	5,621	
of which: Residential mortgages	348,432	814		331,467	821	
Stage 1	315,774	49	91%	306,192	97	92%
Stage 2	29,341	307	8%	22,167	252	7%
Stage 3	3,317	458	1%	3,108	472	1%
Of which: Consumer lending (excl. Residential mortgages)	28,514	957		25,954	1,004	
Stage 1	24,134	112	85%	22,081	177	85%
Stage 2	3,090	191	11%	2,743	198	11%
Stage 3	1,290	654	5%	1,131	629	4%
Of which: loans to public authorities	23,930	17		19,068	11	
Stage 1	23,214	6	97%	18,083	4	95%
Stage 2	464	3	2%	691	2	4%
Stage 3	252	8	1%	294	5	2%
Of which: Corporate lending	278,612	4,045		271,438	3,785	
Stage 1	237,305	196	85%	232,452	185	86%
Stage 2	33,427	575	12%	32,178	921	12%
Stage 3	7,880	3,274	3%	6,808	2,679	3%
Other IFRS 9 eligible financial Instruments [1]	292,977	180		280,534	184	
Stage 1	279,951	43	96%	262,941	49	94%
Stage 2	12,308	39	4%	16,984	46	6%
Stage 3	718	98	0.2%	609	88	0.2%
Total gross carrying amount (IFRS 9 eligible)	**1,048,429**	**6,048**		**1,024,897**	**5,839**	

1 Includes off-balance sheet IFRS 9 eligible guarantees and irrevocable facilities. Reference is made to Note 1 'Basis of preparation and material accounting policy information'.
2 The exposure classification to residential mortgages, consumer lending and corporate lending is aligned to the regulatory definition

Modification of financial assets (*)

The table below provides the following information:

- Financial assets that were modified during the year (i.e. qualified as forborne) while they had a loss allowance measured at an amount equal to lifetime ECL.
- Financial assets that were reclassified to Stage 1 during the period.

Financial assets modified (*)		
in EUR million	2024	2023
Financial assets modified during the period		
Amortised cost before modification	1,888	1,565
Net modification results	-107	-75
Financial assets modified since initial recognition		
Gross carrying amount at 31 December of financial assets for which loss allowance has changed to 12-month measurement during the period	1,506	2,599

Macroeconomic scenarios and sensitivity analysis of key sources of estimation uncertainty (*)

Methodology (*)

Our methodology in relation to the adoption and generation of macroeconomic scenarios is described in this section. We continue to follow this methodology in generating our probability-weighted ECL, with consideration of alternative scenarios and management adjustments supplementing this ECL where, in management's opinion, the consensus forecast does not fully capture the extent of recent credit or economic events. The macroeconomic scenarios are applicable to the whole ING portfolio in the scope of IFRS 9 ECLs.

The IFRS 9 standard, with its inherent complexities and potential impact on the carrying amounts of our assets and liabilities, represents a key source of estimation uncertainty. In particular, ING's reportable ECL numbers are sensitive to the forward-looking macroeconomic forecasts used as model inputs, the probability-weights applied to each of the three scenarios, and the criteria for identifying a significant increase in credit risk. As such, these crucial components require consultation and management judgement, and are subject to extensive governance.

Baseline scenario (*)

As a baseline for IFRS 9, ING has adopted a market-neutral view combining consensus forecasts for economic variables (GDP, unemployment) with market forwards (for interest rates, exchange rates and oil prices). Input from a leading third-party service provider is used to complement the consensus with consistent projections for variables for which there are no consensus estimates available (most notably house prices and – for some countries – unemployment), to generate alternative scenarios, to convert annual consensus information to a quarterly frequency and to ensure general consistency of the scenarios. As the baseline scenario is consistent with the consensus view, it can be considered as free from any bias.

The relevance and selection of macroeconomic variables is defined by the ECL models under credit risk model governance. The scenarios are reviewed and challenged by two panels of ING experts. The first panel consists of (economic) experts from Global Markets Research, risk and modelling, while the second panel consists of relevant senior managers in ING.

Alternative scenarios and probability weights (*)

Two alternative scenarios are taken into account: an upside and a downside scenario. The alternative scenarios have statistical characteristics as they are based on the forecast deviations of the leading third-party service provider.

To understand the baseline level of uncertainty around any forecast, the leading third-party service provider keeps track of all its deviations (so-called forecast errors) of the past 20 years. The distribution of forecast errors for GDP, unemployment, house prices and share prices is applied to the baseline forecast creating a broad range of alternative outcomes. In addition, to understand the balance of risks facing the economy in an unbiased way, the leading third-party service provider runs a survey with respondents from around the world and across a broad range of industries. In this survey, respondents put forward their views of key risks. Following the survey results, the distribution of forecast errors (that is being used for determining the scenarios) may be skewed.

For the downside scenario, ING has chosen the 90th percentile of that distribution because this corresponds with the way risk management earnings-at-risk is defined within the Group. The upside scenario is represented by the 10th percentile of the distribution. The applicable percentiles of the distribution imply a 20 percent probability for each alternative scenario. Consequently, the baseline scenario has a 60 percent probability weighting. Please note that, given their technical nature, the downside and upside scenarios are not based on an explicit specific narrative.

Macroeconomic scenarios applied (*)

The macroeconomic scenarios applied in the calculation of loan loss provisions are based on the consensus forecasts.

Baseline assumptions (*)
The general picture that the consensus conveys is that global economic growth is diverging between major blocs. US growth is expected to continue to outpace European markets, while China is expected to continue on a declining growth trend, but still at higher rates than seen in advanced markets. Inflation is expected to remain near target for most advanced economies, although it is set to remain above target for the United States. With interest rates moderating, although some uncertainty about this path for the US exists at this point, monetary conditions should turn more favourable for growth. For the housing market, continued price growth is expected for almost all main markets.

The December 2024 consensus expects global output (as measured by the weighted average GDP growth rate of ING's 25 main markets) to slow from 2.5 percent in 2024 to 2.4 percent in 2025. For 2026-2027, economic growth is expected to come in at 2.4 percent and 2.3 percent respectively.

The American economy continues to perform very well despite signs of a slowing labour market around the summer of 2024. Inflation has come down to more benign levels, which has prompted the Federal Reserve to lower interest rates. Still, inflation remains above the 2% target and the outlook for inflation has become more uncertain. The US administration's economic plans are set to stimulate the economy for 2025, as reflected in the increased expectations for 2025 GDP of consensus forecasters. The consensus expects the growth rate of the US economy to slow from 2.7 percent in 2024 to 2.0 percent for both 2025 and 2026.The eurozone economy has seen some growth return in 2024 after a long period of stagnation that started during the energy crisis. Still, expectations for 2025 remain modest. The export environment continues to be plagued by weak global demand and investments are stymied by high interest rates and weak manufacturing performance. Expectations of a pickup in growth over the course of the year hang on domestic drivers like a pickup in real wage growth and continued rate cuts from the ECB at the start of the year. Consensus expects the eurozone to have grown by only 0.8 percent in 2024, before recovering slightly to 1.0 percent and 1.2 percent in 2025 and 2026 respectively.Elsewhere in Europe, the outlook is more upbeat. In Poland, domestic demand appears to remain the key growth driver over the near-term forecast. Foremost, consumers remain willing to spend, encouraged by elevated wage growth and a resilient labour market. The economy is expected to grow by 2.7 percent in 2024, picking up to 3.5 percent in 2025 and 3.8 percent in 2026. The consensus expectation for Türkiye is to see growth slow, which is being confirmed by weak incoming data. Consensus expects growth to slow from 3.1 percent in 2024 to 2.6 percent in 2025, in part due to soft demand from export orders. For 2026, a recovery to 3.5 percent is expected. The Russian economy is expected to slow substantially in 2025 after a strong 2024. Growth is expected to drop from 3.7 percent in 2024 to 1.6 percent in 2025 and 1.3 percent in 2026.

For China, economic underperformance continues as it still struggles with the impact of the real estate correction and weak domestic demand. Large scale stimulus plans and a possible bottoming out of the real estate market do help economic forecasts for the short-run, although medium term consensus continues to be downbeat for the moment. For 2024, consensus expects 4.8 percent growth, down to 4.4 percent in 2025 and 4.1 percent in 2026.

Economic momentum in Australia is expected to be soft. The economy is lacking a clear growth engine, with the private sector clearly struggling against restrictive policy settings and consumers facing a tough outlook. Growth is expected to have come in at 1.2 percent in 2024, with just moderate pick-up expected for 2025 to 2.0 percent and 2.4 percent for 2026.

When compared to the June 2024 consensus forecast, the December 2024 forecast is relatively stable. Global GDP is expected to increase by 2.5 percent in 2024 (compared to 2.4 percent assumed before) and is expected to grow by 2.4 percent in 2025 (2.3 percent assumed before). With the energy crisis and pandemic now further behind us, the consensus for economic activity in major markets is showing smaller deviations over time despite economic and geopolitical uncertainty still being very prevalent.

Alternative scenarios and risks (*)
The baseline scenario assumes continued steady economic growth. However, a longer period of weakness, due to even more concerning geopolitical tensions, persistent elevated inflation and trade tensions could lead to a more protracted and deeper economic slowdown. As such, the balance of risks to the baseline outlook is negative, and the alternative scenarios have a downward skew in line with the outcomes of Oxford Economics' Global Risk Survey.

The downside scenario – though technical in nature – sees a recession in 2025 and 2026 for most countries. Unemployment increases strongly in this scenario and house prices in most countries show outright falls. The downside scenario captures the possible impact from escalating geopolitical tensions, increased trade tensions and persistent elevated inflation.

The upside scenario – while equally technical in nature – reflects the possibility of a better economic out-turn because of a substantial loosening of monetary policy, and policy stimulus in China.

Management adjustments applied this reporting period (*)
In times of volatility and uncertainty where portfolio quality and the economic environment are changing rapidly, models alone may not be able to accurately predict losses. In these cases, management adjustments can be applied to appropriately reflect ECL. Management adjustments can also be applied where the impact of the updated macroeconomic scenarios is over- or under-estimated by the IFRS 9 models, as well as to reflect the impact of model redevelopment or recalibration and periodic model assessment procedures that have not been incorporated in the IFRS 9 models yet.

ING has internal governance frameworks and controls in place to assess the appropriateness of all management adjustments.

Management adjustments to ECL models (*)

in EUR million	2024	2023
Commercial Real Estate/ Inflation and interest rate increases	50	351
Economic sector / portfolio based adjustments	38	36
Mortgage portfolio adjustments	112	126
Climate transition risk	29	
Other Post Model Adjustments	-27	64
Total management adjustments	**203**	**577**

As the ING credit risk models generally assume that inflation and interest rate increase risks materialise via other risk drivers, such as GDP and unemployment rates with a delay, an overlay approach was determined in previous financial years to timely estimate the expected credit losses (ECL) related to reduced repayment capacity and affordability for private individuals and business clients in the Retail Banking segment.

As inflationary stress has decreased since origination of the overlay approach and the limited observed impact in both the Retail and the Wholesale Banking segment, no management adjustment is reported as at 31 December 2024, with exception of a management adjustment of €50 million for the Commercial Real Estate portfolio (31 December 2023: €351 million in total). The €50 million management adjustment related to the Commercial Real Estate portfolio is reported in Wholesale Banking (€33.5 million) and in Business Banking in the Netherlands (€16.5 million) because the prevailing risks from increased levels of interest rates and inflation still exist for this sector in these portfolios. This management adjustment is reflected in Stage 1 and Stage 2.Furthermore, in specific parts in the Retail Banking segment, that were previously included in the inflation and interest rate increases overlay and where increased risked not yet captured in the credit risk models are still observed, specific portfolio-based adjustments have been recognised.

As at 31 December 2024, the economic sector / portfolio based adjustments in Stage 2 of €38 million in total included a management adjustment of €14 million for the increased expected credit risk in the Mortgage and Consumer Lending portfolio in Spain due to payment holidays provided for customers with collateral or activities in the areas impacted by the severe floods in the Valencia area in the fourth quarter of 2024. Furthermore, adjustments have been taken in the Business Banking portfolio in Germany (€10 million) to cover for the increased uncertainty in the German economy and to the Mortgage portfolio in Australia (€15 million) to cover for affordability risk from inflation and interest rate increases.

The economic sector adjustments as at 31 December 2023 of €36 million, fully related to Business Banking clients that have benefited from government support programs in the Netherlands during the Covid-19 pandemic. This adjustment was released in full in 2024 as the risk was considered to be no longer present in the portfolio. The overall mortgage portfolio adjustment as at 31 December 2024 decreased to €112 million (31 December 2023: €126 million). The management adjustment in Stage 2 for the risk segmentation model that captures affordability, repayment and refinancing risk on performing mortgage customers with a bullet loan in the Netherlands was decreased to €112 million (31 December 2023: €115 million). The mortgage portfolio adjustment that related to the overvaluation of house prices was released in full in 2024 (31 December 2023: €11 million).

As of 31 December 2024, an adjustment of €29 million was introduced to cover for the impact of climate transition risk in Wholesale Banking (€17 million) and in Business Banking (€12 million). Climate transition risk is expected to lead to a structural change in credit risk, which means specific business activities will become structurally riskier due to environmental policies, technological progress or changes in market sentiment and preferences. The current IFRS 9 models do not capture this (novel) risk. The management adjustment to ECL models for business clients was made to specifically cover for the medium- to long-term transition risk on high greenhouse gas-emitting sectors and is reported in Stage 2.

Other post-model adjustments mainly relate to the impact of model redevelopment or recalibration and periodic model assessment procedures that have not been incorporated in the ECL models yet. The impact on total ECL can be positive or negative. These result from both regular model maintenance and ING's multiyear programme to update ECL models. These adjustments will be removed once updates to the specific models have been implemented. The change in balance compared to previous reporting date is due to i) released PMAs because of model updates that have been implemented and ii) new PMAs recognised for new redevelopments and recalibrations.

Analysis on sensitivity (*)

The table below presents the analysis on the sensitivity of key forward-looking macroeconomic inputs used in the ECL collective-assessment modelling process and the probability weights applied to each of the three scenarios. The countries included in the analysis are the most significant geographic regions in ING, and for Wholesale Banking the US is the most significant in terms of both gross contribution to reportable ECL and sensitivity of ECL to forward-looking macroeconomics. Accordingly, ING considers these portfolios to present the most significant risk of resulting in a material adjustment to the carrying amount of financial assets within the next financial year. ING also observes that, in general, the WB business is more sensitive to the impact of forward-looking macroeconomic scenarios.

The purpose of the sensitivity analysis is to enable the reader to understand the extent of the impact from the upside and downside scenario on model-based reportable ECL. In the table below, the real GDP is presented in percentage year-on-year change, the unemployment in percentage of total labour force and the house price index (HPI) in percentage year-on-year change.

Sensitivity analysis as at December 2024 (*)

		2025	2026	2027	Un-weighted ECL (€ mln)	Probability-weighting	Reportable ECL (€ mln)[1]
Netherlands Upside scenario	Real GDP	2.6	3.0	2.5			
	Unemployment	3.5	3.3	3.3	193	20%	
	HPI	18.9	11.7	2.5			
Baseline scenario	Real GDP	1.5	1.4	1.5			
	Unemployment	4.0	4.1	4.3	249	60%	270
	HPI	9.1	3.5	2.4			
Downside scenario	Real GDP	-0.4	-1.4	-0.2			
	Unemployment	5.7	7.2	8.1	411	20%	
	HPI	-3.7	-7.2	2.2			
Germany Upside scenario	Real GDP	2.0	2.8	1.6			
	Unemployment	2.9	2.4	2.0	510	20%	
	HPI	5.4	8.9	9.9			
Baseline scenario	Real GDP	0.5	1.1	1.2			
	Unemployment	3.4	3.3	3.2	540	60%	548
	HPI	2.6	5.6	6.3			
Downside scenario	Real GDP	-1.7	-1.7	0.3			
	Unemployment	4.7	5.6	5.9	609	20%	
	HPI	-1.7	1.3	2.2			
Belgium Upside scenario	Real GDP	2.2	2.6	2.1			
	Unemployment	5.1	5.0	4.9	534	20%	
	HPI	4.8	4.5	4.4			
Baseline scenario	Real GDP	1.1	1.5	1.6			
	Unemployment	5.7	5.7	5.6	569	60%	579
	HPI	3.2	4.1	3.8			
Downside scenario	Real GDP	-0.6	-0.2	1.1			
	Unemployment	7.0	8.0	8.0	654	20%	
	HPI	1.2	2.9	2.5			
United States Upside scenario	Real GDP	3.1	3.5	3.2			
	Unemployment	3.4	2.4	2.3	74	20%	
	HPI	4.3	8.4	9.4			
Baseline scenario	Real GDP	2.0	2.0	2.0			
	Unemployment	4.2	4.1	4.0	101	60%	113
	HPI	3.3	3.7	3.9			
Downside scenario	Real GDP	-0.1	-1.1	-0.4			
	Unemployment	5.9	7.3	8.0	187	20%	
	HPI	-0.7	-3.0	-2.5			

[1] Excluding management adjustments.

Sensitivity analysis as at December 2023 (*)

		2024	2025	2026	Un-weighted ECL (€ mln)	Probability-weighting	Reportable ECL (€ mln)[1]
Netherlands Upside scenario	Real GDP	1.3	3.3	2.8			
	Unemployment	3.7	3.3	3.3	214	20%	
	HPI	10.4	11.2	4.0			
Baseline scenario	Real GDP	0.8	1.6	1.5			
	Unemployment	4.1	4.3	4.5	282	60%	310
	HPI	0.9	3.0	3.9			
Downside scenario	Real GDP	-1.7	-1.2	0.1			
	Unemployment	5.9	7.2	8.1	487	20%	
	HPI	-10.9	-7.4	3.7			
Germany Upside scenario	Real GDP	1.4	3.1	1.6			
	Unemployment	2.6	2.0	1.7	472	20%	
	HPI	0.9	6.6	8.0			
Baseline scenario	Real GDP	0.5	1.3	1.2			
	Unemployment	3.0	3.0	3.0	513	60%	525
	HPI	-1.4	3.4	4.5			
Downside scenario	Real GDP	-2.4	-1.4	0.3			
	Unemployment	4.5	5.2	5.5	615	20%	
	HPI	-6.0	-0.8	0.4			
Belgium Upside scenario	Real GDP	1.5	2.7	2.3			
	Unemployment	5.3	5.0	4.9	568	20%	
	HPI	1.3	5.6	4.5			
Baseline scenario	Real GDP	0.9	1.5	1.8			
	Unemployment	5.6	5.5	5.4	604	60%	619
	HPI	0.4	5.2	3.9			
Downside scenario	Real GDP	-1.3	-0.2	1.2			
	Unemployment	7.3	8.0	7.9	713	20%	
	HPI	-2.2	3.9	2.6			
United States Upside scenario	Real GDP	1.8	3.2	3.4			
	Unemployment	4.1	3.3	3.1	102	20%	
	HPI	0.6	8.7	8.7			
Baseline scenario	Real GDP	0.9	1.9	2.1			
	Unemployment	4.5	4.5	4.4	144	60%	165
	HPI	-0.7	3.5	3.3			
Downside scenario	Real GDP	-1.3	-1.4	-0.1			
	Unemployment	6.6	8.2	8.8	292	20%	
	HPI	-4.2	-2.7	-3.0			

[1] Excluding management adjustments.

When compared to the sensitivity analysis of 2023, the macroeconomic inputs are overall more favourable. This is driven by an improved macroeconomic outlook, mainly because economies prove to be rather resilient to increased interest rates, particularly in the US, as well as recovery in house prices in, among others, the Netherlands.

On a total ING level, the unweighted ECL for all collective provisioned clients in the upside scenario was €2,721 million, in the baseline scenario €2,949 million and in the downside scenario €3,533 million compared to €3,020 million reportable collective provisions as at 31 December 2024 (excluding all management adjustments). To perform the sensitivity analysis, a point in time reportable ECL is used as input, which slightly deviates from the total Model ECL as reported below:

Reconciliation of reportable collective ECL to total ECL (*)

in EUR million	2024	2023
Total reportable collective provisions	2,975	2,856
ECL from individually assessed impairments	2,871	2,406
ECL from management adjustments	203	577
Total ECL	**6,049**	**5,839**

Criteria for identifying a significant increase in credit risk (SICR) (*)

All assets and off-balance-sheet items that are in scope of IFRS 9 impairment and which are subject to collective ECL assessment are allocated a 12-month ECL if deemed to belong in Stage 1, or a lifetime ECL if deemed to belong in Stages 2 or 3. An asset belongs in Stage 2 if it is considered to have experienced a significant increase in credit risk (SICR) since initial origination or purchase.

The main determinant of SICR is a quantitative test, whereby the lifetime probability of default (PD) of an asset at each reporting date is compared against its lifetime PD determined at the date of initial recognition. If either a threshold for absolute change in lifetime PD or a threshold for relative change in lifetime PD is reached, the item is considered to have experienced a SICR (for more details on absolute and relative thresholds, see the following sections). Furthermore, any facility which shows an increase of 200 percent between the PD at the date of initial recognition and the lifetime PD at the reporting date (i.e. threefold increase in PD) must be classified as Stage 2. This is considered a backstop within the quantitative assessment of SICR.

In Wholesale Banking, significant increase in lifetime PD is not considered plausible for assets of obligors with a credit rating at the reporting date in the top range of investment grade. As of 2024, the assets of these Wholesale Banking obligors are excluded from the assessment of significant increase in credit risk triggers. For these obligors the qualitative significant increases in credit risk triggers remain applicable (see the section below on Qualitative SICR triggers). These are for example the Watchlist and/ or forbearance triggers.

Finally, the 30 days past due backstop also remains applicable for the top range of investment grade exposures to ensure significant increase in credit risk recognition.

Absolute lifetime PD threshold

The absolute threshold is a fixed value calibrated per portfolio/segment and provides a fixed threshold that, if exceeded by the difference between lifetime PD at reporting date and lifetime PD at origination, triggers Stage 2 classification. The absolute threshold is calibrated during model development.

Relative lifetime PD threshold

The relative threshold defines a relative increase of the lifetime PD beyond which a given facility is classified in Stage 2 because of a significant increase in credit risk. The relative threshold is dependent on the individual PD assigned to each facility at the moment of origination, and a scaling factor calibrated in the model development phase.

Ultimately, the relative threshold provides a criterion to assess whether the ratio (i.e. increase) between lifetime PD at reporting date and lifetime PD at origination date is deemed a significant increase in credit risk. If the threshold is breached, SICR is identified and Stage 2 is assigned to the given facility.

The threshold for the relative change in lifetime PD is inversely correlated with the PD at origination; the higher the PD at origination, the lower the threshold. The logic behind this is to allow facilities originated in very favourable ratings to downgrade for longer without the need of a Stage 2 classification. In fact, it is likely that such facilities will still be in favourable ratings even after a downgrade of a few notches. On the contrary, facilities originated in already unfavourable ratings grades are riskier and even a single-notch downgrade might represent a significant increase in credit risk and thus a tighter threshold will be in place. Still, the relative threshold is relatively sensitive for investment-grade assets while the absolute threshold primarily affects non-investment grade assets.

Average threshold ratio

In the table below the average increase in PD at origination needed to be classified in Stage 2 is reported, taking into account the PD at origination of the facilities included in each combination of asset class and rating quality. In terms of rating quality, assets are divided into 'investment grade' and 'non-investment grade' facilities. Rating 18 and 19 are not included in the table, since facilities are not originated in these ratings and they constitute a staging trigger of their own (i.e. if a facility is ever to reach rating 18 or 19 at reporting date, it is classified in Stage 2). In the table, values are weighted by IFRS 9 exposure and shown for both year-end 2023 and year-end 2024.

To represent the thresholds as a ratio (i.e. how much should the PD at origination increase in relative terms to trigger Stage 2 classification) the absolute threshold is recalculated as a relative threshold for disclosure purposes. Since breaching only relative or absolute threshold triggers Stage 2 classification, the minimum between the relative and recalculated absolute threshold is taken as value of reference for each facility.

Quantitative SICR thresholds (*)

	2024		2023	
Average threshold ratio	Investment grade (rating grade 1-10)	Non-investment grade (rating grade 11-17)	Investment grade (rating grade 1-10)	Non-investment grade (rating grade 11-17)
Asset class category				
Mortgages	2.9	2.4	2.5	2.3
Consumer lending	2.8	2.1	2.9	2.1
Business lending	2.7	2.1	2.7	2.1
Governments and financial institutions	2.9	1.9	3.0	1.9
Other Wholesale Banking	2.7	1.9	2.8	1.8

As it is apparent from the disclosures above, as per ING's methodology, the threshold is tighter the higher the riskiness at origination of the assets, illustrated by the difference between the average threshold applied to investment grade facilities and non-investment grade facilities.

Sensitivity of ECL to PD lifetime PD thresholds

The setting of PD threshold bands requires management judgement and is a key source of estimation uncertainty. On Group level, the total model ECL on performing assets, which is the ECL collective-assessment without taking management adjustments into account, was €1,328 million as at 31 December 2024 (31 December 2023: €1,412 million). To demonstrate the sensitivity of the ECL to these PD threshold bands, hypothetically solely applying the upside scenario would result in total model ECL on performing assets of €1,066 million and a decrease in the Stage 2 ratio by 0.5%-point, while solely applying the downside scenario would result in total model ECL on performing assets of €1,911 million and an increase in the Stage 2 ratio by 1.9%-point.

Qualitative SICR thresholds

It should be noted that the lifetime PD thresholds are not the only drivers of stage allocation as ING Bank also relies on a number of qualitative indicators to identify and assess SICR. An asset can also change stages as a result of other triggers, such as having over 30 days arrears (used as a backstop), collective SICR assessment, being on a watch list, being under intensive care management, having a substandard internal rating or being forborne.

Market risk

Introduction (*)

Market risk is the risk that movements in market variables, such as interest rates, equity prices, foreign exchange rates, credit spreads and real-estate prices negatively impact the bank's earnings, capital, market value or liquidity position. Market risk either arises through positions in banking books or trading books.

The banking book positions are intended to be held for the long term (or until maturity) or for the purpose of hedging other banking book positions. The trading book positions are typically held with the intention of short-term trading or to hedge other positions in the trading book. Policies and processes are in place to monitor the inclusion of positions in either the trading or banking book as well as to monitor the transfer of risk between the trading and banking books.

The following sections elaborate on the various elements of the risk management framework for:

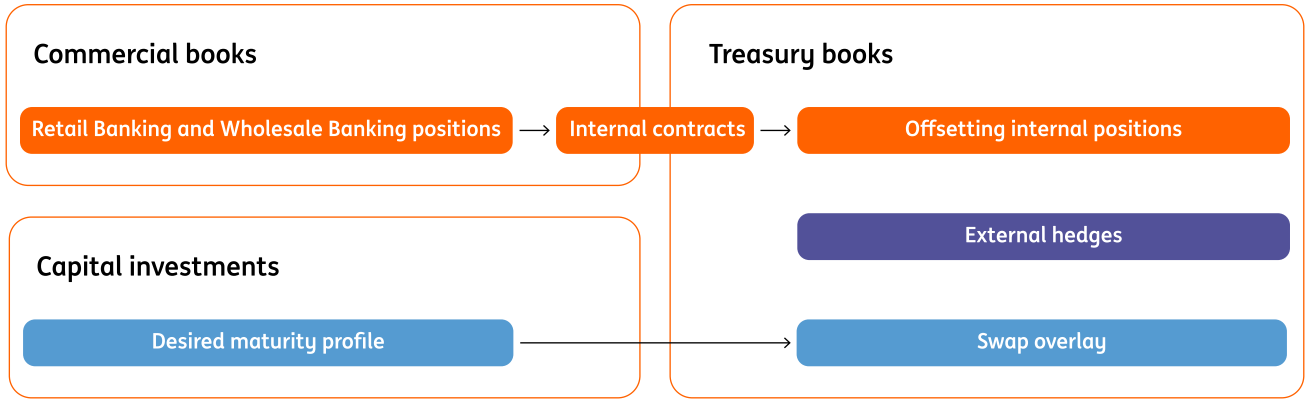
- Market risk in banking books;
- Market risk in trading books; and
- Market risk capital.

Market risk in banking books (*)

ING makes a distinction between the trading and banking (non-trading) books. Positions in banking books originate from the market risks inherent in commercial products that are sold to clients, Group Treasury exposures, and from the investment of our own funds (core capital). Both the commercial products and the products used to hedge related market-risk exposures are intended to be held until maturity, or at least for the long term.

Risk transfer (*)

Market risks in the banking book are managed via the risk transfer process. In this process the interest rate, FX, funding and liquidity risks are transferred from the commercial books through matched funding or replication to Group Treasury, where they are centrally managed. The scheme below presents the transfer and management process of market risks in the banking books.



Risk measurement (*)

The main concepts and metrics used for measuring market risk in the banking book are described below per risk type.

Interest rate risk in banking book (*)

Interest rate risk in the banking book is defined as the exposure of a bank's earnings, capital, and market value to adverse movements in interest rates originated from positions in the banking book.

ING centralises interest rate risk management from commercial books (that capture the products sold to clients) to globally managed interest rate risk books. This enables a clear demarcation between commercial business results and results based on unhedged interest rate positions.

ING distinguishes between three types of activities that generate interest rate risk in the banking book:

- Investment of own funds.
- Commercial business.
- Group Treasury exposures including strategic interest rate positions.

Group Treasury is responsible for managing the investment of own funds (core capital). Capital is invested for longer periods to contribute to stable earnings within the risk appetite boundaries set by ALCO Bank. The main objective is to maximise the economic value of the capital investment book while having stable earnings.

Commercial activities can result in linear interest rate risk due to different re-pricing properties of assets and liabilities. Also, interest rate risk can arise from customer behaviour and/or convexity risk, depending on the nature of the underlying product characteristics.

To determine the interest rate risk in particular products (like savings, mortgages) specific assumptions may need to be made. Customer behaviour risk is defined as the potential future (value) loss due to deviations in the actual behaviour of clients versus the modelled behaviour with respect to the embedded options in commercial products. General sources of customer behaviour risk, among other things, include the state of the economy, competition, changes in regulation, legislation and tax regime, developments in the housing market and interest rate developments.

From an interest rate risk perspective, commercial activities can typically be divided into the following main product types: savings and current accounts (funds entrusted), demand deposits, mortgages and loans.

Savings and demand deposits are generally invested in such a way that both the value is hedged and the sensitivity of the margin to market interest rates is minimised. This is achieved by creating the investment profile distributed from short term to long term, which dampens the immediate impact from changes in the market rates as well as stabilises margin in the longer horizon. Interest rate risk is modelled based on the stability of deposits and the pass-through rate. This takes account of different elements, such as pricing strategies, volume developments and the level and shape of the yield curve.

Interest rate risk for mortgages arises due to prepayment or other embedded optionalities. In modelling this risk, both interest-rate-dependent pre-payments and constant prepayments are considered. Next to a dependence on interest rates, modelled prepayments may include other effects such as loan-to-value, seasonality and the reset date of the loan. In addition, the interest sensitivity of embedded offered rate options may be considered.

Wholesale Banking loans typically do not experience interest-rate-dependent prepayment behaviour. These portfolios are match-funded, taking the constant prepayment model into account, and typically do not contain significant convexity risk. Wholesale Banking loans can have an all-in rate floor or a floor on a reference rate.

Customer behaviour in relation to mortgages, loans, savings and demand deposits is modelled, based on extensive analysis of historical data. However, the substantial change in the interest rate environment in recent years makes the analysis more challenging than before and may increase model risk. Models are backtested and updated when deemed necessary in an annual procedure. Model parameters and the resulting risk measures are approved by (local) ALCO, and are closely monitored on a monthly basis.

Linear risk transfers take place from commercial business books to the treasury book (Group Treasury), if necessary, by using estimations of customer behaviour. The originating commercial business is ultimately responsible for estimating this customer behaviour, leaving convexity risk and (unexpected) customer behaviour risk with the commercial business. Risk measurement and the risk transfer process take place at least monthly. If deemed necessary, additional risk transfers can take place.

The commercial business manages the convexity risk that is the result of products that contain embedded options, like mortgages. Here the convexity risk is defined as the optionality effects in the value due to interest rate changes, excluding the first-order effects. In some cases, convexity risk is transferred from the commercial books to treasury books using cap/floor contracts and swaptions.

In the following sections, the interest rate risk exposures in the banking books are presented. ING quantifies risk measures from both earnings and value perspectives. Net interest income (NII)-at-Risk is used to provide the earnings perspective and the net present value (NPV)-at-Risk figures provide the value perspective. Please note that the NPV-at-Risk is measured under a direct interest rate shock. Hence no additional, corrective hedges are included in the measure. The NII-at-Risk measure is measured for interest rate movements over a period, whereby (assumed) corrective hedges are included in the risk metric.

Net interest income (NII) at Risk (*)

The NII-at-Risk measures the impact of changing interest rates on the forecasted net interest income (before tax) of the banking book, excluding the impacts of credit spread sensitivity, fees and fair value impact. Future projected balance sheet developments (dynamic plan) are included in this risk metric. NII-at-Risk provides insight into the sensitivity of ING's NII under shocked interest rate scenarios against what is projected in a base case scenario.

In its risk management, ING monitors the NII-at-Risk under a three-year time frame. Interest rates are shocked during the first year of analysis through the gradual application of shock. The rate changes considered encompass both upward and downward scenarios, as well as both parallel (equal movements across the yield curve) and non-parallel scenarios.

The impact of changing interest rates on ING's NII is predominantly caused by the following factors:

- Change in returns of (re)investments of client deposits;
- Change in client deposit rates (mainly savings), (partially) tracking changes in market interest rates;
- Change in the amortisation profile of mortgages, due to an increase or decrease in expected prepayments;
- Higher/lower returns of (re-)investments of capital investment;
- Open interest rate positions, leading to changes in return because of different market rates; and
- Assumed volume development of the balance sheet in line with ING's dynamic plan.

For projecting the change in client deposit rates, ING uses a client rate model that describes the relation between market interest rates and client deposit rates. The model is calibrated under a range of interest rate scenarios. Per scenario, the actual change in client deposit rates may deviate from this calibrated model. The actual NII development of customer deposits may, indeed, differ from the provided scenarios, depending on, among other things, actual interest rate and savings client rate evolution, as well as changes to ING's balance sheet composition, such as net deposit growth and relative share of savings deposits and non-remunerated current accounts.

The NII-at-Risk figures in the table below reflect a parallel, linear interest rate movement during a year ('ramped') under the assumption of balance sheet developments in line with ING's dynamic plan with a time horizon of one year. The majority of the risk comes from fixed-rate positions, most notably non-remunerated current accounts and variable-rate savings accounts.

The NII-at-Risk is mainly influenced by the difference in the sensitivity between client liabilities and client assets and investments to rate changes. The primary factor of NII-at-Risk are the investments of current accounts, while the investments of own funds have a marginal effect, as only a relatively small portion needs to be (re)invested within a one-year period.

NII-at-Risk banking book per currency - year one (*)

in EUR million	2024		2023	
	Ramped, floored		Ramped, floored	
	parallel ▼	parallel ▲	parallel ▼	parallel ▲
By currency				
Euro	-144	158	-165	155
US dollar	-4	5	-12	12
Other	-2	21	-62	69
Total	**-151**	**184**	**-239**	**236**

EUR ramped (floored at -100bps) is at +/- 120bps in 1 year (2023: +/-110bps)
USD ramped (floored at -100bps) is at +/- 120bps in 1 year (2023: +/-110bps)

The change in NII under declining and upward interest rate scenarios may not be equal. This is due to different expected reactions in prepayment behaviour of mortgages and different pricing developments of commercial loans and deposits products (mainly savings). This is caused by embedded options, explicit or implicit pricing floors and other (assumed) pricing factors.

The metrics mentioned above are internal metrics, which therefore deviate from the regulatory NII SOT metrics.

Year-on-year variance analysis (*)

In 2024, in response to falling inflation, most central banks (including ECB and FED) began to ease their monetary policy, executing series of rates cuts. ING applied a dynamic hedging process, by which interest rate risk was transferred from the business to Group Treasury and subsequently hedged in the markets. The impact of explicit and implicit floors on both rates of client assets and savings remains limited. Pre-existing hedges, as executed by Group Treasury, were also adjusted continuously throughout the year to hedge any interest rate risk coming from lower interest rates. Most of the year-on-year change in NII sensitivity is due to enhancements in risk management framework in one of non-EUR locations. These enhancements are aimed at mitigating sensitivity in a volatile rate environment and include increasing the granularity of risk transferred positions and implementing limits to trigger an intra-month recalibration of the hedges. Excluding model risk, the total NII-at-Risk remains relatively limited in comparison to ING's total interest income.

Net present value (NPV) at Risk (*)

NPV-at-Risk measures the impact of changing interest rates on the value of the positions in the banking book. The NPV-at-Risk is defined as the outcome of an instantaneous increase or decrease in interest rates from applying currency-specific scenarios. The NPV-at-Risk asymmetry between the downward and upward shock is mainly caused by convexity risk in the mortgage and savings portfolio.

The full value impact cannot be directly linked to the financial position or profit or loss account, as fair value movements in banking books are not necessarily reported through the profit or loss account or through other comprehensive income (OCI). The changes in value are expected to materialise over time in the profit and loss account if interest rates develop according to forward rates throughout the remaining maturity of the portfolio. The majority of the risk comes from the investments of own funds and from positions exhibiting negative convexity due to embedded optionality (most notably variable rate savings and fixed rate mortgages).

The metrics mentioned above are internal metrics, which therefore deviate from the regulatory EVE SOT metrics.

NPV-at-Risk banking books per currency (*)				
in EUR million		2024		2023
	floored		floored	
	parallel ▼	parallel ▲	parallel ▼	parallel ▲
By currency				
Euro	7	-1,473	-291	-645
US dollar	274	-266	186	-178
Other	321	-329	131	-146
Total	**602**	**-2,068**	**27**	**-969**

EUR (floored at -100bps) is at +/- 120bps (2023: +/-110bps)

USD (floored at -100bps) is at +/- 120bps (2023: +/-110bps)

Year-on-year variance analysis (*)

The overall NPV sensitivity increased considerably over last year. The worst-case scenario remains the parallel up, while the shock used in calculation for main currencies (EUR and USD) increased from 110bps to 120bps on the back of increased volatility observed in the market during 2023. This increase partially explains the observed higher sensitivity. The other important factor impacting end of 2024 utilisation is convexity: with lower interest rates, the increase in convexity on mortgages and savings accounts was observed, especially for EUR positions. Lastly, Group Treasury actively managed the position and executed investments for capital in the anticipation of possible further rates decreases.

The impact of the benchmark rate reform (*)

In line with the recommendations of the Financial Stability Board, a fundamental review of important interest rates benchmarks has been undertaken. Some interest rate benchmarks have been reformed, while others have or will be replaced by risk-free rates and discontinued. USD LIBOR in its current form ceased on 30 June 2023, whereas the cessation of GBP, CHF, JPY, and EUR LIBOR rates occurred on 31 December 2021.

To support these changes, the financial sector has issued several guidance papers and other initiatives to help phase the transition. In 2024, the benchmark rate reform of only one reference rate, to which the Group has significant exposures as at 31 December 2024, was continuing (i.e. WIBOR). The WIBOR rate is expected to be ceased and replaced by a risk-free rate (RFR) by 31 December 2027.

The Steering Committee of the National Working Group (NWG SC) appointed in connection with the WIBOR benchmark reform the decision (published on 10 December 2024) on the selection of the proposed index with the technical name 'WIRF –' as the ultimate interest rate benchmark in Poland to replace the WIBOR benchmark. On 24 January 2025, the Steering Committee of the National Working Group has selected target name POLSTR (Polish Short Term Rate) for this index.The chosen index is calculated based on unsecured deposits of Credit and Financial Institutions. Thus, the NWG SC has reviewed and modified its previous decision to select WIRON as alternative RFR in Poland. The WIBOR rate is still expected to be ceased and replaced by a new RFR ("WIRF -") by 31 December 2027.

Due to the discontinuation of WIBOR, ING, its customers, and in general those market participants with exposure to such benchmark rates will be faced with a number of risks. These risks include legal, financial, operational, reputational and conduct risk. The WIBOR rates are used in several of our lending and derivative products, and hence a project team has been established to manage the transition. WIBOR transition is especially important for our Polish subsidiary (ING Bank Śląski S.A.) with a significant amount of Polish zloty-denominated assets and liabilities including derivatives that are continuously rebalanced to hedge the risk exposures.

The tables below summarise the approximate gross exposures of ING that have yet to transition related to USD LIBOR and WIBOR, excluding exposures expiring before the transition date 31 December 2027 for WIBOR.

Non-derivative financial instruments to transition to alternative benchmarks (*)			
	Financial assets non-derivative	Financial liabilities non-derivative	Off balance sheet commitments
in EUR million at 31 December 2024	Carrying value	Carrying value	Nominal value
By benchmark rate			
USD LIBOR			
WIBOR	19,202	134	1,544
Total	**19,202**	**134**	**1,544**
in EUR million at 31 December 2023			
By benchmark rate			
USD LIBOR	915	16	9
WIBOR	18,064		1,021
Total	**18,979**	**16**	**1,030**

Derivative financial instruments to transition to alternative benchmarks (*)		
	31 December 2024	31 December 2023
in EUR million	Nominal value	Nominal value
By benchmark rate		
USD LIBOR		151
WIBOR	110,189	77,238
Total	**110,189**	**77,388**

sections 1.5.4 and 1.5.7 of Note 1 'Basis of preparation and material accounting policy information' for information on the Phase 1 and Phase 2 amendments.

As at 31 December 2024, Phase 1 reliefs are applicable to WIBOR indexed fair value and cash flow hedge accounting relationships as there is uncertainty arising from the WIBOR reform with respect to the timing and the amount of the underlying cash flows that the Group is exposed to. Therefore, for WIBOR financial instruments designated in hedge accounting the applicable Phase 1 reliefs will continue to apply until the relevant contract is modified. At that point in time, Phase 2 reliefs will become applicable. For these affected fair value and cash flow hedge relationships, ING assumes that the WIBOR-based cash flows from the hedging instrument and hedged item will remain unaffected.

The same assumption is used to assess the likelihood of occurrence of the forecast transactions that are subject to cash flow hedges. The hedged cash flows in cash flow hedges directly impacted by the WIBOR reform still meet the highly probable requirement, assuming the WIBOR benchmark on which the hedged cash flows are based is not altered as a result of the reform.

The total gross notional amounts of hedging instruments that are used in the ING's hedge accounting relationships for which the Phase 1 amendments to IAS 39 were applied are:

Notional amounts of hedging instruments (*)

	31 December 2024	31 December 2023
in EUR million	Nominal value	Nominal value
By benchmark rate		
WIBOR	99,663	89,338

As at 31 December 2024, 32% (31 December 2023: 29%) of the notional amounts for WIBOR have a maturity date beyond 31 December 2027. The notional amounts of the derivative hedging instruments provide a close approximation of the extent of the risk exposure ING manages through these hedging relationships.

Credit spread risk in banking books (CSRBB) (*)

Credit spread risk is defined as risk driven by the changes of the market price for credit risk, for liquidity and potentially other characteristics of credit-risky instruments, which is not captured by another existing prudential framework such as IRRBB or by expected credit/(jump-to-) default risk. CSRBB framework is implemented based on EBA Guidelines. Metrics used are NPV-at-Risk, NII-at-Risk and Market Value Changes-at Risk and view the positions across different accounting treatments.

Credit spread risk is not part of the internal risk transfer towards Group Treasury and therefore remains in the business unit it originated in. Group Treasury itself is also an important driver of credit spread risk via its HQLA investment portfolio and issuance activities.

Risk appetite limits are set on a combination of metrics and accounting scopes and are cascaded to local ALCOs depending on the type of limit and materiality. Metrics and limits are monitored and reported monthly to ALCO Bank, local ALCOs and various stakeholders.

Foreign exchange (FX) risk in banking books (*)

FX exposures in banking books result from core banking business activities (business units doing business in currencies other than their base currency), foreign currency investments in subsidiaries (including realised net profit and loss), and strategic equity stakes in foreign currencies. The policy regarding these exposures is briefly explained below.

Core banking business (*)

Every business unit hedges the FX risk resulting from core banking business activities into its base currency to prevent volatility in profit and loss. Consequently, assets and liabilities are matched in terms of currency, within certain friction limits.

FX translation (*)

ING's strategy is to protect the CET1 ratio against adverse impact from FX rate fluctuations, while limiting the volatility in the profit and loss account due to this CET1 hedging and limiting the RWA impact under the regulatory framework. Hedge accounting is applied to the largest extent possible. Taking this into account, the CET1 ratio hedge can be achieved by deliberately taking foreign currency positions equal to certain target positions, such that the CET1 capital and risk-weighted assets are equally sensitive in relative terms to changing FX rates.

Risk profile – FX translation (*)

The following table presents the currency exposures in the banking books for the most important currencies for the FX translation result. Positive figures indicate long positions in the respective currency. As a result of the strategy to hedge the CET1 ratio an open structural FX exposure exists.

To measure the volatility of the CET1 ratio from FX rate fluctuations, different metrics are used, including the CET1 Ratio-at-Risk. The impact is controlled via the Solvency and Financial Risk RAS.

EBA Structural FX guidelines

In line with the EBA guidelines on Structural FX, upon permission from the competent authorities, certain currency positions are being excluded from the calculation of net open currency positions under CRR article 352(2). The resulting impact is presented in the Pillar 3 disclosure.

Foreign currency exposures banking books (*)

in EUR million	Foreign Investments		Hedges		Net exposures	
	2024	2023	2024	2023	2024	2023
US dollar[1]	11,251	10,337	-4,823	-3,416	6,429	6,921
Pound Sterling	1,674	1,659	-484	-156	1,190	1,503
Polish Zloty	4,395	3,976	-1,616	-1,254	2,779	2,722
Australian Dollar	3,373	3,620	-2,161	-2,273	1,212	1,346
Turkish Lira	557	517			557	517
Chinese Yuan	2,439	1,815	-830	-348	1,609	1,466
Russian Rouble	396	375			396	375
Romanian Leu	913	895	-176	-134	736	761
Thai Baht	1,266	1,128	-838	-697	428	431
Other currency	3,346	3,704	-2,748	-2,897	599	806
Total	**29,612**	**28,024**	**-13,675**	**-11,175**	**15,936**	**16,849**

*The FX sensitivity is expressed as the FX spot equivalent position.

Equity price risk in banking books (*)

ING maintains a portfolio with substantial equity exposure in its banking books.

Risk profile (*)

Equity price risk arises from the possibility that an equity security's price will fluctuate, affecting the values of the equity security itself as well as other instruments whose values react similarly to the particular security, a defined basket of securities, or a securities index. ING's equity exposure mainly consists of the investments in associates and joint ventures of €1,679 million (2023: €1,509 million) and equity securities held at fair value through other comprehensive income (FVOCI) of €2,562 million (2023: €1,885 million). The value of equity securities held at FVOCI is directly linked to equity security prices with increases/decreases being recognised in the revaluation reserve. Investments in associates and joint ventures are measured in accordance with the equity method of accounting, and the balance sheet value is therefore not directly linked to equity security prices. The equity sensitivity is expressed as the equity position.

Year-on-year variance analysis (*)

In 2024, the revaluation reserve equity securities increased by €664 million from €1,152 million to €1,816 million mainly due to revaluation of the shares in Bank of Beijing with € 652 million. In 2024, the equity securities at fair value through OCI increased by €678 million.

Revaluation reserve equity securities at fair value through other comprehensive income (*)

in EUR million	2024	2023
Positive re-measurement	1,820	1,158
Negative re-measurement	-4	-6
Total	**1,816**	**1,152**

Market risk in trading books (*)

Within the trading portfolios, the positions are maintained in the financial markets. These positions are often a result of transactions with clients and may benefit from short-term price movements. In 2024, ING continued its strategy of undertaking trading activities to develop its client-driven franchise and deliver a differentiating experience by offering multiple market and trading products.

With respect to the trading portfolios, Trading Risk Management (TRM) focuses on the management of market risks of Wholesale Banking (mainly Financial Markets) as this is the only business line within ING where trading activities take place. Trading activities include facilitation of client business and market making. TRM is responsible for the development and implementation of trading risk policies and risk measurement methodologies, and for reporting and monitoring risk exposures against approved trading limits. TRM also reviews trading mandates and global limits, and performs the gatekeeper role in the product review process (PARP).

Risk measurement (*)

ING uses a comprehensive set of methodologies and techniques to measure market risk in trading books: Value at Risk (VaR) and Stressed Value at Risk (SVaR), Incremental Risk Charge (IRC), and stress testing. Systematic validation processes are in place to validate the accuracy and internal consistency of data and parameters used for the internal models and modelling processes.

Value at Risk (*)

TRM uses the historical simulation VaR methodology (HVaR) as its primary risk measure. The HVaR for market risk quantifies, with a one-sided confidence level of 99 percent, the maximum overnight loss that could occur in the trading portfolio of ING due to changes in risk factors (e.g. interest rates, equity prices, foreign exchange rates, credit spreads, implied volatilities) considering the positions remain unchanged for a time period of one day.

Next to general market movements in these risk factors, HVaR also takes into account market data movements for specific moves in, for example, the underlying issuer or securities. A single model which diversifies general and specific risk is used. In general, a full revaluation approach is applied, while for a limited number of linear trading positions and risk factors in commodity and equity risk classes a sensitivity-based approach is applied. The potential impact of historical market movements on today's portfolio is estimated, based on equally weighted observed market movements of the previous year (260 business days). When simulating potential movements in risk factors, depending on the risk factor type, either an absolute or a relative shift is used.

The data used in the computations is updated daily. ING uses HVaR with a one-day horizon for internal risk measurement, management control, and backtesting, and HVaR with a 10-day horizon for determining regulatory capital. To compute HVaR with a 10-day horizon, the one-day risk factor shifts are scaled by the square root of 10 and then used as an input for the revaluation. The same model is used for all legal entities within ING with market risk exposure in the trading portfolio.

Limitations (*)

HVaR has some limitations: it uses historical data to forecast future price behaviour, but future price behaviour could differ substantially from past behaviour. Moreover, the use of a one-day holding period (or 10 days for regulatory capital calculations) assumes that all positions in the portfolio can be liquidated or hedged in one day. In periods of illiquidity or market events, this assumption may not hold. Also, the use of a 99 percent confidence level means that HVaR does not take into account any losses that occur beyond this confidence level.

Backtesting (*)

Backtesting is a technique for the ongoing monitoring of the plausibility of the HVaR model in use. Although HVaR models estimate potential future trading results, estimates are based on historical market data. In a backtest, the actual daily trading result (excluding fees and commissions) is compared with the one-day HVaR.

In addition to using actual results for backtesting, ING also uses hypothetical results, which exclude the effects of intraday trading, fees, and commissions. When an actual or a hypothetical loss exceeds the HVaR, an 'outlier' occurs. Based on ING's one-sided confidence level of 99 percent, an outlier is expected once in every 100 business days.

On an overall level in 2024, there was one outlier for hypothetical P&L and zero outliers for actual P&L. The hypothetical outlier occurred in the third quarter of 2024, mainly due to higher interest rate and FX market movements.

Stressed HVaR (*)

The stressed HVaR (SVaR) is intended to replicate the HVaR calculation that would be generated on the bank's current portfolio with inputs calibrated to the historical data from a continuous 12-month period of significant financial stress relevant to the bank's portfolio.

To calculate SVaR, ING uses the same model that is used for 1DHVaR, with a 10-day horizon. The data for the historical stress period used currently includes the height of the credit crisis around the fall of Lehman Brothers (2008-2009), and this choice is reviewed regularly. The historical data period is chosen so that it gives the worst-scenario loss estimates for the current portfolio. The same SVaR model is used for management purposes and for regulatory purposes. The same SVaR model is used for all legal entities within ING with market risk exposure in the trading portfolio.

Incremental risk charge (*)

The incremental risk charge (IRC) for ING is an estimate of the default and migration risks for credit products (excluding securitisations) in the trading book, over a one-year capital horizon, with a 99.9 percent confidence level. Trading positions (excluding securitisations) of ING, which are subject to specific interest rate risk included in the internal model approach for market risk regulatory capital, are in scope of the IRC model. By model choice, equity is excluded from the model. For the calculation of IRC, ING performs a Monte Carlo simulation based on a multi-factor t-copula. In the multi-factor IRC model the supervisory asset correlations are no longer applicable and the calibration of the correlations is based on historical market data. The rating change is simulated for all issuers over the different liquidity horizons (i.e. time required to liquidate the position or hedge all significant risks) within one year. Movements across different rating categories and probabilities of default are governed by a credit-rating transition matrix. An internal transition matrix along with internal LGDs is used, to comply with the consistency requirement. The financial impact is then determined for the simulated migration to default, or for the simulated migration to a different rating category, based on LGD or credit spread changes, respectively.

The liquidity horizon has been set to the regulatory minimum of three months for all positions in scope. ING reviews the liquidity horizons on a yearly basis, based on a structured assessment of the time it takes to liquidate the positions in the trading portfolio.

Stress testing and event risk (*)

Stress testing is a valuable risk management tool. In addition to the bank-wide stress-test framework as described in the stress-testing section, Trading Risk Management performs stress tests specific to the trading book with various frequencies. The trading book stress tests evaluate the impact on the bank's trading book under severe but plausible stress scenarios, using a full revaluation approach. The framework is based on historical as well as hypothetical scenarios. The stress result is an estimate of the profit and loss caused by a potential event and its worldwide impact for ING. The results of the stress tests are used for decision-making, aimed at maintaining a financially healthy going-concern institution after a severe event occurs.

In stress scenarios, shocks are applied to prices (credit spreads, interest rates, equity, commodities, and FX rates) and volatilities. Depending on the type of the stress test, additional scenario assumptions can be made, for example on correlations, dividends, or recovery rates. The structural scenarios are defined to cover market moves in various directions and capture different asset class correlations. Scenarios are calculated using full revaluation approach. The worst scenarios are determined for each product line, business line and super business line, and compared against limits

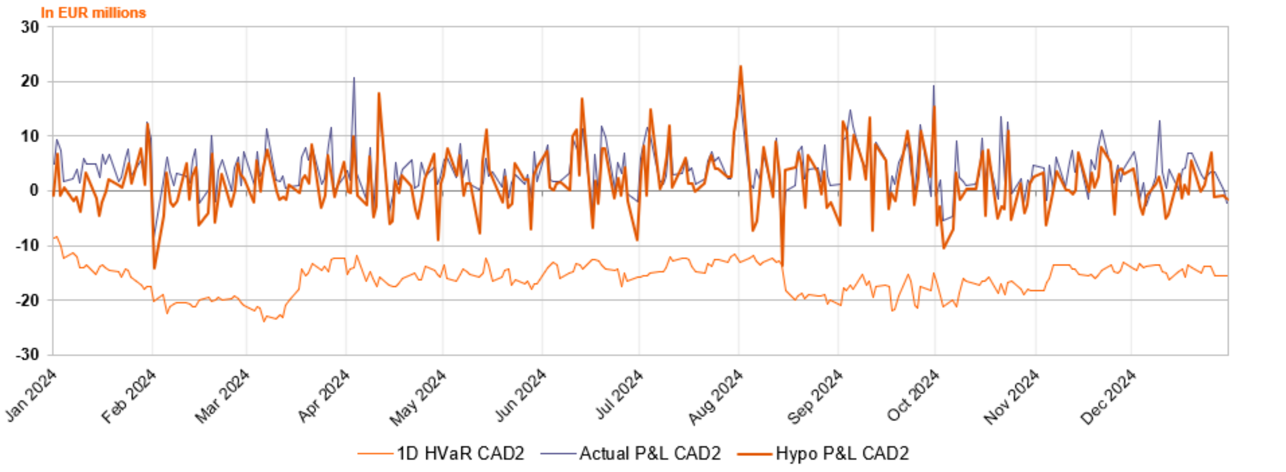
Other trading controls

HVaR and event risk limits are the most important limits to control the trading portfolios. Additionally, limits have been set on SVaR and IRC, and ING uses a variety of other controls to supplement these limits. Position and sensitivity limits are used to prevent large concentrations in specific issuers, sectors, or countries. Moreover, other risk limits are set with respect to the activities in complex derivatives trading. The market risk of these products is controlled by product-specific limits and constraints.

Risk profile

The following chart shows the development of the overnight HVaR under a 99 percent confidence level and a one-day horizon versus actual and hypothetical daily trading profits and losses. In calculation of the hypothetical daily profit and loss, the trading position is kept constant and only the market movement is taken into account. The overnight HVaR is presented for the ING trading portfolio for 2024.

EU MR4. Consolidated trading VaR ING Bank



The risk figures in the above backtesting graph and in the table below relate to all trading books for which the internal model approach is applied.

1d VaR for internal model approach trading portfolios

in EUR million	Minimum		Maximum		Average		Year end	
	2024	2023	2024	2023	2024	2023	2024	2023
Interest rate [1]	6	6	17	23	12	15	11	8
Equity and commodity	2	2	7	4	4	3	6	2
Foreign exchange	1	1	14	8	3	3	2	2
Credit spread	2	2	12	10	4	5	3	5
Diversification [2]					-7	-8	-6	-8
Total VaR [2]	**7**	**9**	**21**	**29**	**15**	**18**	**16**	**9**

1 For calculation of HVaR per risk class the full valuation is performed according to HVaR methodology using a set of scenario changes for the risk factors for the particular risk class, while risk factors for all other risk classes are kept unchanged.

2 The total HVaR for the columns Minimum and Maximum cannot be calculated by taking the sum of the individual components since the minimum/maximum observations for both the individual markets as well as for total HVaR may occur on different dates. Therefore, diversification is not calculated for the minimum and maximum categories.

Average 1D/10D HVaR and IRC over 2024 has decreased compared to 2023, while average 10D SVaR went up. The overall average has decreased in 2024, for all trading portfolios. The first half of 2024 was characterised by less elevated levels of volatility compared to 2023. In the second half of 2024, the volatility increased due to the geopolitical risks stemming from the ongoing Russia-Ukraine and Middle East conflicts and the impending US elections as well as risks of economic slowdown.The year-end 1D HVaR has increased at period end of 2024, due to higher volatility in interest rates, equity and commodity markets.

ING doesn't calculate comprehensive risk capital charge and therefore it appears as n/a in the table below.

EU MR3: internal model approach values for trading portfolios

in EUR million	2024	2023
VaR (10 day 99%)		
1 Maximum value	73	84
2 Average value	48	53
3 Minimum value	29	25
4 Period end	47	25
Stressed VaR (10 day 99%)		
5 Maximum value	175	116
6 Average value	109	82
7 Minimum value	56	57
8 Period end	98	69
Incremental risk charge (99.9%)		
9 Maximum value	232	304
10 Average value	125	151
11 Minimum value	64	48
12 Period end	100	108
Comprehensive risk capital charge (99.9%)		
13 Maximum value	n/a	n/a
14 Average value	n/a	n/a
15 Minimum value	n/a	n/a
16 Period end	n/a	n/a

Standardised approach

EU MR1: market risk under standardised approach

in EUR million	2024	2023
	RWA	RWA
Outright products		
1 Interest rate risk (general and specific)	31	40
2 Equity risk (general and specific)		
3 Foreign exchange risk	4,374	4,811
4 Commodity risk		
Options		
5 Simplified approach		
6 Delta-plus method		
7 Scenario approach		
8 Securitisation (specific risk)		
9 Total	**4,405**	**4,851**

The MRWA under standardised approach have decreased compared to 2024.

Internal model approach

Market risk regulatory capital has decreased during 2024 compared to 2023. This mainly reflects lower interest rate positions during 2024, as well as the reduced regulatory-driven capital multiplier.

EU MR2-A: Market risk under Internal Model Approach

in EUR million		2024		2023	
		RWA	Total own funds requirements	RWA	Total own funds requirements
1	VaR (higher of values a and b)	1,964	157	2,508	201
(a)	Previous day's VaR (VaRt-1)		49		26
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		157		201
2	SVaR (higher of values a and b)	4,915	393	4,385	351
(a)	Latest available SVaR (SVaRt-1))		116		75
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		393		351
3	IRC (higher of values a and b)	1,457	117	1,746	140
(a)	Most recent IRC measure		116		108
(b)	12 weeks average IRC measure		117		140
4	Comprehensive risk measure (higher of values a, b and c)				
(a)	Most recent risk measure of comprehensive risk measure				
(b)	12 weeks average of comprehensive risk measure				
(c)	Comprehensive risk measure - Floor				
5	Other	340	27	810	65
6	**Total**	**8,676**	**694**	**9,449**	**756**

Sensitivities (*)

As part of the risk monitoring framework, TRM actively monitors the sensitivities of the trading portfolios. Sensitivities measure the impact of movements in individual market risk factors (foreign exchange rates, interest rates, credit spreads, equity and commodity prices) on profit and loss results of the trading positions and portfolios.

The following tables show the five largest trading positions in terms of sensitivities to foreign exchange, interest rate and credit spread risk factor movements. These largest exposures also reflect concentrations of risk in FX risk per currency, interest rate risk per currency, and credit spread risk per country, rating and sector. Due to the nature of the trading portfolios, positions in the portfolios can change significantly from day to day, and sensitivities of the portfolios can change daily accordingly.

Most important foreign exchange year-end trading positions (*)

in EUR million	2024		2023
Foreign exchange		Foreign exchange	
US Dollar	-93	Japanese Yen	61
Turkish Lira	84	Taiwan Dollar	-58
Korean Won	62	Romanian Leu	58
Japanese Yen	61	Chinese Yuan	49
Chinese Yuan	-37	Hong Kong Dollar	-38

Most important interest rate and credit spread sensitivities at year-end (*)

in EUR thousand	2024		2023
Interest rate (BPV) [1]		**Interest rate (BPV)** [1]	
Euro	-799	Euro	-309
US Dollar	-198	Czech Koruna	71
British Pound	-189	Korean Won	-41
Korean Won	-54	US Dollar	-40
Philippine Peso	-54	British Pound	-35
Credit spread (CS01) [2]		**Credit spread (CS01)** [2]	
United States	193	Germany	405
Netherlands	-165	Netherlands	120
France	-113	Korea	-111
Poland	69	Japan	106
Germany	49	United Kingdom	101

[1] Basis point value (BPV) measures the impact on value of a one basis point increase in interest rates.

[2] Credit spread sensitivity (CS01) measures the impact on value of a one basis point increase in credit spreads. Exposures to supranational institutions are not assigned to a specific country.

Credit spread sensitivities per risk class and sector at year-end (*)

in EUR thousand	2024 Corporate	2024 Financial institutions	2023 Corporate	2023 Financial institutions
Credit Spread (CSO1) [1]				
Risk classes				
1 (AAA)	-2	-118		
2–4 (AA)	-44	-27	12	50
5–7 (A)	49	-246	57	50
8–10 (BBB)	93	-76	106	13
11–13 (BB)	38	-13	25	-25
14–16 (B)	23	-12	17	-4
17–22 (CCC and NPL)	4	2	-8	-20
Total	**162**	**-489**	**208**	**65**

[1] Credit Spread Sensitivity (CS01) measures the impact on value of a 1 basis point increase in credit spreads.

Market risk capital

Economic capital

Market risk economic capital (MREC) measures the capital ING must hold to protect itself against losses due to market risks. MREC covers the entire balance sheet of ING Bank, and includes market risk sub-types such as: interest rate and basis risk, credit spread risk, customer behaviour risk, FX risk, equity risk and commodity risk.

MREC is calculated as the 99.9 percent worst value loss that can be incurred from one-year shocks to the underlying risk drivers. While aggregating the different economic capital market risk figures for the different portfolios, diversification benefits are taken into account as it is not expected that all extreme market movements will appear at the same moment.

Regulatory capital

Market risk regulatory capital is the amount of capital that ING has to hold to protect itself against losses due to market risks, as required by the financial regulator. From a regulatory capital perspective, market risk stems from all the positions included in a bank's trading book, as well as from commodity and foreign exchange risk positions in the whole balance sheet of ING Bank. According to the Capital Requirements Regulation (CRR/CRD IV), regulatory capital (own funds requirements) for market risk can be calculated using the standardised approach or an internal model approach.

FX risk in banking book

Regulatory Capital requirements for FX risk in banking book is set out in Part 3, Title IV, Chapter 3 of the Capital Requirements Regulation (CRR). This is further supplemented by EBA guidelines on Structural FX for the calculation of the net open currency positions (CRR Art 352(2)). ING uses the standardised approach where the capital requirement is 8 percent of this total net currency and gold position.

Equity risk in banking book

Equity regulatory capital is included as part of Credit RWA as prescribed by regulations. ING uses the simple risk weight approach (SRWA) under the IRB (internal ratings-based) approach for the calculation of Regulatory Capital as described in Capital Requirements Regulation (CRR) Art 155. Under SRWA, the RWA amount is calculated by multiplying the risk weight with the exposure value (not tailored to a specific internal model). The capital requirement is 8 percent of the RWA value.

Trading book

ING has regulatory approval to use an internal model to determine the regulatory capital for the market risk in all trading books of ING. Market risk capital of trading books is calculated according to the CRR, using internal HVaR, SVaR and IRC models, where diversification is taken into account. Collective investment undertakings (CIUs) exposures in trading books are calculated using the standardised approach with fixed risk weights. ING does not have a correlation trading portfolio or any other securitisations in the trading book.

Funding and liquidity risk (*)

Introduction (*)

Funding and liquidity (F&L) risk is the risk that ING or one of its subsidiaries cannot meet their financial obligations upon their maturity date at a reasonable cost and in a timely manner. ING incorporates funding and liquidity risk management in its business strategy and has established a funding and liquidity risk framework to manage these risks within pre-defined boundaries.

The following sections elaborate on the various elements of funding and liquidity risk:

- Funding and liquidity risk framework;
- Funding and liquidity risk management strategy and objectives;
- Funding and liquidity adequacy and risk appetite;
- Funding and liquidity risk indicators;
- Liquidity stress testing; and
- Contingency funding planning.

Funding and liquidity risk framework (*)

Macroeconomic and market environment are important considerations in ING's F&L framework. The macroeconomic environment is comprised of various exogenous factors over which ING has no control, but which may have a material impact on ING's F&L position. The main macroeconomic factors analysed on a regular basis include:

- performance of global and local macroeconomic indicators, e.g. shifts in GDP, inflation rates, unemployment rates, and public deficit/surplus;
- developments and risks arising from geopolitical tensions and trends;
- monetary policy with a focus on the alternative monetary measures employed by central banks in recent years as a result of the global energy crisis and the recent period of high inflation; and
- regulatory requirements, e.g. understanding the changing regulatory landscape as well as the impact of ING's actions on existing regulatory boundaries.

The strategic ambitions of ING, together with the design and execution of the funding plan, are assessed under both current and projected market conditions. An emphasis is placed on understanding overall market trends and developments, credit rating changes and peer comparisons.

The EB, MBB and staff departments from the CRO and CFO domains, as well as Group Treasury, have oversight of, and are responsible for, managing funding and liquidity risks.

Funding and liquidity management strategy and objectives (*)

The main objective of ING's funding and liquidity risk management is to maintain sufficient liquidity to fund the commercial activities of ING both under normal and stressed market circumstances across various locations, currencies and tenors.

ING's funding consists mainly of retail and corporate deposits contributing 53 percent and 22 percent of total funding, respectively. These funding sources provide a (relatively) stable funding base. The remainder of the required funding is attracted primarily through a combination of long-term and short-term professional funding. Group Treasury manages the professional funding in line with the F&L risk appetite with the aim of ensuring a sufficiently diversified and stable funding base.

Funding mix[1]

	2024	2023
Funding type		
Customer deposits (retail)	52 %	52%
Customer deposits (corporate)	23 %	27%
Lending/repurchase agreements	5 %	7%
Interbank	2 %	2%
CD/CP	5 %	5%
Long-term senior debt	6 %	5%
Subordinated debt	7 %	2 %
Total	**100 %**	**100 %**

1 Liabilities excluding trading securities and IFRS equity

Funding and liquidity adequacy and risk appetite (*)

ING identifies key drivers of short-term and future liquidity and funding needs on an ongoing basis through the periodic risk-identification process. Taking into consideration the identified risk drivers, ING regularly assesses its current and future liquidity adequacy and, if deemed necessary, takes action to further improve ING's liquidity position and maintain sufficient counterbalancing capacity. A Liquidity Adequacy Statement is formulated on a regular basis to substantiate and reflect the management view on the current funding and liquidity position as well as the potential future challenges. The Liquidity Adequacy Statement is an important part of ING's ILAAP process. Additionally, ING completes ad hoc funding and liquidity assessments if deemed necessary. In 2024, ING focused on the implementation of activities which steered the LCR higher and diversified the funding mix in order to ensure funding stability for the bank into the F&L risk appetite.

ING assesses its F&L adequacy through three lenses – stress, economic and normative:

- Through the stress lens, ING evaluates its ability to withstand periods of prolonged F&L stress for both normative and economic requirements or limits under idiosyncratic, market-related, combined idiosyncratic and market-related, and climate risk scenarios, which lead to customer deposit outflows, deterioration of access to funding markets, and lower liquidity value of counterbalancing capacity.
- Through the economic lens, ING assesses the extent to which its customers, professional counterparties and investors are comfortable to provide deposits and funding in the tenors, currencies and instruments necessary to sustainably fund the business (intraday, short-term and long-term) in a going-concern situation.
- Through the normative lens, ING ascertains that the bank is in the position to meet current and future home and host regulatory requirements.

For each lens, ING has established a related set of risk appetite statements, which define ING's risk appetite, commensurate with the principles of liquidity adequacy.

Liquidity stress testing (*)

Funding and liquidity stress testing forms part of the overall F&L framework. It allows ING to examine the effects of exceptional but plausible future events on ING's funding and liquidity position and provides insight into which entities, business lines or portfolios are vulnerable to which types of risk drivers or scenarios.

The stress-testing framework encompasses the funding and liquidity risks of the consolidated balance sheet of ING Bank, including all entities, business lines as well as on- and off-balance sheet positions. The net liquidity position (NLP) is the main stress-testing measure and is measured at different time buckets.

The stress-testing framework considers idiosyncratic, market-wide, combined (idiosyncratic and market-wide) and climate-stress scenarios. The design of the framework is based on empirical evidence supplemented by expert judgment. The framework can be extended to additional ad-hoc scenarios. For example, it can be used as input for firm-wide stress testing and reverse stress testing.

Outcomes of the stress tests are considered in the key aspects of ING's F&L risk framework and F&L risk management, including:

- Risk Appetite Framework (through risk appetite statements);
- Risk identification and assessment;
- Monitoring of the liquidity and funding position;
- Business actions (if needed);
- Contingency funding plan; and
- Early-warning indicators.

The funding and liquidity stress-testing framework is also subject to regular internal validation by model validation.

In line with supervisory expectations, ING's liquidity position is stress tested on (at minimum) a monthly basis using scenarios that form part of the F&L risk appetite statement. The results of all internal stress scenarios are monitored and assessed on a monthly basis. In addition, ad hoc scenarios based on current economic and market developments are run to determine their potential impacts on the funding and liquidity position of ING. In 2024, this included stress-test scenarios assessing the impact of a shutdown of US short- and long-term funding markets and FX markets. The internal stress scenarios and their corresponding results serve as input in the decision on holding additional contingency measures.

Contingency funding planning (*)

ING's contingent F&L risks are addressed in its Contingency Capital and Funding Plan (CCFP).The objectives of the CCFP include the following:

- Establishment of a monitoring framework to detect approaching contingent events as well as their impact on ING's F&L position;
- Provision of a plan for responding to various and increasing levels of a bank's liquidity and capital shortfall under adverse and stressed conditions;
- Designation of management responsibilities, crisis communication methods and channels, and reporting requirements;
- Identification of contingent capital and liquidity sources that can be used under various and increasing adverse as well as stressed circumstances; and
- Description of steps which should be taken to ensure that the bank's sources of capital and liquidity are sufficient to fund scheduled operating requirements and meet the institution's commitments with minimal costs and disruption.

The contingency funding measures are developed in conjunction with the ING Recovery Plan and are reviewed and tested on a regular basis.

Environmental, social and governance risk

Introduction

ESG risk is defined as any negative financial and/or non-financial impact on ING due to the present or future impact to/dependencies from factors on and stemming from ING's full value chain.

ESG risk is not an independent risk category/risk type but rather a set of drivers[1] affecting the likelihood and severity of existing risk categories/risk types. ESG risk is an overarching set of risk drivers affecting:

- financial risks: credit risk, market risk, funding and liquidity risk;
- non-financial risks and compliance risk; and
- other overarching risks: model risk and business and strategy risk.

The risk drivers[2] are defined as risk events that lead to an impact on ING's financial solvency or liquidity & funding position via the above-mentioned risk types. Our comprehensive approach ensures we integrate ESG considerations into our risk management practices, aligning with our commitment to sustainable growth and resilience.

Definitions

ESG Factors
ESG factors are defined as environmental, social or governance matters that may have a positive or negative impact on the non-financial/financial performance or solvency of an entity, sovereign, or individual. ING's ESG taxonomy of ESG factors are defined through the consideration of the CSRD and EUT.

Environment

- Climate-change adaptation
- Climate-change mitigation
- Pollution
- Water & marine resources
- Circular economy
- Biodiversity and ecosystems

Social

- Own workforce and workers in the value chain
- Customers
- Communities

Governance

- Business Conduct

Value chain
Value chain is a concept derived from CSRD Annex II as 'the full range of activities, resources and relationships related to the business model(s) of the undertaking and the external environment in which it operates'. For ING, the concept of the value chain defines the scope of the ESG risk management lifecycle.

- Supply chain
- Own operations
- Wholesale banking
- Business banking
- Retail banking
- Treasury & other investments

Double Materiality[3]
ING must identify both actual and potential:

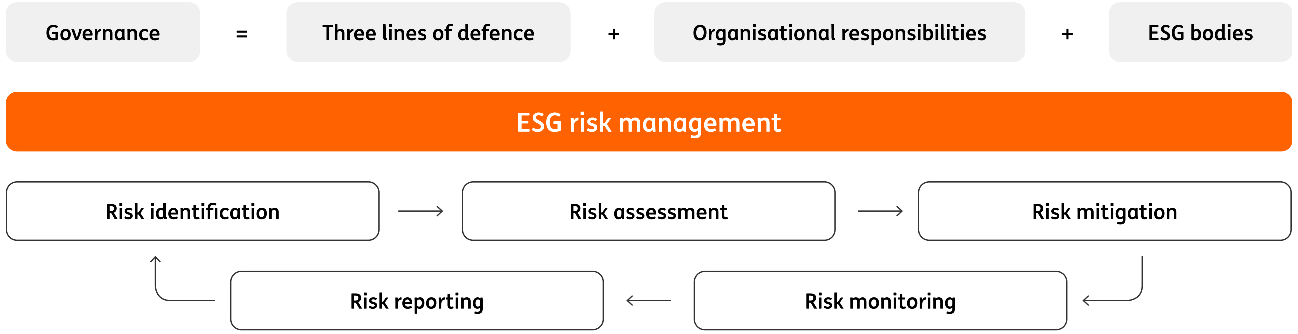
- impacts on people and environment (impact materiality, inside-out), as well as;
- The sustainability matters that impact ING's financial positions (financial materiality, outside-in).

Impact materiality and financial materiality assessments are interrelated, as financial materiality may stem from negative impact, dependency on resources and context analysis. ING defines material ESG factor per value chain for both impact and financial materiality.

1 In line with the European Central Bank (ECB) guide on Climate-related and Environmental risks
2 As per the ING Bank Risk Identification and Risk Assessment Procedure for ICLAAP purposes
3 The double materiality assessment is performed in line with CSRD requirements

The ESG risk framework

The environmental, social and governance (ESG) risk framework provides a definition of ESG risk, the governance structure supporting the management of ESG risk, and an overview of the various roles and responsibilities related to ESG risk. The framework assists in managing ESG risk effectively through the application of the risk management process at various levels of the organisation.



Governance

ING has a governance structure with well-defined, transparent, and consistent lines of responsibility in managing ESG risk in line with the three lines of defence. For more information, see 'Three lines of defence'.

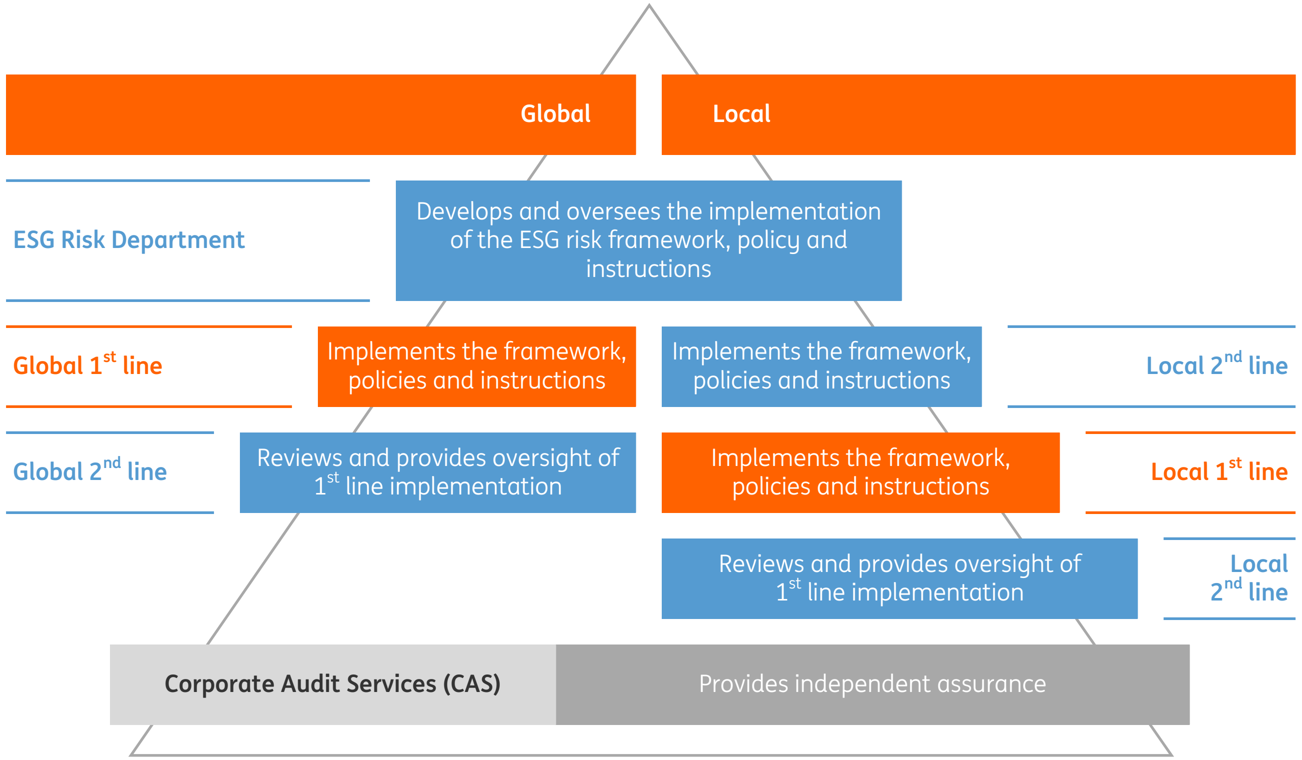
ESG risk bodies

The ESG committees and bodies at ING are responsible for overseeing and integrating ESG matters into ING's strategy and daily operations in line with our sustainability governance. The following committees, bodies, and their associated charters are relevant with regard to the framework:

- **Supervisory Board ESG Committee (SB-ESG)**: The ESG Committee assists the SB by generally monitoring and advising on relevant ESG developments.
- **The key risk committees**: Acting within delegated authorities granted by the MBB support on implementation and execution of the controls mitigating material ESG risks.
- **Executive Board (EB) and Management Board Banking (MBB)**: ING's EB/MBB has overall responsibility for the ESG risk framework and is accountable for having it implemented and embedded.
- **ESG Risk Committee (ERC)**: A standing committee that receives its mandate from the MBB, and is responsible for the approval of ESG risk procedures and mandatory instructions as well as its rollout in the different impacted functions. In addition, it advises MBB and MBB-delegated committees on the implementation and execution of the controls mitigating material ESG risk.

Organisational bodies

Management of ESG risk is embedded within all material risk types across the three lines of defence, with E fully integrated and S&G in the integration phase during 2025. Within the CRO domain, ESG risk governance is integrated and aligned with the existing governance structure around global risk functions responsible for the functional steering of the respective risk categories/risk types globally. The goal of the ESG Risk department is to ensures the adaptation of the various risk functions to account for ESG risk. The operationalisation of ESG risk between the global and local functions and across the three lines of defence is depicted below.



Managing ESG risk

The ESG risk framework assists in managing ESG risk effectively through the application of the risk management process at varying levels of the organisation. The risk cycle describes the processes by which ING can identify, assess, mitigate, monitor, and report ESG risk integrated within the existing risk types.

Risk identification

It is our policy to formalise and maintain an up-to-date ESG impact and risk inventory. This inventory includes descriptions of the drivers of ESG negative impacts and ESG risks. Regarding the risk drivers, the inventory further details their transmission channels and maps them to the risk categories where ESG risk drivers can materialise. Additionally, the inventory briefly outlines the drivers of positive impact and opportunities.

Risk assessment

ESG metrics are defined and assessed against predetermined thresholds to determine materiality. The outcome of the double materiality assessment (DMA) defines the way ESG risk is adopted in the business strategy and the risk management of each risk category/risk type to be mitigated. In addition to the results of the DMA, ING considers some ESG factors to be important[4] (such as the negative impact of some sectors on affected communities) and the risk assessment and due diligence processes that follow would consider these factors as well.

The below visualisation and paragraphs illustrate the mapping of ESG risk drivers to financial and non-financial risks across different time horizons.

	Transmission channels
E1: Climate Change; E4: Biodiversity and Ecosystems	**Business** ▪ Property damage & Business disruption ▪ Stranded assets & New capital expenditure **Households** ▪ Loss of income ▪ Property damage **Macro economy** ▪ Shift in prices ▪ Productivity changes ▪ Labour market frictions
S1: Own workforce; S4: Consumers and end-users **G1: Business Conduct**	**Social and Governance** ▪ Negative customer and investor preference ▪ Legal liability for damages caused and loss of customer preference ▪ Negative impact on workforce ▪ Exposure to controversies

Material: Financial & Non-financial risks

Risk category	Time horizon: Very short-term	Time horizon: Short-term	Time horizon: Medium - Long term
Credit Risk			E1 / E4
Compliance Risk	S4 / G1		E1 / S4 / G1
Market Risk	In scope of the assessment, no material risks identified		
Liquidity Risk	In scope of the assessment, no material risks identified		
Non-financial Risk	S1		
Business Risk	E1		

[4] Important ESG factors are determined on a case by case basis and consider international standards such as the OECD Guidelines for Multinational Enterprises on responsible business conduct and the UNGPs on Business and Human Rights.

Credit risk

- **Climate transition risk**
  ING has credit exposure to clients whose business models might not be aligned with the transition to an environmentally sustainable economy. As a result, these clients might face a higher risk of business disruption and reduced earnings, which may impair their ability to repay loans or meet other financial obligations. Collateral depreciation is also possible in adverse climate conditions.
  Impact on PD: Entities may be affected by increased operating costs and reduced revenue due to fines, taxes and adaptation costs which, in turn, might decrease clients' affordability and ability to repay, thus increasing PDs.
  Impact on LGD: The transition to environmentally sustainable economies might make carbon intensive assets in ING's lending portfolio more vulnerable to disinvestment and demand – leading to potential write-offs, stranded assets, early retirement of assets (based on carbon profiling/intensity) and a decrease in the collateral value for brown assets. This in turn might result in higher loan to values (LTVs) and LGDs.
- **Climate physical risk**
  Climate-related physical impacts can lead to significant losses, unexpected expenses, and reduced income and profits for borrowers. This may impair their ability to repay loans, thereby increasing credit risk for ING. Additionally, the frequency and intensity of extreme events can affect the value of real estate or other collateral, altering the relationship between the loan and the asset's value.
  Impact on PD: Acute and chronic risks can negatively impact cash flows of affected entities: 1) as damaged physical capital might generate less income, 2) operational disruptions might lead to decreased productivity and increased operational costs and 3) increased insurance premiums. This might decrease clients' affordability and ability to repay debt and therefore increase PDs. For sovereign and municipal exposures, the income effects from physical risk events may primarily arise through lower tax revenues and higher spending channels to compensate for negative impacts and adaptation costs.
  Impact on LGD: Write-offs, asset devaluation and early retirement of existing assets due to acute events decrease the value of collateral and have a negative impact on LTVs, and therefore LGDs.
- **Biodiversity and ecosystems (impact on species)**
  The negative impact on biodiversity, which can result in a demise in natural resources, can disrupt clients' operations, leading to financial losses.

Financial losses can also occur due to reputational damage and litigation risks. This may leave them unable to repay loans or meet their obligations on other financial transactions at the same time as reducing the value of the business.

Compliance risk

Assuming that attention to greenwashing by society and stakeholders will increase over the upcoming years and decades, the inherent risk may rise accordingly. Additionally, compliance risk may increase in the long term if ING does not meet its externally communicated commitments.

Non-financial risk

Financial materiality of our own workforce can stem from two risks. Firstly, from a reputational risk whereby employees are not happy and, for example, file a lawsuit or raise an issue in the media, which can potentially affect ING's financial position, financial performance and cash flow. This risk is particularly relevant when ING publicly discloses on targets. Secondly, from a turnover risk whereby the risk of employees leaving the bank results in a position that needs to be filled within the bank that can negatively affect ING's financial position.

Business and strategy risk

High impact from transition risk may arise in the event that ING fails to meet its sustainability strategy. For instance, negative perceptions can lead to a loss of trust among ING's customers and stakeholders, which can result in customers choosing to take their business elsewhere. ING may therefore face increased costs related to customer acquisition and retention efforts. Rebuilding a damaged reputation may require significant investment in marketing and public relations. This can increase operational costs and divert resources away from core business activities, ultimately affecting profitability.

Measurement methodologies and tools

ING measures its exposure to ESG risks by assessing risks through risk quantification methodologies and tools. The methodologies take into account qualitative and quantitative criteria, different time horizons as well as scenario analysis and stress testing. Quantification leverages on top-down and bottom-up approaches, when applicable. During 2024, ING continued working on multiple initiatives to support our risk assessment process, focusing on, though not limited to, the initiatives below:

- **Physical risk tool**: ING has developed a tool to measure and assign a level of physical risk for four chronic and nine acute physical risks across the short, medium and long term for portfolios and geographies in which ING operates. This range of hazards is recognised under EU Taxonomy. The thorough selection of hazards means this tool caters for broad, continent-spanning risks as well as local and nuanced ones. The tool has been developed using physical risk maps obtained and recognised by academically reputable sources.
- **Transition risk scorecard** is used by ING to quantify transition risk with a scorecard approach at client level. Methodology helps to identify the pool of high-risk clients within specific sectors, in order to subsequently manage these high-risk subsegments, taking into account ING's public commitments and sector-specific climate strategies (Terra approach). This pool of high-risk clients is subsequently managed via the climate risk appetite setting.

- **ESG risk-assessment tool:** For WB, ING has developed a new ESG risk-assessment approach which considers the (climate and) environmental, social and governance risk factors, negative impacts and dependencies of our WB customers, and fully integrates the previous ESR framework. Tooling was developed to support the implementation of the assessment approach in the credit granting process. The new approach was gradually rolled out in 2024, and enhancements and refinements will continue during 2025. Depending on the ESG risk-assessment outcome, mitigation actions and escalation to the ESR team for additional due diligence and (binding) advice might be required. In 2024, we began a comprehensive ESR framework review. The implementation efforts of the ESR framework will continue in 2025 and will be rebranded as ING's new ESG risk framework. For more information about ESR at ING, see our corporate website.
- **Stress testing**: ING continues enhancing its climate stress-testing methodology to assess the impact of climate risks on corporate and mortgage exposures from a credit risk perspective. This methodology builds on existing stress tests (e.g., ICAAP, EBA) and adds overlays for the impact of transition and physical risks. For transition risk, a data-driven approach reflects increased carbon prices and energy costs, focusing on energy performance certificates (EPC) level for mortgages and NACE sectors for corporates. For physical risk, a dedicated approach assesses flood risk impacts on the mortgages portfolio. The climate stress-test outcome shows a manageable short-term financial impact for ING, as sufficient contingency measures are in place. A dedicated long-term methodology has been developed to assess the impact on provisions under various scenarios and portfolio assumptions. Additionally, methodologies are available to evaluate the impact of climate risk on market risk (banking and trading book) and other risks, including non-financial, issuance, business, and model risks.

Risk mitigation

The mitigation of the identified risks in line with the risk appetite can be performed through several risk mitigating strategies, such as reducing risk level, avoiding risk, accepting risk or transferring the risk. The measures are embedded as part of the updates of the existing policies and procedures in the different risk categories/risk types in order to mitigate material ESG risk. Mitigation activities can be performed at a process, product, portfolio, client or transaction level and include, but are not limited to:

- engaging with high ESG risk counterparties to understand and support their mitigation plans;
- setting RAS to limit the level of acceptable risks with consequence management attached;
- incorporating ESG risks in the collateral valuation process; and
- ensuring appropriate business continuity plans and insurance are in place to reduce the impact of more frequent and severe ESG events for ING's value chain, thus reducing the residual risk.

Risk monitoring, reporting and disclosures

ING aims to provide regular and transparent reports and regulatory disclosures related to ESG so that the management body and all relevant units in ING receive ESG risk information in a timely, accurate, concise, clear and meaningful manner, containing relevant information on the identification, assessment, measurement, monitoring, and management of ESG risk.

The ESG risk dashboard consists of comprehensive and integrated ESG risk-related, financial and non-financial information on business activities and own operations, summarising the following:

- Results of the double materiality assessment, detailing negative impacts, financial and non-financial materiality for each value chain segment;
- ING key climate risk indicators for material ESG risks across value chain segments. The depth of reporting is informed by the materiality assessments performed; and
- Outcome of the latest climate stress-testing assessment.

Non-financial risk

Introduction

Non-financial risk (NFR) is defined as the risk of financial loss, legal or regulatory sanctions, or reputational damage due to inadequate or failing internal processes, people and systems, a failure to comply with laws, regulations and standards, or external events.

Non-financial risk management

Risk categories

ING categorises non-financial risks in the following 10 areas:

- Continuity risk is the risk of financial loss, regulatory fines, litigation, business disruption and/or reputational damage due to events (e.g. natural disasters, power outages, terrorism) leading to a situation that threatens business continuity.
- Information (technology) risk (including cyber risk) is the risk of financial loss, regulatory fines, litigation, business disruption and/or reputational damage due to breaches of confidentiality, integrity or availability within business processes, the supporting IT systems, of information or lack of information quality, and business disruptions (loss of people, processes, systems, data, premises).
- Fraud is the deliberate abuse of procedures, systems, assets, data, products and/or services of ING by those who intend to benefit themselves deceitfully or unlawfully and/or others. This definition of fraud is specified in the following two categories of fraud:
  - Internal fraud: acts of fraud that involve at least one internal party performed by or in collusion with an ING employee or agent with the consequence of financial loss, regulatory fines, litigation loss, business disruption and/or reputational damage for ING.
  - External fraud: acts of fraud or scams by individuals and/or parties excluding ING staff (including contractors), with the consequence of financial loss, regulatory fines, litigation loss, business disruption and/or reputational damage for ING.
- Control risk is the risk of financial loss, regulatory fines, litigation, business disruption, reputational damage due to not complying with controls set through governance procedures and/or project management methods caused by improper or insufficient monitoring (testing) of entities or activities.
- Processing risk is the risk of financial loss, regulatory fines, litigation, business disruption and/or reputational damage due to unintentional human error during (transaction) processing.
- Unauthorised activity risk is the risk of financial loss, regulatory fines, litigation, reputational damage due to unauthorised employee activities, approvals or overstepping of authority (based on intentional human behaviour, not intended to deceitfully or unlawfully benefit themselves or others).
- Personal and physical security risk is the risk of personal harm, financial loss, regulatory fines, litigation loss, business disruption, reputational damage due to personal or physical security risk.
- Employment practice risk is the risk of financial loss, regulatory fines, litigation loss, business disruption, reputational damage due to ineffective employee relations or inadequate psychosocial safety caused by breaches of employment or discrimination or health and/or safety legislation, regulations or agreements, or collective labour action.
- Compliance risk is the risk of financial loss, regulatory fines, litigation, business disruption and/or reputational damage due to the impairment of ING Group's integrity, leading to damage to ING's reputation, legal or regulatory sanctions, or financial loss, as a result of a failure (or perceived failure) to comply with applicable laws, regulations, and standards.

In line with ING's strategy on sustainability and regulatory requirements relating to ESG risk management, the NFR Framework has been updated to ensure ESG risk is properly embedded in our risk management cycle and material risk types in line with the overarching ESG risk management framework.

Measurement approach

ING uses an internal model in line with the advanced measurement approach (AMA) to determine the minimum regulatory and economic capital amounts that are necessary to cover potential losses resulting from non-financial risks. This model calculates the non-financial risk exposure by combining a forward-looking and a backward-looking view on non-financial risk events. ING reports the outcome of its AMA model quarterly. As of 1 January 2025, following CRR3 regulations, the AMA is replaced by the standardised measurement approach, a non-model-based formula to calculate regulatory operational risk capital. The internal model has been redesigned and will be used for economic capital and stress testing purposes (Pillar II).

Main developments in 2024

Continuity risk

Providing safe, secure, and seamless services for our customers is at the heart of ING's strategy. Operational and IT resilience measures are key in preventing disruptions and ensuring a quick recovery in the event of a disruption. In 2024, ING analysed, updated and mapped most critical business services and the related processes and systems, including the facilities, people, third parties and intragroup parties and data therein.

These value chains continue to be tested against severe but plausible scenarios in order to continuously improve and enhance our operational and IT resilience. Furthermore, ING continued with the implementation of the Digital Operational Resilience Act (DORA), which aims to further strengthen the digital operational resilience of financial institutions.

Information (technology) risk

The mission of information (technology) risk is to support ING in staying safe and secure, by preventing and mitigating the risk of unauthorised access to IT systems and processes and protecting the confidentiality, integrity and availability of the data processed and stored therein. To support this mission, IT Risk operates a framework that adapts to emerging or changing risks as a result of, among other things:

- the ongoing release of new regulations and (local) laws, such as the EU AI Act, DORA, PSD3, which require more reporting on how IT systems process data and how customer principles are safeguarded and remain resilient;
- rapidly evolving threats, including increasingly sophisticated cyber attacks, as a result of new modus operandi in combination with the availability of digital capabilities (such as artificial intelligence, QR code phishing or quantum computing);
- further digitalisation of value chains and the use of emerging technologies and digital products therein, such as artificial intelligence and digital currencies; and
- geopolitical risk.

Identity & access management (IAM) remains one of the focus areas of ING and an important element in our control framework to prevent and mitigate the risk of unauthorised access to IT systems and the confidentiality, integrity and availability of the data processed and stored therein. This is done by enforcing IAM global processes and controls, which are periodically reviewed and tested. These processes and controls are supported by technologies, tooling and practices managed by a dedicated global IAM team in the Chief Information Security Office (CISO), which aims to ensure that emerging threats and improvements inside and outside ING are identified and responded to. In 2024, ING continued with the standardisation and harmonisation of processes, workflows, and automation of IAM controls as well as the further roll-out of supporting global tooling.

External fraud

The continuous evolution of threats against financial services including developing technologies such as generative AI and deep fake continues to present fraud-management challenges both in the short and medium-term. Criminals are increasingly targeting our customers. In 2024, we saw more AI-enabled social engineering fraud, scams and authorised push payments, often through social media, online marketplaces and third-party communication platforms.

There has been a noticeable rise in the incidence of fraud affecting credit facilities, frequently involving the use of forged documentation, with or without customer consent. An increase in impact on fraud on credit facilities is observed, often caused by using forged documentation, with or without customer consent. ING has mobilised its experts to further strengthen this area of concern on prevention and detection. Furthermore, the rise in scams is a major concern for financial institutions and their customers in general, who suffer severe consequences when targeted. Although financial institutions have limited means to prevent authorised transactions, they prioritise fraud prevention through new processes, technology and ongoing customer education and awareness. To protect customers and society, ING is enhancing its fraud resilience by collaborating with financial industry peers, law enforcement, government and other industries. This collaborative approach is essential for effectively combating the societal challenge of fraud.

ING's newly created Global Fraud Target Operating Model is aimed at ensuring a globally aligned approach and brings together skilled fraud management experts from across domains, ensures continuous evolution of fraud capabilities and ensures that ING's business and fraud strategy remains aligned on fraud threats, market best practices, applicable law and legislation, risk appetite and operational targets.

Data risk management

Data risk management, as part of control risk management, focuses on maintaining high-quality data that is readily available for business or regulatory purposes, in a secure and compliant way.

As reliance on data and data volumes is continuing to rise at a fast pace, one of our top priorities remains to address any societal concerns, data-related regulatory requirements, and risks in the use of data-driven technology like AI. ING has set up governance and initiatives to structurally address the ethical handling of data and implement AI acts in its policies and way of working.

ING's data strategy is to deliver on ING's promise and to improve governance around data, data quality and data risk management in general. Data governance has improved from senior management level to that of data owners and data users. The ING data strategy is also starting to deliver on business value, for example through a master system for customer onboarding and customer administration, which aims to create a single and complete view on ING customers.

Compliance risk

Introduction

ING aims to be compliant with applicable internal rules and external laws and regulations at all times, while also taking societal expectations into consideration. A robust compliance risk management framework supports ING in conducting its business activities in line with these objectives. Compliance risk is defined as the risk of ING's integrity being impaired, which can result in reputational damage, legal, or regulatory sanctions or financial loss, due to failure (or perceived failure) to comply with applicable laws, regulations and standards.

Within ING we apply the following compliance risk categories:

- Financial crime risk refers to the risks of the bank's products and services being abused for illicit purposes, generating, facilitating or disguising financial and/or economic crimes (FEC).
- Conduct risk refers to compliance risks arising from (the perception of) breaching our obligations towards customers and/or other parties, including inappropriate market conduct.
- Data protection (personal data protection, data retention) risk refers to the personal data protection risk of financial loss (regulatory fines, reputational damage) due to not protecting the personal data rights of individuals as required, and as to data retention risk, to having the records being destroyed too soon or retained too long.

The Compliance organisation has the mission to drive compliance risk management by desire and design throughout the organisation. Compliance's primary role is advising, challenging, and overseeing the first line of defence in how they manage the compliance risks, as well as raising awareness and stimulating a sound compliance risk culture.

Training and awareness

At ING we believe all our people play a role in protecting our customers, the bank and, through that, society too. A sound risk culture is promoted by empowering our employees with the skills and knowledge they need to manage compliance risks. In 2024, we continued to train our people with mandatory trainings on financial crime, fraud, conduct and data protection. Senior Management (MBB and SB) are trained on various compliance risk topics based on a multi-year training plan.

Financial crime and fraud prevention

Financial crime and fraud prevention in the first line of defence and financial crime compliance continue to play a major role in our aim to make sure we only engage and do business with people and entities that meet regulatory requirements. Knowing who we do business with is vital to keeping ING safe, secure, and compliant. As part of our ongoing anti-money laundering efforts, we continuously assess (proposed) relationships with customers, monitor and screen transactions to fulfill our regulatory and reporting obligations and review potentially unusual transactions and/or suspicious transactions and, where applicable, report these to the relevant authorities.

Financial crime risk management

The day-to-day responsibility for the oversight of ING's compliance with our legal and regulatory obligations, in relation to financial crime risks, sits with the global head of Financial Crime Compliance, who reports to ING's CCO, with oversight by the CRO. As a global financial institution combatting financial crime, we comply with anti-money laundering and counter-terrorism financing (AML/CTF) laws and regulations, have established a reasonable and risk-based control framework to mitigate continuously evolving financial crime risk, and seek to provide useful information to relevant government agencies.

Operational effectiveness (OE)

ING's global KYC policy and related control standards set the minimum requirements and control objectives for all ING entities to guard against involvement in financial crime activity, while reflecting relevant national and international laws, regulations, guidance documents, and guidelines from national, European and international authorities, (supra)national risk assessments, and industry standards. In 2024, our focus was on maintaining a sustainable level of OE through oversight and challenge as the second line of defence, as the bank's KYC activities have matured. Being safe, secure and operationally effective in managing KYC continues to be an important part of our strategy.

Bribery and corruption

Bribery and corruption undermine business confidence and corporate integrity, hinder fair business competition, and harm international trade. Bribery and corruption risks are considered as part of our client and third-party due diligence, and financial crime risk monitoring measures. This supports our zero-tolerance approach to bribery and corruption, which is also part of the governance elements of our sustainability objectives.

Customer tax compliance

Compliance with customer tax-related regulations and reporting obligations, under the Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS), and Mandatory Disclosure Rules, aims to ensure that ING is not involved in facilitating tax-related financial crime, such as harmful aggressive tax-avoidance schemes, on behalf of its customers.

Sanctions

It is ING's policy to take into consideration the applicable sanctions regimes as imposed by international authorities and by local mandatory sanctions law (as applicable). ING's policy generally prohibits relationships or transactions involving sanctioned persons and entities or comprehensively sanctioned countries, territories and their governments. This sometimes also means that ING's risk appetite may be stricter than legal obligations, and we may choose not to support certain customer relationships, business activities and transactions even if permitted by law.

ING continuously monitors external developments to remain proactive to new sanctions packages or updates to existing sanctions packages. Through 2024, geopolitical risk has grown (e.g. through the conflict in the Middle East and the continuation of Russia's invasion in Ukraine), and global sanctions regimes remained increasingly active, creating a complex regulatory and legislative environment. There has been an increasing focus on the potential circumvention of sanctions against Russia, and the roles of third countries and companies in facilitating any circumvention or undermining the sanctions' measures. This has prompted a concerted effort by governments to impose pressure on companies operating in these jurisdictions, and to prevent sanctions measures being sidestepped by targeted Russian parties. ING's sanctions programme is designed to comply with sanctions across the multiple jurisdictions in which ING has business operations.

As a result of Russia's continued occupation of Ukraine and the associated conflict, there has been a continued focus from the EU, US, and other governments to impose additional sanctions and combat the potential circumvention of sanctions against Russia. In addition to several new sanctions packages, there has been an increased focus on the roles of third countries and companies in facilitating the circumvention or undermining of such sanctions' measures. The EU has increased efforts to ensure that EU operators are adhering to the sanctions by implementing new reporting requirements and by implementing new rules to harmonise criminal offences and penalties for the violation and circumvention of EU sanctions. The EU also introduced the 'best efforts' requirements, which seek to hamper sanctions circumvention through a new requirement for EU parent companies to do their 'best efforts' to make their non-EU subsidiaries align with EU sanctions. The extent to which this aimed alignment can in fact be realised as an end-result depends on the applicable factual and legal context. Practical impossibilities or limitations, conflicting applicable laws (potentially including personal liability risks), and/or conflicting regulatory expectations could be complicating factors triggering challenges. An example of such challenges concerns the topic of information sharing by Russian subsidiaries with their EU parent companies, particularly where it relates to their local Russian client data. Under new Russian regulatory restrictions, Russian subsidiaries are locally prohibited from sharing such data, whereas EU parent companies are typically still expected to obtain such data as part of their group-level oversight.

Since February 2022, ING has taken measures to not engage in new Russian business and ING follows an active de-risking approach, aimed to reduce ING's overall exposure towards Russia, including measures to reduce operational risks and to further ringfence activities of ING (Bank) Eurasia JSC. ING expects the agreed sale of ING (Bank) Eurasia JSC to close in the third quarter of 2025.

As a result of frequent evaluation of the business from economic, strategic and risk-based perspectives, ING, with limited exception, does not engage in business involving certain countries, including Cuba, Iran, North Korea, Sudan, Syria and the Crimea region. ING has a policy not to enter into new relationships with clients from these countries and processes are in place to discontinue existing relationships involving these countries.

Evolving financial crime landscape

Financial crime continues to evolve, whether through technology, new and sophisticated techniques used by criminals, or the results of geopolitical events. This widespread digitalisation of the economy and use of AI has led to a reshaping of the methods used to launder and finance terrorism. Criminal groups have adopted and are misusing new technologies, AI, and anonymity-enhancing technologies, such as virtual currencies and mixers, to commit criminal activities.

ING is continuing to invest in new and innovative technological capabilities, enhance our cooperation with law-enforcement agencies, industry bodies and regulators, and develop intelligence and data-led collaborative solutions to detect and disrupt financial crime. In this context, this may at times include sharing information within ING to manage our financial crime risk exposure, in line with General Data Protection Regulation requirements and local privacy laws and regulations.

EU AML/CFT legislative package

European legislation continues to evolve with the aim of strengthening and standardising anti-money laundering (AML) and counter-terrorism financing (CTF) regulation. ING welcomes this harmonisation, which removes a degree of regulatory complexity. ING has actively participated through banking associations in assessing the potential impact of the AML legislative package on banks. The regulation (AMLR) and the EU agency (AMLA) that will coordinate national authorities to ensure the correct and consistent application of EU rules, will be fully in force by Q3 2027.

The earlier published report from the Dutch Central Bank (DNB) 'From Recovery to Balance' on the use of risk-based approaches and the related 'Industry Baselines' on KYC topics that were created with ING being involved, create a necessary step towards fighting financial crime through the enhanced application of a risk-based approach (RBA): focusing efforts on higher risks, while remaining within the boundaries of the applicable laws and regulations.

Public-private partnerships

We continue to work with our peers, regulators and law enforcement in public-private partnerships (PPPs) in our major markets, and on international level – through our Group-level participation in networks such as Europol's Financial Intelligence Public Private Partnership. We recognise that our risk management frameworks and controls benefit from having a direct dialogue with public partners as well as complementing our understanding of relevant and evolving financial crime threats and risks. Sharing and applying these insights across the organisation helps us move beyond technical compliance and enhances our ability to meet regulatory obligations and protect our customers.

Conduct compliance and ethics

ING's product governance and conduct compliance risk management amplify that we aim to act in the interest of our customers. Focus areas include customer protection and transparency (referred to as customer centricity), market conduct (including market manipulation and abuse), anti-competitive conduct, and conflicts of interest. ESG- and ethics-related compliance risks, being risk drivers, are different by nature as they potentially have an overarching impact on other compliance risks.

Customer centricity

Customers are our reason for being and customer centricity is therefore key for ING. ING wants to ensure that its customers, particularly those that are vulnerable, are able to make well-informed decisions on the products and services used. In our effort to ensure ING's approach to customer centricity is carried out consistently throughout the organisation, local standards were complemented by an overarching global Customer Centricity Policy implemented in 2024. In this policy, we set central norms for retail and wholesale banking products (e.g. investments, mortgages and insurance) to meet customer needs on a continuous basis, from the creation of a product and throughout the full product lifecycle. By implementing a policy that manages the way in which we consider and address our customers, we have further enshrined the Orange Code and the Global Code of Conduct.

We aim to build on the Customer Centricity Policy in 2025 by enhancing our approach to social inclusion. We will support the business in the implementation of the EU Accessibility Act by setting minimum norms for the accessibility of products and services. Through an expanded customer centricity module in the product approval and review process, we reinforce that issues such as financial distress and accessibility will be taken into account structurally whenever we launch or review a product, ensuring ING aims to address customer needs.

ESG

We have integrated sustainability into the compliance risk management framework as a continuous reflection of ING's strategy to put sustainability at the heart of what we do. In 2024, we created the ESG & Ethics team in Group Compliance to ensure a structural approach to ESG-related compliance risks. While material environmental-related compliance risks are now an integral part of the bank's compliance processes, we continue with the translation of the social and governance-related topics. The role of Compliance in the fast-changing and evolving area of sustainability is expected to continue to develop further, alongside the other risk domains within ESG risk management.

Greenwashing has proven to be an important risk with various (legal) actions noted in the market. In 2024, we reviewed our portfolio of sustainable products to identify any potential greenwashing risks, and Compliance Quality Assurance reviews on this topic were performed in multiple ING entities. With the implementation of a Greenwashing Prevention Mandatory Instruction, we further enhance the management of greenwashing risks. Although we observe that the regulatory framework on ESG is maturing, we do expect substantial regulatory developments, setting further requirements for the prevention of greenwashing. Any such developments will be included in the compliance risk management framework.

Speak up and ethics

ING wants to create, facilitate and maintain an environment in which employees feel encouraged and supported to speak up at all times. Conduct ethics is about supporting and protecting our employees by means of (i) dealing with dilemmas; (ii) setting the right environment for ethical decisions and behaviours; and (iii) providing for an escalation/reporting process in case of concerns, and ensuring fair consequence management. For this we rely on our Orange Code, with the values and behaviours that guide us, the Global Code of Conduct – revised in 2024 – that prevents and protects employees from behaving unethically, and the whistleblowing framework in case of concerns.

In 2024, ING further enhanced the whistleblower process with explicit focus on anti-retaliation, fair consequence management, and deliberate after-care. A global cross-channel Speak up programme is in place to harmonise the different Speak up channels for undesirable behaviour.

Market conduct

Market conduct risk stems from behaviour that can negatively impact market integrity. ING has a global market abuse policy and control framework, as well as supplementary procedures that include personal account dealing, management of inside information and information barriers. In 2024, further steps were taken towards automating, standardising, and centralising our approach to personal account dealing, deal conflict clearance, and insider list management across the group.

Conflicts of interest

ING, being a large financial institution, is prone to multiple conflicts of interest, due to overlapping interests of different stakeholders as businesses, employees, customers, shareholders and society. In 2024, we updated the global conflicts of interest policy, including the related framework document, coming into effect in May 2025.

Anti-competitive conduct

Competition law impacts all areas of ING’s business. It is ING’s policy to adhere to competition laws and regulations that promote effective and fair competition, and which benefits and protects society, our clients and business partners, and our own business.

Data protection

At ING, data protection is at the core of our strategy and business operations. Our approach can be summarised as 'the right people use the right data for the right purpose'. We are bound by European and local data protection laws, which can differ from country to country. A group-wide, global, personal data protection policy is in place to enable a consistent approach to our way of processing personal data. In addition, we have implemented binding corporate rules within ING Bank with the aim of ensuring appropriate safeguards for our internal data transfers.

Regulatory developments which potentially lead to emerging data protection risks are monitored and managed on an ongoing basis. In 2024, following early developments in the application of GenAI and based on the EU AI Act, ING launched a programme to assess potential impact on our way of working – especially with regard to future obligations and requirements to be embedded in our policies and frameworks.

Personal data

In line with the EU’s General Data Protection Regulation (GDPR) and other applicable data protection requirements, we aim to process personal data for a specified business purpose in a fair and lawful manner, observing the rights and liberties of data subjects in scope of our activities. We aim to perform data protection impact assessments (DPIAs) and regular internal audits on the personal data processing that we do for clients and employees, including ING’s technologies.

We strive to be transparent about our use of personal data from customers, employees, suppliers and business partners, who we share personal data with and why. It is our policy that our business entities, support functions, as well as third parties that we engage with, ensure that the data subject is granted a level of protection equivalent to that guaranteed by the GDPR, especially if personal data is transferred outside of the European economic area (EEA). Part of the data protection scope is that personal data is managed in a safe and secure manner, in line with applicable information security standards. More information can be found in the privacy statement on our corporate website.

Model risk

Introduction

Model risk is the risk of financial loss, regulatory fines, reputational damage, legal or regulatory sanctions resulting from decisions that are principally based in the output of models. Model risk can arise from errors in the development, implementation, use or interpretation of models, or from incomplete or wrong data etc., leading to inaccurate, non-compliant or misinterpreted model outputs.

Model lines of defence

ING's model risk and control structure is based on the three-model-lines-of-defence (MLoD) approach. This approach aims to provide a sound governance framework for model risk management by defining and implementing three different management layers with distinct roles and oversight responsibilities.

- The first MLoD is composed of the model owners, model users, data management and model development, and is accountable for the implementation of model risk controls which encompass model development, implementation, and use of the models as well as monitoring of models' performance.
- The second MLoD owns the model risk management framework, proposes the model risk appetite, provides challenge to model risk identification and assessment and provides an independent validation of models used within ING.
- The third MLoD is the internal audit function.

Model risk appetite (model RAS)

The model risk appetite is designed to determine the level of model risk ING is willing to accept in pursuit of its strategic objectives. Current model RAS metrics are focused on the most important models for ING: credit risk and other models with elevated supervisory attention. These metrics are reported to the MBB monthly.

Model risk management (MoRM)

The ING MoRM policy framework comprises the total set of measures and tools put in place to manage model risk. ING classifies models based on their criticality, financial materiality and complexity. The model classification determines the depth and extent of the applied model risk management activities, including model validation. Model validation is the independent confirmation that a model is valid for its intended use. Models are validated according to procedures applicable to key model types. These procedures are continuously being enhanced to keep up to date with regulatory, technical developments and industry trends.

ING models are developed using a variety of technologies, including AI. As such, ING MoRM has been assessing the requirements of the EU AI Act, designing an AI risk framework and consequently adapting the MoRM approach for AI models. Given the relevance of deploying such new technologies in a safe and secure way, ING has set up a Centre of Excellence for AI Risk Management that will reside within MoRM. Its purpose is to drive the AI risk strategy, centrally coordinate AI risk management activities across ING risk domains, advise on responsible AI use, and facilitate its scalable and responsible adoption.

On an aggregated level, model risk is monitored via analysis of data from the global model inventory, collected across the bank to manage ING model's landscape. Insights are reported to the MoRM Committee, MBB, and other stakeholders so senior management can make well-informed decisions on acceptance or further mitigation of model risk.

Business & strategy risk

Introduction

Business & strategy risk for ING has been defined as the risk inherent to strategy decisions, internal efficiency and the business environment. This risk can be expressed as the value or earnings loss in terms of volumes, margins, expenses and fee and commission income. Business risk is accounted for within the economic capital framework and calculated applying the variance-covariance methodology. This covers the risk that volume, margins, fee and commission income, operating expenses, and regulatory expenses/costs will deviate from the expected expenses and income over the horizon of the relevant activities.

Risk management

ING applies an explicit risk appetite statement regarding business risk, focusing on earnings stability and diversification of the business mix. The underlying economic capital risk types (expense risk, volume-margin risk and regulatory costs) are mitigated and managed via the financial performance of the bank and the business units. Through this process, the reported numbers are compared quarterly against financial projections and discussed continuously within different parts of the organisation.

Consolidated Financial statements

Contents

Consolidated statement of financial position

As at 31 December

in EUR million	2024	2023
Assets		
Cash and balances with central banks 2	70,353	90,214
Loans and advances to banks 3	21,769	16,708
Financial assets at fair value through profit or loss 4,6		
– Trading assets	72,906	60,240
– Non-trading derivatives	2,463	2,028
– Designated as at fair value through profit or loss	5,740	5,775
– Mandatorily at fair value through profit or loss	56,481	54,983
Financial assets at fair value through other comprehensive income 5,6	46,389	41,116
Securities at amortised cost 6	50,273	48,313
Loans and advances to customers 7	680,299	642,453
Investments in associates and joint ventures 8	1,679	1,509
Property and equipment 9	2,434	2,399
Intangible assets 10	1,334	1,198
Current tax assets	599	311
Deferred tax assets 31	1,069	1,280
Other assets 11	6,935	7,109
Total assets	**1,020,724**	**975,636**

in EUR million	2024	2023
Liabilities		
Deposits from banks 12	16,722	23,257
Customer deposits 13	699,725	662,004
Financial liabilities at fair value through profit or loss 14		
– Trading liabilities	35,255	37,220
– Non-trading derivatives	2,101	2,019
– Designated as at fair value through profit or loss	49,539	55,399
Current tax liabilities	276	351
Deferred tax liabilities 31	287	184
Provisions 15	752	899
Other liabilities 16	10,596	13,130
Debt securities in issue 17	94,459	84,423
Senior non-preferred debt 18	49,393	40,213
Subordinated loans 19	17,879	15,404
Total liabilities	**976,986**	**934,501**
Equity 20		
Share capital and share premium	17,067	17,067
Other reserves	78	-769
Retained earnings	25,598	23,893
Shareholders' equity (parent)	**42,743**	**40,191**
Non-controlling interests	995	944
Total equity	**43,738**	**41,135**
Total liabilities and equity	**1,020,724**	**975,636**

References relate to the accompanying notes. These are an integral part of the Consolidated financial statements.

Consolidated statement of profit or loss

for the years ended 31 December

in EUR million	2024	2023	2022
Interest income using effective interest rate method	49,221	44,486	24,541
Other interest income	9,685	7,741	3,935
Total interest income	**58,905**	**52,228**	**28,476**
Interest expense using effective interest rate method	-35,164	-28,693	-10,969
Other interest expense	-8,993	-7,726	-3,761
Total interest expense	**-44,157**	**-36,419**	**-14,730**
Net interest income 21	**14,749**	**15,809**	**13,745**
Fee and commission income	5,598	5,100	5,085
Fee and commission expense	-1,596	-1,514	-1,499
Net fee and commission income 22	**4,002**	**3,586**	**3,586**
Valuation results and net trading income 23	3,407	2,910	1,503
Investment income 24	13	95	181
Share of result from associates and joint ventures 8	205	149	92
Impairment of associates and joint ventures 8	-35	-5	-192
Result on disposal of group companies	0	0	6
Net result on derecognition of financial assets measured at amortised cost	-2	3	-5
Other net income 25	-3	-146	-369
Total income	**22,334**	**22,401**	**18,546**

	2024	2023	2022
Addition to loan loss provisions	1,194	520	1,861
Staff expenses 26	7,184	6,725	6,152
Other operating expenses 27	4,931	4,838	5,040
Total expenses	**13,310**	**12,083**	**13,053**
Result before tax	**9,025**	**10,318**	**5,493**
Taxation 31	2,580	2,926	1,723
Net result	**6,445**	**7,392**	**3,769**
Net result attributable to:			
Non-controlling interests	258	235	102
Shareholders of the parent	6,187	7,157	3,667
	6,445	**7,392**	**3,769**
Dividend per ordinary share	10.72	22.08	13.50
Total amount of dividend paid (in million euros)	4,986	10,269	6,277

References relate to the accompanying notes. These are an integral part of the Consolidated financial statements.

Consolidated statement of comprehensive income

for the years ended 31 December

in EUR million	2024	2023	2022
Net result (before non-controlling interests)	6,445	7,392	3,769
Other comprehensive income			
Items that will not be reclassified to the statement of profit or loss:			
Realised and unrealised revaluations property in own use	3	10	15
Remeasurement of the net defined benefit asset/liability	-16	-85	-19
Net change in fair value of equity instruments at fair value through other comprehensive income	664	-30	-126
Change in fair value of own credit risk of financial liabilities at fair value through profit or loss	-46	-39	165
Items that may subsequently be reclassified to the statement of profit or loss:			
Net change in fair value of debt instruments at fair value through other comprehensive income	-261	68	-428
Realised gains/losses on debt instruments at fair value through other comprehensive income reclassified to the statement of profit or loss	63	9	-26
Changes in cash flow hedge reserve	383	1,138	-3,158
Exchange rate differences	563	-85	436
Total other comprehensive income	**1,353**	**986**	**-3,140**
Total comprehensive income	**7,798**	**8,378**	**629**
Comprehensive income attributable to:			
Non-controlling interests	303	444	-190
Shareholders of the parent	7,495	7,934	819
	7,798	**8,378**	**629**

Each component of the other comprehensive income is presented after taxation. For the disclosure on the income tax effects on each component, reference is made to Note 31 'Taxation'.

Consolidated statement of changes in equity

in EUR million	Share capital and share premium	Other reserves	Retained earnings	Shareholders' equity (parent)	Non-controlling interests	Total equity
Balance as at 31 December 2023	**17,067**	**-769**	**23,893**	**40,191**	**944**	**41,135**
Net result		125	6,062	6,187	258	6,445
Other comprehensive income		1,307		1,307	46	1,353
Total comprehensive income net of tax		**1,432**	**6,062**	**7,495**	**303**	**7,798**
Dividends			-4,986	-4,986	-253	-5,239
Employee share-based compensation plans			45	45	0	45
Transfers		-585	585	0		0
Other changes			-1	-1	0	-1
Balance as at 31 December 2024	**17,067**	**78**	**25,598**	**42,743**	**995**	**43,738**

In 2024, ING Bank updated the presentation of the Consolidated statement of changes in equity to simplify its structure and reduce duplication. Comparative figures have been updated accordingly.

References relate to the accompanying notes. These are an integral part of the Consolidated financial statements. Changes in individual Reserve components are presented in Note 20 'Equity'.

Consolidated statement of changes in equity - continued

in EUR million	Share capital and share premium	Other reserves	Retained earnings	**Shareholders' equity (parent)**	Non-controlling interests	**Total equity**
Balance as at 31 December 2022	**17,067**	**-984**	**26,462**	**42,546**	**504**	**43,050**
Impact of changes in accounting policies[1]			-45	-45	-1	-46
Balance as at 1 January 2023	**17,067**	**-984**	**26,417**	**42,500**	**503**	**43,004**
Net result		336	6,821	7,157	235	7,392
Other comprehensive income		777	0	777	209	986
Total comprehensive income net of tax		**1,113**	**6,821**	**7,934**	**444**	**8,378**
Dividends			-10,269	-10,269	-3	-10,272
Employee share-based compensation plans			30	30	0	30
Transfers		-899	899			0
Other changes			-5	-5	0	-5
Balance as at 31 December 2023	**17,067**	**-769**	**23,893**	**40,191**	**944**	**41,135**

[1] Changes in policy following the adoption of IFRS 17 and change in policy for non-financial guarantees.

References relate to the accompanying notes. These are an integral part of the Consolidated financial statements. Changes in individual Reserve components are presented in Note 20 'Equity'.

Consolidated statement of changes in equity - continued

in EUR million	Share capital and share premium	Other reserves	Retained earnings	Shareholders' equity (parent)	Non-controlling interests	Total equity
Balance as at 31 December 2021	**17,067**	**1,069**	**29,778**	**47,914**	**736**	**48,650**
Impact of IAS 29 on opening balance		627	-563	64		64
Balance as at 1 January 2022	**17,067**	**1,696**	**29,215**	**47,978**	**736**	**48,714**
Net result		161	3,506	3,667	102	3,769
Other comprehensive income		-2,848	0	-2,848	-292	-3,140
Total comprehensive income net of tax		**-2,687**	**3,506**	**819**	**-190**	**629**
Dividends			-6,277	-6,277	-41	-6,319
Employee share-based compensation plans			27	27	0	27
Transfers		8	-8	0		0
Other changes			-1	-1	0	-1
Balance as at 31 December 2022	**17,067**	**-984**	**26,462**	**42,546**	**504**	**43,050**

References relate to the accompanying notes. These are an integral part of the Consolidated financial statement. Changes in individual Reserve components are presented in Note 20 'Equity'.

Consolidated statement of cash flows

in EUR million, for the years ended 31 December		2024	2023	2022
Cash flows from operating activities				
Result before tax		9,025	10,318	5,493
Adjusted for:	– Depreciation and amortisation	673	674	711
	– Addition to loan loss provisions	1,194	520	1,861
	– Revaluations	-780	-2,836	4,706
	– Exchange rate differences and other	1,134	447	813
Taxation paid		-2,753	-2,700	-1,489
Changes in:	– Loans and advances to banks, not available on demand	-7,736	12,693	-5,836
	– Deposits from banks, not payable on demand	-7,819	-31,804	-26,976
	– Trading assets	-12,663	-3,366	-5,485
	– Trading liabilities	-1,964	-1,869	11,975
	– Loans and advances to customers	-34,416	-5,815	-19,306
	– Customer deposits	38,916	12,541	27,555
	– Non-trading derivatives	-54	2,409	-5,469
	– Assets designated at fair value through profit or loss	35	256	56
	– Assets mandatorily at fair value through profit or loss	274	-7,402	-4,143
	– Other assets	265	1,724	-2,861
	– Other financial liabilities at fair value through profit or loss	-7,801	4,384	9,843
	– Provisions and other liabilities	-635	2,143	-667
Net cash flow from/(used in) operating activities		**-25,105**	**-7,682**	**-9,218**
Cash flows from investing activities				
Investments and advances:	- Associates and joint ventures	-26	-55	-48
	- Financial assets at fair value through other comprehensive income	-21,091	-19,995	-18,806
	- Securities at amortised cost[1]	-110,052	-49,614	-24,651
	- Property and equipment	-332	-246	-231
	- Other investments	-383	-310	-198
Disposals and redemptions:	- Associates and joint ventures	107	164	58
	- Disposal of subsidiaries, net of cash disposed	0	0	7
	- Financial assets at fair value through other comprehensive income	16,949	11,913	14,526
	- Securities at amortised cost[1]	108,732	49,525	23,943
	- Property and equipment	50	57	83
	- Other investments	13	15	10
Net cash flow from/(used in) investing activities		**-6,033**	**-8,545**	**-5,307**
Cash flows from financing activities				
Proceeds from senior non-preferred debt		9,533	7,013	10,347
Repayments of senior non-preferred debt		-3,692	-5,451	-3,897
Proceeds from debt securities[1]		115,308	110,477	81,636
Repayments of debt securities[1]		-109,358	-86,061	-78,609
Proceeds from issuance of subordinated loans		4,603	2,225	983
Repayments of subordinated loans		-2,931	-2,894	-1,090
Repayments of principal portion of lease liabilities		-290	-291	-296
Dividends paid		-5,239	-10,272	-6,319
Net cash flow from/(used in) financing activities		**7,935**	**14,746**	**2,755**
Net cash flow		**-23,203**	**-1,481**	**-11,770**
Cash and cash equivalents at beginning of year		**93,011**	**95,390**	**107,664**
Effect of exchange rate changes on cash and cash equivalents		-740	-898	-505
Cash and cash equivalents at end of year		**69,068**	**93,011**	**95,390**

[1] Cash flows are reported on a gross basis and include investments and borrowings of short term securities.

Consolidated statement of cash flows - continued

Cash and cash equivalents			
in EUR million	2024	2023	2022
Treasury bills and other eligible bills included in securities at AC	37	0	1
Deposits from banks	-6,303	-5,132	-6,172
Loans and advances to banks	4,981	7,930	13,947
Cash and balances with central banks	70,353	90,214	87,614
Cash and cash equivalents at end of year	**69,068**	**93,011**	**95,390**

Cash and cash equivalents include deposits from banks and loans and advances to banks that are payable on demand.

Included in Cash and cash equivalents are minimum mandatory reserve deposits held at various central banks. Reference is made to Note 36 'Transfer of financial assets, assets pledged and received as collateral' for restrictions on Cash and balances with central banks.

References relate to the accompanying notes. These are an integral part of the Consolidated financial statements.

Changes in liabilities arising from financing activities												
	Debt securities in issue			Subordinated Loans			Lease liabilities			Senior non-preferred debt		
in EUR million	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Opening balance	84,423	58,075	57,443	15,404	15,789	16,719	1,162	1,174	1,220	40,213	37,806	34,303
Cash flows:												
Additions	115,308	110,477	81,636	4,603	2,225	983				9,533	7,013	10,347
Redemptions / Disposals	-109,358	-86,061	-78,609	-2,931	-2,894	-1,090	-290	-291	-296	-3,692	-5,451	-3,897
Non cash changes:												
Amortisation	1,062	730	281	28	34	31	27	28	15	-3	1	-7
Other	111	403	-66	24	12	8	212	256	239	1,669	102	106
Changes in unrealised revaluations	594	1,279	-3,746	188	473	-1,470				544	1,436	-3,866
Foreign exchange movement	2,318	-479	1,135	564	-236	608	5	-4	-4	1,129	-694	820
Closing balance	**94,459**	**84,423**	**58,075**	**17,879**	**15,404**	**15,789**	**1,116**	**1,162**	**1,174**	**49,393**	**40,213**	**37,806**

Part of Debt securities in issue and subordinated loans are subject to fair value hedge accounting. Hence, changes in unrealised revaluations represent fair value adjustments to the hedged item attributable to the hedged interest rate risk. Reference is made to the paragraph 'fair value hedge accounting' in Note 33 'Derivatives and hedge accounting'.

The table below presents the Interest and dividend received and paid.

in EUR million	2024	2023	2022
Interest received	57,201	51,030	28,110
Interest paid	-41,459	-33,859	-14,201
	15,742	**17,171**	**13,909**
Dividend received	235	205	229
Dividend paid	-5,239	-10,272	-6,319

Dividends received from associates and joint ventures are included in investing activities; interest received, interest paid and other dividends received are included in operating activities; and dividend paid is included in financing activities in the Consolidated statement of cash flows.

Notes to the Consolidated financial statements

1 Basis of preparation and material accounting policy information

1.1 Reporting entity and authorisation of the Consolidated financial statements

ING Bank N.V. (Naamloze Vennootschap) is a company domiciled in Amsterdam, the Netherlands. Commercial Register of Amsterdam, number 33031431. ING Bank N.V. is a wholly-owned subsidiary of ING Groep N.V. domiciled in Amsterdam, the Netherlands. These Consolidated financial statements, as at and for the year ended 31 December 2024, comprise ING Bank N.V. (the Parent company) and its subsidiaries, together referred to as ING Bank. ING Bank is a global financial institution with a strong European base, offering a wide range of retail and wholesale banking services to customers.

The ING Bank Consolidated financial statements, as at and for the year ended 31 December 2024, were authorised for issue in accordance with a resolution of the Management Board Banking on 3 March 2025. The General Meeting of the Shareholder may decide not to adopt the financial statements, but may not amend these.

1.2 Basis of preparation of the Consolidated financial statements

The ING Bank Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the relevant articles of Part 9 of Book 2 of the Dutch Civil Code.

IFRS as adopted by the EU are IFRS Standards and IFRS Interpretations as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) with some limited modifications such as the temporary ‘carve-out’ from IAS 39 ‘Financial Instruments: Recognition and Measurement’ (herein, referred to as IFRS).

Under the EU carve-out, ING Bank applies fair value hedge accounting to portfolio hedges of interest rate risk (macro hedging). For further information, reference is made to paragraph 1.5.4 ‘Derivatives and hedge accounting’ of this note and to Note 33 'Derivatives and hedge accounting'.

The ING Bank Consolidated financial statements have been prepared on a going concern basis and there are no significant doubts about the ability of ING Bank to continue as a going concern.

The Consolidated financial statements are presented in euros and rounded to the nearest million, unless stated otherwise. Amounts may not add up due to rounding.

1.2.1 Presentation of Risk management disclosures

To improve transparency, reduce duplication and present related information in one place, certain disclosures of the nature and extent of risks related to financial instruments required by IFRS 7 ‘Financial instruments: Disclosures’ are included in the ‘Risk management’ section of the Annual Report.

These disclosures are an integral part of ING Bank Consolidated financial statements and are indicated in the ‘Risk management’ section by the symbol (*). Chapters, paragraphs, graphs or tables within the risk management section that are indicated with this symbol in the respective headings or table header are considered to be an integral part of the Consolidated financial statements.

1.3 Changes to accounting policies and presentation

ING Bank has consistently applied its accounting policies to all periods presented in these Consolidated financial statements.

In 2024, ING Bank updated the presentation of the Consolidated statement of changes in equity to simplify its structure and reduce duplication. Comparative figures have been updated accordingly. Furthermore, ING has changed the presentation and classification of Senior non-preferred instruments respectively in the consolidated statement of financial position and consolidated statement of cash flows. ING believes this change further improves presentation about these instruments and related cash flows. Comparative figures have been updated accordingly. In addition, presentation in Note 28 'Segments' was updated to reflect the clarified requirements for segment disclosures as issued by the IFRIC in an agenda decision issued in July 2024.

1.3.1 Changes in IFRS effective in 2024

The following amendments to IFRS became effective in the current reporting period (and have been EU endorsed) with no significant impact for ING Bank:

- Amendments to IFRS 16 'Leases': Lease Liability in a Sale and Leaseback (issued in September 2022).
- Amendments to IAS 1 ‘Presentation of Financial Statements’: Classification of Liabilities as Current or Non-current (issued in January 2020) and Non-current liabilities with Covenants (issued in October 2022).
- Amendments to IAS 7 'Statement of Cash flows' and IFRS 7 'Financial Instruments: Disclosures': Supplier Finance Arrangements (issued in May 2023).

1.3.2 Upcoming changes in IFRS after 2024

ING Bank has not early adopted any of the following Standards, interpretations or amendments that have been issued, but are not yet effective and is assessing their potential impact on for ING Bank.

Effective in 2025 (endorsed by the EU):

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates': Lack of Exchangeability (issued in August 2023).

The implementation of the above amendments is expected to have no significant impact on ING Bank's Consolidated financial statements when they become effective.

Effective in 2026 (not yet endorsed by the EU):

- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosure': Classification and Measurement of Financial Instruments (issued in May 2024).
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosure': Contracts Referencing Nature-dependent Electricity (issued in December 2024).
- Annual Improvements to IFRS Accounting Standards: Volume 11 (issued in July 2024).

Effective in 2027 (not yet endorsed by the EU):

- New Standard IFRS 18 'Presentation and Disclosure in Financial Statements' (issued in April 2024).

In addition, in May 2024, the IASB also issued a new accounting Standard IFRS 19 'Subsidiaries without Public Accountability: Disclosures'. However, it is not applicable for the consolidated financial statements of ING Bank.

1.4 Significant judgements and critical accounting estimates and assumptions

The preparation of the Consolidated financial statements requires management to make judgements in the process of applying its accounting policies and to use estimates and assumptions. The estimates and assumptions affect the reported amounts of the assets and liabilities and the amounts of the contingent assets and contingent liabilities at the balance sheet date, as well as reported income and expenses for the year. The actual outcome may differ from these estimates. The process of setting assumptions is subject to internal control procedures and approvals.

ING Bank has identified areas that require management to make significant judgements and use critical accounting estimates and assumptions based on the information and financial data that may or may not change in future periods. These areas are:

- Loan loss provisions (financial assets) (refer to Note 1.5.6 ‘Impairment of financial assets');
- The determination of the fair values of financial assets and liabilities (refer to Note 1.5.3 for ‘Fair values of financial assets and liabilities’);
- Investment in associate - assessment of additional impairment losses or reversal of previous impairment losses (refer to Note 1.10 ‘Investments in associates and joint ventures); and
- Provisions (refer to Note 1.15 ‘Provisions, contingent liabilities and contingent assets’).

In March 2024 ING repaid the final EUR 6 billion of its Targeted Longer-Term Refinancing Operations (TLTRO) III participation. As a result, accounting for TLTRO is no longer an area of significant judgement in 2024, while it was as such in 2023 and 2022.

1.5 Financial instruments

ING Bank applies IFRS 9 ‘Financial Instruments’ to the recognition, classification and measurement, and derecognition of financial assets and financial liabilities and the impairment of financial assets. The Group applies the requirements of IAS 39 ‘Financial Instruments: Recognition and Measurement’ for hedge accounting purposes.

1.5.1 Recognition and derecognition of financial instruments

Recognition of financial assets

Financial assets are recognised in the balance sheet when ING Bank becomes a party to the contractual provisions of the instrument. For a regular way purchase or sale of a financial asset, trade date and settlement date accounting is applied, depending on the classification of the financial asset.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where ING Bank has transferred the rights to receive the cash flows from the financial asset or assumed an obligation to pass on the cash flows and has transferred substantially all the risks and rewards of the asset. If ING Bank neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it derecognises the financial asset if it no longer has control over the asset. The difference between the carrying amount of a financial asset that has been derecognised and the consideration received is recognised in profit or loss.

Recognition of financial liabilities

Financial liabilities are recognised on the date that the entity becomes a party to the contractual provisions of the instrument.

Derecognition of financial liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in profit or loss.

1.5.2 Classification and measurement of financial instruments

Financial assets

ING Bank classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost (AC).

At initial recognition, ING Bank measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss (FVPL) are expensed in the statement of profit or loss.

Financial assets – Debt instruments

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows at initial recognition.

Business models

Business models are classified as Hold to Collect (HtC), Hold to Collect and Sell (HtC&S) or Other depending on how a portfolio of financial instruments as a whole is managed. ING Bank's business models are based on the existing management structure of the bank, and refined based on an analysis of how businesses are evaluated and reported, how their specific business risks are managed and on historic and expected future sales. Sales are permissible in a HtC business model when these are due to an increase in credit risk, take place close to the maturity date (where the proceeds from the sales approximate the collection of the remaining contractual cash flows), are insignificant in value (both individually and in aggregate) or are infrequent.

Contractual cash flows Solely Payments of Principal and Interest (SPPI)

The contractual cash flows of a financial asset are assessed to determine whether they represent SPPI. Interest includes consideration for the time value of money, credit risk and for other basic lending risks such as consideration for liquidity risk and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

In assessing whether the contractual cash flows are SPPI, ING Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Based on the entity's business model for managing the financial assets and the contractual terms of the cash flows, there are three measurement categories into which ING Bank classifies its debt instruments:

- Amortised Cost (AC):
  Debt instruments that are held for collection of contractual cash flows under a HtC business model where those cash flows represent SPPI are measured at AC. Interest income from these financial assets is included in Interest income using the Effective Interest Rate (EIR) method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVOCI:
  Debt instruments that are held for collection of contractual cash flows and for selling the financial assets under a HtC&S business model, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are recognised in OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in Investment income or Other net income, based on the specific characteristics of the business model. Interest income from these financial assets is included in Interest income using the EIR method. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVPL:
  Debt instruments that do not meet the criteria for AC or FVOCI are measured at FVPL. This includes debt instruments that are held-for-trading (presented separately as Trading assets) and all other debt instruments that do not meet the criteria for AC or FVOCI (presented separately as Mandatorily at FVPL). ING Bank may in some cases, on initial recognition, irrevocably designate a financial asset as classified and measured at FVPL. This is the case where doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise on assets measured at AC or FVOCI. Fair value movements on trading securities, trading loans and deposits (mainly reverse repo's) are presented fully within valuation result and net trading income, this also includes interest. The interest arising on financial assets designated as at FVPL is recognised in profit or loss and presented within Other interest income or Other interest expense in the period in which it arises. The interest arising on a debt instrument that is part of a hedge relationship, but not subject to hedge accounting, is recognised in profit or loss and presented within Other interest income or Other interest expense in the period in which it arises.

ING Bank reclassifies debt instruments if, and only if, its business model for managing those financial assets changes. Such changes in business models are expected to be very infrequent. There have been no reclassifications during the reporting period.

Financial assets – Equity instruments

All equity investments are measured at fair value. ING Bank applies the fair value through OCI option to investments which are considered strategic, consisting of investments that add value to ING Bank's core banking activities.

There is no subsequent recycling of fair value gains and losses to profit or loss following the derecognition of investments if elected to be classified and measured as FVOCI. However, the cumulative gain or loss is transferred within equity to retained earnings on derecognition of such equity instruments. Dividends from such investments continue to be recognised in profit or loss as Investment income when ING's right to receive payments is established. Impairment requirements are not applicable to equity investments classified and measured as FVOCI.

Other remaining equity investments are measured at FVPL. All changes in the fair value are recognised in Valuation result and Net trading income in the Consolidated statement of profit or loss.

Financial liabilities

Financial liabilities are classified and subsequently measured at AC, except for financial guarantee contracts, derivatives and liabilities designated at FVPL. Financial liabilities classified and measured at FVPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in own credit risk of the liability designated at FVPL is presented in OCI. Upon derecognition this Debit Valuation Adjustment (DVA) impact does not recycle from OCI to profit or loss; and
- the remaining amount of change in the fair value is presented in profit or loss in ‘Valuation results and net trading income’. Interest on financial liabilities at FVPL is also recognised in the valuation result, except for items voluntarily designated as FVPL for which interest is presented within ‘Other interest income (expense).

A financial guarantee contract is a contract that requires ING Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Such a contract is initially recognised at fair value and is subsequently measured at the higher of (a) the amount determined in accordance with impairment provisions of IFRS 9 ‘Financial instruments’ (see section 'Impairment of financial assets') and (b) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the revenue recognition principle of IFRS 15 ‘Revenue from contracts with customers’.

Repurchase transactions and reverse repurchase transactions

Securities sold subject to repurchase agreements (repo's), securities lending and similar agreements continue to be recognised in the Consolidated statement of financial position. The counterparty liability is measured at FVPL (designated) and included in Other financial liabilities at FVPL if the asset is measured at FVPL. Otherwise, the counterparty liability is included in Deposits from banks, Customer deposits, or Trading, as appropriate.

Securities purchased under agreements to resell (reverse repos), securities borrowings and similar agreements are not recognised in the Consolidated statement of financial position. The consideration paid to purchase securities is recognised as Loans and advances to customers, Loans and advances to banks, Other financial assets at FVPL or Trading assets, as appropriate. The difference between the sale and repurchase price is treated as interest and amortised over the life of the agreement using the effective interest method for instruments that are not measured at FVPL.

1.5.3 Fair values of financial assets and liabilities

All financial assets and liabilities are recognised initially at fair value. The fair value of a financial instrument on initial recognition is generally its transaction price (that is, the fair value of the consideration given or received). However, if there is a material difference between the transaction price and the fair value of financial instruments whose fair value is based on a valuation technique using significant unobservable inputs, the entire 'day one' difference (a ‘Day One Profit or Loss’) is deferred. ING Bank defers the Day One Profit or Loss relating to financial instruments classified as Level 3 and financial instruments with material unobservable inputs into CVA which are not necessarily classified as Level 3. The deferred Day One Profit or Loss is recognised in the statement of profit or loss over the life of the transaction until the transaction matures, or until the significant unobservable inputs become observable, or until the significant unobservable inputs become non-significant. In all other cases, ING Bank recognises the difference as a gain or loss at inception.

Subsequently, except for financial assets and financial liabilities measured at amortised cost, all the other financial assets and liabilities are measured at fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It assumes that market participants would use and take into account the characteristics of the asset or liability when pricing the asset or liability. Fair values of financial assets and liabilities are based on unadjusted quoted market prices where available. Such quoted market prices are primarily obtained from exchange prices for listed financial instruments. Where an exchange price is not available, quoted prices in an active market may be obtained from independent market vendors, brokers, or market makers. In general, positions are valued at the bid price for a long position and at the offer price for a short position or are valued at the price within the bid-offer spread that is most representative of fair value in the circumstances. In some cases where positions are marked at mid-market prices, a fair value adjustment is calculated.

For certain financial assets and liabilities, quoted market prices are not available. For such instruments, fair value is determined using valuation techniques. These range from discounting of cash flows to various valuation models, where relevant pricing factors including the market price of underlying reference instruments, market parameters (volatilities, correlations and credit ratings), and customer behaviour are taken into account. ING Bank maximises the use of market observable inputs and minimises the use of unobservable inputs in determining the fair value. It can be subjective dependent on the significance of the unobservable input to the overall valuation. All valuation techniques used are subject to internal review and approval. Most data used in these valuation techniques are validated on a daily basis when possible.

When a group of financial assets and liabilities are managed on the basis of their net risk exposures, the fair value of a group of financial assets and liabilities are measured on a net portfolio level.

To include credit risk in fair value, ING Bank applies both Credit and Debit Valuation Adjustments (CVA, DVA, also known as Bilateral Valuation Adjustments or BVA). Own issued debt and structured notes that are designated at FVPL are adjusted for ING Bank's own credit risk by means of a DVA.

To include the funding risk, ING Bank applies an additional 'Funding Valuation Adjustment' (FVA) to the uncollateralised derivatives based on the market price of funding liquidity. ING Bank also applies to certain positions other valuation adjustments to arrive at the fair value such as Bid-Offer adjustments, Model Risk Adjustments and Collateral Valuation Adjustments (CollVA).

Significant judgements and critical accounting estimates and assumptions:

- Even if market prices are available, when markets are less liquid there may be a range of prices for the same security from different price sources. Selecting the most appropriate price requires judgement and could result in different estimates of fair value.
- Valuation techniques are subjective in nature and significant judgement is involved in establishing fair values for certain financial assets and liabilities. Valuation techniques involve various assumptions regarding pricing factors. The use of different valuation techniques and assumptions could produce significantly different estimates of fair value.
- Price testing is performed to assess whether the process of valuation has led to an appropriate fair value of the position and to minimise the potential risks of economic losses due to incorrect or misused models.
- Assessing whether a market is active, and whether an input is observable and significant, requires judgement. ING Bank categorises its financial instruments that are either measured in the statement of financial position at fair value or of which the fair value is disclosed, into a three level hierarchy based on the observability and significance of the valuation inputs. The use of different approaches to assess whether a market is active, whether an input is observable, and whether an unobservable input is significant could produce different classification within the fair value hierarchy as well as potentially different deferral of the Day One Profit or Loss.
- Reference is made to Note 32 'Fair value of assets and liabilities ' and to the 'Market risk' paragraph in the 'Risk management' section of the Annual Report for the basis of the determination of the fair value of financial instruments and related sensitivities.

1.5.4 Derivatives and hedge accounting

IFRS 9 includes an accounting policy choice to defer the adoption of IFRS 9 hedge accounting and to continue with hedge accounting under IAS 39. ING Bank decided to exercise this accounting policy choice and did not adopt IFRS 9 hedge accounting as of 1 January 2018. Furthermore, ING Bank applies fair value hedge accounting for portfolio hedges of interest rate risk (macro fair value hedges) in accordance with the EU carve-out version of IAS 39.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Fair values are obtained from quoted market prices in active markets, including market transactions and valuation techniques (such as discounted cash flow models and option pricing models), as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Fair value movements on derivatives are presented in profit or loss in 'Valuation result and net trading income', except for derivatives in either a formal hedge relationship or so-called economic hedges that are not in a formal hedge accounting relationship where a component is presented separately in interest result in line with ING Bank's risk management strategy.

Embedded derivatives are separated from financial liabilities and other non-financial contracts and accounted for as a derivative if, and only if:
1. the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
2. a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
3. the combined instrument is not measured at fair value with changes in fair value reported in profit or loss.

If an embedded derivative is separated, the host contract is accounted for as a similar free-standing contract.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. ING Bank designates certain derivatives as hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge), hedges of highly probable future cash flows attributable to a recognised asset or liability or a forecast transaction (cash flow hedge), or hedges of a net investment in a foreign operation. Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

At the inception of the transaction, ING Bank documents the relationship between hedging instruments and hedged items, its risk management objective, together with the methods selected to assess hedge effectiveness. ING Bank also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of profit or loss, together with fair value adjustments to the hedged item attributable to the hedged risk. If the hedge relationship no longer meets the criteria for hedge accounting, the cumulative adjustment of the hedged item is, in the case of interest-bearing instruments, amortised through the statement of profit or loss over the remaining term of the original hedge or recognised directly when the hedged item is derecognised. For non-interest bearing instruments, the cumulative adjustment of the hedged item is recognised in the statement of profit or loss only when the hedged item is derecognised.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in the Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss. Amounts accumulated in the Other Comprehensive Income are recycled to the statement of profit or loss in the periods in which the hedged item affects net result. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the Other Comprehensive Income at that time remains in the Other Comprehensive Income and is recognised when the forecast transaction is ultimately recognised in the statement of profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in the Other Comprehensive Income is transferred immediately to the statement of profit or loss.

Net investment hedges

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in the Other Comprehensive Income and the gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss. Gains and losses accumulated in the Other Comprehensive Income are included in the statement of profit or loss when the foreign operation is disposed.

Benchmark rate reform – specific policies for hedges directly affected by the benchmark rate reform

As explained in the 'Impact of the benchmark rate reform' paragraph of the 'Risk management' section, a fundamental review of important interest rate benchmarks has been carried out, and is still ongoing for some of them (for instance, WIBOR).

Given that the benchmark rate reform may have various accounting implications, the IASB has undertaken a two-phase project. Phase 1 (issued in 2019) addresses those issues that affect financial reporting before the replacement of an existing benchmark. Phase 2 (issued in 2020) focuses on issues that may affect financial reporting when the existing benchmark rate is reformed or replaced.

Phase 1 amendments to IFRS allow ING Bank to apply a set of temporary exceptions to continue hedge accounting even when there is uncertainty about contractual cash flows arising from the reform. Under these temporary exceptions, interbank-offered rates are assumed to continue unaltered for the purposes of hedge accounting until such time as the uncertainty is resolved.

More specifically, the following temporary reliefs are part of the Phase 1 amendments:

- Highly probable requirement for cash flow hedges
  When determining whether a forecast transaction is highly probable, it is assumed that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.
- Prospective assessment of hedge effectiveness
  When performing the prospective assessment it is assumed that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.
- Retrospective assessment of hedge effectiveness
  When performing the retrospective assessment hedges are allowed to pass the assessment even if actual results are outside the 80-125% range, during the period of uncertainty arising from the benchmark rate reform.
- Designation of a component of an item as a hedged item
  For hedges of the benchmark component of interest rate risk affected by the reform, the separately identifiable requirement only needs to be demonstrated at the inception of such hedging relationships (including macro hedges).

The amendments are relevant given that ING Bank hedges and applies hedge accounting to the benchmark interest rate exposure part of the benchmark rate reform. ING Bank hedges are being progressively amended, where necessary, to incorporate the new benchmark rates. Temporary exceptions under Phase 1 continued to be relevant for ING Bank as at 31 December 2024 (mainly for WIBOR hedges).

ING Bank will completely cease to apply the amendments when this uncertainty is no longer present or when the hedging relationship is discontinued. Refer to note 'Risk management/ Impact of the benchmark rate reform' for the disclosures relating to the application of the amendments as part of Phase 1.

Phase 2 amendments require that hedge accounting continues on transition to risk free rates provided that the modifications made to financial instruments are those necessary to implement the benchmark rate reform and that the new basis for calculating cash flows is 'economically equivalent' to the previous basis. Particularly, Phase 2 amendments allow the continuation of hedging relationships, subject to amending their documentation to reflect changes in hedged instruments, hedging instruments, hedged risk, and/or the method for measuring effectiveness during the transition to the new benchmark rates. By applying these mandatory amendments, ING Bank avoids hedge accounting discontinuations when modifying both hedged items and hedging instruments (and related hedge documentation) as a consequence of the benchmark rate reform that would otherwise be required in the absence of Phase 2 amendments. During 2024, Phase 2 continued to be relevant for ING Bank when ING actually transitioned its financial instruments (designated in hedge accounting relationships) to the new benchmark rates.

More specifically, the following temporary reliefs are part of the Phase 2 amendments:

Relief from discontinuing hedging relationships

- Amendments in the hedge documentation as a consequence of changes required by the benchmark rate reform do not result in the discontinuation of the hedge relationship nor the designation of a new hedge relationship. The changes can be in the form of designating an alternative benchmark rate as a hedged risk, the description of the hedging instrument, the description of the hedged item, or the method to measure the effectiveness.
- When the hedged item is amended as a consequence of the benchmark rate reform (or if the hedge has previously been discontinued), amounts accumulated in the cash flow hedge reserve are deemed to be based on the Risk-Free Rate (RFR). This results in the release of the cash flow hedge reserve to profit or loss in the same period or periods in which the hedged cash flows that are now based on the RFR affect profit or loss.
- When the items within a designated group of hedged items are amended as a consequence of the benchmark rate reform, the hedging strategy remains and is not discontinued. As items within the hedged group transition at different times from the benchmark rates to RFRs, they are transferred to sub-groups of instruments that reference RFRs as the hedged risk. The existing benchmark rates remain designated as the hedged risk for the other sub-group of hedged items, until they are also updated to reference the new RFR. The usual hedge accounting requirements are applied to the hedge relationship in its entirety.
- For the assessment of retrospective hedge effectiveness, the cumulative fair value changes may be reset to zero when the exception to the retrospective assessment of the Phase 1 reliefs ends. This decision is made separately for each hedging relationship (i.e., on a hedge-by-hedge basis).
- Temporary relief from having to meet the separately identifiable requirement: a RFR is considered a separately identifiable risk component if it is reasonably expected to meet the separately identifiable requirement within 24 months from the date it is first designated as a non-contractually specified risk component (i.e. when the entity first designates the RFR as a non-contractually specified risk component). This relief applies to each RFR on a rate-by-rate basis.

As explained above, Phase 1 and Phase 2 benchmark rate amendments to IFRS provide specific hedge accounting reliefs that allow hedge accounting relationships to continue when the benchmark rate reform is ongoing. Phase 1 reliefs cease to apply when uncertainty arising from the benchmark rate reform is no longer present with respect to the timing and amount of the benchmark rate-based cash flows of the relevant instruments, or when the hedging instrument is discontinued. It is ING Bank's policy to cease to apply Phase 1 reliefs when the applicable contract (either hedging instrument or hedged item) is actually modified. As a result, for these hedge accounting relationships the applicable Phase 1 reliefs ceased to apply and Phase 2 became applicable. Refer to note 'Risk management/Impact of the benchmark rate reform' for the disclosures relating to the application of the amendments as part of Phase 2.

Non-trading derivatives that do not qualify for hedge accounting

Derivative instruments that are used by ING Bank as part of its risk management strategies, but which do not qualify for hedge accounting under ING Bank's accounting policies, are presented as non-trading derivatives. Non-trading derivatives are measured at fair value with changes in the fair value taken to the statement of profit or loss.

1.5.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position, when ING Bank has a current legally enforceable right to set off the recognised amounts and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously. Offsetting is applied to derivatives, repurchase and reverse repurchase agreements and cash pooling agreements. A significant portion of offsetting is applied to derivatives and related cash margin balances, which are either directly cleared through central clearing parties or cleared through clearing members of central clearing parties. For more information, reference is made to Note 39 'Offsetting financial assets and liabilities'.

1.5.6 Impairment of financial assets

An Expected Credit Loss (ECL) model is applied to financial assets accounted for at AC or FVOCI such as loans, debt securities and lease receivables, as well as off-balance sheet items such as undrawn loan commitments, certain financial guarantees issued, and undrawn committed revolving credit facilities. Under the ECL model, ING Bank calculates the ECL by considering on a discounted basis the cash shortfall it would incur in case of a default and multiplying the shortfall by the probability of a default occurring. The ECL is the sum of the probability-weighted outcomes. The ECL estimates are unbiased and include reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions. ECL is recognised on the balance sheet as loan loss provisions (LLP).

Three stage approach

Financial assets are classified in one of the below three stages at each reporting date. A financial asset can move between Stages during its lifetime. The Stages are based on changes in credit quality since initial recognition and defined as follows:

- Stage 1
  Financial assets that have not had a significant increase in credit risk since initial recognition (i.e. no Stage 2 or 3 triggers apply). Assets are classified as Stage 1 upon initial recognition (with the exception of purchased or originated credit impaired (POCI) assets) and ECL is determined by the probability that a default occurs in the next 12 months (12 months ECL);
- Stage 2
  Financial assets showing a significant increase in credit risk since initial recognition. For assets in Stage

2 ECL reflects an estimate on the credit losses over the remaining maturity of the asset (lifetime ECL); or

- Stage 3
  Financial assets that are credit-impaired. Also for these assets ECL is determined over the remaining maturity of the asset.

Significant increase in credit risk
ING Bank established a framework, incorporating quantitative and qualitative indicators, to identify and assess significant increases in credit risk (SICR). This is used to determine the appropriate ECL Stage for each financial asset. Reference is made to the 'Criteria for identifying a significant increase in credit risk (SICR)' in the 'Risk management' section of the Annual Report.

An asset that is in Stage 2 will move back to Stage 1 when none of the above criteria are in place anymore. However, if the asset was moved to Stage 2 based on the forbearance status, then the asset stays in Stage 2 for at least 24 months. If the asset was classified as Stage 2 due to the '30 days past due' trigger, then the asset is moved back to Stage 1 only after three months from when the trigger no longer applies.

Credit-impaired financial assets (Stage 3)
Financial assets are assessed for credit-impairment at each reporting date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment includes arrears of over 90 days on any material credit obligation, indications that the borrower is experiencing significant financial difficulty, a breach of contract, bankruptcy or distressed restructuring. The definition of 'credit-impaired' under IFRS 9 (Stage 3) is aligned with the definition of 'default' used by ING Bank for internal risk management purposes, which is also the definition used for regulatory purposes.

An asset (other than a POCI asset) that is in Stage 3 will move back to Stage 2 when, as at the reporting date, it is no longer considered to be credit-impaired subject to certain probation periods. The asset will migrate back to Stage 1 when its credit risk at the reporting date is no longer considered to have increased significantly since initial recognition.

Macroeconomic scenarios

ING Bank has established a quarterly process whereby forward-looking macroeconomics scenarios and probability weightings are developed for the purpose of ECL. ING Bank applies data predominantly from a leading service provider enriched with the internal ING Bank view. A baseline, up-scenario and down-scenario are determined to reflect an unbiased and probability-weighted ECL amount. As a baseline scenario, ING Bank applies the market-neutral view combining consensus forecasts for economic variables such as unemployment rates, GDP growth, house prices, commodity prices, and short-term interest rates. Applying market consensus in the baseline scenario ensures unbiased estimates of the expected credit losses.

The alternative scenarios are based on observed forecast errors in the past, adjusted for the risks affecting the economy today and the forecast horizon. The probabilities assigned are based on the likelihoods of observing the three scenarios and are derived from confidence intervals on a probability distribution. The forecasts for the economic variables are adjusted on a quarterly basis.

The probability weights applied to each of the three scenarios
ING Bank uses three macroeconomic scenarios when determining IFRS 9 ECL (baseline, upside and downside). The management approach used to determine the weights of each scenario and in selecting the parts of the distribution of forecast errors from which the weights are derived is disclosed in the 'Alternative Scenarios and Probability Weights' section. Additionally, this approach is detailed in the sensitivity analysis within the 'Risk Management' section of the Annual Report.

Measurement of ECL

ING Bank applies a collective assessment method to measure ECL for Stage 1, Stage 2, and certain Stage 3 assets. Other credit-impaired assets subject to ECL measurement apply the individual assessment method.

Collectively assessed assets (Stages 1 to 3)
For collective assessed assets, ING Bank applies a model-based approach. ECL is determined by, expressed simplistically, multiplying the probability of default (PD) with the loss given default (LGD) and exposure at default (EAD), adjusted for the time value of money. Assets that are collectively assessed are grouped on the basis of similar credit risk characteristics, taking into account the loan type, industry, geographic location, collateral type, past due status and other relevant factors. These characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated and the loss in case the debtor is not able to pay all amounts due.

For Stage 3 assets the PD equals 100% and the LGD and EAD represent a lifetime view of the losses based on characteristics of defaulted facilities.

For the measurement of ECL, ING Bank's expected credit loss models (PD, LGD, EAD) used for regulatory purposes have been adjusted. These adjustments include removing embedded prudential conservatism (such as floors) and converted through-the-cycle estimates to point-in-time estimates. The models assess ECL on the basis of forward-looking macroeconomic forecasts and other inputs. For most financial assets, the expected life is limited to the remaining maturity. For overdrafts and certain revolving credit facilities, such as credit cards, the maturity is estimated based on historical data as these do not have a fixed term or repayment schedule.

Individually assessed assets (Stage 3)

ING Bank estimates ECL for individually significant credit-impaired financial assets within Stage 3 on an individual basis. ECL for these Individually assessed assets are determined using the discounted expected future cash flow method. To determine expected future cash flows, one or more scenarios are used. Each scenario is analysed based on the probability of occurrence and includes forward looking information.

In determining the scenarios, all relevant factors impacting the future cash flows are taken into account. These include expected developments in credit quality, business and economic forecasts, and estimates of if/when recoveries will occur taking into account ING Bank's restructuring/recovery strategy.

The best estimate of ECL is calculated as the weighted-average of the shortfall (gross carrying amount minus discounted expected future cash flow using the original EIR) per scenario, based on best estimates of expected future cash flows. Recoveries can arise from, among other things, repayment of the loan, collateral recovery and the sale of the asset. Cash flows from collateral and other credit enhancements are included in the measurement of ECL of the related financial asset when it is part of or integral to the contractual terms of the financial asset and the credit enhancement is not recognised separately. For the individual assessment, with granular (company or asset-specific) scenarios, specific factors can have a larger impact on the future cash flows than macroeconomic factors.

When a financial asset is credit-impaired, interest income is no longer recognised based on the gross carrying amount of the asset. Instead, interest income is calculated by applying the original effective interest rate to the amortised cost of the asset, which is the gross carrying amount less the related loan loss provision.

Purchased or Originated Credit Impaired (POCI) assets

POCI assets are financial assets that are credit-impaired on initial recognition. Impairment on a POCI asset is determined based on lifetime ECL from initial recognition. POCI assets are recognised initially at an amount net of ECL and are measured at AC using a credit-adjusted effective interest rate. In subsequent periods any changes to the estimated lifetime ECL are recognised in profit or loss. Favourable changes are recognised as an impairment gain if the lifetime ECL at the reporting date is lower than the estimated lifetime ECL at origination.

Write-off and debt forgiveness

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovery and/or collectability of amounts due. The following events can lead to a write-off:

- After a restructuring has been completed and there is a high improbability of recovery of part of the remaining loan exposure (including partial debt forgiveness);
- In a bankruptcy liquidation scenario;
- After divestment or sale of a credit facility at a discount;
- Specific fraud cases with no recourse options.

When a loan is uncollectable, it is written off against the related loan loss provision. Subsequent recoveries of amounts previously written off are recognised in 'Addition to loan loss provisions' in the Consolidated statement of profit or loss.

Debt forgiveness (or debt settlement) involves write-off, but also involves the forgiveness of a legal obligation, in whole or in part. This means that ING Bank forfeits the legal right to recover the debt. As a result, the financial asset needs to be derecognised.

Presentation of ECL

ECL for financial assets measured at AC is deducted from the gross carrying amount of the assets. For debt instruments at FVOCI, the ECL is recognised in OCI, instead of deducting it from the carrying amount of the asset. ECL also reflects any credit losses related to the portion of the loan commitment that is expected to be drawn down over the remaining life of the instrument. The ECL on issued financial guarantee contracts, in scope of IFRS 9 and not measured at FVPL, is recognised as liabilities and presented in Other provisions. ECL are presented in profit or loss in Addition to loan loss provision.

Significant judgements and critical accounting estimates and assumptions:
The calculation of ECL requires a number of judgements and estimates. In particular:

- ING Bank makes various assumptions about the **risk of default, the credit loss rates in case of a default and expected future cash flows**. For collective provisions, ING Bank applies significant judgement when estimating modelled parameters such as PD, LGD and EAD, including the selection and calibration of relevant models. For stage 3 individual provisioning, the determination and probabilities of restructuring and recovery scenarios as well as the amount and timing of expected future cash flows may be particularly subjective.
- **Forward-looking macroeconomic scenarios** used in impairment assessments are uncertain in nature. The use of alternate forward-looking macroeconomic scenarios can produce significantly different estimates of ECL. This is demonstrated in the sensitivity analysis in the 'Risk Management' section of the Annual Report, where the un-weighted ECL under each of the three scenarios for some significant portfolios is disclosed.
- When determining whether the credit risk on a financial asset has increased significantly **(criteria for identifying a significant increase in credit risk)**, ING Bank considers reasonable and supportable information to compare the risk of default occurring at reporting date with the risk of a default occurring at initial recognition of the financial asset. Whilst judgement is required in applying a PD rating to each financial asset, there is significant judgement used in determining the Stage allocation PD banding thresholds. The process of comparing a financial asset's PD with the PD banding thresholds determines its ECL Stage. Assets in Stage 1 are allocated a 12 month ECL, and those in Stage 2 are allocated a lifetime ECL, and the difference is often significant. As such, the judgement made in assigning financial asset PDs and the PD banding thresholds constitute a significant judgement. Analysis of the sensitivity associated with the assessment of significant increase in credit risk is presented in the 'Risk Management' section of the Annual Report.
- Judgement is exercised in management's evaluation of whether there is **objective evidence** that exposures are **credit-impaired**.
- To reflect the risks that are not properly captured by the ECL models (including climate risk), a number of **management adjustments to the model-based ECL** were necessary as at 31 December 2024, which required significant judgement. Reference is made to the 'Management adjustments applied this reporting period' paragraph in the 'Risk management' section of the Annual Report.

1.5.7 Modification of financial instruments

In certain circumstances ING Bank grants borrowers postponement, reduction of loan principal and/or interest payments on a temporary period of time to maximise collection opportunities, and if possible, avoid default, foreclosure, or repossession. When such postponement, reduction of loan principal and/or interest payments are executed based on credit concerns they are also referred to as forbearance (refer to the 'Risk Management' section of the Annual Report for more details) and require analysis on whether the contractual terms have been substantially modified or not. A similar assessment is needed when contractual terms are modified for reasons other than forbearance.

ING Bank determines whether there has been a substantial modification using both quantitative and qualitative factors. If the modification results in a substantial modification of the terms of the loan, the original loan is derecognised and a new loan is recognised at fair value at the modification date. In case of a non-substantial modification, a modification gain or loss is recognised in profit or loss.

Benchmark rate reform– specific policies for modifications necessary to implement the benchmark rate reform

As explained in the 'Benchmark rate reform – specific policies for hedges directly affected by the benchmark rate reform' paragraph of section '1.5.4 Derivatives and hedge accounting', given that the benchmark rate reform may have various accounting implications, the IASB undertook a two-phase project. Apart from hedge accounting, Phase 2 amendments to IFRS relate to accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities due to the benchmark rate reform. Specifically, Phase 2 amendments require that the effective interest rate on debt financial instruments is adjusted, but only to the extent that the modifications made to financial instruments are those necessary to implement the benchmark rate reform and that the new basis for calculating cash flows is 'economically equivalent' to the previous basis. By applying these mandatory amendments, ING Bank avoids recognising modification gains and losses on debt instruments that would otherwise be required in the absence of Phase 2 amendments (changes to debt instruments resulting from the benchmark rate reform are treated as a reset to the instrument's variable interest rate). Refer to note 'Risk management/Impact of the benchmark rate reform' for the disclosures relating to the application of the amendments as part of Phase 2.

1.5.8 Accounting for Targeted Longer-Term Refinancing Operations (TLTRO)

ING Bank participated in the Targeted Longer-Term Refinancing Operations (TLTRO III), which mainly affected comparative periods as, in March 2024, ING repaid the final EUR 6 billion of its TLTRO III participation. ING Bank considered TLTRO funding provided by the ECB to banks to be on market terms on the basis that the ECB has established a separate market with TLTRO programmes. They have specific terms which are different from other sources of funding available to banks, including those provided by the ECB. Consequently, the rate under TLTRO was considered to be a market conforming rate and TLTRO funding was recognised fully as a financial liability.

ING Bank interpreted the whole rate set by the ECB under TLTRO as a floating rate on the financial liability, being the market rate for each specific period in time. This resulted in discrete rates for discrete interest periods over the life of TLTRO. The change in the applicable rate between interest periods was seen as a change in the floating rate and was accounted for prospectively. Similarly, if the ECB announced changes in the rate for the amounts already drawn under the existing TLTRO, then such changes also represented a change in a floating rate. Following this, such changes led to the recognition of an increased/decreased interest in the relevant period of life of the exposure, rather than by the recognition of an immediate modification gain or loss at the moment of the change of terms by the ECB. If the change related to the periods already passed, the impact for those past periods was recognised in profit or loss immediately. Reference is made to Note 12 ‘Deposits from banks’ and to Note 21 ‘Net interest income’ for the presentation of ING Bank’s participation in TLTRO programmes.

1.6 Consolidation

ING Bank comprises ING Bank N.V. (the Parent Company) and all other subsidiaries. Subsidiaries are entities controlled by ING Bank N.V. Control exists if ING Bank N.V. is exposed or has rights to variable returns and has the ability to affect those returns through the power over the subsidiary.

For interests in structured entities, the existence of control requires judgement as these entities are designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. This judgement includes, for example, the involvement in the design of the structured entity, contractual arrangements that give rights to direct the structured entities relevant activities and commitment to ensure that the structured entity operates as designed.

A list of principal subsidiaries is included in Note 41 ‘Principal subsidiaries’ and a description of ING's activities involving structured entities is included in Note 42 'Structured entities'.

A list containing the information referred to in Section 379 (1), Book 2 of the Dutch Civil Code has been filed with the office of the Commercial Register of Amsterdam, in accordance with Section 379 (5), Book 2 of the Dutch Civil Code.

ING Bank N.V. and its Dutch group companies are subject to legal restrictions regarding the amount of dividends they can pay to their shareholders. The Dutch Civil Code contains the restriction that dividends can only be paid up to an amount equal to the excess of the company’s own funds over the sum of the paid-up capital and reserves required by law. Certain Group companies are also subject to other restrictions in certain countries, in addition to the restrictions on the amount of funds that may be transferred in the form of dividends, or otherwise, to the parent company.

Furthermore, in addition to the restrictions regarding the minimum capital requirements that are imposed by industry regulators in the countries in which the subsidiaries operate, other limitations exist in certain countries.

1.7 Segment reporting

An operating segment is a distinguishable component of ING Bank, engaged in providing products or services, whose operating results are regularly reviewed by the Management Board Banking of ING Bank (the Chief Operating Decision Maker (CODM)) who decide which resources to allocate to the segments and assess its performance. A geographical area is a distinguishable component of ING Bank engaged in providing products or services within a particular economic environment that is subject to risks and returns that differ from those of segments operating in other economic environments.

The CODM reviews and assesses ING Bank's performance primarily by line of business. As a result, ING identified five operating segments which are are also disclosed as reportable segments. Additionally, the CODM receives information by geographical area based on the location of the office where trasnsactions originate.

1.8 Hyperinflation accounting

Since the second quarter of 2022, Türkiye has been considered a hyperinflationary economy for accounting purposes. As ING Bank has a subsidiary in Türkiye, ING Bank has applied IAS 29 ‘Financial Reporting in Hyperinflationary Economies’ to its operations since 2022 as if the economy in Türkiye had always been hyperinflationary. Given that ING Bank presents its results in EUR, comparatives do not get restated. As a result, the impact of the first-time application of IAS 29, as well as the effect for that year were both recognised in 2022. IAS 29 continued to be relevant for ING’s operations in Türkiye in 2023 and 2024. Under IAS 29, the results of the operations in Türkiye should be stated in terms of the current purchasing power at the reporting date. For that, the consumer price index (CPI) as determined by the Turkish Statistical Institute was used. The CPI for Türkiye (2003=100) at 31 December 2024 was 2,684.55, at 31 December 2023 was 1,859.38 and for 2022 was 1,128.45 (movement 2024: 44.38%; movement 2023: 64.77%, movement 2022: 64.27%). The effect of such restatement for inflation in the current period of the statement of comprehensive income and the balance sheet has been recognised in the statement of profit or loss within ‘Other net income’ as a ‘Net monetary gain or loss’. The net monetary loss for the period represents the loss of purchasing power by the net monetary position (monetary assets exceeding monetary liabilities) of ING Türkiye.

After the application of the above restatement procedures in Turkish Lira under IAS 29, the financial position and the results for the period of ING Türkiye were translated and presented in EUR at the exchange rate on 31 December 2024. For the statement of comprehensive income this is in contrast with the usual translation procedures where items of comprehensive income are translated at the exchange rate at the date of transaction. Furthermore, ING Bank chose to present both the restatement effect resulting from restating

ING Bank's interest in the equity of ING Türkiye as required by IAS 29, and the translation effect from translating at a closing rate that differs from the previous closing rate, in the Currency translation reserve.

1.9 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of ING Bank's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Consolidated financial statements are presented in euros, which is ING Bank's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Exchange rate differences resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in equity as part of qualifying cash flow hedges or qualifying net investment hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange rate differences on non-monetary items, measured at fair value through profit or loss, are reported as part of the fair value gain or loss. Non-monetary items are retranslated at the date the fair value is determined. Exchange rate differences on non-monetary items measured at fair value through other comprehensive income are included in other comprehensive income and get accumulated in the revaluation reserve in equity.

Exchange rate differences in the statement of profit or loss are generally included in 'Valuation results and net trading income'. Reference is made to Note 23 'Valuation results and net trading income', which discloses the amounts included in the statement of profit or loss. Exchange rate differences relating to the disposal of debt and FVPL equity securities are considered to be an inherent part of the capital gains and losses recognised in Investment income. As mentioned below, in Group companies relating to the disposals of group companies, any exchange rate difference deferred in equity is recognised in the statement of profit or loss in 'Result on disposal of group companies'. Reference is also made to Note 20 'Equity', which discloses the amounts included in the statement of profit or loss.

Group companies

The results and financial positions of all group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions). However, under hyperinflation accounting, income and expenses of ING Türkiye are translated at the closing rate; and
- All resulting exchange rate differences are recognised in a separate component of equity.

On consolidation, exchange rate differences arising from the translation of a monetary item that forms part of the net investment in a foreign operation, and of borrowings and other instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, the corresponding exchange rate differences are recognised in the statement of profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the balance sheet date.

1.10 Investments in associates and joint ventures

Associates are all entities over which ING Bank has significant influence but not control. Significant influence is the ability to participate in the financial and operating policies of the investee. It generally results from a shareholding of between 20% and 50% of the voting rights or through situations including, but not limited to one or more of the following:

- Representation on the board of directors;
- Participation in the policymaking process; and
- Interchange of managerial personnel.

Joint ventures are entities over which ING Bank has joint control.

Investments in associates and joint ventures are initially recognised at cost and subsequently accounted for using the equity method of accounting.

ING Bank's investment in associates and joint ventures (net of any accumulated impairment loss) includes goodwill identified on acquisition. ING Bank's share of its associates and joint ventures post-acquisition profits or losses is recognised in the statement of profit or loss, and its share of post-acquisition changes in reserves is recognised in equity. The cumulative post-acquisition changes are adjusted against the carrying amount of the investment. When ING Bank's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any long-term interests in the associate like uncollateralised loans that are neither planned nor likely to be settled in the foreseeable future, ING Bank does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains on transactions between ING Bank and its associates and joint ventures are eliminated to the extent of ING Bank's interest in the associates and joint ventures. Unrealised losses are also eliminated unless they provide evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by ING Bank.

The recoverable amount, being the higher of fair value less cost of disposal and value in use, of the investment in associate and joint venture is determined when there is an indication of potential (reversal of) impairment. An impairment loss is recognised when the carrying amount of the investment exceeds its recoverable amount. Goodwill on acquisitions of interests in associates and joint ventures is not tested separately for impairment, but is assessed as part of the carrying amount of the investment. An impairment loss is subsequently reversed if there is indication of a reversal and there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed to the extent that the recoverable amount exceeds its carrying amount, but cannot exceed the original impairment loss.

The reporting dates of certain associates and joint ventures can differ from the reporting date of the Group, but by no more than three months.

Significant judgements and critical accounting estimates and assumptions:

Identification of impairment indicators as well as indicators of potential reversal of previous impairments of ING Bank's investment in TMBThanachart Bank Public Company Limited (hereafter: TTB), an associate, requires significant judgement. When there is objective evidence of impairment or indicators that prior period impairment losses no longer exist or may have decreased, value in use (VIU) needs to be determined. Estimation of VIU involves significant estimates and management assumptions. See Note 8 'Investments in associates and joint ventures'.

1.11 Property and equipment

Property in own use

Land and buildings held for own use are stated at fair value at the balance sheet date. Depreciation is recognised on a straight-line basis over the estimated useful life (in general 20–50 years). On disposal, the related revaluation reserve is transferred to retained earnings.

Equipment

Equipment is stated at cost less accumulated depreciation and any impairment losses. The cost of the assets is depreciated on a straight line basis over their estimated useful lives, which are generally as follows: two to five years for data processing equipment, and four to ten years for fixtures and fittings.

Disposals of property and equipment

The difference between the proceeds on disposal and net carrying value is recognised in the statement of profit or loss under Other net income.

Right-of-use assets

ING Bank as the lessee

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a corresponding liability representing its obligation to make lease payments at the date at which the leased asset is available for use by ING Bank. Each lease payment is allocated between the repayment of the liability and finance cost. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received and any initial direct costs and restoration costs.

The right-of-use asset is included in the statement of financial position line-item 'Property and equipment'. The lease liability is included in the statement of financial position line-item 'Other liabilities'. Refer to Note 9 'Property and equipment' and to Note 16 'Other liabilities'.

Subsequent to initial recognition, the right-of-use asset amortises using a straight-line method to the income statement over the life of the lease. The lease liability increases for the accrual of interest and decreases when payments are made. Any remeasurement of the lease liability due to a lease modification or other reassessment results in a corresponding adjustment to the carrying amount of the right-of-use asset.

1.12 ING Bank as lessor

When ING Bank acts as a lessor, a distinction should be made between finance leases and operating leases. For ING Bank as a lessor, these are mainly finance leases and are therefore not included in 'Property and equipment'. Instead, the present value of the lease payments is recognised as a receivable under Loans and advances to customers or Loans and advances to banks. The difference between the gross receivable and the present value of the receivable is unearned finance lease income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

1.13 Goodwill and other intangible assets

Impairment of goodwill and other non-financial assets

ING Bank assesses at each reporting period whether there is an indication that a non-financial asset may be impaired. Irrespective of whether there is an indication of impairment, intangible assets with an indefinite useful life, including goodwill acquired in a business combination, and intangible assets not yet available for use, are tested annually for impairment. Goodwill is allocated to groups of cash generating units (CGUs) for the purpose of impairment testing. These groups of CGUs represent the lowest level at which goodwill is monitored for internal management purposes. Goodwill is tested for impairment by comparing the carrying value of the group of CGUs to the recoverable amount of that group of CGUs. Impairment of goodwill, if applicable, is included in the statement of profit or loss in Other operating expenses and is not subsequently reversed.

Computer software

Computer software that has been purchased or generated internally for own use is stated at cost less amortisation and any impairment losses. Amortisation is calculated on a straight-line basis over its useful life, which generally does not exceed five years. Amortisation is included in Other operating expenses.

1.14 Taxation

Income tax on the result for the year consists of current and deferred tax. Income tax is recognised in the statement of profit or loss but it is recognised directly in equity if the tax relates to items that are recognised directly in equity.

Uncertain tax positions are assessed continually by ING Bank and in case it is probable that there will be a cash outflow, a current tax liability is recognised.

Deferred income tax

Deferred income tax is provided in full, using the liability method, for temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the Consolidated statement of financial position. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are not discounted.

Deferred tax assets are recognised when it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided for temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by ING Bank and it is probable that the difference will not reverse in the foreseeable future. The tax effects of income tax losses available for carry forward are recognised as an asset where it is probable that future taxable profits will be available against which these losses can be utilised.

Fair value remeasurements of debt and equity instruments measured at FVOCI and cash flow hedges are recognised directly in equity. Deferred tax related to this fair value remeasurement is also recognised directly in equity and is subsequently recognised in the statement of profit or loss together with the deferred gain or loss.

1.15 Provisions, contingent liabilities and contingent assets

A provision is a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits. However, the timing or the amount is uncertain. Provisions are discounted when the effect of the time value of money is significant using a pre-tax discount rate.

Reorganisation provisions include employee termination benefits when ING Bank is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

A liability is recognised for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the liability is recognised only upon reaching the specified minimum threshold.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of ING Bank or a present obligation that arises from past events but is not recognised because it is either not probable that an outflow of economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the statement of financial position, but are rather disclosed in the notes unless the possibility of the outflow of economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of ING Bank. Contingent assets are recognised in the statement of financial position only when realisation of the income that arises from such an asset is virtually certain. Contingent assets are disclosed in the notes when an inflow of economic benefits is probable.

Significant judgements and critical accounting estimates and assumptions:

The recognition and measurement of provisions is an inherently uncertain process involving using judgement to determine when a present obligation exists and estimates regarding probability, amounts and timing of cash flows.

ING Bank may become involved in governmental, regulatory, arbitration and legal proceedings and investigations and may be subject to third party claims. With or without reference to the above, ING Bank may also offer compensation to certain of its customers. Judgement is required to assess whether a present obligation exists and to estimate the probability of an unfavourable outcome and the amount of potential loss. The degree of uncertainty and the method of making the accounting estimate depends on the individual case, its nature and complexity. Such cases are usually one of a kind. For the assessment of related provisions ING Bank consults with internal and external legal experts. Even taking into consideration legal experts' advice, the probability of an outflow of economic benefits can still be uncertain and the provision recognised can remain sensitive to the assumptions used. Reference is made to Note 15 'Provisions'. For proceedings where it is not possible to make a reliable estimate of the expected financial effect, that could result from the ultimate resolution of the proceedings, no provision is recognised, however disclosure is included in the financial statements, where relevant. Reference is made to Note 39 'Legal proceedings'.

Critical accounting estimates and assumptions for the reorganisation provision are in estimating the amounts and timing of cash flows as the announced transformation initiatives are implemented over a period of several years. Reference is made to Note 15 'Provisions'.

1.16 Irrevocable Payment Commitments on contributions to SRF and DGS

ING makes contributions to the Single Resolution Fund (SRF) and Deposit Guarantee Schemes (DGS). The annual contributions are paid in cash or, in some cases, partly using Irrevocable Payment Commitments (IPCs) that become payable if and when called. Cash contributions are accounted for as levies as described in section 1.15 above while IPCs are disclosed as contingent liabilities in Note 38 Contingent liabilities and commitments. Cash collateral posted on IPCs to the SRF is accounted for as an interest bearing financial asset at amortised cost. Government bonds posted as collateral on IPCs to DGS continue to be recognised as assets of ING as securities at amortised cost.

1.17 Other liabilities

Defined benefit plans

The net defined benefit asset or liability recognised in the statement of financial position in respect of defined benefit pension plans is the fair value of the plan assets less the present value of the defined benefit obligation at the balance sheet date.

Changes in plan assets include mainly:

- Return on plan assets are recognised as staff costs in the statement of profit or loss. It is determined using a high quality corporate bond rate (identical to the discount rate used in determining the defined benefit obligation) at the start of the reporting period; and
- Remeasurements which are recognised in Other comprehensive income.

The defined benefit obligation is calculated by internal and external independent qualified actuaries through actuarial models and calculations using the projected unit credit method. This method considers expected future payments required to settle the obligation resulting from employee service in the current and prior periods, discounted using a high quality corporate bond rate. Inherent in these actuarial models are assumptions including discount rates, rates of increase in future salary and benefit levels, mortality rates, consumer price index and the expected level of indexation. The assumptions are based on available market data as well as management expectations and are updated regularly.

Changes in the defined benefit obligation include mainly:

- Service cost which is recognised as staff costs in the statement of profit or loss;
- Interest expenses are recognised as staff costs in the Statement of profit or loss. It is determined using a high quality corporate bond rate at the start of the period;
- Remeasurements which are recognised in Other comprehensive income (equity) and not recycled to the Statement of profit or loss;
- Any past service cost relating to a plan amendment is recognised in profit or loss in the period of the plan amendment; and
- Gains and losses on curtailments and settlements are recognised in the Statement of profit or loss when the curtailment or settlement occurs.

The recognition of a net defined benefit asset in the Consolidated statement of financial position is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plans

For defined contribution plans, ING Bank pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. ING Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as staff expenses in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other post-employment obligations

Some group companies provide other post-employment benefits to former employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans.

1.18 Income recognition

Interest

Interest income and expense are recognised in the statement of profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, ING Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest results on instruments classified at Amortised Cost, assets measured at FVOCI and derivatives in a formal hedge accounting relationship is presented in 'Interest income (expense) using effective interest rate method'. Interest result on financial assets and liabilities voluntarily designated as at FVPL and derivatives in so called economic hedges and instruments designated at fair value are presented in 'Other interest income (expense)'. Interest result on all other financial assets and liabilities at FVTPL is recognised in 'Valuation results and net trading income'.

Fees and commissions

Fees and commissions are generally recognised as the service is provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as income when the performance obligation has been satisfied based on the particular contract and ING Bank has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party – such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts as the service is provided. Asset management fees related to investment funds and investment contract fees are recognised on a pro-rata basis over the period the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time. Fees received and paid between banks for payment services are classified as commission income and expenses.

Lease income

The proceeds from leasing out assets under operating leases are recognised on a straight-line basis over the life of the lease agreement. Lease payments received in respect of finance leases when ING Bank is the lessor are divided into an interest component (recognised as interest income) and a repayment component based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

1.19 Expense recognition

Expenses are recognised in the statement of profit or loss as incurred or when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Fee and commission expenses generally result from contracts with ING service providers, who perform their service for ING Bank's customers. Costs are generally presented as 'Commission expenses' if they are specific, incremental, directly attributable and identifiable to generate commission income.

Share-based payments

ING Bank only engages in share-based payment transactions with its staff and directors. Share-based payment expenses are recognised as a staff expense over the vesting period. A corresponding increase in equity is recognised for equity-settled share-based payment transactions. A liability is recognised for cash-settled share-based payment transactions. The fair value of equity-settled share-based payment transactions are measured at the grant date, and the fair value of cash-settled share-based payment transactions are measured at each balance sheet date. Rights granted will remain valid until the expiry date, even if the share based payment scheme is discontinued. The rights are subject to certain conditions, including a pre-determined continuous period of service.

1.20 Statement of cash flows

The statement of cash flows is prepared in accordance with the indirect method, distinguishing cash flows from operating, investing and financing activities. In the net cash flow from operating activities, the result before tax is adjusted for those items in the statement of profit or loss and changes in items per the statement of financial position, which do not result in actual cash flows during the year.

For the purposes of the statement of cash flows, Cash and cash equivalents include deposits from banks and loans and advances to banks that are on demand. Furthermore, it includes treasury bills and other eligible bills shorter than three months. Investments qualify as a cash equivalent if they are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash flows arising from foreign currency transactions are translated into the functional currency using the exchange rates at the date of the cash flows.

The net cash flow shown in respect of Loans and advances to customers relates only to transactions involving actual payments or receipts. The Addition to loan loss provision, which is deducted from the item Loans and advances to customers in the statement of financial position, has been adjusted accordingly from the result before tax and is shown separately in the statement of cash flows.

The difference between the Net cash flow in accordance with the statement of cash flows and the change between the opening and closing balance of Cash and cash equivalents in the statement of financial position is due to exchange rate differences and is presented separately in the cash flow statement.

Liabilities arising from financing activities are debt securities, lease liabilities and subordinated loans.

1.21 Parent company accounts

The parent company accounts of ING Bank N.V. are prepared in accordance with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. In accordance with subsection 8 of section 362, Book 2 of the Dutch Civil Code, the recognition and measurement principles applied in the Parent company accounts are the same as those applied in the Consolidated financial statements.

Notes to the Consolidated statement of financial position

2 Cash and balances with central banks

Cash and balances with central banks		
in EUR million	2024	2023
Amounts held at central banks [1]	68,708	88,627
Cash and bank balances	1,645	1,587
	70,353	90,214

[1] Amounts held at central banks include an amount of EUR -14 million (2023: EUR -5 million) of Loan loss provisions.

Amounts held at central banks reflect on-demand balances. The movement reflects ING's active liquidity management.

Reference is made to Note 36 'Transfer of financial assets, assets pledged and received as collateral' for restrictions on amounts held at central banks.

3 Loans and advances to banks

Loans and advances to banks						
	Netherlands		Rest of the world		Total	
in EUR million	2024	2023	2024	2023	2024	2023
Loans and advances to banks	14,352	9,451	7,439	7,287	21,791	16,738
Loan loss provisions	-8	-11	-13	-18	-22	-30
	14,343	9,440	7,426	7,268	21,769	16,708

Loans and advances include balances of reverse repurchase transactions. For more information, refer to Note 4 'Financial assets at fair value through profit or loss'. Furthermore, it includes on-demand and term loans, and cash collateral transactions. Reference is made to Note 7 'Loans and advances to customers' for information on finance lease receivables included in Loans and advances to banks.

As at 31 December 2024 and at 31 December 2023, all loans and advances to banks are non-subordinated.

4 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss		
in EUR million	2024	2023
Trading assets	72,906	60,240
Non-trading derivatives	2,463	2,028
Designated at fair value through profit or loss	5,740	5,775
Mandatorily measured at fair value through profit or loss	56,481	54,983
	137,590	123,026

(Reverse) repurchase transactions

Financial assets at fair value through profit or loss include securities lending and sales and repurchase transactions with securities. At ING, these types of transactions are recognised in several lines in the statement of financial position depending on business model assessment and counterparty. Furthermore, for repurchase agreements the gross amount of assets must be considered together with the gross amount of related liabilities, which are presented separately on the statement of financial position since IFRS does not always allow the netting of these positions in the statement of financial position. Netting is applicable to repurchase agreements that are governed by an established Global Master Repurchase Agreement (GMRA). This netting is restricted to transactions involving the same currency and maturity date, and must occur within the same legal entity. Reference is made to Note 37 'Offsetting financial assets and liabilities'.

Securities purchased under agreements to resell (reverse repos), securities borrowings and similar agreements are not recognised in the consolidated statement of financial position as the counterparty continues to be exposed to substantially all risks and rewards of the transferred security. Based on the business model assessment and counterparty, the consideration paid to purchase securities is recognised as Loans and advances to customers, Loans and advances to banks, financial assets mandatorily at FVPL or Trading assets.

Securities sold subject to repurchase agreements (repos), securities lending and similar agreements continue to be recognised in the consolidated statement of financial position as ING Bank continues to be exposed to substantially all risks and rewards of the transferred financial asset. The counterparty liability is designated and measured at FVPL if the asset is measured mandatorily at FVPL. Otherwise, the counterparty liability is included in Deposits from banks, Customer deposits or Trading.

Reference is made to Note 36 'Transfer of financial assets, assets pledged and received as collateral' for information on transferred assets which were not derecognised.

ING Bank's exposure to (reverse) repurchase transactions is included in the following lines in the statement of financial position:

Exposure to (reverse) repurchase agreements		
in EUR million	2024	2023
Reverse repurchase transactions		
Loans and advances to banks	10,777	5,251
Loans and advances to customers	3,471	499
Trading assets, loans and receivables	12,033	12,121
Loans and receivables mandatorily measured at fair value through profit or loss	53,393	51,536
	79,675	**69,407**
Repurchase transactions		
Deposits from banks	33	2,064
Customer deposits	1	97
Trading liabilities, funds on deposit	5,269	10,337
Funds entrusted designated and measured at fair value through profit or loss	38,420	45,729
	43,723	**58,227**

Trading assets

Trading assets by type		
in EUR million	2024	2023
Equity securities	20,726	15,423
Debt securities	10,080	6,907
Derivatives	29,805	25,680
Loans and receivables	12,295	12,231
	72,906	**60,240**

Trading assets include assets that are closely related to servicing the needs of the clients of ING Bank. ING offers institutional clients, corporate clients, and governments products that are traded on the financial markets. A significant part of the derivatives in the trading portfolio is related to servicing corporate clients in their risk management to hedge, for example, currency or interest rate exposures. In addition, ING provides its customers access to equity and debt markets for issuing their own equity or debt securities (securities underwriting).

Reference is made to Note 14 'Financial liabilities at fair value through profit or loss' for information on trading liabilities.

Non-trading derivatives

Non-trading derivatives by type		
in EUR million	2024	2023
Derivatives used in		
- fair value hedges	617	716
- cash flow hedges	158	440
- hedges of net investments in foreign operations	82	100
Other non-trading derivatives	1,606	771
	2,463	**2,028**

Reference is made to Note 33 'Derivatives and hedge accounting' for information on derivatives designated in hedge accounting.

Other non-trading derivatives mainly includes interest rate swaps, foreign exchange swaps, and cross currency swaps for which no hedge accounting is applied.

Designated at fair value through profit or loss

Designated at fair value through profit or loss by type		
in EUR million	2024	2023
Debt securities	4,718	4,470
Loans and receivables	1,022	1,306
	5,740	**5,775**

'Financial assets designated at fair value through profit or loss' is partly economically hedged by credit derivatives. The hedges do not meet the criteria for hedge accounting and the loans and debt securities are recorded at fair value to avoid an accounting mismatch. The maximum credit exposure of the loans and receivables and debt securities included in 'Financial assets designated at fair value through profit or loss' approximates its carrying value and amounts to EUR 5,740 million (2023: EUR 5,775 million). In 2024, the change in fair value of these loans and debt securities amounts EUR 5 million (2023: EUR -48 million).

ING has mitigated the credit risk exposure on part of the portfolio. The cost at initial recognition of the financial assets designated at fair value through profit or loss that are economically hedged by credit derivatives is EUR 3,797 million (31 December 2023: EUR 3,181 million) and the cumulative change in fair value attributable to changes in credit risk is EUR 173 million (31 December 2023: EUR 150 million).

The notional value of the related credit derivatives is EUR 3,807 million (2023: EUR 3,679 million). The cumulative change in fair value of the credit derivatives since the financial assets were first designated, amounts to EUR -214 million (2023: EUR -119 million) and the change for the current year is EUR -95 million (2023: EUR -122 million).

The changes in fair value attributable to changes in credit risk have been calculated by determining the changes in credit spread implicit in the fair value of loans and bonds issued by entities with similar credit characteristics.

Mandatorily at fair value through profit or loss

Mandatorily at fair value through profit or loss by type

in EUR million	2024	2023
Equity securities	228	179
Debt securities	789	894
Loans and receivables	55,464	53,911
	56,481	**54,983**

Equity securities are individually insignificant for ING Bank. For total exposure to debt securities, reference is made to Note 6 'Debt securities'. Loans and receivables include mainly reverse repurchase agreements.

5 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income by type

in EUR million	2024	2023
Equity securities	2,562	1,885
Debt securities [1]	42,219	38,281
Loans and advances [1]	1,608	951
	46,389	**41,116**

[1] Debt securities include an amount of EUR -12 million (2023: EUR -13 million) and the Loans and advances includes EUR -7 million (2023: EUR -8 million) of Loan loss provisions.

Exposure to equity securities

Equity securities designated as at fair value through other comprehensive income

in EUR million	Carrying value 2024	Carrying value 2023	Dividend income 2024	Dividend income 2023
Investment in Bank of Beijing	2,241	1,590	101	98
Other Investments	321	295	16	8
	2,562	**1,885**	**117**	**105**

As at 31 December 2024 ING holds approximately 13% (2023: 13%) of the shares of Bank of Beijing, a bank listed on the stock exchange of Shanghai. The stake in Bank of Beijing is part of the Corporate Line segment. As per regulatory requirements set by the China Banking and Insurance Regulatory Commission, ING, as a shareholder holding more than 5% of the shares, is required to supply additional capital when necessary. No request for additional capital was received in 2024 (2023: nil).

Changes in fair value through other comprehensive income

The following table presents changes in financial assets at fair value through other comprehensive income.

Changes in fair value through other comprehensive income financial assets

	FVOCI equity securities		FVOCI debt instruments [1]		Total	
in EUR million	2024	2023	2024	2023	2024	2023
Opening balance as at 1 January	1,885	1,887	39,231	29,739	41,116	31,625
Additions	11	28	21,080	19,967	21,091	19,995
Amortisation			77	31	77	31
Transfers and reclassifications		5	1		1	5
Changes in unrealised revaluations [2]	605	68	-96	657	509	725
Impairments			2	-1	2	-1
Reversals of impairments			-7	6	-7	6
Disposals and redemptions	-1	-2	-16,906	-11,912	-16,907	-11,913
Exchange rate differences	62	-100	443	751	506	651
Other changes				-6		-6
Closing balance	**2,562**	**1,885**	**43,827**	**39,231**	**46,389**	**41,116**

[1] Fair value through other comprehensive income debt instruments includes both debt securities and loans and advances.
[2] Changes in unrealised revaluations of FVOCI debt instruments include changes on hedged items which are recognised in the statement of profit or loss. Reference is made to Note 20 'Equity' for details on the changes in revaluation reserve.

FVOCI equity securities

Exchange rate differences of EUR 62 million (31 December 2023: EUR -100 million) are mainly related to the stake in Bank of Beijing following the appreciation of CNY versus EUR. In 2024, changes in unrealised revaluations of equity securities are mainly related to a revaluation of the stake in Bank of Beijing of EUR 590 million (31 December 2023: EUR 77 million) following a change in the share price.

FVOCI debt instruments

In 2024, ING sold the remaining NNHB mortgages, amounting to EUR 263 million to Nationale Nederlanden. ING agreed in 2012 to transfer a portfolio of NNHB mortgages to NN as part of the required restructuring of ING Group by the European Commission after having received state support during the global financial crisis (2008). The majority of these mortgages were not sold immediately but only at the interest reset date of these mortgages.

In 2024, interest rates in the shorter and longer tenors decreased which resulted in changes in unrealised revaluations of debt securities of EUR -96 million. During 2023 interest rates in the longer tenors decreased significantly resulting in unrealised revaluations of EUR 657 million.

Reference is made to Note 6 'Debt securities' for details on ING Bank's total exposure to debt securities.

6 Debt securities

ING Bank's exposure to debt securities is included in the following lines in the statement of financial position:

Exposure to debt securities

in EUR million	2024	2023
Debt securities at fair value through other comprehensive income	42,219	38,281
Debt securities at amortised cost	50,273	48,313
Debt securities at fair value through other comprehensive income and amortised cost	**92,493**	**86,594**
Trading assets	10,080	6,907
Debt securities designated and measured at fair value through profit or loss	4,718	4,470
Debt securities mandatorily measured at fair value through profit or loss	789	894
Total debt securities at fair value through profit or loss	**15,586**	**12,270**
	108,078	**98,864**

ING Bank's total exposure to debt securities (excluding debt securities held in the trading portfolio) of EUR 97,999 million (31 December 2023: EUR 91,957 million) is specified as follows:

Debt securities by type of exposure

	Debt Securities at FVPL [1]		Debt Securities at FVOCI		Debt Securities at AC		Total	
in EUR million	2024	2023	2024	2023	2024	2023	2024	2023
Government bonds	289	362	24,757	20,988	22,734	24,050	47,780	45,400
Central bank bonds	444	446			2,900	2,043	3,344	2,489
Sub-sovereign, Supranationals and Agencies	1,027	1,354	11,513	11,587	15,445	14,639	27,985	27,580
Covered bonds			4,108	4,084	5,683	5,231	9,791	9,315
Corporate bonds	848	799	79	127	106	109	1,033	1,035
Financial institutions' bonds	2,141	1,645	980	483	139	186	3,261	2,314
ABS portfolio	757	758	794	1,025	3,281	2,077	4,832	3,860
	5,506	**5,363**	**42,231**	**38,293**	**50,288**	**48,335**	**98,026**	**91,991**
Loan loss provisions			-12	-13	-15	-22	-27	-34
Debt securities portfolio	**5,506**	**5,363**	**42,219**	**38,281**	**50,273**	**48,313**	**97,999**	**91,957**

[1] Debt securities at FVPL includes both debt securities designated - and mandatorily measured at fair value through profit or loss.

7 Loans and advances to customers

Loans and advances to customers by type

	Netherlands		Rest of the world		Total	
in EUR million	2024	2023	2024	2023	2024	2023
Loans and advances to public authorities	1,888	1,070	16,773	13,314	18,661	14,384
Residential mortgages	117,223	110,475	227,992	214,120	345,216	324,596
Other personal lending	5,007	5,036	31,789	31,535	36,797	36,571
Corporate Lending	66,987	62,728	218,473	209,795	285,459	272,523
	191,105	**179,309**	**495,027**	**468,764**	**686,132**	**648,074**
Loan loss provisions	-811	-830	-5,023	-4,791	-5,833	-5,621
	190,295	**178,480**	**490,004**	**463,973**	**680,299**	**642,453**

For details on credit quality and loan loss provisioning, refer to 'Risk management – Credit risk' – paragraphs 'Credit quality' and 'Loan loss provisioning'.

As at 31 December 2024 EUR 680,085 million (2023: EUR 642,260 million) of loans and advances to customers are non-subordinated.

Loans and advances to customers and, to a lesser extent, to banks include finance lease receivables which are detailed as follows:

Finance lease receivables [1]

in EUR million	2024	2023
Maturities of gross investment in finance lease receivables		
- within 1 year	3,962	3,827
- between 1-2 years	2,961	2,742
- between 2-3 years	2,283	2,133
- between 3-4 years	1,577	1,475
- between 4-5 years	902	875
- more than 5 years	1,555	1,451
	13,240	**12,503**
Unearned future finance income on finance leases	-1,145	-1,040
Net investment in finance leases	**12,095**	**11,463**
Included in Loans and advances to banks	5	5
Included in Loans and advances to customers	12,091	11,459
	12,095	**11,463**

1 The total loan loss provision for finance lease receivables is EUR 193 million (2023: EUR 160 million).

The finance lease receivables mainly relate to the financing of equipment and real estate for third parties where ING is the lessor and are mainly part of corporate lending. Interest income in 2024 on finance lease receivables amounts to EUR 522 million (2023: EUR 429 million).

8 Investment in associates and joint ventures

Investments in associates and joint ventures

in EUR million 2024	Interest held (%)	Fair value of listed investments	Balance sheet value	Total assets	Total liabilities	Total income	Total expenses
TMBThanachart Bank Public Company Limited	23%	1,164	1,266	49,147	42,554	1,474	1,050
Other investments in associates and joint ventures			412				
			1,679				

Investments in associates and joint ventures

in EUR million 2023	Interest held (%)	Fair value of listed investments	Balance sheet value	Total assets	Total liabilities	Total income	Total expenses
TMBThanachart Bank Public Company Limited	23%	976	1,128	46,666	40,776	1,386	943
Other investments in associates and joint ventures			381				
			1,509				

TMBThanachart Bank Public Company Limited
ING Bank has a 23% investment in TMBThanachart Bank Public Company Limited (hereafter: TTB), a bank listed on the stock exchange of Thailand. TTB is providing products and services to wholesale, small and medium enterprise (SME), and retail customers. TTB is accounted for as an investment in associate based on the size of ING's shareholding and representation on the Board. TTB is part of the Corporate Line segment.

Other investments in associates and joint ventures
Included in Other investments in associates and joint ventures are mainly financial services and (non-) financial technology funds or vehicles operating predominantly in Europe, and are individually not significant to ING Bank.
Significant influence for associates in which the interest held is below 20%, is based on the combination of ING Bank's financial interest and other arrangements, such as participation in the Board of Directors.

The associates and joint ventures of ING are subject to legal and regulatory restrictions regarding the amount of dividends they can pay to ING. These restrictions are, for example, dependent on the laws in the country of incorporation for declaring dividends or as a result of minimum capital requirements that are imposed by industry regulators in the countries in which the associates and joint ventures operate.

In addition, the associates and joint ventures also consider other factors in determining the appropriate levels of equity needed. These factors and limitations include, but are not limited to, the rating agency and regulatory views, which can change over time.

Changes in Investments in associates and joint ventures

in EUR million	2024	2023
Opening balance as at 1 January	1,509	1,500
Additions	26	55
Transfers	-7	0
Revaluations	0	4
Share of results	205	149
Dividends received	-91	-74
Disposals	-16	-89
Impairments	-35	-5
Exchange rate differences	87	-32
Other	0	
Closing balance	**1,679**	**1,509**

Share of results from associates and joint ventures of EUR 205 million (2023: EUR 149 million) as included in the table above is mainly attributable to our share in the results of TTB of EUR 123 million (2023: EUR 107 million) and our share in the result of an associate in Belgium of EUR 77 million following a one-off profit.

The total impairment losses of EUR 35 million relate to associates that are not individually significant.

Impairments and reversal thereof on the investment in TTB

Accumulated impairments on the investment in TTB of EUR 395 million (2023: EUR 395 million) were recognised in previous years. There is no impairment trigger observed as per 31 December 2024. A Value in Use ('VIU') was estimated following the prolonged increase of the quoted TTB share price over the original cost price of the investment and the sustained improved broker consensus outlook. As VIU did not exceed the carrying amount of the investment in TTB no reversal of impairment, was recognised.

Methodology

The recoverable amount is determined as the higher of the fair value less costs of disposal and VIU. Fair value less costs of disposal is based on observable share price. The VIU calculation uses discounted cash flow projections based on management's best estimates. VIU is derived using a Dividend Discount Model (DDM) where distributable equity, i.e. future earnings available to ordinary shareholders, is used as a proxy for future cash flows. The valuation looks at expected cash flows into perpetuity resulting in two main components to the VIU calculation:

- The estimation of future earnings over a 5-year forecast period; and
- the terminal value being the extrapolation of earnings into perpetuity applying a long-term growth rate. The earnings that are used for extrapolation represent the stable long-term financial results and position of TTB, i.e. a steady state. The terminal value comprises the majority of the total VIU.

Key assumptions used in the VIU calculation as at 31 December 2024

The VIU is determined using a valuation model which is subject to multiple management assumptions. The key assumptions, i.e. those to which the overall result is most sensitive to, are the following:

- Expected future earnings of TTB: Short- to medium-term expectations are based on forecasts derived from broker consensus. Longer-term and steady-state expectations into perpetuity are derived using reasonable and supportable assumptions capturing a combination of TTB specific and market data points; A capital maintenance charge is applied, which is management's forecast of the earnings that need to be withheld in order for TTB to meet target regulatory requirements over the forecast period;
- Discount rate (cost of equity): 10.96%, based on the capital asset pricing model (CAPM) calculated for TTB using current market data; and
- Terminal growth rate: 2.74% consistent with current long term government bond yield in Thailand as a proxy for a risk-free rate.

The model was evaluated for reasonably possible changes to key assumptions in the model. This reflects the sensitivity of the VIU to each key assumption on its own and it is possible that more than one favourable and/or unfavourable change may occur at the same time. The selected rates of reasonably possible changes to key assumptions are based on external analysts' forecasts and other relevant external data sources, which can change period to period. The sensitivity of the VIU to each key assumption is as follows:

- A favourable change of 10% in the cash flows would result in an increase in VIU of EUR 57 million, while an unfavourable change of -10% would result in a decrease in VIU of EUR -59 million;
- A favourable change of -1% in the discount rate would result in an increase in VIU of EUR 95 million, while an unfavourable change of 1% would result in a decrease in VIU of EUR -75 million;
- A favourable change of 1% in the terminal growth rate would result in an increase in VIU of EUR 68 million, while an unfavourable change of -1% would result in a decrease in VIU of EUR -53 million;

9 Property and equipment

Property and equipment by type

in EUR million	2024	2023
Property in own use	758	616
Equipment:		
- Data processing equipment	218	213
- Other equipment	426	492
Right- of- use assets:		
- ROU property	895	972
- ROU cars	124	97
- ROU other leases	13	9
	2,434	**2,399**

Changes in property and equipment

	Property in own use		Equipment		Right-of-use assets		Total	
in EUR million	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance as at 1 January	616	681	705	689	1,078	1,076	2,399	2,446
Additions	92	4	240	241	141	279	473	525
Transfers	83	-1	-78	-4	-4	-4	1	-9
Depreciation	-11	-12	-204	-204	-242	-246	-457	-461
Impairments[1]	-9	-19	-10	-10	-4	-12	-23	-41
Reversals of impairments [1]	5	10					5	10
Remeasurements	5	4			75	9	80	13
Disposals	-36	-47	-14	-10	-18	-20	-68	-78
Exchange rate differences	13	-4	5	4	8	-4	25	-5
Closing balance	**758**	**616**	**643**	**705**	**1,033**	**1,078**	**2,434**	**2,399**
Cost price	871	753	3,027	3,140	1,933	1,851	5,831	5,744
Accumulated depreciation	-298	-305	-2,376	-2,430	-1,098	-904	-3,772	-3,639
Accumulated impairments	-97	-99	-8	-6	-31	-32	-136	-136
Accumulated revaluation surplus	282	267					282	267
Accumulated remeasurement					229	163	229	163
Net carrying value	**758**	**616**	**643**	**705**	**1,033**	**1,078**	**2,434**	**2,399**

[1] Impairments and reversals of impairments of property and equipment are presented as Other operating expenses in the statement of Profit or Loss.

ING considers valuations from third-party experts in determining the fair values of property in own use. The vast majority of the land and buildings were appraised during 2024. Property in own use purchase costs amounted to EUR 871 million (2023: EUR 753 million). Cost or the purchase price less accumulated depreciation and impairments would have been EUR 476 million (2023: EUR 350 million) had property in own use been valued at cost instead of at fair value.

The reported impairment losses of EUR -23 million (2023: EUR -41 million) mainly result from the closure of branches and unfavourable office market developments.

10 Intangible assets

Changes in intangible assets

	Goodwill		Software		Other		Total	
in EUR million	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance as at 1 January	469	464	727	636	2	2	1,198	1,102
Additions	6		43	64	1		50	64
Capitalised expenses			324	246			324	246
Amortisation			-215	-213			-216	-213
Impairments [1]			-12	-5			-12	-5
Exchange rate differences	1	5	8	2			9	7
Disposals			-9	-10			-9	-10
Changes in the composition of the group and other changes			-10	8		1	-10	8
Closing balance	**476**	**469**	**855**	**727**	**3**	**2**	**1,334**	**1,198**
Gross carrying amount	476	469	2,986	2,646	8	8	3,471	3,123
Accumulated amortisation			-2,079	-1,876	-4	-4	-2,084	-1,879
Accumulated impairments			-52	-43	-2	-2	-53	-45
Net carrying value	**476**	**469**	**855**	**727**	**3**	**2**	**1,334**	**1,198**

[1] Impairments of intangible assets are presented within Other operating expenses in the statement of Profit or Loss.

Goodwill

Goodwill is allocated to groups of cash generating units (CGUs) as follows:

Goodwill allocation to group of CGUs

in EUR million	Method used for recoverable	Discount rate	Terminal growth rate	Goodwill	Goodwill
Group of CGUs				2024	2023
Retail Netherlands	Value in use	7.81 %	2.00 %	30	30
Retail Germany	Value in use	7.77 %	2.00 %	356	349
Retail Poland	Value in use	9.30 %	2.50 %	76	75
Retail Romania	Value in use	11.45 %	3.00 %	15	15
				476	**469**

Impairment testing

Goodwill is tested for impairment annually in the fourth quarter by comparing the recoverable amount of each goodwill-carrying CGU with its carrying amount. The key assumptions used in the calculation of the recoverable amounts are included in the table above. Furthermore, ING Bank tests goodwill whenever a triggering event is identified. In 2024, no triggering events were identified.

At the annual impairment test in the fourth quarter, the recoverable amount exceeds the carrying value of the CGUs as at 31 December 2024 and therefore no impairment is required (31 December 2023: nil).

Methodology

The recoverable amount is determined as the higher of the fair value less costs of disposal and Value in Use (VIU). The VIU calculation is based on a Dividend Discount model using three-year management-approved plans, updated for expected changes in the macroeconomic environment. When estimating the VIU of a CGU, local conditions and requirements determine the capital requirements, discount rates, and terminal growth rates. These local conditions and requirements determine the ability to upstream excess capital and profits to ING Bank. The discount rate calculation includes other inputs such as equity market premium, country risk premium, and long term inflation which are based on market sources and management's judgement. The long-term growth rate is based on the long-term inflation rate obtained from market sources. The impacts of climate risk are included to the extent that they are observable in discount rates and assets prices.

Sensitivity of key assumptions

Key assumptions in the goodwill impairment test model are the projected locally available cash flows (based on local capital requirements and projected profits), discount rates (cost of equity), and long-term growth rates.

The recoverable amounts of the CGUs are sensitive to the above key assumptions. A decrease in the available cash flows of 10%, an increase in the discount rate of 1 percent point or a reduction of the future growth rate to zero are considered reasonably possible changes in key assumptions. If the aforementioned changes occur to one of the above key assumptions holding the other key assumptions constant, goodwill of the remaining CGUs will continue to be recoverable.

Software

Software includes internally developed software amounting to EUR 768 million (2023: EUR 628 million).

Software is reviewed for indicators of impairment. Irrespective of whether there is an indication of impairment, software under development is tested annually for impairment. In 2024, individually immaterial items were impaired for an amount of EUR 12 million (31 December 2023: EUR 5 million).

11 Other assets

Other assets by type

in EUR million	2024	2023
Net defined benefit assets	568	554
Investment properties	19	14
Property development and obtained from foreclosures	18	32
Prepayments	412	436
Accrued assets	496	521
Amounts to be settled	3,548	3,869
Other	1,875	1,683
	6,935	**7,109**

Disclosures in respect of Net defined benefit assets are provided in Note 30 'Pensions and other post-employment benefits'.

Amounts to be settled include primarily transactions not settled at the balance sheet date. The nature of these transactions is short term and they are expected to settle shortly after the closing date of the balance sheet. Other relates to various receivables in the normal course of business, including short-term receivables from mortgages issued to notary accounts pending transfer to customers and other amounts receivable from customers.

12 Deposits from banks

Deposits from banks by type

	Netherlands		Rest of the world		Total	
in EUR million	2024	2023	2024	2023	2024	2023
Non-interest bearing	4	3	166	174	170	177
Interest bearing	5,845	7,803	10,707	15,277	16,553	23,080
	5,849	**7,806**	**10,873**	**15,451**	**16,722**	**23,257**

Deposits from banks include non-subordinated deposits and repurchase transactions. For more information on reverse repurchase transaction, refer to Note 4 'Financial assets at fair value through profit or loss'.

In 2023, deposits from banks included ING's participation in the Targeted Longer-Term Refinancing Operations (TLTRO) of EUR 6.0 billion which was fully repaid in March 2024.

13 Customer deposits

Customer deposits

in EUR million	2024	2023
Current accounts / Overnight deposits	227,951	222,478
Savings accounts	354,560	334,287
Time deposits	115,636	103,186
Other [1]	1,579	2,053
	699,725	**662,004**

1 ING changed the presentation for the senior non-preferred debt and the comparative figure for 2023 has been adjusted.

Current accounts / Overnight deposits, Saving accounts and Time deposits include balances with individuals, respectively EUR 107,068 million (2023: EUR 107,711 million), EUR 324,134 million (2023: EUR 305,734 million) and EUR 56,599 million (2023: EUR 46,762 million).

Customer deposits by type

	Netherlands		Rest of the world		Total	
in EUR million	2024	2023	2024	2023	2024	2023
Non-interest bearing	26	239	27,142	25,316	27,168	25,556
Interest bearing [1 2]	245,375	244,193	427,182	392,255	672,557	636,448
	245,401	**244,433**	**454,324**	**417,571**	**699,725**	**662,004**

1 Interest bearing includes current accounts which are not remunerated. However ING holds the contractual right to revise the rates.
2 ING changed the presentation for the senior non-preferred debt and the comparative figures for 2023 have been adjusted.

In 2024, Customer deposits includes EUR 8,064 million (31 December 2023: EUR 11,737 million) from ING Group in time deposits and current accounts.

14 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss

in EUR million	2024	2023
Trading liabilities	35,255	37,220
Non-trading derivatives	2,101	2,019
Designated at fair value through profit or loss	49,539	55,399
	86,896	**94,637**

Trading liabilities

Trading liabilities by type

in EUR million	2024	2023
Equity securities	467	1,156
Debt securities	3,185	2,492
Funds on deposit	5,437	10,443
Derivatives	26,166	23,129
	35,255	**37,220**

Non-trading derivatives

Non-trading derivatives by type

in EUR million	2024	2023
Derivatives used in:		
- fair value hedges	79	113
- cash flow hedges	573	458
- hedges of net investments in foreign operations	117	92
Other non-trading derivatives	1,332	1,356
	2,101	**2,019**

Reference is made to Note 33 'Derivatives and hedge accounting' for information on derivatives used for hedge accounting.

Other non-trading derivatives mainly include interest-rate swaps, foreign-exchange swaps and cross-currency swaps for which no hedge accounting is applied.

Designated at fair value through profit or loss

Designated at fair value through profit or loss by type

in EUR million	2024	2023
Debt securities	9,326	8,219
Funds entrusted	40,092	47,085
Subordinated liabilities	122	95
	49,539	**55,399**

As at 31 December 2024, the change in the fair value of financial liabilities designated at fair value through profit or loss attributable to changes in credit risk is EUR 17 million on a cumulative basis (2023: EUR -34 million). This change has been determined as the amount of change in fair value of the financial liability that is not attributable to changes in market conditions that gave rise to market risk (i.e. mainly interest-rate risk based on yield curves).

The amount that ING Bank is contractually required to pay at maturity to the holders of financial liabilities designated at fair value through profit or loss excluding repurchase agreements (part of funds entrusted) is EUR 11,376 million (2023: EUR 9,958 million).

Funds entrusted include mainly repurchase agreements. For more information on repurchase transactions refer to Note 4 'Financial assets at fair value through profit or loss'.

15 Provisions

Provisions by type

in EUR million	2024	2023
Reorganisation provisions	201	231
Litigation provisions	288	193
Other provisions	118	334
	606	**758**
Loan loss provisions for guarantees	146	142
	752	**899**

Changes in provisions

	Reorganisation		Litigation		Other provisions		Total	
in EUR million	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance as at 1 January	231	418	193	150	334	433	758	1,001
Additions [1]	146	207	116	78	26	39	288	325
Interest								
Releases [1]	-4	-34	-15	-26	-46	-22	-64	-82
Utilised	-163	-356	-31	-23	-196	-11	-390	-389
Exchange rate differences		-1	1	1	-1	-3		-4
Other changes	-10	-3	25	13		-104	15	-94
Closing balance	**201**	**231**	**288**	**193**	**118**	**334**	**606**	**758**

1 Additions to provisions and unused amounts released are presented in Note 27 'Other operating expenses' in the Statement of Profit or Loss.

As at 31 December 2024, amounts expected to be settled within 12 months in provisions amount to EUR 552 million (2023: EUR 699 million). The amounts included are based on best estimates with regard to amounts and timing of cash flows required to settle the obligation.

Reorganisation provisions

The additions in 2024 mainly relate to restructuring activities in Belgium, the Netherlands, and at head office. In 2023, the additions to the reorganisation provisions mainly relate to restructuring activities in Belgium, Poland, and the Netherlands.

These initiatives are implemented over a period of several years and the estimate of the reorganisation provisions is inherently uncertain.

Litigation provisions

Reference is made to Note 39 'Legal proceedings' for developments in litigation provisions.

Other provisions

In 2024, the utilisations in the Other provisions mainly relate to the provision for the compensation of Dutch retail customers for past interest charges that did not sufficiently track market rates. This provision of EUR 180 million was recognized in 2021 and subsequently had been increased by EUR 75 million in 2023.

In 2023, ING Bank voluntarily changed its accounting policy for non-financial guarantees that are subject to contractual indemnification rights from IAS 37 principles to loan commitment accounting under IFRS 9. The change from IAS 37 to IFRS 9 resulted in derecognition of the existing IAS 37 provision of EUR 109 million as per 1 January 2023 and recognition of a provision for expected credit losses of EUR 151 million for non-financial guarantees as per 1 January 2023 (EUR 42 million pre-tax impact on Equity at the beginning of 2023). This change is included in Other changes in the movement table.

For details and changes on loan loss provisioning, refer to 'Risk management – Credit risk' paragraph 'Loan loss provisioning'.

16 Other liabilities

Other liabilities by type

In EUR million	2024	2023
Net defined benefit liability	152	164
Other post-employment benefits	38	30
Other staff-related liabilities	784	719
Other taxation and social security contributions	899	641
Rents received in advance	14	14
Costs payable	1,763	2,170
Amounts to be settled	4,290	6,509
Lease liabilities	1,116	1,162
Other	1,538	1,721
	10,596	**13,130**

Disclosures in respect of Net defined benefit liabilities are provided in Note 30 'Pensions and other post-employment benefits'.

Other staff-related liabilities includes vacation leave provisions, jubilee provisions, disability/illness provisions and liabilities related with variable compensations.

Amounts to be settled includes primarily transactions not settled at the balance sheet date. The nature of these transactions is short term and have settled after the closing date of the balance sheet.

Lease liabilities relate to right-of-use assets. Disclosures in respect to right-of-use assets are provided in Note 9 'Property and equipment'. The total cash outflow for leases in 2024 was EUR 290 million (2023: EUR 291 million).

The line Other relates mainly to amounts payable to customers.

17 Debt securities in issue

Debt securities in issue relates to debentures and other issued debt securities with either fixed interest rates or interest rates based on floating interest rate levels, such as certificates of deposit and accepted bills issued by ING Bank, except for subordinated items. Debt securities in issue does not include debt securities presented as Financial liabilities at fair value through profit or loss. ING Bank does not have debt securities that are issued on terms other than those available in the normal course of business.

Debt securities in issue – maturities

In EUR million	2024	2023
Fixed rate debt securities		
Within 1 year	26,358	29,790
More than 1 year but less than 2 years	5,718	4,660
More than 2 years but less than 3 years	4,429	6,279
More than 3 years but less than 4 years	5,907	4,068
More than 4 years but less than 5 years	6,105	4,722
More than 5 years	12,335	13,139
Total fixed rate debt securities	**60,851**	**62,658**
Floating rate debt securities		
Within 1 year	26,262	17,871
More than 1 year but less than 2 years	2,343	226
More than 2 years but less than 3 years	1,080	2,176
More than 3 years but less than 4 years	117	75
More than 4 years but less than 5 years	902	0
More than 5 years	2,903	1,417
Total floating rate debt securities	**33,607**	**21,765**
Total debt securities	**94,459**	**84,423**

Reference is made to the consolidated statement of cash flows for further information on issuances, redemptions and non-cash movements.

18 Senior non-preferred debt

Senior non-preferred debt		
In EUR million	2024	2023
Senior non-preferred debt	49,393	40,213
	49,393	**40,213**

Senior non-preferred debt is lent on by ING Groep N.V. to ING Bank N.V. In the event of bankruptcy, such senior non-preferred debt ranks senior to subordinated liabilities but junior to any other liabilities of ING Bank N.V.

19 Subordinated loans

Subordinated loans		
In EUR million	2024	2023
Subordinated loans	17,879	15,404
	17,879	**15,404**

Subordinated loans are bonds issued by ING Groep N.V. and its subsidiaries to raise Tier 1 and Tier 2 (CRR-eligible) capital. Under IFRS these securities are classified as liabilities and for regulatory purposes, they are considered as capital. Subordinated loans of EUR 18,403 million (2023: EUR 16,240 million) have been placed with ING Bank N.V. by ING Groep N.V.

In 2024 ING Groep N.V. issued USD 1.25 billion 8.00% Perpetual AT1 Contingent Convertible Capital Securities in February, EUR 1.25 billion 4.38% Fixed Rate Subordinated Tier 2 Notes in May, EUR 1.25 billion 4.25% Fixed Rate Subordinated Tier 2 Notes in August and USD 1 billion 7.25% Perpetual AT1 Contingent Convertible Capital Securities in September.

In 2024 ING Türkiye issued USD 150 million 8.50% Fixed Rate Subordinated Tier 2 Notes in September.

In 2024 ING Groep N.V. redeemed USD 1.25 billion 6.75% Perpetual AT1 Contingent Convertible Capital Securities in April, EUR 750 million 2.50% Fixed Subordinated Tier 2 notes in February and EUR 1 billion 1.63% Fixed Subordinated Tier 2 notes in September on their first call dates.

Reference is made to the consolidated statement of cash flows for further information on issuances and redemptions.

The average interest rate on subordinated loans is 4.59% (2023: 4.44%).

20 Equity

Total equity			
In EUR million	2024	2023	2022
Share capital and share premium			
- Share capital	525	525	525
- Share premium	16,542	16,542	16,542
	17,067	**17,067**	**17,067**
Other reserves			
- Revaluation reserve: Equity securities at FVOCI	1,816	1,152	1,187
- Revaluation reserve: Debt instruments at FVOCI	-479	-277	-339
- Revaluation reserve: Cash flow hedge	-1,693	-2,058	-3,055
- Revaluation reserve: Credit liability	-15	31	70
- Revaluation reserve: Property in own use	161	178	176
- Net defined benefit asset/liability remeasurement reserve	-333	-317	-232
- Currency translation reserve	-1,986	-2,527	-2,395
- Share of associates and joint ventures and other reserves	2,607	3,048	3,604
	78	**-769**	**-984**
Retained earnings	25,598	23,893	26,462
Shareholders' equity (parent)	42,743	40,191	42,546
Non-controlling interests	995	944	504
Total equity	**43,738**	**41,135**	**43,050**

Adjustments for hyperinflation

ING applies IAS 29 'Hyperinflation' on its investment in Türkiye since 2022. The IAS 29 indexation impact on equity was EUR 50 million (2023: EUR 54 million; 2022: EUR 100 million) of which EUR 202 million (2023: EUR 284 million; 2022: EUR 1,011 million) in the currency translation reserve, EUR 0 million (2023: EUR 0 million; 2022: EUR -563 million) in retained earnings, EUR 4 million (2023: EUR 3 million; 2022: EUR -17 million) in revaluation reserves and EUR -156 million (2023: EUR -234 million; 2022: EUR -331 million) in profit or loss.

Share capital and share premium

Share capital

	Ordinary shares (par value EUR 1.13)					
	Number x 1,000			Amount		
	2024	2023	2022	2024	2023	2022
Authorised share capital	1,600,000	1,600,000	1,600,000	1,808	1,808	1,808
Unissued share capital	1,134,965	1,134,965	1,134,965	1,283	1,283	1,283
Issued share capital	**465,035**	**465,035**	**465,035**	**525**	**525**	**525**

No change occurred in the issued share capital and share premium in 2024, 2023 and 2022.

All ordinary shares are in registered form. No share certificates have been issued. Ordinary shares may be transferred by means of a deed of transfer, subject to the approval of the general meeting of ING Bank. The par value of ordinary shares is EUR 1.13.

The authorised ordinary share capital of ING Bank N.V. consists of 1,600 million shares of which as at 31 December 2024, 465 million ordinary shares were issued and fully paid.

ING Bank has 50 authorised preference shares with par value of EUR 1.13 per preference share. As at 31 December 2024, 7 preference shares were issued and fully paid (2023: 7 preference shares; 2022: 7 preference shares) amounting to EUR 8 (2023: EUR 8 and 2022: EUR 8).

Dividend restrictions

ING Bank N.V. and its Dutch group companies are subject to legal restrictions regarding the amount of dividends they can pay to their shareholders. The Dutch Civil Code contains the restriction that dividends can only be paid up to an amount equal to the excess of the company's own funds over the sum of the paid-up capital and reserves required by law. Additionally, certain Bank companies are subject to restrictions on the amount of funds they may transfer in the form of dividends or otherwise to the parent company.

Furthermore, in addition to the restrictions in respect of minimum capital requirements that are imposed by industry regulators in the countries in which subsidiaries operate, other limitations exist in certain countries.

Revaluation reserves

Changes in revaluation reserve: Equity securities and Debt instruments at FVOCI

	Equity securities at FVOCI			Debt instruments at FVOCI		
In EUR million	2024	2023	2022	2024	2023	2022
Opening balance	1,152	1,187	1,282	-277	-339	92
Unrealised revaluations	664	-35	-118	-265	53	-406
Realised gains/losses transferred to the statement of profit or loss				62	9	-25
Realised revaluations transferred to retained earnings	0	1	23			
Closing balance	**1,816**	**1,152**	**1,187**	**-479**	**-277**	**-339**

Equity securities at FVOCI

In 2024, the unrealised revaluation of EUR 664 million (2023: EUR -35 million; 2022: EUR -118 million) includes revaluation of shares in Bank of Beijing for EUR 652 million (2023: EUR -24 million; 2022: EUR -86 million).

Changes in cash flow hedge and credit liability reserve

	Cash flow hedge			Credit liability		
In EUR million	2024	2023	2022	2024	2023	2022
Opening balance	-2,058	-3,055	-153	31	70	-80
Changes in credit liability reserve				-46	-39	165
Unrealised revaluations	365	997	-2,901			
Realised revaluations transferred to retained earnings						-15
Closing balance	**-1,693**	**-2,058**	**-3,055**	**-15**	**31**	**70**

Cash flow hedge

ING mainly hedges floating rate lending with interest rate swaps. Due to a decrease in forward interest rates in 2024, the interest rate swaps had a positive revaluation of EUR 365 million which is recognised in the cash flow hedge reserve.

Changes in Property in own use reserve			
In EUR million	2024	2023	2022
Opening balance	178	176	208
Impact IAS 29 on opening balance [1]			-20
Unrealised revaluations	3	10	15
Realised revaluations transferred to retained earnings	-20	-8	-26
Closing balance	**161**	**178**	**176**

[1] Impact of application of hyperinflation accounting under IAS 29.

Net defined benefit asset/liability remeasurement reserve
Reference is made to Note 30 'Pensions and other post-employment benefits'.

Currency translation reserve

Changes in currency translation reserve			
In EUR million	2024	2023	2022
Opening balance	-2,527	-2,395	-3,483
Impact IAS 29 on opening balance [1]			647
Unrealised revaluations	-222	183	-7
Realised gains/losses transferred to the statement of profit or loss	1		4
Exchange rate differences	763	-316	444
Closing balance	**-1,986**	**-2,527**	**-2,395**

[1] Impact of application of hyperinflation accounting under IAS 29.

Unrealised revaluations relates to changes in the value of hedging instruments that are designated as net investment hedges. The hedging strategy is to protect the CET1 ratio against adverse impact from exchange rate fluctuations. The net increase of unrealised revaluations and Exchange rate differences of EUR 541 million is related to several currencies including USD (EUR 354 million), TRY (EUR 148 million including EUR 202 million IAS 29 indexation effect), GBP (EUR 75 million), PLN (EUR 18 million), CHF (EUR -10 million), AUD (EUR -35 million), RUB (EUR -47 million), THB (EUR 31 million), CNY (EUR 3 million) and other currencies (EUR 4 million).

Share of associates and joint ventures and other reserves

Changes in share of associates, joint ventures and other reserves			
In EUR million	2024	2023	2022
Opening balance	3,048	3,604	3,416
Result for the year	125	336	161
Transfer to/from retained earnings	-565	-892	26
Closing balance	**2,607**	**3,048**	**3,604**

The Share of associates, joint ventures and other reserves includes non-distributable profits from associates and joint ventures of EUR 940 million (2023: EUR 815 million; 2022: EUR 797 million). Other reserves includes a statutory reserve of EUR 897 million (2023: EUR 1,602 million; 2022: EUR 2,264 million) related to the former Stichting Regio Bank and the former Stichting Vakbondsspaarbank SPN and a legal reserve of EUR 768 million (2023: EUR 628 million; 2022: EUR 540 million) related to internally developed software. The transfer to retained earnings of EUR -565 million includes the release of the Regio bank and Vakbondsspaarbank SPN reserve of EUR -830 million (2023:EUR -998 million; 2022: EUR 0 million) against regulatory expenses which are recognised in the statement of profit or loss.

Retained earnings

Changes in retained earnings			
In EUR million	2024	2023	2022
Opening balance	23,893	26,462	29,778
Impact on opening balance [1]		-45	-563
Transfer to/from other reserves	585	899	-8
Result for the year	6,062	6,821	3,506
Dividend and other cash distributions	-4,986	-10,269	-6,277
Employee share plans	45	30	27
Changes in composition of the group and other changes	-1	-5	-1
Closing balance	**25,598**	**23,893**	**26,462**

[1] 2023: Changes in policy following the adoption of IFRS 17 and change in policy for non-financial guarantees. 2022: impact of application of hyperinflation accounting under IAS 29.

Restrictions with respect to dividend and repayment of capital
The following equity components cannot be freely distributed: Revaluation reserves, Net defined benefit asset/liability remeasurement reserve, Currency translation reserve, Share of associates and joint ventures reserve and Other reserves including the part related to the former Stichting Regio Bank and the former Stichting Vakbondsspaarbank SPN.

As at 31 December 2024, an amount of EUR 897 million (2023: EUR 1,602 million) related to the former Stichting Regio Bank and the former Stichting Vakbondsspaarbank SPN is included.

ING Bank N.V. is subject to legal restrictions regarding the amount of dividends it can pay to its shareholder. Pursuant to the Dutch Civil Code, dividends can only be paid up to an amount equal to the excess of the company's own funds over the sum of the paid-up capital and reserves required by law. Moreover, ING Bank N.V.'s ability to pay dividends is dependent on the dividend payment ability of its subsidiaries, associates and joint ventures. ING Bank N.V. is legally required to create a non-distributable reserve insofar as profits of its subsidiaries, associates and joint ventures are subject to dividend payment restrictions which apply to those subsidiaries, associates and joint ventures themselves.

Non distributable reserves, determined in accordance with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code, from ING Bank's subsidiaries, associates and joint ventures amounts to EUR 5,672 million (2023: EUR 6,727 million).

Furthermore there are restrictions to the ability of subsidiaries, associates and joint ventures to distribute reserves to ING Bank N.V. as a result of minimum capital requirements that are imposed by industry regulators in the countries in which the subsidiaries operate.

In addition to the legal and regulatory restrictions on distributing dividends from subsidiaries, associates and joint ventures to ING Bank N.V. there are various other considerations and limitations that are taken into account in determining the appropriate levels of equity in the Bank's subsidiaries, associates and joint ventures. These considerations and limitations include, but are not restricted to, minimum capital requirements that are imposed by industry regulators in the countries in which the subsidiaries, associates and joint ventures operate, or other limitations which may exist in certain countries and may or may not be temporary in nature. It is not possible to disclose a reliable quantification of these limitations. Refer to Note 44 'Capital management' for an overview of the minimal capital requirements of ING Bank.

Without prejudice to the authority of the Executive Board to allocate profits to reserves and to the fact that the shares are the most junior securities issued by ING Bank N.V., no specific dividend payment restrictions with respect to the shares exist.

Furthermore, ING Bank N.V. is subject to legal restrictions with respect to repayment of capital to Its shareholder. Pursuant to the Dutch Civil Code, capital may only be repaid if none of ING Bank N.V.'s creditors opposes such a repayment within two months following the announcement of a resolution to that effect.

Notes to the Consolidated statement of profit or loss

21 Net interest income

Net interest income[1]

in EUR million	2024	2023	2022
Interest income on loans[2]	33,892	31,850	19,429
Interest income on debt securities at amortised cost	1,204	877	591
Interest income on financial assets at fair value through OCI	1,481	1,078	510
Interest income on non-trading derivatives (hedge accounting)	12,644	10,682	4,011
Total interest income using effective interest rate method	**49,221**	**44,486**	**24,541**
Interest income on financial assets at fair value through profit or loss	6,343	4,934	1,444
Interest income on non-trading derivatives (no hedge accounting)	3,168	2,637	2,390
Interest income other	173	171	101
Total other interest income	**9,685**	**7,741**	**3,935**
Total interest income	**58,905**	**52,228**	**28,476**

in EUR million	2024	2023	2022
Interest expense on deposits[3]	16,849	13,282	5,321
Interest expense on debt securities in issue	3,796	2,856	859
Interest expense on subordinated loans	752	707	646
Interest expense on non-trading derivatives (hedge accounting)	13,767	11,849	4,144
Total interest expense using effective interest rate method	**35,164**	**28,693**	**10,969**
Interest expense on financial liabilities at fair value through profit or loss	5,479	4,410	1,237
Interest expense on non-trading derivatives (no hedge accounting)	3,308	3,131	2,411
Interest expense on lease liabilities	27	28	15
Interest expense other	178	157	98
Total other interest expense	**8,993**	**7,726**	**3,761**
Total interest expense	**44,157**	**36,419**	**14,730**
Net interest income	**14,749**	**15,809**	**13,745**

[1] Table has been updated to a more aggregated view for presentation purposes and comparatives have been adjusted accordingly. Negative interest on assets and liabilities is no longer presented separately. Furthermore, interest expense on deposits from customers and banks is now presented on a combined basis within Interest expense on deposits. Refer to footnote 2 and 3.
[2] Includes interest income on loans to customers and banks, cash balances as well as negative interest on liabilities. Negative interest on liabilities amounted to EUR 8 million (2023: EUR 19 million; 2022: EUR 892 million).
[3] Includes interest paid on deposits from customers and banks, senior non-preferred debt and negative interest on assets. Negative interest on assets amounted to EUR 1 million (2023: EUR nil; 2022: EUR 285 million).

In 2022, a one-off adjustment was recorded in interest income on loans regarding the credit moratoria in Poland (EUR -343 million).

Due to prevalent rates during the comparative years, Negative interest on liabilities includes the ECB funding rate benefit from the TLTRO III programme of EUR 314 million in 2022, while for 2024 Interest expense on deposits includes interest paid under the TLTRO III programme of EUR 59 million (2023: EUR 557 million). The funding under this programme was fully repaid during the first quarter of 2024.

The ECB funding rate benefit in 2022 caused the discontinuation of the fair value hedge accounting relationship on TLTRO III, impacting net interest income of 2022 for an amount of EUR -483 million.

22 Net fee and commission income

Net fee and commission income			
in EUR million	2024	2023	2022
Fee and commission income			
Payment Services	2,219	2,062	1,888
Securities business	734	584	632
Insurance and other broking	594	529	682
Portfolio management	699	625	600
Lending business	650	602	556
Financial guarantees and other commitments	454	459	496
Other fee and commission income	249	239	232
Total fee and commission income	**5,598**	**5,100**	**5,085**
Fee and commission expenses			
Payment Services	756	704	600
Securities business	147	129	160
Distribution of products	475	480	555
Other fee and commission expenses	218	202	184
Total fee and commission expenses	**1,596**	**1,514**	**1,499**
Net fee and commission income	**4,002**	**3,586**	**3,586**

Payment services fees are earned for providing services for deposit accounts and cards, cash management and transaction processing including interchange. Securities fees and commissions are fees for securities brokerage and securities underwriting. Portfolio management fees include fees earned for asset management activities, fiduciary and related activities in which ING holds or invests assets on behalf of its customers. Fees and commissions from lending (syndication) business include income earned for lending advisory, origination, underwriting and loan commitments which are not part of the effective interest rate. Financial guarantees and other commitments fees and commissions are earned from bank guarantees, letters of credit and other trade finance related products, factoring and leasing. Fees paid for distribution of products are all fees paid for the distribution of ING's products and services through external providers.

Reference is made to Note 28 'Segments' which includes net fee and commission income, as reported to the the Management Board Banking, disaggregated by line of business and by geographical segment.

23 Valuation results and net trading income

Valuation results and net trading income			
in EUR million	2024	2023	2022
Securities trading results	996	873	-356
Derivatives trading results	207	116	11
Other trading results	336	273	71
Change in fair value of derivatives relating to			
– fair value hedges	-766	-3,028	5,265
– cash flow hedges (ineffective portion)	35	48	20
– other non-trading derivatives	1,923	563	1,164
Change in fair value of assets and liabilities (hedged items)	750	2,962	-5,150
Valuation results on assets and liabilities designated at FVPL (excluding trading)	31	-127	444
Foreign exchange transactions results	-105	1,230	33
	3,407	**2,910**	**1,503**

In general, the fair value movements are influenced by changes in the market conditions, such as stock prices, credit spreads, interest rates and currency exchange rates.

Net trading income relates to trading assets and trading liabilities which include assets and liabilities that are classified under IFRS as Trading but are closely related to servicing the needs of the clients of ING. ING offers products that are traded on the financial markets to institutional clients, corporate clients, and governments. ING's trading books are managed based on internal limits and comprise a mix of products with results which could be offset. A significant part of the derivatives in the trading portfolio are related to servicing corporate clients in their risk management to hedge for example currency or interest rate exposures. From a risk perspective, the gross amount of trading assets must be considered together with the gross amount of trading liabilities, which are presented separately on the statement of financial position. However, IFRS does not always allow the netting of these positions in the statement of financial position. Reference is made to Note 4 'Financial assets at fair value through profit or loss' and Note 14 'Financial liabilities at fair value through profit or loss' for information on trading assets and trading liabilities respectively.

Securities trading results include the results of market making in instruments such as government securities, equity securities, corporate debt securities, money-market instruments. Derivatives trading results include the results of derivatives such as interest rate swaps, options, futures, and forward contracts. Trading gains and losses relating to trading securities still held as at 31 December 2024 amount to EUR 20 million (2023: EUR 160 million; 2022: EUR -157 million). The majority of the risks involved in security and currency trading are economically hedged with derivatives. The securities trading results are partly offset by results on these derivatives. The result of these derivatives is included in Derivatives trading results.

Other trading results include the results of trading loans and funds entrusted.

Foreign exchange transactions results include gains and losses from spot and forward contracts, options, futures, and translated foreign currency assets and liabilities. The result on currency trading is included in foreign exchange transactions results.

'Valuation results and net trading income' include the fair value movements on derivatives (used for both hedge accounting and economically hedging exposures) as well as the changes in the fair value of assets and liabilities included in hedging relationships as hedged items. In 2024, fluctuations in interest rate had a significant impact on the fair value changes of other non-trading derivatives, as well as the fair value changes of both the derivatives and the hedged items designated in fair value hedges. Reference is made to Note 33 'Derivatives and hedge accounting' for information on derivatives used for hedge accounting.

Furthermore, derivatives trading results are also impacted by fair value movements arising from changes in credit spreads (CVA and DVA), bid offer spreads, model risk and incremental cost of funding on derivatives (FVA and CollVA). Refer to Note 32 'Fair value of assets and liabilities' for information on these valuation adjustments.

24 Investment income

Investment income			
in EUR million	2024	2023	2022
Dividend income	117	105	149
Realised gains/losses on disposal of debt instruments measured at FVOCI	-104	-11	32
Income from and fair value gains/losses on investment properties			-1
	13	**95**	**181**

In 2024, 2023 and 2022 dividend income mainly consists of dividend received from ING's equity stake in Bank of Beijing.

25 Other net income

In 2024, Other net income of EUR -3 million (2023: EUR -146 million; 2022: EUR -369 million) includes EUR -159 million (2023: EUR -244 million ; 2022: EUR -333 million) net monetary loss reflecting the IAS 29 hyperinflation impact in Türkiye related to the indexation of Türkiye's statement of financial position and statement of profit or loss with an offsetting effect in the currency translation reserve. Other net income in 2024 also includes EUR 53 million receivable related to a prior insolvency of a financial institution in the Netherlands and a result of EUR 21 million on the sale of the remaining NNHB mortgages. Furthermore, it includes the positive recovery of defaulted receivables of EUR 27 million (2023 EUR 25 million; 2022 EUR 32 million).

Other net income as per 31 December 2022 includes an amount of EUR -307 million loss recognised to unwind a macro fair value hedge of deposits, which led to a timing difference with expected fair value. Furthermore, it includes the proceeds of the agreement with Boursorama after our exit from the retail banking market in France of EUR 125 million and a gain of EUR 67 million from a legacy entity in Retail Belgium.

26 Staff expenses

Staff expenses			
in EUR million	2024	2023	2022
Salaries	4,906	4,559	4,145
Pension costs and other staff-related benefit costs	455	418	390
Social security costs	690	635	584
Share-based compensation arrangements	45	30	27
External employees	720	776	738
Education	49	50	47
Other staff costs	319	256	222
	7,184	**6,725**	**6,152**

Share-based compensation arrangements include EUR 45 million (2023: EUR 30 million; 2022: EUR 26 million) relating to equity-settled share-based payment arrangements. Cash-settled share-based payment arrangements were terminated in 2023.

Number of employees

	Netherlands			Rest of the world			Total		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Total average number of internal employees at full time equivalent basis	14,821	14,449	14,488	46,301	44,985	43,081	61,121	59,434	57,569

Remuneration of senior management, Management Board Banking and Supervisory Board

Reference is made to Note 43 'Related parties'.

Share plans

ING grants various types of share awards, namely deferred and upfront shares, which form part of the variable remuneration offering via the Long-term Sustainable Performance Plan (LSPP). The entitlement to the LSPP share awards is granted conditionally. If the participant remains in employment for an uninterrupted period between the grant date and the vesting date, the entitlement becomes unconditional, with the exception of the upfront shares which are immediately vested upon grant. Upfront and deferred shares awarded to the Management Board members of ING Bank as well as identified staff, have a retention obligation that must be adhered to upon vesting, typically a minimum retention of 12 months applies for staff and up to 60 months for Board. ING has the authority to apply a holdback to awarded but unvested shares and a clawback to vested shares.

The share awards granted in 2024 relate to the performance year 2023. In 2024, 180,994 share awards (2023: 224,796; 2022: 193,157) were granted to the members of the Management Board Banking. To senior management and other employees 4,248,400 share awards (2023: 3,244,951; 2022: 2,913,926) were granted.

Changes in share awards

	Share awards (in numbers)			Weighted average grant date fair values (in euros)		
	2024	2023	2022	2024	2023	2022
Opening balance as at 1 January	3,895,787	3,697,542	3,672,659	8.81	7.97	7.60
Granted	4,429,394	3,469,747	3,107,083	13.75	9.71	8.99
Vested	-3,343,429	-3,113,115	-2,962,698	12.29	8.83	8.60
Forfeited	-128,223	-158,387	-119,502	10.73	8.54	7.63
Closing balance	**4,853,529**	**3,895,787**	**3,697,542**	**10.88**	**8.81**	**7.97**

The fair value of share awards granted is recognised as an expense under Staff expenses and is allocated over the vesting period of the share awards. The fair value calculation takes into account the current share prices, expected volatilities and the dividend yield of ING shares.

As at 31 December 2024, total unrecognised compensation costs related to share awards amount to EUR 25 million (2023: EUR 15 million; 2022: EUR 13 million). These costs are expected to be recognised over a weighted average period of 2.0 years (2023: 2.0 years; 2022: 1.9 years).

27 Other operating expenses

Other operating expenses

in EUR million	2024	2023	2022
Regulatory costs	882	1,042	1,250
Audit and non-audit services	43	36	31
IT related expenses	1,048	948	818
Advertising and public relations	441	369	331
External advisory fees	315	294	306
Office expenses	277	289	273
Travel and accommodation expenses	126	125	91
Contributions and subscriptions	133	122	109
Postal charges	39	36	31
Depreciation of property and equipment	457	461	485
Amortisation of intangible assets	216	213	226
(Reversals of) impairments of property and equipment	18	32	19
(Reversals of) impairments of intangible assets	13	6	60
Addition to / (unused amounts reversed of) provision for reorganisations	142	173	170
Addition to / (unused amounts reversed of) other provisions	76	70	117
Other	705	622	723
	4,931	**4,838**	**5,040**

Reference is made to Note 9 'Property and equipment' for (reversals of) impairments of property and equipment and Note 10 'Intangible assets' for (reversals of) impairments of intangible assets.

For further information on addition to (unused amounts reversed of) provision for reorganisations refer to Note 15 'Provisions' and for further information on addition to (unused amounts reversed of) other provisions refer to Note 15 'Provisions' and Note 39 'Legal proceedings'.

Regulatory costs

Regulatory costs represent contributions to the Deposit Guarantee Schemes (DGS), the Single Resolution Fund (SRF), local bank taxes and local resolution funds. Included in Regulatory costs for 2024, are contributions to DGS of EUR 230 million (2023: EUR 320 million; 2022: EUR 425 million) mainly related to the Netherlands, Germany, Belgium and Poland and contributions to the SRF and local resolution funds of EUR 35 million (2023: EUR 251 million; 2022: EUR 354 million). In 2024 local bank taxes increased by EUR 145 million from EUR 472 million in 2023 to EUR 617 million (2022: EUR 470 million).

Audit and non-audit services

Audit and non-audit services include fees for services provided by the Bank's auditors and increases are due to one-off additional audit procedures and inflation.

Segment reporting

28 Segments

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

The Management Board Banking of ING Bank (Chief Operating Decision Maker (CODM)) set the performance targets, approve and monitor the budgets prepared by the business lines. Business lines formulate strategic, commercial, and financial plans in conformity with the strategy and performance targets set by the CODM.

Recognition and measurement of segment results are in line with the accounting policies as described in Note 1 'Basis of preparation and material accounting policy information'. The results for the period for each reportable segment are after intercompany and intersegment eliminations and are those reviewed by the CODM to assess performance of the segments. 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. Interest income per segment is reported as net interest income because management relies primarily on net (rather than gross) interest revenue to assess the performance of the segments.

The following table specifies the segments by line of business and the main sources of income of each of the segments:

Specification of the main sources of income of each of the segments by line of business

Segments by line of business	Main source of income
Retail Netherlands	Income from products and services provided to private individuals, business banking clients and private banking clients in the Netherlands. The main products and services offered are daily banking, lending, savings, investments and insurance.
Retail Belgium	Income from products and services provided to private individuals, business banking clients and private banking clients in Belgium and Luxembourg. The main products and services offered are similar to those in the Netherlands.
Retail Germany	Income from products and services provided to private individuals, business banking clients and private banking clients in Germany. The main products and services offered are similar to those in the Netherlands.
Retail Other	Income from products and services provided to private individuals, business banking clients and private banking clients in the other retail countries. The main products and services offered are similar to those in the Netherlands.
Wholesale Banking	Income from wholesale banking activities of which the main products are: lending, payments & cash management, working capital solutions, trade finance, financial markets, corporate finance and treasury.

Specification of geographical split of the segments

Geographical split of the segments	Main countries
The Netherlands	
Belgium	Including Luxembourg
Germany	
Other Challengers [1]	Australia, Italy, Spain and Portugal
Growth Markets [1]	Poland, Romania and Türkiye
Wholesale Banking Rest of World	Other countries in Europe & Middle East, Americas, Asia
Other	Corporate Line

[1] In 2022, ING discontinued its retail activities in France (Other Challengers) and the Philippines (Growth Markets).

ING Bank monitors and evaluates the performance of ING Bank at a consolidated level and by segment. The Management Board Banking consider this to be relevant to an understanding of the Bank's financial performance, because it allows investors to understand the primary method used by management to evaluate the Bank's operating performance and make decisions about allocating resources.

ING Bank reconciles the total segment results to the total result using Corporate Line. The Corporate Line includes capital management activities, as ING Bank applies a system of capital charging for its banking operations in order to create a comparable basis for the results of business units globally, irrespective of the business units' book equity and the currency they operate in.

Corporate Line includes certain other income and expenses that are not allocated to the banking businesses. Furthermore, as from 2022, results in the Corporate Line have been impacted by the application of hyperinflation accounting in the consolidation of our subsidiary in Türkiye (IAS 29). Total income for Corporate Line in 2024 amounted to EUR 97 million compared with EUR 275 million in 2023. This included a hyperinflation accounting impact of EUR -117 million in 2024 versus EUR -179 million in 2023. Excluding hyperinflation accounting impact, total income declined by EUR 240 million, mainly attributable to a lower net interest income from Treasury, partly offset by the recognition of a EUR 53 million receivable related to a prior insolvency of a financial institution in the Netherlands (recorded in other income). Operating expenses for Corporate Line were EUR 528 million, 2.4% down from EUR 541 million in 2023. Expenses in 2024 included a hyperinflation impact of EUR 35 million, EUR 25 million of restructuring costs, EUR 22 million for a one-off CLA related payment to our staff in the Netherlands and a EUR 21 million litigation provision. Expenses in 2023 had included a hyperinflation impact of EUR 48 million and EUR 51 million that had been provisioned.

The information presented in this note is in line with the information presented to the Management Board Banking of ING Bank.

This note does not provide information on the types of products and services from which each reportable segment derives its revenues, as this is not reported internally and is therefore not readily available.

Segments

12 month period	2024							2023							2022						
in EUR million	Retail Nether-lands	Retail Belgium	Retail Germany	Retail Other	Wholesale Banking	Corporate Line	Total	Retail Nether-lands	Retail Belgium	Retail Germany	Retail Other	Wholesale Banking	Corporate Line	Total	Retail Nether-lands	Retail Belgium	Retail Germany	Retail Other [1]	Wholesale Banking	Corporate Line	Total
Income																					
Net interest income	3,027	1,959	2,647	3,817	3,259	40	14,749	3,096	2,063	2,862	3,437	4,028	323	15,809	2,888	1,668	1,666	2,725	4,260	539	13,745
Net fee and commission income	1,049	603	433	609	1,317	-9	4,002	959	502	357	519	1,259	-10	3,586	892	511	437	535	1,217	-6	3,586
Total investment and other income	835	189	-173	263	2,405	65	3,584	945	117	-67	277	1,771	-37	3,006	417	-32	69	377	849	-464	1,215
– of which share of result from associates and joint ventures		81		8	-36	118	170		0		7	31	107	144		1		5	18	-125	-101
– of which revaluations and trading income	810	81	-160	253	2,478	-55	3,407	898	61	-57	264	1,730	13	2,910	327	113	57	200	952	-146	1,503
Total income	**4,910**	**2,751**	**2,906**	**4,688**	**6,981**	**97**	**22,334**	**5,001**	**2,683**	**3,152**	**4,233**	**7,057**	**275**	**22,401**	**4,196**	**2,147**	**2,172**	**3,637**	**6,325**	**69**	**18,546**
Expenditure																					
Operating expenses	2,124	1,811	1,303	2,792	3,558	528	12,116	2,135	1,852	1,243	2,479	3,313	541	11,563	2,115	1,786	1,140	2,509	3,114	529	11,193
– of which Regulatory expenses	114	206	88	261	212	1	882	212	211	96	252	271	0	1,042	250	244	93	369	293	0	1,250
Addition to loan loss provisions	-8	134	149	291	627	1	1,194	5	169	119	313	-92	5	520	67	139	131	302	1,220	2	1,861
Total expenses	**2,117**	**1,944**	**1,452**	**3,083**	**4,185**	**528**	**13,310**	**2,140**	**2,022**	**1,362**	**2,792**	**3,222**	**546**	**12,083**	**2,182**	**1,924**	**1,271**	**2,812**	**4,334**	**531**	**13,053**
Result before taxation	**2,793**	**807**	**1,455**	**1,605**	**2,796**	**-431**	**9,025**	**2,861**	**661**	**1,790**	**1,441**	**3,836**	**-270**	**10,318**	**2,014**	**223**	**901**	**825**	**1,991**	**-462**	**5,493**
Taxation	723	210	505	381	693	67	2,580	740	182	631	359	900	114	2,926	540	72	202	254	581	74	1,723
Non-controlling interests		0	1	221	35		258		0	0	174	61		235		0	3	47	52	1	102
Net result [2]	**2,070**	**597**	**949**	**1,002**	**2,068**	**-499**	**6,187**	**2,121**	**479**	**1,159**	**908**	**2,875**	**-385**	**7,157**	**1,474**	**151**	**696**	**525**	**1,358**	**-537**	**3,667**

1 In 2022, ING discontinued its retail activities in France (Other Challengers) and the Philippines (Growth Markets).

2 Net result reflects the net result attributable to shareholders of the parent.

Geographical split of the segments

12 month period – 2024

in EUR million	Netherlands	Belgium	Germany	Other Challengers	Growth markets	Wholesale Banking Rest of World	Other	Total
Income								
Net interest income	3,063	2,478	3,182	2,131	2,409	1,448	37	14,749
Net fee and commission income	1,329	832	484	337	445	585	-9	4,002
Total investment and other income	1,889	207	-188	27	408	1,167	73	3,584
– of which share of result from associates and joint ventures	-45	87			8		120	170
– of which revaluations and trading income	1,916	119	-191	2	403	1,217	-59	3,407
Total income	**6,282**	**3,517**	**3,478**	**2,495**	**3,262**	**3,200**	**102**	**22,334**
Expenditure								
Operating expenses	3,026	2,170	1,512	1,454	1,759	1,669	526	12,116
– of which Regulatory expenses	159	228	90	61	260	83	1	882
Addition to loan loss provisions	42	148	222	188	214	378	1	1,194
Total expenses	**3,068**	**2,319**	**1,734**	**1,642**	**1,973**	**2,047**	**526**	**13,310**
Result before taxation	**3,213**	**1,198**	**1,744**	**853**	**1,289**	**1,153**	**-425**	**9,025**
Retail Banking	2,793	807	1,455	534	1,071			6,660
Wholesale Banking	420	391	289	319	218	1,153	7	2,796
Corporate Line							-431	-431
Result before taxation	**3,213**	**1,198**	**1,744**	**853**	**1,289**	**1,153**	**-425**	**9,025**
Taxation	847	308	563	272	256	267	66	2,580
Non-controlling interests		0	1		256			258
Net result[2]	**2,367**	**889**	**1,179**	**581**	**777**	**886**	**-491**	**6,187**

12 month period – 2023

in EUR million	Netherlands	Belgium	Germany	Other Challengers	Growth markets	Wholesale Banking Rest of World	Other	Total
Income								
Net interest income	3,773	2,712	3,375	2,121	1,961	1,548	320	15,809
Net fee and commission income	1,239	715	400	285	384	573	-10	3,586
Total investment and other income	1,627	145	-81	21	487	829	-24	3,006
– of which share of result from associates and joint ventures	31				7		107	144
– of which revaluations and trading income	1,568	95	-83	4	479	841	6	2,910
Total income	**6,639**	**3,573**	**3,694**	**2,427**	**2,833**	**2,950**	**286**	**22,401**
Expenditure								
Operating expenses	3,065	2,195	1,437	1,320	1,495	1,509	543	11,563
– of which Regulatory expenses	296	243	103	92	207	101	0	1,042
Addition to loan loss provisions	-111	139	35	166	189	96	5	520
Total expenses	**2,954**	**2,334**	**1,472**	**1,486**	**1,683**	**1,605**	**548**	**12,083**
Result before taxation	**3,685**	**1,239**	**2,222**	**941**	**1,149**	**1,345**	**-263**	**10,318**
Retail Banking	2,861	661	1,790	649	792			6,753
Wholesale Banking	824	577	432	292	357	1,345	8	3,836
Corporate Line							-270	-270
Result before taxation	**3,685**	**1,239**	**2,222**	**941**	**1,149**	**1,345**	**-263**	**10,318**
Taxation	909	349	723	282	225	335	104	2,926
Non-controlling interests		0	0		234			235
Net result[2]	**2,776**	**889**	**1,499**	**659**	**690**	**1,011**	**-367**	**7,157**

12 month period – 2022

in EUR million	Netherlands	Belgium	Germany	Other Challengers[1]	Growth markets[1]	Wholesale Banking Rest of World	Other	Total
Income								
Net interest income	3,782	2,065	2,126	1,842	1,462	1,933	534	13,745
Net fee and commission income	1,171	714	494	290	375	548	-6	3,586
Total investment and other income	577	-14	94	182	386	449	-460	1,215
– of which share of result from associates and joint ventures	16	1			5		-123	-101
– of which revaluations and trading income	453	174	65	3	377	532	-101	1,503
Total income	**5,531**	**2,765**	**2,714**	**2,314**	**2,223**	**2,930**	**69**	**18,546**
Expenditure								
Operating expenses	3,001	2,120	1,318	1,380	1,426	1,418	529	11,193
– of which Regulatory expenses	357	283	99	88	324	98	0	1,250
Addition to loan loss provisions	181	230	460	140	230	618	2	1,861
Total expenses	**3,182**	**2,350**	**1,778**	**1,519**	**1,657**	**2,036**	**531**	**13,053**
Result before taxation	**2,349**	**415**	**936**	**795**	**567**	**894**	**-463**	**5,493**
Retail Banking	2,014	223	901	547	278		0	3,964
Wholesale Banking	335	192	34	248	288	894	0	1,991
Corporate Line							-462	-462
Result before taxation	**2,349**	**415**	**936**	**795**	**567**	**894**	**-463**	**5,493**
Taxation	658	114	297	258	153	186	58	1,723
Non-controlling interests		0	3		98		1	102
Net result[2]	**1,691**	**301**	**636**	**537**	**316**	**708**	**-522**	**3,667**

1 In 2022, ING discontinued its retail activities in France (Other Challengers) and the Philippines (Growth Markets).

2 Net result reflects the net result attributable to shareholders of the parent.

29 Information on geographical areas

ING Bank's business lines operate in different geographical areas: the Netherlands, Belgium, Germany, Rest of Europe and Rest of the World. The geographical analyses are based on the location of the office from which the transactions are originated and do not include countries where ING only has representation offices. The Netherlands is ING Bank's country of domicile.

In order to increase ING Bank's tax transparency, additional financial information on a per country basis has been included in this disclosure: Tax paid represents all income tax paid to and/or received from tax authorities in the current year, irrespective of the fiscal year to which these payments or refunds relate. Total assets by country do not include intercompany balances and reconcile to the total assets in the consolidated statement of financial position of ING Bank.

ING Bank is subject to top-up tax (Global Anti-Base Erosion Model Rules (Pillar Two)) in relation to its operations in countries where the effective tax rate falls below 15%. This includes Switzerland, Ireland and Bulgaria as a result of their lower nominal tax rates, as well as Singapore, where special local tax rates for certain types of income reduce the effective tax rate.

ING Bank has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. The total top-up tax that is expected to be paid by ING Bank per jurisdiction over 2024 amounts to EUR 9.5 million.

Overview Top up tax to be paid per jurisdiction

Country	Top-up tax (EUR million)
Singapore[1]	6.5
Ireland[2]	2.1
Bulgaria[2]	0.6
Switzerland[2]	0.3
	9.5

1 Booked and to be paid in the Netherlands.
2 Booked and to be paid locally.

The table below provides additional information, for the years 2024, 2023 and 2022 respectively, on names of principal subsidiaries and branches, the nature of main activities and the average number of employees on a full time equivalent basis by country/tax jurisdiction.

Additional information by country

Geographical area	Country/Tax jurisdiction	Name of principal subsidiary	Main (banking) activity	Average number of employees at full-time equivalent basis			Total income			Total assets			Result before tax			Taxation			Tax paid		
				2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Netherlands	Netherlands	ING Bank N.V.	Wholesale / Retail	14,821	14,449	14,488	4,618	5,370	5,017	300,167	292,868	308,931	833	1,651	1,069	371	514	418	589	601	392
Belgium	Belgium	ING België N.V.	Wholesale / Retail	5,994	6,392	6,582	3,274	3,246	2,353	137,225	128,437	127,085	1,266	1,209	286	325	339	81	272	169	152
	Luxembourg	ING Luxembourg S.A.	Wholesale / Retail	887	939	927	492	608	422	13,942	14,392	18,351	215	349	180	54	89	45	116	40	37
Germany	Germany	ING DiBa A.G.	Wholesale / Retail	5,460	5,499	5,573	3,848	3,931	2,815	172,828	168,991	161,997	2,119	2,467	1,039	686	807	328	663	904	189
Rest of Europe	Poland [1]	ING Bank Slaski S.A	Wholesale / Retail	11,575	11,677	11,130	2,620	2,350	1,652	56,090	52,134	45,598	1,313	1,236	544	280	286	143	231	136	-23
	Spain	Branch of ING Bank N.V.	Wholesale / Retail	1,692	1,576	1,439	1,230	1,165	877	35,912	33,083	32,262	555	541	299	176	128	98	185	114	101
	Italy	Branch of ING Bank N.V.	Wholesale / Retail	1,235	1,190	1,118	514	438	345	16,448	14,836	14,152	120	133	63	38	55	22	16	19	2
	Romania [1]	Branch of ING Bank N.V.	Wholesale / Retail	4,282	3,971	3,580	749	690	584	12,937	11,496	10,555	401	396	324	67	61	51	76	55	67
	Türkiye	ING Bank A.S.	Wholesale / Retail	2,795	2,973	3,076	142	14	64	4,897	4,770	5,400	-110	-232	-143	18	-20	65	5	29	79
	UK	Branch of ING Bank N.V.	Wholesale	741	722	692	811	758	693	59,615	50,572	46,066	249	510	286	52	131	81	70	101	58
	Switzerland	Branch of ING Bank N.V.	Wholesale	300	292	277	228	248	290	9,086	8,501	9,513	104	137	182	16	19	25	29	52	45
	France [2,3]	Branch of ING Bank N.V.	Wholesale	194	194	600	241	252	372	7,819	8,322	8,934	4	122	44	4	33	12	9	7	22
	Ireland	Branch of ING Bank N.V.	Wholesale	119	82	72	135	83	66	3,592	3,907	2,771	99	65	26	15	8	3	10	8	6
	Czech Republic [3]	Branch of ING Bank N.V.	Wholesale	122	134	137	77	76	78	3,382	3,191	3,192	37	33	38	8	6	6	4	10	13
	Hungary	Branch of ING Bank N.V.	Wholesale	128	127	120	63	85	82	2,179	1,893	1,993	6	35	38	3	7	5	9	9	2
	Russia	ING Bank (Eurasia) Z.A.O.	Wholesale	236	259	272	139	136	246	764	925	2,783	99	151	128	19	31	9	21	20	21
	Slovakia [1]	Branch of ING Bank N.V.	Wholesale	1,489	1,347	1,129	22	20	15	612	618	391	8	11	-1	3	2	1	4	2	0
	Portugal	Branch of ING Bank N.V.	Wholesale	11	10	11	23	17	15	815	620	689	18	12	9	4	3	3	4	2	2
	Ukraine	PJSC ING Bank Ukraine	Wholesale	92	91	91	45	53	45	651	590	385	29	44	9	14	22	2	25	7	2
	Bulgaria	Branch of ING Bank N.V.	Wholesale	64	61	60	27	23	15	570	530	436	13	11	1	2	1	0	2	1	0
	Austria	Branch of ING Bank N.V.	Wholesale	20	17	17	10	9	19	394	383	261	-2	-4	9	0	-1	2	0	1	3

1 Includes significant number of FTEs in relation to global services provided.
2 Public subsidies received, as defined in article 89 of the CRD IV, amounts to EUR 0.1 million (2023: EUR 0.2 million; 2022: EUR 0.1 million).
3 In 2022, ING exited from the retail banking markets in France and the Philippines.

Additional information by country (continued)

Geographical area	Country/Tax jurisdiction	Name of principal subsidiary	Main (banking) activity	Average number of employees at full time equivalent basis			Total income			Total assets			Result before tax			Taxation			Tax paid		
				2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Rest of the World	Australia	ING Bank (Australia) Ltd.	Wholesale / Retail	1,994	1,820	1,556	994	1,033	948	53,895	52,734	52,728	460	572	557	142	174	172	195	185	135
	USA	ING Financial Holdings Corp.	Wholesale	659	603	586	1,277	1,124	892	65,197	66,143	65,024	759	654	413	195	185	115	175	183	135
	Singapore	Branch of ING Bank N.V.	Wholesale	572	576	565	474	354	354	34,593	26,816	25,701	333	172	105	44	24	14	24	13	21
	Japan	Branch of ING Bank N.V.	Wholesale	32	32	31	42	40	30	9,570	14,267	5,128	25	17	20	5	7	7	4	10	-1
	South Korea	Branch of ING Bank N.V.	Wholesale	86	86	78	86	92	86	8,050	6,167	7,989	32	39	47	7	9	12	7	24	7
	Hong Kong	Branch of ING Bank N.V.	Wholesale	100	104	103	76	101	82	3,512	4,378	4,343	24	-18	-33	4	-2	-5	0	0	0
	Taiwan	Branch of ING Bank N.V.	Wholesale	37	37	35	27	39	33	3,507	2,597	3,578	4	0	-16	1	1	-5	3	0	4
	China	Branch of ING Bank N.V.	Wholesale	78	78	76	29	18	30	1,935	998	1,181	-5	-12	4	-1	2	5	0	-9	13
	Philippines [1,3]	Branch of ING Bank N.V.	Wholesale	5,290	4,079	3,098	16	10	10	477	403	381	14	1	-39	3	2	8	3	2	2
	United Arab Emirates	Branch of ING Bank N.V.	Wholesale	12	11	10	0	-2	-1	1	1	1	0	-3	-1	0	0	0	0	0	0
	Sri Lanka	Branch of ING Hubs B.V.	Global services	5	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Brazil	ING ADMINISTRAÇÃO LTDA.	In run-off / liquidation	0	2	30	4	18	17	63	73	57	3	17	9	25	0	1	1	4	5
	Mexico	ING Consulting, S.A. de C.V.	In run-off / liquidation	0	0	6	0	0	0	0	0	1	0	0	-2	0	0	0	0	0	0
	Canada	Payvision Canada Services Ltd.	Dissolved in 2023		0	0		0	0		0	0		0	0		0	0		0	0
	Macau	Payvision Macau Ltd.	Liquidated in 2022			0			0			0			0			0			0
	Indonesia	PT ING Securities Indonesia	Liquidated in 2022			0			0			0			0			0			0
	Malaysia	Branch of ING Bank N.V.	Closed in 2022			0			0			1			0			0			0
	Mauritius	ING Mauritius Investment I	Liquidated in 2022			0			0			0			0			0			0
Total				61,121	59,434	57,569	22,334	22,401	18,546	1,020,724	975,636	967,861	9,025	10,318	5,493	2,580	2,926	1,723	2,753	2,700	1,489

[1] Includes significant number of FTEs in relation to global services provided.
[3] In 2022, ING exited from the retail banking markets in France and the Philippines.

2024
The higher tax charge of 45% in the Netherlands (compared to the statutory rate of 25.8%) was mainly caused by the non-deductible Dutch bank tax (EUR 246 million) and other non-deductible expenses.

The positive tax charge reported for ING Türkiye with respect to its loss was mainly caused by the non-deductibility for tax purposes of the accounting loss based on hyperinflation accounting.

The high tax charge in Brazil is caused by tax corrections prior periods in connection with the run-off of our Brazilian operations.

ING has taken on no new business with Russian companies in 2024, has scaled down operations and has taken actions to separate the business from ING's networks and systems. On 28 January 2025, ING announced that it has reached an agreement on the sale of its business in Russia to Global Development JSC. For further information, reference is made to Note 45 'Subsequent events '.

2023
The higher tax charge of 31% in the Netherlands (compared to the statutory rate of 25.8%) was mainly caused by the non-deductible Dutch bank tax (EUR 189 million) and other non-deductible expenses.

The lower tax charge in Spain was caused by a tax refund (EUR 43 million) regarding previous years.

ING continued reducing Russian-related exposure during 2023, the local results on a standalone basis were positively impacted by releases of loan loss provisions following improved macroeconomic indicators and decrease in exposures following sales and repayments.

The lower negative tax charge reported for ING Türkiye with respect to its loss was mainly caused by the non deductibility for tax purposes of the accounting loss based on hyperinflation accounting.

2022
The higher tax charge of 39% in the Netherlands (compared to the statutory rate of 25.8%) was mainly caused by the non-deductible Dutch bank tax (EUR 179 million) and the non-deductible impairments regarding goodwill ING Türkiye (EUR 32 million) and TTB (EUR 165 million).

The higher positive tax charge of Türkiye combined with an accounting loss based on hyperinflation accounting was mainly caused by the non deductibility of this loss for tax purposes.

Since the Russian invasion of Ukraine, our strategy is no new business with Russian clients, including Russian-owned entities outside of Russia, and to get existing Russia-related credit exposures repaid as quickly as possible. These exposures are booked in various countries and totalled EUR 6.7 billion, published on 4 March 2022. Remaining at risk for ING Group at year-end 2022 is EUR 0.3 billion local equity and EUR 2.5 billion credit exposures booked outside of Russia. In 2022, ING's results in connection with Russia-related credit exposures declined significantly, as we have recognized EUR 0.5 billion risk costs related to these exposures. The local results on a standalone basis were higher compared to 2021. This was driven by the high local interest-rate environment and increased rouble inflow from existing, predominantly non-Russian, clients. Under local law and banking regulations, ING Russia must accept these rouble inflows. Furthermore, the local result before tax expressed in EUR (EUR 128 million) was positively impacted by the appreciation of the rouble against the euro for an amount of EUR 80 million throughout 2022. Going forward, we will continue to actively reduce our Russia-related credit exposure.

The higher tax charge in Poland is mainly caused by non-deductible regulatory and other costs..

Additional notes to the Consolidated financial statements

30 Pensions and other post-employment benefits

Most group companies sponsor defined contribution pension plans. The assets of all ING Bank’s defined contribution plans are held in independently administered funds. Contributions, including the defined contribution plan in the Netherlands, are principally determined as a percentage of remuneration. These plans do not give rise to provisions in the statement of financial position, other than relating to short-term timing differences included in other assets and in other liabilities.

ING Bank maintains defined benefit retirement plans in some countries. These plans provide benefits that are related to the remuneration and service of employees upon retirement. The benefits in some of these plans are subject to various forms of indexation. The indexation is, in some cases, at the discretion of management; in other cases it is dependent upon the sufficiency of plan assets.

Annual contributions are paid to the funds at a rate necessary to adequately finance the accrued liabilities of the plans calculated in accordance with local legal requirements. Plans in all countries are designed to comply with applicable local regulations governing investments and funding levels.

ING Bank provides other post-employment benefits to certain former employees. These post-employment benefits are primarily discounts on ING products.

Defined contribution plans

ING, as part of the labour agreements with its employees, sponsors a number of defined contribution plans. ING’s obligation is limited to contributions which are agreed in advance and also includes employee contributions. The most significant plans are in the Netherlands and Belgium. The employer's contribution is recognised as an expense which amounted in 2024 to EUR 423 million (2023: EUR 391 million)

Defined benefit retirement plans

Statement of financial position - Net defined benefit asset/liability

Plan assets and defined benefit obligation per country

	Plan assets		Defined benefit obligation		Funded Status	
in EUR million	2024	2023	2024	2023	2024	2023
The Netherlands	325	331	415	426	-90	-95
United States	250	257	235	245	15	12
United Kingdom	1,206	1,257	751	790	455	467
Belgium	513	516	450	473	63	43
Other countries	341	317	368	353	-26	-37
Funded status (Net defined benefit asset/liability)	**2,636**	**2,678**	**2,219**	**2,288**	**416**	**390**
Presented as:						
- Other assets					568	554
- Other liabilities					-152	-164
					416	**390**

The most recent (actuarial) valuations of the plan assets and the present value of the defined benefit obligation were carried out as at 31 December 2024. The present value of the defined benefit obligation, and the related current service cost and past service cost, were determined using the projected unit credit method.

Changes in the fair value of plan assets for the period were as follows:

Changes in fair value of plan assets

in EUR million	2024	2023
Opening balance as at 1 January	2,678	2,637
Interest income	106	115
Remeasurements: Return on plan assets excluding amounts included in interest income	-118	-8
Employer's contribution	23	28
Participants contributions	4	4
Benefits paid	-128	-119
Effect of curtailment or settlement	-8	
Exchange rate differences	79	22
Closing balance	**2,636**	**2,678**
Actual return on the plan assets	**-12**	**107**

As at 31 December 2024 the defined benefit plans did not hold any direct investments in ING Groep N.V. (2023: nil). During 2024 and 2023 there were no purchases or sales of assets between ING and the pension funds.

ING does not manage the pension funds and thus receives no compensation for fund management. The pension funds have not engaged ING in any swap or derivative transactions to manage the risk of the pension funds.

No plan assets are expected to be returned to ING Bank during 2025.

Changes in the present value of the defined benefit obligation and other post-employment benefits for the period were as follows:

Changes in defined benefit obligation and other post-employment benefits

	Defined benefit obligation		Other post-employment benefits	
in EUR million	2024	2023	2024	2023
Opening balance as at 1 January	2,288	2,159	30	29
Current service cost	28	27	1	1
Interest cost	87	92	3	2
Remeasurements: Actuarial gains and losses arising from changes in demographic assumptions	-3	-9		
Remeasurements: Actuarial gains and losses arising from changes in financial assumptions	-94	127	5	1
Participants' contributions	3	3		
Benefits paid	-132	-123	-1	-1
Past service cost	1	1		
Effect of curtailment or settlement	-9			
Exchange rate differences and other changes	51	12	1	-2
Closing balance	**2,219**	**2,288**	**38**	**30**

Amounts recognised directly in Other comprehensive income were as follows:

Changes in the net defined benefit assets/liability remeasurement reserve

in EUR million	2024	2023
Opening balance as at 1 January	-317	-232
Remeasurement of plan assets	-118	-8
Actuarial gains and losses arising from changes in demographic assumptions	3	9
Actuarial gains and losses arising from changes in financial assumptions	94	-127
Taxation and Exchange rate differences	5	40
Total Other comprehensive income movement for the year	**-16**	**-85**
Closing balance	**-333**	**-317**

In 2024, the EUR -118 million (2023: EUR -8 million) of remeasurements of plan assets, that is recognised as a loss in other comprehensive income, is driven by yield changes on investments. The EUR 94 million (2023: EUR -127 million) of actuarial gains arising from changes in financial assumptions in the calculation of the defined benefit obligation is mainly due to an increase in discount rates.

The accumulated amount of remeasurements recognised directly in Other comprehensive income is EUR -447 million(EUR -333 million after tax) as at 31 December 2024 (2023: EUR -397 million; EUR -317 million after tax).

Amounts recognised in the statement of profit or loss related to pension and other staff-related benefits are as follows:

Pension and other staff-related benefit costs

	Net defined benefit asset/liability			Other post-employment benefits			Total		
in EUR million	2024	2023	2022	2024	2023	2022	2024	2023	2022
Current service cost	28	27	33	1	1	1	29	28	34
Past service cost	1	1				-1	1	1	
Net Interest cost	-19	-23	-8	3	2	1	-16	-21	-6
Effect of curtailment or settlement	-1						-1		
Defined benefit plans	**9**	**5**	**26**	**4**	**3**	**2**	**13**	**8**	**27**
Defined contribution plans							423	391	364
Pension and other post employment benefits							**435**	**399**	**392**
Other staff related benefits							20	19	-2
Pension and other staff-related benefits							**455**	**418**	**390**

Determination of the net defined benefit asset/liability

The net defined benefit asset/liability is reviewed and adjusted annually. The assumptions used in the determination of the net defined benefit asset/liability and the Other post-employment benefits include discount rates, mortality rates, expected rates of salary increases (excluding promotion increases), and indexation. The rates used for salary developments, interest discount factors, and other adjustments reflect country-specific conditions.

The key assumption in the determination of the net defined benefit asset/liability is the discount rate. The discount rate is the weighted average of the discount rates that are applied in different regions where ING Bank has defined benefit pension plans (weighted by the defined benefit obligation). The discount rate is based on a methodology that uses market yields on high quality corporate bonds of the specific regions with durations matching the pension liabilities as key input. Market yields of high quality corporate bonds reflect the yield on corporate bonds with an AA rating for durations where such yields are available. An extrapolation is applied in order to determine the yield to the longer durations for which no AA-rated corporate bonds are available. As a result of the limited availability of long-duration AA-rated corporate bonds, extrapolation is an important element of the determination of the discount rate. The weighted average discount rate applied for net defined benefit asset/liability for 2024 was 4.4% (2023: 4.0%) based on the pension plan in the Netherlands, Germany, Belgium, the United States of America, and the United Kingdom. The average discount rate applied for Other post-employment benefits in 2024 was 5.7% (2023: 5.2%).

Sensitivity analysis of key assumptions

ING performs sensitivity analyses on the most significant assumptions: discount rates, mortality, expected rate of salary increase, and indexation. The sensitivity analysis has been carried out under the assumption that the changes occurred at the end of the reporting period.

The sensitivity analysis calculates the financial impact on the defined benefit obligation of an increase or decrease of the weighted averages of each significant actuarial assumption with all other assumptions held constant. In practice, this is unlikely to occur, and some changes of the assumptions may be correlated. Changes to mortality, expected rate of salary increase, and indexation would have no material impact on the defined benefit obligation. The most significant impact would be from a change in the discount rate. An increase or decrease in the discount rate of 1.0% creates an impact on the defined benefit obligation of EUR 212 million (increase) and EUR 253 million (decrease), respectively.

Expected cash flows

ING Bank's subsidiaries should fund the cost of the entitlements expected to be earned on a yearly basis.

For 2025, the expected contributions to defined benefit pension plans are EUR -48 million.

The benefit payments for defined benefit and other post-employment benefits expected to be made by the plan between 2025-2029 are estimated to be between EUR 145 million and EUR 156 million per year. From 2029 to 2033, the total payments made by the plan are expected to be EUR -768 million.

31 Taxation

Statement of financial position – Deferred tax

Deferred taxes are recognised on all temporary differences under the liability method using tax rates applicable in the jurisdictions in which ING Bank is subject to taxation.

Changes in deferred tax

in EUR million 2024	Net liability (-) Net asset (+) opening balance	Change through equity	Change through net result	Exchange rate differences	Changes in the composition of the group and other changes	Net liability (-) Net asset (+) ending balance
Financial assets at FVOCI	63	71	-8			126
Financial assets and liabilities at FVPL	-3		-28	12		-19
Depreciation	-13		-9			-22
Cash flow hedges	502	-138		-1		363
Pension and post-employment benefits	-33	6	1	-5	-1	-32
Other provisions	48		12	1	1	62
Loans and advances	475		-49			427
Unused tax losses carried forward	209		-128	3		85
Other	-154	-41	-9	-5	1	-208
Total	**1,096**	**-102**	**-219**	**6**		**781**
Presented in the statement of financial position as:						
– Deferred tax liabilities	-184					-287
– Deferred tax assets	1,280					1,069
	1,096					**781**

The above table shows netted deferred tax amounts related to right-of-use assets and lease liabilities included in the row 'Other', and includes a deferred tax amount for right-of-use assets of EUR 178 million (2023: EUR 195 million and 2022: EUR 205 million) and a deferred tax amount for lease liabilities of EUR 197 million (2023: EUR 217 million and 2022: EUR 231 million).

The deferred tax on cash flow hedges relate to floating rate lending with interest rate swaps. Due to decreased (longer-term) interest rate yield curve in 2024 there was a positive revaluation of the cash flow hedge through other comprehensive income. This resulted in a decline in the deferred tax asset by EUR-138 million compared to the decline deferred tax assets in 2023 by EUR -251 million due to the decline in the interest yield curve. The deferred tax asset in cash flow hedges decreased from EUR 502 million in 2023 to EUR 363 million in 2024.

The deferred tax on Loans and advances changes through net result in 2024 EUR -49 million (2023: EUR -140 million) relates mainly to valuation changes of collectively assessed expected credit losses.

Unused tax losses carried forward declined by EUR 124 million mainly due to realised results on derivatives used in Cash flow hedging which in previous years led to a tax loss in Poland.

The deferred tax changes through equity - Other in 2024 of EUR -41 million (2023: EUR 13 million) is due to FX developments following the USD appreciation and the application of IAS 29 Hyperinflation in Türkiye and also due to the decline in the Credit Liability Reserve due to credit spread tightening.

Changes in deferred tax

in EUR million 2023	Net liability (-) Net asset (+) opening balance	Change through equity	Change through net result	Exchange rate differences	Changes in the composition of the group and other changes	Net liability (-) Net asset (+) ending balance
Financial assets at FVOCI	80	-10	-3	-4		63
Financial assets and liabilities at FVPL	28		-44	13		-3
Depreciation	-13		-6	3	4	-13
Cash flow hedges	752	-251		1		502
Pension and post-employment benefits	-54	31	-7	-4		-33
Other provisions	59		-12	-3	4	48
Loans and advances	612	8	-140	-6	2	475
Unused tax losses carried forward	327		-128	11	-1	209
Other	-251	13	90	-2	-4	-154
Total	**1,539**	**-209**	**-249**	**10**	**5**	**1,096**
Presented in the statement of financial position as:						
– deferred tax liabilities	-257					-184
– deferred tax assets	1,796					1,280
	1,539					**1,096**

Deferred tax in connection with unused tax losses carried forward		
in EUR million	2024	2023
Total unused tax losses carried forward	1,345	1,870
Unused tax losses carried forward not recognised as a deferred tax asset	951	815
Unused tax losses carried forward recognised as a deferred tax asset	**394**	**1,055**
Average tax rate	21.6%	19.9%
Deferred tax asset	85	209

Total unused tax losses carried forward analysed by expiry terms				
	No deferred tax asset recognised		Deferred tax asset recognised	
in EUR million	2024	2023	2024	2023
Within 1 year				
More than 1 year but less than 5 years	135	126	14	633
More than 5 years but less than 10 years	9	9	66	2
More than 10 years but less than 20 years				
Unlimited	808	681	313	421
	951	**815**	**394**	**1,055**

Deferred tax assets are recognised for temporary deductible differences, for tax losses carried forward and unused tax credits only to the extent that realisation of the related tax benefit is probable

Breakdown of certain net deferred tax asset positions by jurisdiction		
in EUR million	2024	2023
Poland		244
Slovakia		1
China	9	2
Australia	1	1
Hong Kong	5	8
United States of America	1	
Türkiye	40	41
Taiwan	10	11
	66	**308**

The table above includes a breakdown of certain net deferred tax asset positions by jurisdiction for which the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences whilst the related entities have incurred losses in either the current or the preceding year.

In 2024 as in 2023, ING Bank Slaski (Poland) realised a tax profit following the value changes of the cash flow hedge derivatives which are settled net via a central clearing party, whereas in the years before, ING Bank Slaski incurred a tax loss following the large value changes of the cash flow hedge derivatives. In 2024 ING Slaski utilised the tax assets related to the 2023 unused tax losses carried forward.

At 31 December 2024 and 2023, ING Bank had no significant temporary differences associated with the parent company's investments in subsidiaries and associates as any economic benefit from those investments will not be taxable at parent company level.

Statement of profit or loss – Taxation

Taxation by type									
	Netherlands			Rest of the world			Total		
in EUR million	2024	2023	2022	2024	2023	2022	2024	2023	2022
Current taxation	384	558	496	1,977	2,120	1,510	2,361	2,677	2,006
Deferred taxation	-13	-45	-79	232	293	-204	219	249	-283
	371	**513**	**417**	**2,209**	**2,413**	**1,306**	**2,580**	**2,926**	**1,723**

Reconciliation of the weighted average statutory income tax rate to ING Bank's effective income tax rate			
in EUR million	2024	2023	2022
Result before tax from continuing operations	9,025	10,318	5,493
Weighted average statutory tax rate	25.1 %	25.5 %	24.8 %
Weighted average statutory tax amount	**2,263**	**2,634**	**1,363**
Permanent differences affecting current tax			
Participation exemption	-87	-43	-64
Other income not subject to tax	-64	-68	-40
Expenses not deductible for tax purposes	424	398	403
Current tax from previously unrecognised amounts	-1	1	10
State and local taxes	77	99	68
Adjustments to prior periods	-34	-72	-29
Differences affecting deferred tax			
Impact on deferred tax from change in tax rates	-1	2	5
Deferred tax benefit from previously unrecognised amounts	-1	-30	-3
Write-off/reversal of deferred tax assets	4	4	10
Effective tax amount	**2,580**	**2,926**	**1,723**
Effective tax rate	**28.6 %**	**28.4 %**	**31.4 %**

The weighted average statutory tax rate in 2024 (25.1%) declined compared to that of 2023 (25.5%).

The effective tax rate of 28.6% in 2024 is higher than the weighted average statutory tax rate. This is mainly caused by the impact in 2024 of the following non-deductible items for income tax purposes: hyperinflation accounting loss in Türkiye, interest expenses, and bank- and local taxes in various countries.

The weighted average statutory tax rate in 2023 (25.5%) was higher than the rate of 24.8% in 2022.

The effective tax rate of 28.4% in 2023 was higher than the weighted average statutory tax rate. This is mainly caused by the impact in 2023 of the following non-deductible items income tax purposes: hyperinflation accounting loss in Türkiye, interest expenses, and bank- and local taxes in various countries. Adjustments to prior periods mainly relate to a tax refund in Spain.

The effective tax rate of 31.4% in 2022 was higher than the weighted average tax rate. This is mainly caused by the impact in 2022 of the following non-deductible items for income tax purpose: hyperinflation accounting loss in Türkiye, impairments on TTB and interest expenses in various countries.

Equity – Other comprehensive income

Income tax related to components of other comprehensive income			
in EUR million	2024	2023	2022
Unrealised revaluations financial assets at fair value through other comprehensive income and other revaluations	100	-7	140
Realised gains/losses transferred to the statement of profit or loss (reclassifications from equity to profit or loss)	-29	-3	8
Changes in cash flow hedge reserve	-138	-251	875
Remeasurement of the net defined benefit asset/liability	6	31	6
Changes in fair value of own credit risk of financial liabilities at fair value through	5	2	19
Exchange rate differences and other	-46	19	-141
Total income tax related to components of other comprehensive income	**-102**	**-209**	**907**

32 Fair value of assets and liabilities

a) Valuation methods

The estimated fair values represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is a market-based measurement, which is based on assumptions that market participants would use and takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability.

Fair values of financial assets and liabilities are based on quoted prices in active market where available. When such quoted prices are not available, the fair value is determined by using valuation techniques.

b) Valuation control framework

The valuation control framework covers the product approval process (PARP), pricing, market data assessment and independent price verification (IPV), valuation adjustments, model use, fair value hierarchy and day one profit or loss. Valuation processes are governed by various governance bodies, including Local Parameter Committees, the Global Valuation and Impairment Committee, the Market Data Committee and the Valuation Model Committee. All relevant committees meet on a regular basis (monthly/quarterly), where the agenda covers the aforementioned valuation controls.

The Global Valuation and Impairment Committee is responsible for the oversight and the approval of the outcome of impairments (other than loan loss provisions) and valuation processes. It oversees the quality and coherence of valuation methodologies and performance. The Valuation Model Committee is responsible for the approval of all valuation models used for the Fair valuation (IFRS) and Prudent Valuation (CRR) of positions measured at fair value. The Local Parameter Committee discusses the valuation results and monitors the performance of the valuation activities carried out on local or regional level. The Global Financial Markets Parameter Committee reviews the consolidated valuation outcome and resulting P&L for Financial Market products, targeting a globally consistent treatment across Financial Markets. The Market Data Committee is responsible for the approval of the market data used in valuation.

c) Valuation adjustments

Valuation adjustments are an integral part of the fair value. They are the adjustments to the output from a valuation technique in order to appropriately determine a fair value in accordance with IFRS13. ING considers various fair value adjustments including Bid-Offer adjustments, Model Risk adjustments, Bilateral Valuation Adjustments (BVA, consisting of Credit Valuation Adjustments or CVA, and Debit valuation Adjustments or DVA), Collateral Valuation Adjustment (CollVA) and Funding Valuation Adjustment (FVA).

For financial instruments where the fair value at initial recognition is based on one or more significant unobservable inputs, a difference between the transaction price and the fair value resulting from the internal valuation process can occur. Such difference is referred to as Day One Profit or Day One Loss (hereafter: DOP). ING defers material DOP of instruments with significant unobservable valuation inputs, which are the financial instruments classified as Level 3 and financial instruments with material unobservable inputs into CVA which are not necessarily classified as Level 3. The DOP is amortised over the life of the instrument, or until the significant unobservable inputs become observable, or until the significant unobservable inputs become non-significant. Both the impact on the profit and loss in 2024 and the DOP reserve is disclosed in the below table.

Deferred Day One Profit or Loss Reserve

The table below summarises the movement in the aggregate DOP not recognised when financial instruments were initially recognised, because of the use of valuation techniques for which not all the inputs were market observable data.

Deferred day one profit or loss reserve		
in EUR million	2024	2023
Opening balance at 1 January	-90	-108
DOP deferred on new transactions during the period	-62	-83
DOP recognised in the statement of profit or loss during the period:		
– of which release	27	85
– of which amortisation and exchange differences	32	15
Closing balance at 31 December	**-94**	**-90**

The following table presents the model reserves for financial assets and liabilities.

Valuation adjustment reserves on financial assets and liabilities		
in EUR million	2024	2023
Deferred Day One Profit or Loss	-94	-90
Own credit adjustments	-17	34
Bid/Offer	-130	-154
Model Risk	-33	-26
CVA	-123	-131
DVA	50	55
CollVA	-3	-4
FVA	-64	-68
Other valuation adjustments	2	0
Total Valuation Adjustments	**-412**	**-385**

Own Credit Adjustment

Own issued debt and structured notes that are designated at fair value through profit or loss are adjusted for ING`s own credit risk by means of DVA.

Bid-Offer Adjustment

For positions priced based upon mid-market input parameters, Bid-Offer adjustments are required in order to reflect the valuation of that position based on bid price or offer price. In practice this adjustment accounts for the difference in valuation from ‘mid to bid’ and ‘mid to offer’ for long and short exposures respectively. In principle, assets are valued at the bid prices and liabilities are valued at the offer price. For certain assets or liabilities, where a market-quoted price is not available, the price used is the fair value that is most representative within the bid-offer spread.

Model Risk Adjustment

Financial instruments that are valued using a valuation model can be subject to model risk. Model risk is the risk of possible financial loss resulting from a pricing model or model-based parameter deficiencies and/or uncertainties.

Bilateral Valuation Adjustments (Credit and Debit Valuation Adjustments)

Bilateral Valuation Adjustment is the valuation adjustment reflecting the counterparty credit risk of derivative contracts. It has a bilateral nature, where both the counterparty’s credit risk (i.e. Credit Valuation Adjustment or CVA) and ING’s own credit risk (Debit Valuation Adjustment or DVA) are taken into account:

- CVA is the fair value adjustment applicable to derivative instruments to account for the possibility that the counterparty defaults (i.e. it is the market value of the counterparty’s credit risk).
- DVA is the fair value adjustment applicable to derivative instruments to account for the possibility that ING defaults (i.e. it is the market value of ING’s credit risk).

The calculation of CVA and DVA on derivatives is based on their expected exposures, and the counterparties’ and ING’s risk of default, taking into account the collateral agreements as well as netting agreements. The counterparties’ risk of default is measured by probability of default and expected loss given default, which is based on market information including credit default swap (CDS) spreads. Where counterparty CDS spreads are not available, relevant proxy spreads are used. Additionally, wrong-way risk (which occurs when the probability of default by the counterparty increases or decreases when ING’s exposure to the counterparty increases (decreases)) and right-way risk (which occurs when the probability of default by the counterparty increases (decreases) when ING’s exposure to the counterparty decreases (increases)) are included in the adjustment.

Collateral Valuation Adjustment (CollVA)

Collateral Valuation Adjustment is a fair valuation adjustment applied on derivative instruments to capture specific features of CSA (Credit Support Annex) with a counterparty that the regular OIS discounting framework does not capture. Non-standard CSA features may include deviations in relation to the currencies in which ING posts or receives collateral, deviations in the remuneration rate on collateral which may pay lower or higher rate than the overnight rate or even no interest at all; other deviations can be posting securities rather than cash as collateral.

Funding Valuation Adjustment (FVA)

Funding Valuation Adjustment (FVA) is a fair valuation adjustment applied on derivative instruments to address the asymmetry in funding costs or funding benefits between collateralised and uncollateralised derivative portfolios. This adjustment is based on the expected exposure profiles of the uncollateralised or partially collateralised OTC derivatives and market-based funding spreads.

Other Valuation Adjustments

This pertains to other valuation adjustments that are immaterial to ING. Most of the balance consists of the Market Price Uncertainty (MPU) adjustment in fair value, which accounts for the price uncertainty risk inherent in the valuation inputs to fair value.

d) Fair value hierarchy

ING Bank has categorised its financial instruments that are either measured in the statement of financial position at fair value or of which the fair value is disclosed, into a three level hierarchy based on the observability of the valuation inputs. Highest priority is retained to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to valuation techniques supported by unobservable inputs.

Transfers into and transfers out of fair value hierarchy levels are made on a quarterly basis at the end of the reporting period.

Level 1 – (Unadjusted) quoted prices in active markets
This category includes financial instruments whose fair value is determined directly by reference to (unadjusted) quoted prices in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer markets, brokered markets, or principal to principal markets. Those prices represent actual and regularly occurring market transactions with sufficient frequency and volume to provide pricing information on an ongoing basis. Transfers out of Level 1 into Level 2 or Level 3 occur when ING Bank establishes that markets are no longer active and therefore (unadjusted) quoted prices no longer provide reliable pricing information.

Level 2 – Valuation technique supported by observable inputs

This category includes financial instruments whose fair value is based on market observable inputs, either directly or indirectly, other than quoted prices included within Level 1. The fair value for financial instruments in this category can be determined by reference to quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, inputs other than quoted prices that are observable or market-corroborated inputs. ING analyses how the prices are derived and determines whether the prices are liquid tradable prices or model-based consensus prices taking various data as inputs.

For financial instruments that do not have a reference price available, fair value is determined using a valuation technique (e.g., a model), where inputs in the model are taken from an active market or are observable, such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities, and credit spreads.

Instruments where inputs are unobservable are classified in this category, provided that the impact of those unobservable inputs on the overall valuation is insignificant. The notion of significant is particularly relevant for the distinction between Level 2 and Level 3 assets and liabilities, as the significance assessment of the valuation input on the entire fair value measurement will determine whether the instrument should be classified as Level 2 or Level 3. Expert judgement is required on the significance assessment approach.

Level 3 – Valuation technique supported by unobservable inputs

This category includes financial instruments whose fair value is determined using a valuation technique for which a significant part of the overall valuation is driven by unobservable valuation inputs. Where valuation inputs are unobservable, the Group must use the best information available to value the instruments. This may require internally derived inputs taking into account market participants' assumptions that are reasonably available, including assumptions on the risk inherent in a particular valuation technique used to measure fair value and the risk inherent in the inputs to the valuation technique. Unobservable inputs may include, among others, volatility, correlation, spreads to discount rates, default rates, recovery rates, prepayment rates, and certain credit spreads.

Financial instruments at fair value

The fair values of the financial instruments were determined as follows:

Methods applied in determining fair values of financial assets and liabilities (carried at fair value)

	Level 1		Level 2		Level 3		Total	
in EUR million	2024	2023	2024	2023	2024	2023	2024	2023
Financial Assets								
Financial assets at fair value through profit or loss								
- Equity securities	20,798	15,449	15	3	141	150	20,954	15,602
- Debt securities	7,485	4,825	4,596	4,081	3,505	3,364	15,586	12,270
- Derivatives	1	39	31,792	27,134	475	535	32,268	27,708
- Loans and receivables	0	0	62,168	63,316	6,614	4,131	68,782	67,446
	28,285	**20,314**	**98,571**	**94,533**	**10,734**	**8,179**	**137,590**	**123,026**
Financial assets at fair value through other comprehensive income								
- Equity securities	2,292	1,622			270	263	2,562	1,885
- Debt securities	39,859	35,848	2,360	2,433	0	0	42,219	38,281
- Loans and receivables	0	0	1,608	275	0	676	1,608	951
	42,151	**37,470**	**3,967**	**2,707**	**270**	**938**	**46,389**	**41,116**
Financial liabilities								
Financial liabilities at fair value through profit or loss								
– Debt securities	824	575	8,437	7,603	67	47	9,328	8,224
– Deposits			45,648	57,607		13	45,648	57,620
– Trading securities	3,631	3,604	12	41	10		3,653	3,645
– Derivatives	45	41	27,528	24,437	694	670	28,267	25,148
	4,501	**4,220**	**81,625**	**89,687**	**770**	**729**	**86,896**	**94,637**

The following methods and assumptions were used by ING to estimate the fair value of the financial instruments:

Equity securities

Instrument description: Equity securities include stocks and shares, corporate investments and private equity investments.
Valuation: If available, the fair values of publicly traded equity securities and private equity securities are based on quoted market prices. In the absence of active markets, fair values are estimated by analysing the investee's financial position, result, risk profile, prospect, price, earnings comparisons and revenue multiples. Additionally, reference is made to valuations of peer entities where quoted prices in active markets are available. For equity securities, best market practice will be applied using the most relevant valuation method. All non-listed equity investments, including investments in private equity funds, are subject to a standard review framework which ensures that valuations reflect the fair values.
Fair value hierarchy: The majority of equity securities are publicly traded, and quoted prices are readily and regularly available. Hence, these securities are classified as Level 1. Equity securities which are not traded in active markets mainly include corporate investments, fund investments and other equity securities and are classified as Level 3.

Debt securities

Instrument description: Debt securities include government bonds, financial institutions bonds and Asset-backed securities (ABS).
Valuation: Where available, fair values for debt securities are generally based on quoted market prices. Quoted market prices are obtained from an exchange market, dealer, broker, industry group, pricing service, or regulatory service. The quoted prices from non-exchange sources are reviewed on their tradability of market prices. If quoted prices in an active market are not available, fair value is based on an analysis of available market inputs, which include consensus prices obtained from one or more pricing services. Furthermore, fair values are determined by valuation techniques discounting expected future cash flows using market interest rate curves, referenced credit spreads, maturity of the investment, and estimated prepayment rates where applicable.
Fair value hierarchy: Government bonds and financial institution bonds are generally traded in active markets. Where quoted prices are readily and regularly available, they are classified as Level 1. The remaining positions are classified as Level 2 or Level 3 depending on the trading activity and observability of prices. Asset backed securities for which no active market is available and a wide discrepancy in quoted prices exists, are classified as Level 3.

Derivatives

Instrument description: Derivative contracts can either be exchange-traded or over the counter (OTC). Derivatives include interest rate derivatives, FX derivatives, credit derivatives, equity derivatives and commodity derivatives.
Valuation: The fair value of exchange-traded derivatives is determined using quoted market prices in an active market and are classified as Level 1 of the fair value hierarchy. For instruments that are not actively traded, fair values are estimated based on valuation techniques. OTC derivatives and derivatives trading in an inactive market are valued using valuation techniques. The valuation techniques and inputs depend on the type of derivatives and the nature of the underlying instruments. The principal techniques used to value these instruments are based on, among others, discounted cash flows, option pricing models and Monte Carlo simulations. These valuation models calculate the present value of expected future cash flows, based on 'no-arbitrage' principles. The models are commonly used in the financial industry and inputs to the validation models are determined from observable market data where possible. Certain inputs may not be observable in the market, but can be determined from observable prices via valuation model calibration procedures. These inputs include prices available from exchanges, dealers, brokers or providers of pricing, yield curves, credit spreads, default rates, recovery rates, dividend rates, volatility of underlying interest rates, equity prices, and foreign currency exchange rates and reference is made to quoted prices, recently executed trades, independent market quotes and consensus data, where available. For uncollateralised OTC derivatives, ING applies Credit Valuation Adjustment to correctly reflect the counterparty credit risk in the valuation and Debit Valuation Adjustments to reflect the credit risk of ING for its counterparty. In addition, for these derivatives ING applies Funding Valuation Adjustment. See sections CVA/DVA and FVA in section c) Valuation Adjustments for more details regarding the calculation.

Fair value hierarchy: The majority of the derivatives are priced using observable inputs and are classified as Level 2. Derivatives for which the input cannot be implied from observable market data are classified as Level 3.

Loans and receivables

Instrument description: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables carried at fair value include trading loans, being securities lending and similar agreement comparable to collateralised lending, syndicated loans, loans expected to be sold and receivables with regards to reverse repurchase transactions.
Valuation: The fair value of loans and receivables is generally estimated by discounting expected future cash flows using a discount rate that reflects credit risk, liquidity, and other current market conditions. The fair value of mortgage loans is estimated by taking into account prepayment behaviour.
Fair value hierarchy: Loans and receivables are predominantly classified as Level 2. Loans and receivables for which current market information about similar assets to use as observable, corroborated data for all significant inputs into a valuation model is not available, are classified as Level 3.

Financial liabilities at fair value through profit and loss

Instrument description: Financial liabilities at fair value through profit and loss include debt securities and debt instruments, primarily comprised of structured notes, which are held at fair value under the fair value option. Besides that, they include derivative contracts and repurchase agreements.
Valuation: The fair values of securities in the trading portfolio and other liabilities at fair value through profit or loss are based on quoted market prices, where available. For those securities not actively traded, fair

values are estimated based on internal discounted cash flow valuation techniques using interest rates and credit spreads that apply to similar instruments.
Fair value hierarchy: The majority of the derivatives and debt instruments are classified as Level 2. Derivatives and debt instruments for which the input cannot be derived from observable market data are classified as Level 3.

e) Transfers between Level 1 and 2

As a consequence of change in observable inputs, ING recorded a EUR 0.8 billion transfer from Level 2 to Level 1 in debt securities measured at fair value through other comprehensive income. No significant transfers from Level 1 to Level 2 were recorded in the reporting period 2024.

f) Level 3: Valuation techniques and inputs used

Financial assets and liabilities in Level 3 include both assets and liabilities for which the fair value was determined using (i) valuation techniques that incorporate unobservable inputs as well as (ii) quoted prices which have been adjusted to reflect that the market was not actively trading at or around the balance sheet date. Unobservable inputs are inputs which are based on ING's own assumptions about the factors that market participants would use in pricing an asset or liability, developed based on the best information available in the circumstances. Unobservable inputs may include volatility, correlation, spreads to discount rates, default rates and recovery rates, prepayment rates, and certain credit spreads. Valuation techniques that incorporate unobservable inputs are sensitive to the inputs used.

Of the total amount of financial assets classified as Level 3 as at 31 December 2024 of EUR 11.0 billion (31 December 2023: EUR 9.1 billion), an amount of EUR 9.6 billion (87.2%) (31 December 2023: EUR 7.0 billion, being 76.7%) is based on unadjusted quoted prices in inactive markets. As ING does not generally adjust quoted prices using its own inputs, there is no significant sensitivity to ING's own unobservable inputs.

Furthermore, Level 3 financial assets include EUR 0.1 billion (31 December 2023: EUR 0.3 billion) which relates to financial assets that are part of structures that are designed to be fully neutral in terms of market risk. Such structures include various financial assets and liabilities for which the overall sensitivity to market risk is insignificant. Whereas the fair value of individual components of these structures may be determined using different techniques and the fair value of each of the components of these structures may be sensitive to unobservable inputs, the overall sensitivity is by design not significant.

The remaining EUR 1.3 billion (31 December 2023: EUR 1.8 billion) of the fair value classified in Level 3 financial assets is established using valuation techniques that incorporate certain inputs that are unobservable.

Of the total amount of financial liabilities classified as Level 3 as at 31 December 2024 of EUR 0.8 billion (31 December 2023: EUR 0.7 billion), an amount of EUR 0.6 billion (75.7%) (31 December 2023: EUR 0.4 billion, being 50.0%) is based on unadjusted quoted prices in inactive markets. As ING does not generally adjust quoted prices using its own inputs, there is no significant sensitivity to ING's own unobservable inputs.

Furthermore, Level 3 financial liabilities include EUR 0.1 billion (31 December 2023: EUR 0.3 billion) which relates to financial liabilities that are part of structures that are designed to be fully neutral in terms of market risk. As explained above, the fair value of each of the components of these structures may be sensitive to unobservable inputs, but the overall sensitivity is by design not significant.

The remaining EUR 0.1 billion (31 December 2023: EUR 0.1 billion) of the fair value classified in Level 3 financial liabilities is established using valuation techniques that incorporates certain inputs that are unobservable.

The table below provides a summary of the valuation techniques, key unobservable inputs and the lower and upper range of such unobservable inputs, by type of Level 3 asset/liability. The lower and upper range mentioned in the overview represent the lowest and highest variance of the respective valuation input as actually used in the valuation of the different financial instruments. Amounts and percentages stated are unweighted. The range can vary from period to period subject to market movements and change in Level 3 position. Lower and upper bounds reflect the variability of Level 3 positions and their underlying valuation inputs in the portfolio, but do not adequately reflect their level of valuation uncertainty. For valuation uncertainty assessment, reference is made to section Sensitivity analysis of unobservable inputs (Level 3).

Valuation techniques and range of unobservable inputs (Level 3)

	Assets		Liabilities		Valuation techniques	Significant unobservable inputs	Lower range		Upper range	
In EUR million	2024	2023	2024	2023			2024	2023	2024	2023
At fair value through profit or loss										
Debt securities	3,504	3,364	10	0	Price based	Price (%)	0%	0%	120%	122%
						Price (price per share)	327	97	520	236
					Present value techniques	Credit spread (bps)	n.a.	94	n.a.	94
						Price (%)	95.85%	n.a.	100%	n.a.
Equity securities	141	150			Price based	Price (price per share)	0	0	5,475	5,457
Loans and advances	1,565	2,298	0	13	Price based	Price (%)	0%	0%	107%	117%
					Present value techniques	Credit spread (bps)	576	1	629	12
						Prepayment rate (%)	2%	n.a.	100%	n.a.
(Reverse) repo's	5,050	1,832			Present value techniques	Interest rate (%)	2%	n.a.	2%	n.a.
Structured notes			67	47	Price based	Price (%)	93%	88%	104%	96%
					Option pricing model	Equity volatility (%)	n.a.	9%	n.a.	23%
						Equity/Equity correlation	0.7	0.8	0.7	0.9
						Equity/FX correlation	n.a.	-0.2	n.a.	0.6
						Dividend yield (%)	n.a.	0%	n.a.	4%
					Present value techniques	Credit spreads (bps)	n.a.	100	n.a.	101
						Prepayment rate (%)	99.59%	n.a.	100.09%	n.a.
Derivatives										
– Rates	413	283	389	301	Option pricing model	Interest rate volatility (bps)	n.a.	1	n.a.	3
					Present value techniques	Reset spread (%)	2%	n.a.	2%	n.a.
						Prepayment rate (%)	n.a.	0%	n.a.	0%
– FX	6	2	8	3	Option pricing model	Implied volatility (%)	2%	3%	15%	18%
– Credit	39	216	241	343	Present value techniques	Credit spread (bps)	0	3	91	149
					Price based	Price (%)	0%	0%	100%	100%
– Equity	10	20	47	17	Option pricing model	Equity volatility (%)	7%	12%	81%	75%
						Equity/Equity correlation	0.0	0.2	1.0	1.0
						Equity/FX correlation	-0.6	-0.5	0.6	1.0
						Dividend yield (%)	0%	0%	33%	14%
					Price based	Price (%)	n.a.	0%	n.a.	21%
– Other	6	14	9	7	Option pricing model	Commodity volatility (%)	13.1%	11%	61%	94%
						Com/FX correlation	-0.40	n.a.	-0.25	n.a.
					Price based	Price (commodity)	68	n.a.	68	n.a.
At fair value through other comprehensive income										
– Loans and advances		676			Price based	Price (%)	n.a.	85%	n.a.	96%
– Equity	270	263			Present value techniques	Credit spread (bps)	5.67	5.2	5.76	5.2
						Interest rate (%)	1.5%	4%	3.5%	4%
						Payout ratio (%)	70%	n.a.	90%	n.a.
					Price based	Price (%)	122%	122%	122%	122%
Total	**11,005**	**9,118**	**770**	**729**						

[1] The abbreviation n.a. stands for not applicable or not available.

Price
For securities where market prices are not available, fair value is measured by comparison with observable pricing data from similar instruments. Prices of 0% are distressed to the point that no recovery is expected, while prices significantly in excess of 100% or par are expected to pay a yield above current market rates.

Credit spreads
Credit spread is the premium above a benchmark interest rate required by the market participant to accept a lower credit quality. Higher credit spreads indicate lower credit quality and a lower value of an asset.

Volatility
Volatility is a measure for variation of the price of a financial instrument or other valuation input over time. Volatility is one of the key inputs in option pricing models. Typically, the higher the volatility, the higher value of the option. Volatility varies by the underlying reference (equity, commodity, foreign currency and interest rates), by strike, and maturity of the option. The minimum level of volatility is 0% and there is no theoretical maximum.

Correlation
Correlation is a measure of dependence between two underlying references which is relevant for valuing derivatives and other instruments having more than one underlying reference. High positive correlation (close to 1) indicates a strong positive (statistical) relationship, where underliers move, everything else equal, into the same direction. The same holds for a high negative correlation.

Interest rate
An interest rate is the amount of interest due per period, as a proportion of the amount lent, deposited, or borrowed.

Reset spread
Reset spreads are key inputs to mortgage-linked prepayment swaps valuation. Reset spread is the future spread at which mortgages will re-price at interest rate reset dates.

Dividend yield
Dividend yield is an important input for equity option pricing models showing how much dividends a company is expected to pay out each year relative to its share price. Dividend yields are generally expressed as an annualised percentage of share price.

Payout ratio
Dividend payout ratio is an input that shows the percentage of dividends a company is expected to pay out each year relative to its net income.

Prepayment rate
Prepayment rate is a key input to mortgage and loan valuation. Prepayment rate is the estimated rate at which mortgage borrowers will repay their mortgages early, e.g. 5% per year. Prepayment rate and reset spread are key inputs to mortgage-linked prepayment swaps valuation.

Level 3: Changes during the period

Changes in Level 3 Financial assets

	Trading assets		Non-trading derivatives		Financial assets mandatorily at FVPL		Financial assets designated at FVPL		Financial assets at FVOCI		Total	
in EUR million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance as at 1 January	848	873	286	421	3,499	1,849	3,547	3,492	938	891	9,118	7,526
Realised gain/loss recognised in the statement of profit or loss during the period [1]	-175	235	-38	-142	294	-33	-54	-383		0	28	-322
Revaluation recognised in other comprehensive income during the period [2]									-3	-6	-3	-6
Purchase of assets	486	1,246	198	76	4,424	2,208	1,600	873	154	331	6,862	4,735
Sale of assets	-111	-889	-257	-55	-1,605	-1,109	-10	-138	-418	-243	-2,402	-2,433
Maturity/settlement	-140	-1,005	-7	-15	-294	-576	-988	-292	-20	-22	-1,449	-1,910
Reclassifications	0	0	0	0	0	723	0	0	0	5	0	728
Transfers into Level 3	370	879	0	0	615	981	30	1	0	0	1,014	1,860
Transfers out of Level 3	-454	-459	-114	0	-1,214	-534	-3	0	-384	0	-2,169	-994
Exchange rate differences	0	-31	0	0	5	-9	-2	-9	9	-10	12	-59
Changes in the composition of the group and other changes	0	0	0	0	-1	0	0	2	-5	-8	-6	-6
Closing balance	**824**	**848**	**68**	**286**	**5,721**	**3,499**	**4,121**	**3,547**	**270**	**938**	**11,005**	**9,118**

1 Net gains/losses were recorded as 'Valuation results and net trading income' in the statement of profit or loss. The total amounts includes EUR -41 million (2023: EUR 316 million) of unrealised gains and losses recognised in the statement of profit or loss.
2 Revaluation recognised in other comprehensive income is included on the line 'Net change in fair value of debt instruments at fair value through other comprehensive income'.

In 2024 and 2023, transfers into and out of Level 3 of financial assets mandatorily at fair value mainly relate to (long- term) reverse repurchase transactions for which the valuation being significantly impacted by unobservable inputs and no longer significantly impacted by unobservable inputs, respectively.

In 2024, the transfer into Level 3 trading assets consisted of cross currency swap trades, which were transferred to Level 3 as a result of the valuation being significantly impacted by unobservable inputs. Conversely, the transfer out of Level 3 in trading assets and non-trading derivatives primarily involved derivative instruments, as their valuations were no longer significantly impacted by unobservable inputs.

In 2024, the transfer out of Level 3 of financial assets at FVOCI relates to HtC&S portfolio transferred to Level 2 resulting from change in methodology.

In 2023, the transfer into Level 3 trading assets is mainly driven by debt securities that are part of a structure transferred into level 3 due to market illiquidity which decreased observability for an input.

Changes in Level 3 Financial liabilities

	Trading liabilities		Non-trading derivatives		Financial liabilities designated as at fair value through profit or loss		Total	
in EUR million	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance as at 1 January	382	229	301	449	47	54	729	732
Realised gain/loss recognised in the statement of profit or loss during the period[1]	-104	224	-98	-151	-5	-2	-206	72
Additions	55	53	190	72	29	18	274	142
Redemptions	-12	-102	-209	-53	0	-2	-222	-156
Maturity/settlement	-15	-13	-7	-16	-4	-1	-26	-30
Transfers into Level 3	364	40	0	0	34	32	399	72
Transfers out of Level 3	-33	-49	-111	0	-34	-54	-179	-102
Exchange rate differences	0	0	0	0	0	0	0	0
Closing balance	**637**	**382**	**67**	**301**	**67**	**47**	**770**	**729**

1 Net gains/losses were recorded as 'Valuation results and net trading income' in the statement of profit or loss. The total amount includes EUR -206 million (2023: EUR 72 million) of unrealised gains and losses recognised in the statement of profit or loss.

In 2024, the transfers into Level 3 mainly consisted of trading liabilities attributed to cross currency swap trades transferred into Level 3 as a result of the valuation being significantly impacted by unobservable inputs. The transfers out of Level 3 for non-trading derivatives are driven by interest rate swap trades, which were reclassified out of Level 3 as their valuations were no longer influenced by significantly unobservable inputs.

In 2023, transfers of financial liabilities into and out of Level 3 mainly consisted of structured notes, measured as designated at fair value through profit or loss. The structured notes were transferred out of Level 3 as the valuation was no longer impacted by significantly unobservable inputs.

g) Recognition of unrealised gains and losses in Level 3

Amounts recognised in the statement of profit or loss relating to unrealised gains and losses during the year that relate to Level 3 assets and liabilities are included in the line item 'Valuation results and net trading income' in the statement of profit or loss.

h) Level 3: Sensitivity analysis of unobservable inputs

Where the fair value of a financial instrument is determined using inputs which are unobservable and which have a more than insignificant impact on the fair value of the instrument, the actual value of those inputs at the balance date may be drawn from a range of reasonably possible alternatives. In line with market practice, the upper and lower bounds of the range of alternative input values reflect a level of valuation certainty. The actual levels chosen for the unobservable inputs in preparing the financial statements are consistent with the valuation methodology used for fair valued financial instruments.

In practice, valuation uncertainty is measured and managed per exposure to individual valuation inputs (i.e. risk factors) at portfolio-level across different product categories. Where the disclosure looks at individual Level 3 inputs, the actual valuation adjustments may also reflect the benefits of portfolio offsets.

This disclosure does not attempt to indicate or predict future fair value movement. The numbers in isolation give limited information as in most cases these Level 3 assets and liabilities should be seen in combination with other instruments (for example as a hedge) that are classified as Level 2.

The valuation uncertainty in the table below is broken down by related risk class rather than by product. The possible impact of a change of unobservable inputs in the fair value of financial instruments where unobservable inputs are significant to the valuation is as follows:

Sensitivity analysis of Level 3 instruments

	Positive fair value movements from using reasonable possible alternatives		Negative fair value movements from using reasonable possible alternatives	
in EUR million	2024	2023	2024	2023
Equity (equity derivatives, structured notes)	21	18	-20	-9
Interest rates (Rates derivatives, FX derivatives)	5	3	0	0
Credit (Debt securities, Loans, structured notes, credit derivatives)	2	45	-27	-54
Loans and advances	0	3	0	-17
	28	**69**	**-47**	**-80**

i) Financial instruments not measured at fair value

The following table presents the estimated fair values of the financial instruments not measured at fair value in the statement of financial position.

Methods applied in determining fair values of financial assets and liabilities (carried at amortised cost)

	Carrying Amount		Carrying amount presented as fair value[1]		Level 1		Level 2		Level 3		Total fair value	
in EUR million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Financial Assets												
Loans and advances to banks	21,769	16,708	3,194	2,721			15,614	11,430	2,957	2,511	21,766	16,662
Loans and advances to customers	680,299	642,453	18,296	15,686			18,626	14,602	630,493	593,098	667,415	623,386
Securities at amortised cost	50,273	48,313			42,871	40,041	2,908	4,277	2,523	1,693	48,303	46,010
	752,341	**707,474**	**21,490**	**18,407**	**42,871**	**40,041**	**37,149**	**30,308**	**635,973**	**597,302**	**737,483**	**686,058**
Financial liabilities												
Deposits from banks	16,722	23,257	4,347	3,764			8,208	15,066	3,943	3,968	16,498	22,799
Customer deposits[2]	699,725	662,004	582,511	556,766			69,790	63,348	46,984	41,063	699,285	661,177
Debt securities in issue[3]	94,459	84,423			33,019	25,898	59,141	38,301	2,000	20,225	94,161	84,424
Senior non-preferred debt[2]	49,393	40,213					50,230	40,607		186	50,230	40,793
Subordinated loans	17,879	15,404					18,357	15,361			18,357	15,361
	878,178	**825,300**	**586,857**	**560,530**	**33,019**	**25,898**	**205,726**	**172,684**	**52,927**	**65,443**	**878,530**	**824,555**

1 In accordance with IFRS and for the purpose of this disclosure, the carrying amount of financial instruments with an immediate on demand feature is presented as fair value
2 The presentation on senior non-preferred debt change has led to adjustments in the comparative figures for customer deposits and senior non-preferred debt.
3 In 2023, debt securities included a commercial paper issued classified as Level 3. Following a change in valuation technique in 2024, it transferred to Level 2.

The aggregation of the fair values presented above does not represent, and should not be construed as representing, the underlying value of ING. These fair values were calculated for disclosure purposes only. The carrying amount of financial instruments presented in the above table includes, when applicable, the fair value hedge adjustment, this explains why (for these cases) the carrying amount approximates fair value.

Loans and advances to banks

For short-term receivables from banks, carrying amounts represent a reasonable estimate of the fair value. The fair value of long-term receivables from banks is estimated by discounting expected future cash flows using a discount rate based on specific available market data, such as interest rates and appropriate spreads, that reflects current credit risk or quoted bonds.

Loans and advances to customers

For short-term loans, carrying amounts represent a reasonable estimate of the fair value. The fair value of long-term loans is estimated by discounting expected future cash flows using a discount rate that reflects current credit risk, current interest rates, and other current market conditions where applicable. The fair value of mortgage loans is estimated by taking into account prepayment behaviour. Loans with similar characteristics are aggregated for calculation purposes.

Securities at amortised cost

Where available, fair values for debt securities are generally based on quoted market prices. Quoted market prices are obtained from an exchange market, dealer, broker, industry group, pricing service, or regulatory service. The quoted prices from non-exchange sources are reviewed on their tradability of market prices. If quoted prices in an active market are not available, fair value is based on an analysis of available market inputs, which include consensus prices obtained from one or more pricing services. Furthermore, fair values are determined by valuation techniques discounting expected future cash flows using market interest rate curves, referenced credit spreads, maturity of the investment, and estimated prepayment rates where applicable.

Deposits from banks

For short-term payables to banks, carrying amounts represent a reasonable estimate of the fair value. The fair value of long-term payables to banks is estimated by discounting expected future cash flows using a discount rate based on available market interest rates and appropriate spreads that reflect ING's own credit risk.

Customer deposits

In the current interest rate environment, there is significant embedded value in our on-demand deposits. However, for the purpose of this disclosure and in accordance with IFRS, the carrying amounts of deposits with an immediate on demand feature are presented as fair value.

The fair value of deposits with fixed contractual terms has been estimated based on discounting future cash flows using the interest rates currently applicable to deposits of similar maturities.

Debt securities in issue

The fair value of debt securities in issue is generally based on quoted market prices, or if not available, on estimated prices by discounting expected future cash flows using a current market interest rate and credit spreads applicable to the yield, credit quality and maturity.

Subordinated loans

The fair value of publicly traded subordinated loans are based on quoted market prices when available. Where no quoted market prices are available, fair value of the subordinated loans is estimated using discounted cash flows based on interest rates and credit spreads that apply to similar instruments.

33 Derivatives and hedge accounting

Use of derivatives

ING uses derivatives for economic hedging purposes to manage its asset and liability portfolios and structural risk positions. The primary objective of ING's hedging activities is to manage the risks which arise from structural imbalances in the duration and other profiles of its assets and liabilities. The objective of economic hedging is to enter into positions with an opposite risk profile to an identified risk exposure to reduce that exposure. The main risks which are being hedged are interest rate risk and foreign currency exchange rate risk. These risks are primarily hedged with interest rate swaps, cross currency swaps and foreign exchange forwards/swaps.

ING uses credit derivatives to manage its economic exposure to credit risk, including total return swaps and credit default swaps, to sell or buy protection for credit risk exposures in the loan, investment, and trading portfolios. Hedge accounting is not applied in relation to these credit derivatives.

Hedge accounting

Derivatives that qualify for hedge accounting under IFRS are classified and accounted for in accordance with the nature of the instrument hedged and the type of IFRS hedge accounting model that is applicable. The three models applicable under IFRS are: fair value hedge accounting, cash flow hedge accounting, and hedge accounting of a net investment in a foreign operation. How and to what extent these models are applied are described under the relevant headings below. The company's detailed accounting policies for these three hedge models are set out in paragraph 1.5 'Financial instruments' of Note 1 'Basis of preparation and material accounting policy information'.

The benchmark rate reform

Reference is made to note 'Risk management / The impact of the benchmark rate reform' for information on how ING is managing the transition to alternative benchmark rates and ING's progress in completing the transition with respect to derivatives in hedge accounting relationships.

Fair value hedge accounting

ING's fair value hedges principally consist of interest rate swaps that are used to protect against changes in the fair value of fixed-rate instruments due to movements in market interest rates. ING's approach to managing market risk, including interest rate risk, is discussed in 'Risk management –Market risk'. ING's exposure to interest rate risk is disclosed in paragraph 'Interest rate risk in banking book'.

ING Bank designates specific non-contractual risk components of hedged items. This is usually determined by designating benchmark interest rates such as EURIBOR, SOFR, SONIA or TONAR, between others, because the fair value of a fixed-rate instrument varies directly in response to changes in its benchmark interest rate.

By using derivative financial instruments to hedge exposures to changes in interest rates, ING also exposes itself to credit risk of the derivative counterparty, which is not offset by the hedged item. ING minimises counterparty credit risk in derivative instruments by clearing most of the derivatives through Central Clearing Counterparties. In addition, ING only enters into transactions with high-quality counterparties and requires posting collateral.

ING applies fair value hedge accounting on micro level in which one hedged item is hedged with one or multiple hedging instruments as well as on macro level whereby a portfolio of items is hedged with multiple hedging instruments. For these macro hedges of interest rate risk ING applies the EU 'carve-out'. The EU 'carve-out' for macro hedging enables a group of derivatives (or proportions) to be viewed in combination and jointly designated as the hedging instrument and removes some of the limitations in fair value hedge accounting relating to hedging core deposits and under-hedging strategies. In retail operations, exposure on retail funding (savings and current accounts) and retail lending (mortgages) is initially offset. The remaining exposure is hedged in a portfolio hedge, using the EU carve-out, in which a portion of the retail lending portfolio and core deposits are designated as a hedged item for hedge accounting purposes.

For portfolio hedges the fair value is projected based on contractual terms and other variables including prepayment expectations. These projected fair values of the portfolios form the basis for identifying the notional amount subject to interest rate risk that is designated under fair value hedge accounting.

Micro fair value hedge accounting is mainly applied on issued debt securities and purchased debt instruments for hedging interest rate risk.

Before fair value hedge accounting is applied, ING determines whether an economic relationship between the hedged item and the hedging instrument exists based on an evaluation of the quantitative characteristics of these items and the hedged risk that is supported by quantitative analysis. ING considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. ING evaluates whether the fair value of the hedged item and the hedging instrument respond similarly to similar risks. In addition, ING is mainly using regression analysis to assess whether the hedging instrument is expected to be and has been highly effective in offsetting changes in the fair value of the hedged item.

For the macro hedge on the loan portfolio ING follows a dynamic hedging strategy. This means that on monthly basis, based on the new portfolio projection, the hedging relationship is renewed. From an operational point of view, the existing hedging relationship is adjusted based on the new portfolio projection and additional hedging instruments are added to the hedging relationship.

ING uses the following derivative financial instruments in a fair value hedge accounting relationship:

Gross carrying value of derivatives designated under fair value hedge accounting

in EUR million	Assets 2024	Liabilities 2024	Assets 2023	Liabilities 2023
As at 31 December				
Hedging instrument on interest rate risk				
– Interest rate swaps	26,963	24,107	32,612	27,350
– Other interest derivatives	207	23	284	34
Hedging instrument on FX rate risk				
– Cross currency swaps	12	3		

The derivatives used for fair value hedge accounting are included in the statement of financial position line-item ‘Financial assets at fair value through profit or loss – Non-trading derivatives’ for EUR 617 million (2023: EUR 716 million) respectively ‘Financial liabilities at fair value through profit or loss – Non-trading derivatives’ EUR 79 million (2023: EUR 113 million). The difference between the gross carrying value as presented in the table and the net carrying value as presented in the statement of financial position is due to offsetting with other derivatives and collaterals paid or received.

For our main currencies the average fixed rate for interest rate swaps used in fair value hedge accounting are 1.69% (2023: 1.32%) for EUR and 4.22% (2023: 3.93%) for USD.

The following table shows the net notional amount of derivatives designated in fair value hedging, split into the maturity of the instruments. The net notional amounts presented in the table are a combination of payer (-) and receiver (+) swaps.

Maturity derivatives designated in fair value hedging

in EUR million

As at 31 December 2024	Less than 1 month	1 to 3 months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years	Total
Hedging instrument on interest rate risk									
– Interest rate swaps	43	1,224	4,308	15,305	2,179	4,580	3,259	-51,039	-20,140
– Other interest derivatives	-4	29	182	248	91	-193	121	383	858
Hedging instrument on FX rate risk									
– Cross currency swaps	-142	-60	-98						-299
As at 31 December 2023									
Hedging instrument on interest rate risk									
- Interest rate swaps	-670	253	8,381	4,156	3,193	-800	7,559	-58,679	-36,609
– Other interest derivatives		25	190	116	302	250	-144	974	1,712

Gains and losses on derivatives designated under fair value hedge accounting are recognised in the statement of profit or loss. The effective portion of the fair value change on the hedged item is also recognised in the statement of profit or loss in 'Valuation results and net trading income'. As a result, only the net accounting ineffectiveness has an impact on the net result.

Hedged items included in a fair value hedging relationship

	Carrying amount of the hedged items		Accumulated amount of fair value hedge adjustment on the hedged item included in the carrying amount of the hedged item		Change in fair value of the hedged item for measuring ineffectiveness for the period	Change in fair value hedging instruments for the period	Hedge ineffectiveness recognised in the statement of profit or loss gain (+) / loss (-)
in EUR million	Assets	Liabilities	Assets	Liabilities			
As at 31 December 2024							
Interest rate risk and FX rate risk							
– Debt securities at fair value through other comprehensive income	35,119		n/a		269		
– Loans at FVOCI			n/a		1		
– Loans and advances to customers	73,364		-5,177		1,771		
– Debt instruments at amortised cost	13,802		-179		49		
– Debt securities in issue		38,246		-915	-594		
– Senior non-preferred debt		45,423		-1,320	-544		
– Subordinated loans		17,143		-665	-188		
– Customer deposits and other funds on deposit		29		-1	-14		
– Discontinued hedges			1,851	-5			
Total	**122,285**	**100,842**	**-3,505**	**-2,906**	**750**	**-766**	**-17**
As at 31 December 2023							
Interest rate risk and FX rate risk							
– Debt securities at fair value through other comprehensive income	31,224		n/a		1,224		
– Loans at FVOCI	5		n/a		1		
– Loans and advances to customers	78,787		-7,104		4,705		
– Debt instruments at amortised cost	8,272		-205		234		
– Debt securities in issue		32,432		-1,511	-1,279		
– Senior non-preferred debt [1]		37,850		-1,872	-1,402		
– Subordinated loans		14,646		-834	-473		
– Customer deposits and other funds on deposit [1]		1,527		-17	-49		
– Discontinued hedges			2,285	3			
Total	**118,287**	**86,455**	**-5,024**	**-4,230**	**2,962**	**-3,028**	**-66**

[1] ING changed the presentation for the senior non-preferred debt and the comparative figure for 2023 has been adjusted.

During 2024, the interest rate movements significantly affected the fair value changes of both the derivatives and the hedged items designated in fair value hedges. However, no material hedging relationship was discontinued as a result of the interest rate movements in 2024. Refer to Note 23 'Valuation results and net trading income'.

In addition, the net decrease in hedged items is mainly due to higher volumes in debt securities in issue designated in hedge accounting. Discontinued hedges mainly relate to the transfer of derivatives from UK-based clearing houses to EU-based clearing houses related to Brexit in 2020.

The main sources of ineffectiveness are:

- differences in maturities of the hedged item(s) and hedging instrument(s);
- different interest rate curves applied to discount the hedged item(s) and hedging instrument(s);
- differences in timing of cash flows of the hedged item(s) and hedging instrument(s).

Additionally, for portfolio (macro) fair value hedges of ING's fixed rate mortgage portfolio, ineffectiveness also arises from the disparity between expected and actual prepayments (prepayment risk).

There were no other sources of significant ineffectiveness in these hedging relationships.

Cash flow hedge accounting

ING applies cash flow hedge accounting on a micro and macro level. ING's cash flow hedges mainly consist of interest rate swaps and cross-currency swaps that are used to protect against the exposure to variability in future cash flows on non-trading assets and liabilities that bear interest at variable rates or are expected to be refunded or reinvested in the future. The amounts and timing of future cash flows, representing both principal and interest flows, are projected for each portfolio of financial assets and liabilities, based on contractual terms and other variables including estimates of prepayments. These projected cash flows form the basis for identifying the notional amount subject to interest rate risk or foreign currency exchange rate risk that is designated under cash flow hedge accounting.

ING's approach to manage market risk, including interest rate risk and foreign currency exchange rate risk, is discussed in 'Risk management – Market risk'. ING determines the amount of the exposures to which it applies hedge accounting by assessing the potential impact of changes in interest rates and foreign currency exchange rates on the future cash flows from its floating-rate assets and liabilities. This assessment is performed using analytical techniques.

As noted above for fair value hedges, by using derivative financial instruments to hedge exposures to changes in interest rates and foreign currency exchange rates, ING exposes itself to credit risk of the derivative counterparty, which is not offset by the hedged items. This exposure is managed similarly to that for fair value hedges.

Gains and losses on the effective portions of derivatives designated under cash flow hedge accounting are recognised in Other Comprehensive Income. Interest cash flows on these derivatives are recognised in the statement of profit or loss in 'Net interest income' consistent with the manner in which the forecasted cash flows affect the net result. The gains and losses on ineffective portions of such derivatives are recognised immediately in the statement of profit or loss in 'Valuation results and net trading income'.

ING determines an economic relationship between the cash flows of the hedged item and the hedging instrument based on an evaluation of the quantitative characteristics of these items and the hedged risk that is supported by quantitative analysis. ING considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. ING evaluates whether the cash flows of the hedged item and the hedging instrument respond similarly to the hedged risk, such as the benchmark interest rate of foreign currency. In addition, a regression analysis is performed to assess whether the hedging instrument is expected to be and has been highly effective in offsetting changes in the fair value of the hedged item.

ING uses the following derivative financial instruments in a cash flow hedge accounting relationship:

Gross carrying value of derivatives used for cash flow hedge accounting

	Assets	Liabilities	Assets	Liabilities
in EUR million	2024	2024	2023	2023
As at 31 December				
Hedging instrument on interest rate risk				
– Interest rate swaps	10,635	12,814	11,839	14,051
Hedging instrument on FX rate risk				
– Cross currency swaps	472	339	324	39
Hedging instrument on combined interest and FX rate risk				
– Cross currency interest rate swaps		10	57	

The derivatives used for cash flow hedge accounting are included in the statement of financial position line-item 'Financial assets at fair value through profit or loss – Non-trading derivatives' EUR 158 million (2023: EUR 440 million) respectively 'Financial liabilities at fair value through profit or loss – Non-trading derivatives' EUR 573 million (2023: EUR 458 million). The difference between the gross carrying value as presented in the table and the net carrying value as presented in the statement of financial position is due to offsetting with other derivatives and collaterals paid or received.

For the main currencies the average fixed rate for interest rate swaps used in cash flow hedge accounting are 1.79% (2023: 1.26%) for EUR, 4.37% (2023: 4.09%) for PLN, 3.99% (2023: 4.33%) for USD and 3.29% (2023: 2.80%) for AUD. The average currency exchange rates for cross currency swaps used in cash flow hedge accounting is for EUR/USD 1.03 (2023: 0.98) and for EUR/AUD 1.52 (2023: 1.58).

The following table shows the net notional amount of derivatives designated in cash flow hedging split into the maturity of the instruments. The net notional amounts presented in the table are a combination of payer (+) and receiver (-) swaps.

Maturity derivatives designated in cash flow hedging

in EUR million

As at 31 December 2024	Less than 1 month	1 to 3 months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years	Total
Hedging instrument on interest rate risk									
– Interest rate swaps	-1,805	-768	-10,590	-13,389	-10,551	-6,040	-4,522	-3,222	-50,886
Hedging instrument on FX rate risk									
– Cross currency swaps		-241	-972	122	-1,029	-262	-238	-999	-3,619
Hedging instrument on combined interest and FX rate risk									
– Cross currency interest rate swaps			-25		-1,283	-1,578			-2,887
As at 31 December 2023									
Hedging instrument on interest rate risk									
– Interest rate swaps	-214	184	-8,557	-18,551	-6,636	-7,246	-4,896	-3,384	-49,300
Hedging instrument on FX rate risk									
– Cross currency swaps		249	1,029	-932	503	-683	167	-693	-362
Hedging instrument on combined interest and FX rate risk									
– Cross currency interest rate swaps				-24	-1,232	-1,479			-2,736

The following table shows the cash flow hedge accounting impact on profit or loss and comprehensive income:

Cash flow hedging – impact of hedging instruments on the statement of profit or loss and other comprehensive income

in EUR million	Change in value of hedged item used for calculating hedge ineffectivenes s for the period	Carrying amount cash flow hedge reserve at the end of the reporting period[1]	Amount reclassified from CFH reserve to profit or loss [2]	Change in value of hedging instrument recognised in OCI for the period	Hedge ineffectivenes s recognised in the statement of profit or loss, gain (+) / loss (-)
As at 31 December 2024					
Interest rate risk on:					
– Floating rate lending	-668	-2,850	496		
– Floating rate borrowing	114	125	-425		
– Other	1	1			
– Discontinued hedges		89	-51		
Total interest rate risk	**-553**	**-2,635**	**20**	**526**	**39**
FX rate risk on:					
– Floating rate lending	-79	-55	-121		
– Floating rate borrowing	12	5	-37		
– Other					
– Discontinued hedges			-4		
Total FX risk	**-67**	**-51**	**-162**	**220**	**-3**
Combined interest and FX rate risk on:					
– Floating rate lending	70	72	-68		
– Floating rate borrowing					
– Other					
– Discontinued hedges					
Total combined interest and FX risk	**70**	**72**	**-68**	**-3**	**-2**
Total cash flow hedge	**-550**	**-2,614**	**-209**	**743**	**35**

Cash flow hedging – impact of hedging instruments on the statement of profit or loss and other comprehensive income

in EUR million	Change in value of hedged item used for calculating hedge ineffectivenes s for the period	Carrying amount cash flow hedge reserve at the end of the reporting period[1]	Amount reclassified from CFH reserve to profit or loss [2]	Change in value of hedging instrument recognised in OCI for the period	Hedge ineffectivenes s recognised in the statement of profit or loss, gain (+) / loss (-)
As at 31 December 2023					
Interest rate risk on:					
– Floating rate lending	-2,694	-3,545	590		
– Floating rate borrowing	933	151	-497		
– Other					
– Discontinued hedges		194	-150		
Total interest rate risk	**-1,760**	**-3,200**	**-57**	**1,654**	**58**
FX rate risk on:					
– Floating rate lending	27	-42	-185		
– Floating rate borrowing	-25	1	-33		
– Other					
– Discontinued hedges		7	-5		
Total FX risk	**2**	**-35**	**-223**	**200**	**-12**
Combined interest and FX rate risk on:					
– Floating rate lending	-20	78	-46		
– Floating rate borrowing			1		
– Other					
– Discontinued hedges			-1		
Total combined interest and FX risk	**-20**	**78**	**-46**	**68**	**2**
Total cash flow hedge	**-1,778**	**-3,157**	**-325**	**1,922**	**48**

[1] The carrying amount is the gross amount, excluding tax adjustments.
[2] The amounts are reclassified to Net interest income - interest income and/or expense on non-trading derivatives (hedge accounting).

In 2024 and 2023 there are no amounts reclassified from CFH reserve to profit or loss for cash flows that are no longer expected to occur.

The increase in the carrying amount of the cash flow hedge reserve is driven by the interest rate movements. No material hedging relationship was discontinued as a result of the interest rate movements in 2024.

The main sources of ineffectiveness for cash flow hedges are:
- differences in timing of cash flows of the hedged item(s) and hedging instrument(s);
- mismatches in reset frequency between hedged item and hedging instrument.

The following table shows the movement of the cash flow hedge reserve:

Movement cash flow hedge reserve

in EUR million	2024	2023
Opening balance	-2,058	-3,055
Value changes recognised in OCI	743	1,922
Amounts recycled to profit or loss	-209	-325
Income tax	-140	-381
Exchange rate and other changes	-14	-103
Adjustment for non controlling interest	-14	-116
Movement for the year	**365**	**997**
Ending balance	**-1,693**	**-2,058**

Hedges of net investments in foreign operations

A foreign currency exposure arises from a net investment in subsidiaries that have a different functional currency from the presentation currency of ING. The risk arises from the fluctuation in spot exchange rates between the functional currency of the subsidiaries and ING's presentation currency, which causes the amount of the net investment to vary in the consolidated financial statements of ING. This risk may have a significant impact on ING's financial statements. ING's policy is to hedge these exposures only when these are expected to have a significant impact on the regulatory capital ratios of ING and its subsidiaries.

ING's net investment hedges principally consist of derivatives (including currency forwards and swaps) and non-derivative financial instruments such as foreign currency denominated funding. When the hedging instrument is foreign currency-denominated debt, ING assesses effectiveness by comparing past changes in the carrying amount of the debt that are attributable to a change in the spot rate with past changes in the investment in the foreign operation due to movement in the spot rate (the offset method).

Gains and losses on the effective portions of derivatives designated under net investment hedge accounting are recognised in Other Comprehensive Income. The balance in equity is recognised in the statement of profit or loss when the related foreign subsidiary is disposed. The gains and losses on ineffective portions are recognised immediately in the statement of profit or loss in 'Valuation results and net trading income'.

ING has the following derivative financial instruments used for net investment hedging:

Gross carrying value of derivatives used for net investment hedging

	Assets	Liabilities	Assets	Liabilities
in EUR million	2024	2024	2023	2023
As at 31 December				
– FX forwards and Cross currency swaps	82	117	100	92

The derivatives used for net investment hedge accounting are included in the statement of financial position line-item 'Financial assets at fair value through profit or loss – Non-trading derivatives' EUR 82 million (2023: EUR 100 million) respectively 'Financial liabilities at fair value through profit or loss – Non trading derivatives' EUR 117 million (2023: EUR 92 million).

For ING's main currencies the average exchange rates used in net investment hedge accounting for 2024 are EUR/USD 1.08 (2023: 1.08), EUR/PLN 4.31 (2023: 4.54), EUR/AUD 1.64 (2023: 1.63) and EUR/THB 38.00 (2023: 37.65).

The following table shows the notional amount of derivatives designated in net investment hedging split into the maturity of the instruments:

Maturity derivatives designated in net investment hedging

in EUR million

As at 31 December 2024	Less than 1 month	1 to 3 months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years	Total
– FX forwards and cross currency swaps	-8,681	-4,158	-76						-12,916
As at 31 December 2023									
– FX forwards and Cross currency swaps	-6,009	-4,576	-87						-10,672

The effect of the net investment hedge accounting in the statement of profit or loss and other comprehensive income is as follows:

Net investment hedge accounting – Impact on statement of profit or loss and other comprehensive income

in EUR million

As at 31 December 2024	Change in value of hedged item used for calculating hedge ineffectiveness for the period	Carrying amount net investment hedge reserve at the end of the reporting period[1]	Hedged item affected statement of profit or loss	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in the statement of profit or loss, gain(+) / Loss(-)
Investment in foreign operations	295	-95		-295	0
Discontinued hedges		302			
As at 31 December 2023					
Investment in foreign operations	-183	123		183	
Discontinued hedges		263			

1 The carrying amount is the gross amount, excluding tax adjustments.

34 Assets by contractual maturity

Amounts presented by contractual maturity are the amounts as presented in the statement of financial position and are discounted cash flows. Reference is made to 'Risk Management – Funding and liquidity risk'.

Assets by contractual maturity

in EUR million

2024	Less than 1 month [1]	1-3 months	3-12 months	1-5 years	Over 5 years	Maturity not applicable	Total
Cash and balances with central banks	70,353						70,353
Loans and advances to banks	16,825	1,254	1,322	1,759	610		21,769
Financial assets at fair value through profit or loss							
– Trading assets	22,154	8,044	14,501	16,006	12,202		72,906
– Non-trading derivatives	602	368	465	356	672		2,463
– Mandatorily at fair value through profit or loss	30,002	11,263	7,222	5,931	1,835	228	56,481
– Designated as at fair value through profit or loss	145	198	1,070	2,110	2,217		5,740
Financial assets at fair value through other comprehensive income							
– Equity securities						2,562	2,562
– Debt securities	365	456	2,027	18,064	21,307		42,219
– Loans and advances	2	4	94	871	637		1,608
Securities at amortised cost	2,075	2,646	5,729	22,838	16,985		50,273
Loans and advances to customers	53,738	26,456	61,544	216,035	322,526		680,299
Other assets [2]	5,600	590	1,048	698	1,107	5,006	14,050
Total assets	**201,860**	**51,279**	**95,021**	**284,668**	**380,098**	**7,796**	**1,020,724**
2023							
Cash and balances with central banks	90,214						90,214
Loans and advances to banks	11,985	1,021	1,744	1,527	431		16,708
Financial assets at fair value through profit or loss							
– Trading assets	17,000	7,363	11,448	13,216	11,213		60,240
– Non-trading derivatives	138	80	297	613	900		2,028
– Mandatorily at fair value through profit or loss	32,835	12,040	5,303	3,587	1,040	179	54,983
– Designated as at fair value through profit or loss	550	200	792	2,092	2,141		5,775
Financial assets at fair value through other comprehensive income							
– Equity securities						1,885	1,885
– Debt securities	579	232	2,021	13,686	21,763		38,281
– Loans and advances		3	41	619	287		951
Securities at amortised cost	2,220	1,142	6,667	22,540	15,744		48,313
Loans and advances to customers	49,683	21,298	57,516	206,438	307,517		642,453
Other assets [2]	5,649	257	1,088	1,147	1,020	4,645	13,805
Total assets	**210,852**	**43,636**	**86,917**	**265,466**	**362,056**	**6,709**	**975,636**

[1] Includes assets on demand.

[2] Includes assets such as current and deferred tax assets as presented in the consolidated statement of the financial position. Additionally, assets are included in that position where maturities are not applicable such as property and equipment and investments in associates and joint ventures. Due to their nature, non-financial assets consist mainly of assets expected to be recovered after more than 12 months.

35 Liabilities and off-balance sheet commitments by maturity

The tables below include all liabilities and off-balance sheet commitments by maturity based on contractual, undiscounted cash flows. These balances are included in the maturity analysis as follows:

- Perpetual liabilities are included in the column 'Maturity not applicable'.
- Derivative liabilities are included on a net basis if cash flows are settled net. For other derivative liabilities the contractual gross cash flow payable is included.
- Undiscounted future coupon interest on financial liabilities payable is included in a separate line and in the relevant maturity bucket.
- Non-financial liabilities are included based on a breakdown of the amounts per statement of financial position, per expected maturity.
- Loans and other credit-related commitments are classified on the basis of the earliest date they can be drawn down.

ING Bank's expected cash flows on some financial liabilities vary significantly from contractual cash flows. Principal differences are in demand deposits from customers that are expected to remain stable or increase and in unrecognised loan commitments that are not all expected to be drawn down immediately. Reference is made to the liquidity risk paragraph in 'Risk Management – Funding and liquidity risk' for a description on how liquidity risk is managed.

Liabilities and off-balance sheet commitments by maturity

in EUR million

2024	Less than 1 month [1]	1-3 months	3-12 months	1-5 years	Over 5 years	Maturity not applicable	Adjustment [2]	Total
Deposits from banks	9,104	1,367	2,085	1,637	2,484		46	16,722
Customer deposits	610,590	23,479	50,034	11,141	2,081		2,399	699,725
Financial liabilities at fair value through profit or loss								
– Other trading liabilities	5,790	230	313	1,325	1,465		-34	9,089
– Trading derivatives	2,631	2,367	3,730	7,641	5,499		4,298	26,166
– Non-trading derivatives	419	57	-36	711	149		801	2,101
– Designated at fair value through profit or loss	32,644	5,842	1,798	5,095	4,365	34	-239	49,539
Debt securities in issue	1,949	17,635	33,037	26,600	15,704		-466	94,459
Senior non preferred debt		975		30,121	19,153		-856	49,393
Subordinated loans					9,962	8,415	-498	17,879
Lease liabilities	20	44	162	607	328		-45	1,116
Financial liabilities	**663,148**	**51,995**	**91,125**	**84,879**	**61,190**	**8,448**	**5,405**	**966,190**
Other liabilities [3]	7,294	456	2,073	502	470			10,795
Total liabilities	**670,442**	**52,451**	**93,198**	**85,381**	**61,660**	**8,448**	**5,405**	**976,986**
Coupon interest due on financial liabilities	2,278	1,600	5,981	10,388	8,065	516		28,829
Contingent liabilities in respect of								
– Discounted bills								
– Guarantees	26,355			3	550			26,908
– Irrevocable letters of credit	16,388							16,388
Irrevocable facilities	175,000	9	15	143	56			175,222
	217,743	**9**	**15**	**146**	**606**			**218,518**

1 Includes liabilities on demand.
2 This column reconciles the contractual undiscounted cash flows on financial liabilities to the statement of financial position values. The adjustments mainly relate to the impact of discounting and fair value hedge adjustments, and for derivatives, to the fact that the contractual cash flows are presented on a gross basis (unless the cash flows are actually settled net).
3 Includes Other liabilities, Current and deferred tax liabilities, and Provisions as presented in the Consolidated statement of financial position.

Liabilities and off-balance sheet commitments by maturity

in EUR million

2023	Less than 1 month [1]	1-3 month	3-12 months	1-5 years	Over 5 years	Maturity not applicable	Adjustment [2]	Total
Deposits from banks	9,294	7,800	2,074	1,898	2,002		189	23,257
Customer deposits[4]	584,874	21,522	45,099	7,394	1,816		1,299	662,004
Financial liabilities at fair value through profit or loss								
– Other trading liabilities	10,981	697	545	1,003	897		-36	14,087
– Trading derivatives	2,292	2,243	5,148	10,204	7,110		-3,865	23,132
– Non-trading derivatives	505	96	139	1,002	355		-78	2,019
– Designated at fair value through profit or loss	29,857	12,754	5,442	3,832	3,544	25	-56	55,399
Debt securities in issue	3,442	10,233	33,986	22,206	15,820		-1,264	84,423
Senior non preferred debt[4]		570	903	25,119	15,492		-1,871	40,213
Subordinated loans					9,104	6,988	-689	15,404
Lease liabilities	17	45	175	627	359		-61	1,162
Financial liabilities	**641,263**	**55,959**	**93,511**	**73,285**	**56,500**	**7,013**	**-6,432**	**921,099**
Other liabilities [3]	9,696	619	2,269	399	420			13,402
Total liabilities	**650,959**	**56,579**	**95,779**	**73,684**	**56,920**	**7,013**	**-6,432**	**934,501**
Coupon interest due on financial liabilities	1,057	1,703	6,103	10,178	4,998	404		24,442
Contingent liabilities in respect of								
– Discounted bills	2							2
– Guarantees	27,340			4	550			27,894
– Irrevocable letters of credit	14,925							14,925
– other								
Irrevocable facilities	166,361	12	63	314	60			166,810
	208,628	**12**	**63**	**318**	**610**	**0**	**0**	**209,631**

1 Includes liabilities on demand.
2 This column reconciles the contractual undiscounted cash flows on financial liabilities to the statement of financial position values. The adjustments mainly relate to the impact of discounting and fair value hedge adjustments, and for derivatives, to the fact that the contractual cash flows are presented on a gross basis (unless the cash flows are actually settled net).
3 Includes Other liabilities, Current and deferred tax liabilities, and Provisions as presented in the Consolidated statement of financial position.
4 The presentation on senior non-preferred debt change has led to adjustments in the comparative figures for customer deposits and senior non-preferred debt.

36 Transfer of financial assets, assets pledged and received as collateral

Financial assets pledged as collateral

The financial assets pledged as collateral consist primarily of mortgages pledged to secure covered bonds and securitisations, deposits from the Dutch Central Bank and other banks, as well as debt and equity securities used in securities lending or sale and repurchase transactions. They serve to secure margin accounts and are used for other purposes required by law. Pledges are generally conducted under terms that are usual and customary for collateralised transactions including standard sale and repurchase agreements, securities lending and borrowing and derivatives margining. The financial assets pledged are as follows:

Financial assets pledged as collateral		
in EUR million	2024	2023
Banks		
– Cash and balances with central banks	397	322
– Loans and advances to banks	2,211	3,305
Financial assets at fair value through profit or loss	28,905	23,641
Financial assets at fair value through OCI	3,037	1,896
Securities at amortised cost	3,184	2,672
Loans and advances to customers	67,706	73,860
Other assets	503	357
	105,944	**106,052**

In some jurisdictions ING Bank N.V. has an obligation to maintain a reserve with central banks. As at 31 December 2024, the minimum mandatory reserve deposits with various central banks amount to EUR 11,648 million (2023: EUR 11,653 million).

Financial assets received as collateral

The financial assets received as collateral that can be sold or repledged in absence of default by the owner of the collateral consists of securities obtained through reverse repurchase transactions and securities borrowing transactions.

These transactions are generally conducted under standard market terms for most repurchase transactions and the recipient of the collateral has an unrestricted right to sell or repledge it, provided that the collateral (or equivalent collateral) is returned to the counterparty at term.

Financial assets received as collateral		
in EUR million	2024	2023
Total received collateral available for sale or repledge at fair value		
– equity securities	22,815	33,234
– debt securities	140,285	119,908
of which sold or repledged at fair value		
– equity securities	12,024	20,526
– debt securities	90,708	86,448

Transfer of financial assets

The majority of ING's financial assets that have been transferred, but do not qualify for derecognition are debt and equity instruments used in securities lending or sale and repurchase transactions.

Transfer of financial assets not qualifying for derecognition								
	Securities lending				Sale and repurchase			
	Equity		Debt		Equity		Debt	
in EUR million	2024	2023	2024	2023	2024	2023	2024	2023
Transferred assets at carrying amount								
Financial assets at fair value through profit or loss	4,141	3,894	3		7,273	7,357	16,929	11,780
Financial assets at fair value through other comprehensive income			603	328			1,956	470
Loans and advances to customers								2,396
Securities at amortised cost			635	431			819	465
Associated liabilities at carrying amount[1]								
Financial liabilities at fair value through profit or loss	n/a	n/a	n/a	n/a	7,005	11,010	11,901	9,467

1 The table includes the associated liabilities which are reported after offsetting, compared to the gross positions of the encumbered assets.

The table above does not include assets transferred to consolidated securitisation entities as the related assets remain recognised in the consolidated statement of financial position. Transferred financial assets that are derecognised in their entirety are mentioned in Note 42 'Structured entities'.

37 Offsetting financial assets and liabilities

The following tables include information about rights to offset and the related arrangements. The amounts included consist of all recognised financial instruments that are presented net in the statement of financial position under the IFRS netting criteria (legal right to offset and intention to settle net or to realise the asset and settle the liability simultaneously) and amounts presented gross in the statement of financial position but subject to enforceable master netting arrangements or similar arrangements.

At ING Bank amounts that are offset mainly relate to derivatives transactions, sale and repurchase agreements, securities lending agreements and cash pooling arrangements. A significant portion of offsetting is applied to OTC derivatives which are cleared through central clearing parties.

Related amounts not offset in the statement of financial position include transactions where:

- The counterparty has an offsetting exposure and a master netting or similar arrangement is in place with a right to offset only in the event of default, insolvency or bankruptcy, or the offsetting criteria are otherwise not satisfied; and
- In the case of derivatives and securities lending or sale and repurchase agreements, cash and non-cash collateral has been received or pledged to cover net exposure in the event of a default or other predetermined events. The effect of Over-collateralization is excluded.

The net amounts resulting after offsetting are not intended to represent ING's actual exposure to counterparty risk, as risk management employs a number of credit risk mitigation strategies in addition to netting and collateral arrangements. Reference is made to the Risk Management Credit risk' section 'Credit risk mitigation'.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

in EUR million 2024		Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not offset in the statement of financial position		Net amount	Amounts not subject to enforceable netting arrangements	Statement of financial position total [1]
					Financial instruments	Cash and financial instruments received as collateral			
Statement of financial position line item	**Financial instrument**								
Loans and advances to banks [2]	Reverse repurchase, securities borrowing and similar agreements	3,752	-31	3,721		3,683	38	7,057	10,777
	Other								
		3,752	**-31**	**3,721**		**3,683**	**38**	**7,057**	**10,777**
Financial assets at fair value through profit or loss									
Trading and Non-trading	Reverse repurchase, securities borrowing and similar agreements	98,679	-49,365	49,315	219	48,676	420	16,112	65,426
	Derivatives [3]	93,034	-66,877	26,157	17,598	3,643	4,916	6,111	32,268
		191,713	**-116,241**	**75,472**	**17,818**	**52,319**	**5,336**	**22,222**	**97,694**
Loans and advances to customers [4]	Reverse repurchase, securities borrowing and similar agreements	4,444	-1,216	3,228		3,191	37	243	3,471
	Cash pools	237,248	-234,838	2,410	65	1,730	615		2,410
		241,691	**-236,053**	**5,638**	**65**	**4,921**	**652**	**243**	**5,881**
Other items where offsetting is applied in the statement of financial position [5]		6,666	-6,284	382	79		**303**		**382**
Total financial assets		**443,822**	**-358,609**	**85,213**	**17,962**	**60,922**	**6,329**	**29,522**	**114,735**

1 'The statement of financial position total' is the sum of 'Net amounts of financial assets presented in the statement of financial position' and 'Amounts not subject to enforceable master netting arrangements'.
2 At 31 December 2024, the total amount of 'Loans and advances to banks' excluding repurchase agreements is EUR 10,992 million which is not subject to offsetting.
3 Derivative assets and derivative liabilities include certain exchange traded future and option positions with the same underlying.
4 At 31 December 2024, the total amount of 'Loans and advances to customers' excluding repurchase agreements is EUR 676,828 million of which the net cash pool position of EUR 2,410 million is subject to offsetting.
5 Other items include amounts to be settled with Central Clearing Counterparties regarding securities and derivatives transactions and is included in 'Other Assets – Amounts to be settled' for EUR 3,548 million in the statement of financial position of which EUR 382 million is subject to offsetting as at 31 December 2024.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

in EUR million 2023		Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not offset in the statement of financial position		Net amount	Amounts not subject to enforceable netting arrangements	Statement of financial position total [1]
					Financial instruments	Cash and financial instruments received as collateral			
Statement of financial position line item	**Financial instrument**								
Loans and advances to banks [2]	Reverse repurchase, securities borrowing and similar agreements	1,840	-29	1,811		1,811		3,440	5,251
	Other								
		1,840	**-29**	**1,811**		**1,811**		**3,440**	**5,251**
Financial assets at fair value through profit or loss									
Trading and Non-trading	Reverse repurchase, securities borrowing and similar agreements	76,304	-34,738	41,566	235	41,063	268	22,091	63,657
	Derivatives	105,928	-83,312	22,617	14,868	2,915	4,834	5,091	27,708
		182,232	**-118,049**	**64,183**	**15,103**	**43,977**	**5,102**	**27,182**	**91,365**
Loans and advances to customers [3]	Reverse repurchase, securities borrowing and similar agreements							499	499
	Cash pools	236,233	-234,617	1,616	41	1,217	358		1,616
		236,233	**-234,617**	**1,616**	**41**	**1,217**	**358**	**499**	**2,115**
Other items where offsetting is applied in the statement of financial position [4]		**7,124**	**-6,428**	**695**	**21**		**675**		**695**
Total financial assets		**427,428**	**-359,124**	**68,305**	**15,165**	**47,005**	**6,135**	**31,121**	**99,425**

1 'The statement of financial position total' is the sum of 'Net amounts of financial assets presented in the statement of financial position' and 'Amounts not subject to enforceable master netting arrangements'.
2 At 31 December 2023, the total amount of 'Loans and advances to banks' excluding repurchase agreements is EUR 11,458 million which is not subject to offsetting.
3 At 31 December 2023, the total amount of 'Loans and advances to customers' excluding repurchase agreements is EUR 641,954 million of which the net cash pool position of EUR 1,616 million is subject to offsetting.
4 Other items include amounts to be settled with Central Clearing Counterparties regarding securities and derivatives transactions and is included in 'Other Assets – Amounts to be settled' for EUR 3,869 million in the statement of financial position of which EUR 695 million is subject to offsetting as at 31 December 2023.

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

in EUR million 2024		Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not offset in the statement of financial position: Financial instruments	Cash and financial instruments pledged as collateral	Net amount	Amounts not subject to enforceable netting arrangements	Statement of financial position total [1]
Statement of financial position line item	**Financial instrument**								
Deposits from banks [2]	Repurchase, securities lending and similar agreements	64	-31	33		33			33
	Other	62	-62						
		126	**-93**	**33**		**33**			**33**
Customer deposits [4]	Repurchase, securities lending and similar agreements	1,214	-1,214					1	1
	Cash pools	251,655	-234,838	16,817	21		16,796		16,817
		252,868	**-236,052**	**16,817**	**21**		**16,796**	**1**	**16,818**
Financial liabilities at fair value through profit or loss									
Trading and Non-trading	Repurchase, securities lending and similar agreements	81,384	-49,365	32,019	219	31,669	130	11,670	43,689
	Derivatives [3]	89,386	-67,731	21,655	17,639	2,745	1,272	6,612	28,267
		170,769	-117,095	53,674	17,858	34,414	1,402	18,282	71,956
Other items where offsetting is applied in the statement of financial position [5]		**5,609**	**-5,368**	**242**	**83**		**159**		**242**
Total financial liabilities		**429,373**	**-358,608**	**70,765**	**17,962**	**34,447**	**18,357**	**18,283**	**89,049**

1 'The statement of financial position total' is the sum of 'Net amounts of financial liabilities presented in the statement of financial position' and 'Amounts not subject to enforceable master netting arrangements'.
2 At 31 December 2024, the total amount of 'Deposits from banks' excluding repurchase agreements is EUR 16,689 million of which EUR 0 million is subject to offsetting.
3 Derivative assets and derivative liabilities include certain exchange traded future and option positions with the same underlying.
4 At 31 December 2024, the total amount of 'Customers deposits' excluding repurchase agreements is EUR 699,724 million of which the net cash pool position of EUR 16,817 million is subject to offsetting.
5 Other items include amounts to be settled with Central Clearing Counterparties regarding securities and derivatives transactions and is included in 'Other Liabilities – Amounts to be settled' for EUR 4,290 million in the statement of financial position of which EUR 242 million is subject to offsetting as at 31 December 2024.

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

in EUR million 2023					Related amounts not offset in the statement of financial position				
		Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Financial instruments	Cash and financial instruments pledged as collateral	Net amount	Amounts not subject to enforceable netting arrangements	Statement of financial position total [1]
Statement of financial position line item	**Financial instrument**								
Deposits from banks [2]	Repurchase, securities lending and similar agreements	29	-29					2,064	2,064
	Other	290	-290						
		319	**-319**					**2,064**	**2,064**
Customer deposits [3]	Repurchase, securities lending and similar agreements								
	Cash pools	249,734	-234,617	15,116	13		15,103		15,116
		249,734	**-234,617**	**15,116**	**13**		**15,103**		**15,116**
Financial liabilities at fair value through profit or loss									
Trading and Non-trading	Repurchase, securities lending and similar agreements	76,581	-34,738	41,844	235	41,653	-44	14,222	56,065
	Derivatives	101,218	-82,677	18,541	14,881	3,455	204	6,607	25,148
		177,799	**-117,415**	**60,384**	**15,117**	**45,108**	**160**	**20,829**	**81,213**
Other items where offsetting is applied in the statement of financial position [4]		**7,285**	**-6,773**	**512**	**35**		**477**		**512**
Total financial liabilities		**435,137**	**-359,124**	**76,013**	**15,165**	**45,108**	**15,740**	**22,892**	**98,905**

1 'The statement of financial position total' is the sum of 'Net amounts of financial liabilities presented in the statement of financial position' and 'Amounts not subject to enforceable master netting arrangements'.
2 At 31 December 2023, the total amount of 'Deposits from banks' excluding repurchase agreements is EUR 21,193 million of which EUR 0 million is subject to offsetting.
3 At 31 December 2023, the total amount of 'Customers deposits' excluding repurchase agreements is EUR 702,120 million of which the net cash pool position of EUR 15,116 million is subject to offsetting.
4 Other items include amounts to be settled with Central Clearing Counterparties regarding securities and derivatives transactions and is included in 'Other Liabilities – Amounts to be settled' for EUR 6,509 million in the statement of financial position of which EUR 512 million is subject to offsetting as at 31 December 2023.

38 Contingent liabilities and commitments

In the normal course of business, ING Bank is party to activities where risks are not reflected in whole or in part in the consolidated financial statements. In response to the needs of its customers, the Group offers financial products related to loans. These products include traditional off-balance sheet credit-related financial instruments.

Contingent liabilities and commitments		
in EUR million	2024	2023
Contingent liabilities in respect of		
– Discounted Bills		2
– Guarantees	26,908	27,894
– Irrevocable letters of credit	16,388	14,925
	43,296	**42,821**
Irrevocable facilities	175,222	166,810
	218,518	**209,631**

Guarantees relate both to credit and non-credit substitute guarantees. Credit substitute guarantees are guarantees given by ING Bank in respect of credit granted to customers by a third party. Many of them are expected to expire without being drawn on and therefore do not necessarily represent future cash outflows.

Irrevocable letters of credit mainly secure payments to third parties for a customer's foreign and domestic trade transactions in order to finance a shipment of goods. ING Bank's credit risk in these transactions is limited since these transactions are collateralized by the commodity shipped and are of a short duration.

Irrevocable facilities mainly constitute unused portions of irrevocable credit facilities granted to corporate clients. Many of these facilities are for a fixed duration and bear interest at a floating rate. ING Bank's credit risk and interest rate risk in these transactions is limited. The unused portion of irrevocable credit facilities is partly secured by customers' assets or counter-guarantees by the central governments and other public sector entities under the regulatory requirements. Irrevocable facilities also include commitments made to purchase securities to be issued by governments and private issuers.

In addition to the items included in contingent liabilities, ING Bank has issued certain guarantees as participant in collective arrangements of national banking funds and as a participant in required collective guarantee schemes which apply in different countries.

ING Bank N.V. provided a guarantee to the German Deposit Guarantee Fund ('Einlagensicherungsfonds' or ESF) under section 5 (10) of the by-laws of this fund, where ING Bank N.V. indemnifies the Association of German Banks Berlin against any losses it might incur as result of actions taken with respect to ING Germany. The ESF is a voluntary collective guarantee scheme for retail savings and deposits in excess of EUR 100,000.

ING uses Irrevocable Payment Commitments (IPCs) for a part of its contributions to the Single Resolution Fund (SRF). ING Bank has EUR 346 million of IPCs outstanding to the SRF as at 31 December 2024 (31 December 2023: EUR 346 million). No IPCs were provided to the SRF during 2024 (2023: EUR 63 million). No IPCs were called by the SRF in 2024 (2023: nil). Cash collateral provided to the SRF is equal to the outstanding amount of IPCs.

ING also uses IPCs for a part of its contributions to the Deposit Guarantee Scheme in Germany. Contingent liabilities for such outstanding IPCs amount to EUR 309 million as at 31 December 2024 (31 December 2023: EUR 273 million). Of these, EUR 35 million of IPCs were provided to the DGS during 2024 (2023: EUR 36 million). No IPCs were called by the DGS in 2024 (2023: nil). ING posted government bonds as collateral for the total nominal amount of EUR 336 million as at 31 December 2024 (31 December 2023: EUR 319 million).

Furthermore we refer to Note 39 'Legal proceedings' for any contingent liabilities in respect of legal proceedings.

39 Legal proceedings

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

Settlement agreement: On 4 September 2018, ING announced that it had entered into a settlement agreement with the Dutch Public Prosecution Service relating to previously disclosed investigations regarding various requirements for client on-boarding and the prevention of money laundering and corrupt practices. Following the entry into the settlement agreement, ING has experienced heightened scrutiny from authorities in various countries. ING is also aware, including as a result of media reports, that other parties may, among other things, seek to commence legal proceedings against ING in connection with the subject matter of the settlement. Certain parties filed requests with the Court of Appeal in The Netherlands to reconsider the prosecutor's decision to enter into the settlement agreement with ING and not to prosecute ING or (former) ING employees. In December 2020, the Court of Appeal issued its final ruling. In this ruling the prosecutors' decision to enter into the settlement agreement with ING was upheld, making the settlement final. However, in a separate ruling, the Court ordered the prosecution of ING's former CEO. In December 2024, the Dutch Public Prosecution Service announced that they will ask the Court's approval not to prosecute ING's former CEO.

Litigation by investors: In February and March 2024, ING and certain (former) board members were served with a writ of summons for litigation in The Netherlands on behalf of investors who claim to have suffered financial losses in connection with ING's disclosures on historic shortcomings in its financial economic crime policies, related risk management and control systems, the investigation by and settlement with the Dutch authorities in 2018 and related risks for ING. We do not agree with the allegations and will defend ourselves against these and the claimed damages of EUR 587 million. In February 2025, ING and the (former) board members have filed their statement of defense against the allegations. Separately, but relating to the same matters, in July 2024 another group of investors claiming to have suffered financial losses requested disclosure of certain ING documents and to question witnesses. ING has subsequently filed its response to the requests made with the court. We follow IFRS rules for taking legal provisions and would disclose material amounts in this regard if and when applicable - which currently is not the case.

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

In January 2022, a Luxembourg investigating judge informed ING Luxembourg that he intends to instruct the relevant prosecutor to prepare a criminal indictment regarding alleged shortcomings in the AML process at ING Luxembourg. In November 2024, the Court decided to refer the case to the 'Tribunal Correctionnel' for alleged shortcomings in a limited number of individual client files. ING Luxembourg filed an appeal against this procedural decision. It is currently not possible to determine how this matter will be resolved or the timing of any such resolution, ING does not expect a financial outcome of this matter to have a material effect.

ING's subsidiary Payvision was the subject of a criminal investigation by Dutch authorities regarding money laundering and various requirements of the Dutch act on Anti-Money Laundering and Counter Terrorist Financing, focusing on the period from 1 January 2015 up to and including April 2020. Payvision cooperated with such investigation. In October 2021, the phasing out of Payvision was announced. The phasing out of activities and the transfer of customers to a new service provider were completed in 2022. At the request of Payvision, its license has been withdrawn. In April 2024, the Dutch authorities closed the investigation, without charges against Payvision, but with the issuance of a penalty order against two former directors of Payvision.

ING continues to take steps to enhance its management of compliance risks and embed stronger awareness across the whole organisation. These steps are part of the global KYC programme and set of initiatives, which includes enhancing KYC files and working on various structural improvements in compliance policies, tooling, monitoring, governance, knowledge and behaviour.

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

Claims regarding accounts with predecessors of ING Bank Türkiye: ING Bank Türkiye has received numerous claims from (former) customers of legal predecessors of ING Bank Türkiye. The claims are based on offshore accounts held with these banks, which banks were seized by the Savings Deposit Insurance Fund ("SDIF") prior to the acquisition of ING Bank Türkiye in 2007 from OYAK. Pursuant to the acquisition contract, ING Bank Türkiye can claim compensation from SDIF if a court orders ING Bank Türkiye to pay amounts to the offshore account holders. SDIF has made payments to ING Bank Türkiye pursuant to such compensation requests, but filed various lawsuits to receive those amounts back. In April 2022 the Turkish Supreme Court decided that the prescription period for the offshore account holders' compensation claims starts on the transfer date of the account holders to the offshore accounts. As of January 2025, three lawsuits have been finalized in favour of ING Bank Türkiye with the Turkish Supreme Court's verdict, which are likely to be precedent decisions for the other ongoing files.

In 2024 SDIF initiated enforcement procedures against ING Bank Türkiye, based on the decision in April 2022 by the Turkish Supreme Court referred to above. SDIF alleges that this decision means that ING Bank Türkiye has to return certain payments made by SDIF regarding the offshore depositors' receivables cases, as the statute of limitations had already expired.

At this moment it is not possible to assess the outcome of these procedures nor to provide an estimate of the (potential) financial effect of these claims.

Interest rate derivatives claims: In the past a uniform recovery framework for Dutch SME clients with interest rate derivatives was established by a committee of independent experts appointed by the Dutch Ministry of Finance. In the context of this recovery framework most claims have been settled, however ING is still involved in several legal proceedings in the Netherlands with respect to interest rate derivatives that were sold to clients in connection with floating interest rate loans in order to hedge the interest rate risk of the loans. These proceedings are based on several legal grounds, depending on the facts and circumstances of each specific case, inter alia alleged breach of duty of care, insufficient information provided to the clients on the product and its risks and other elements related to the interest rate derivatives that were sold to clients. In some cases, the court has ruled in favour of the claimants and awarded damages, annulled the interest rate derivative or ordered repayment of certain amounts to the claimants. In one case, the business client filed an appeal in cassation with the Dutch Supreme Court in January 2024. In December 2024, the Supreme Court rejected such appeal. As there are only two lawsuits still pending, we do not expect that these cases will have a significant impact in the future.

Interest surcharges claims: ING received complaints and was involved in litigation with certain individuals in the Netherlands regarding increases in interest surcharges with respect to several credit products, including but not limited to commercial property. ING has reviewed the relevant product portfolio. The provision previously taken has been reversed for certain of these complaints. All claims are dealt with individually. Thus far, the courts have ruled in favour of ING in each case, ruling that ING was allowed to increase the interest surcharge based upon the essential obligations in the contract. In a relevant case the Dutch Supreme Court ruled in favour of another Dutch bank, addressing the question whether or not a bank is allowed to increase interest surcharges unilaterally. The Dutch Supreme Court ruled affirmatively and referred the case to the Court of Appeal in The Hague. The Court of Appeal also ruled in favour of the Dutch bank in October 2022 and this ruling has been confirmed by the Dutch Supreme Court in its ruling of 22 December 2023. ING will continue to deal with all claims individually. In the last pending case against ING, the claimant filed an appeal in cassation with the Dutch Supreme Court in April 2024. The Supreme Court rejected the appeal in cassation in February 2025. There are no other lawsuits related to client surcharges on the Euribor rates of so-called Euroflex loans. We therefore do not expect that this issue will have a significant impact in the future.

Mortgage expenses claims: ING Spain has received claims and is involved in procedures with customers regarding reimbursement of expenses associated with the formalisation of mortgages. In most first instance court proceedings the expense clause of the relevant mortgage contract has been declared null and ING Spain has been ordered to reimburse all or part of the applicable expenses. Since 2018, the Spanish Supreme Court and the European Court of Justice ("CJEU") have issued rulings setting out which party should bear notary, registration, agency, and stamp duty costs. In January 2021, the Spanish Supreme Court ruled that valuation costs of mortgages, signed prior to 16 June 2019, the date the new mortgage law entered into force, should be borne by the bank. Media attention for the statute of limitations applicable to the right to claim reimbursement of costs resulted in an increased number of claims at the beginning of 2021. In June 2021, the Spanish Supreme Court published a press release stating its decision to ask the CJEU for a preliminary ruling regarding the criteria that should be applied to determine the date from which the action for claiming the reimbursement of mortgage expenses is considered to be expired. In January 2024, the CJEU ruled that the limitation period for the judicial claim for reimbursement of expenses cannot begin to run from a Supreme Court decision declaring the clause null and void, nor from the moment of the payment of the expenses. The CJEU indicated that it is up to national case-law to determine the criterion that should be applied for the calculation of the limitation period. In April 2024, the CJEU ruled that it was not against European Union laws that the period of prescription began to be calculated from the moment the clause was declared null. Following the CJEU approach, on 14 June 2024 the Spanish Supreme Court issued its final decision stating in short that the 5-year period to claim the reimbursement of costs can only begin from the date each individual clause is declared null by a judge. The Spanish Supreme Court also leaves a small door open for banks in case they can demonstrate that a specific individual indeed had knowledge of the unfairness of the clause before that moment. ING is reviewing the best way to address the latest developments.

ING Spain was also included, together with other Spanish banks, in three class actions filed by customer associations. In one of the class actions an agreement was reached with the association. In another class action the association withdrew from the proceedings. With respect to the third class action, ING filed an appeal asking the Spanish Court of Appeal to determine that the ruling of the court of first instance is only applicable to the consumers that were part of the case. The National Court has revoked the ruling and declared that the consumers will not be able to initiate an action for compensation based on the first instance ruling, as the claimant association intended. This last decision is not yet final, as it has been appealed in the Supreme Court.

A provision has been established in the past and has been adjusted where appropriate.

Imtech claims: In January 2018, ING Bank received a claim from Stichting ImtechClaim.nl and Imtech Shareholders Action Group B.V. on behalf of certain (former) shareholders of Imtech. In March 2018, ING Bank received another claim on the same subject matter from the Dutch Association of Stockholders (Vereniging van Effectenbezitters, “VEB”). In 2022, these claimants reiterated and further substantiated their claim in a letter to ING. Each of the claimants allege inter alia that shareholders they represent were misled by the prospectus of the rights issues of Imtech in July 2013 and October 2014. Underwriters, including ING are held liable by these claimants for the damages that shareholders would have suffered. ING responded to these claimants denying any and all responsibility in relation to the allegations made in the relevant letters. In March 2024, Imtech trustees, VEB and other parties entered into a settlement agreement that contained a release for claims regarding this subject matter. This release, by way of third-party clause, applies to ING as well. The other claimants (one of which is now dissolved) are not party to this agreement and at this moment it is not possible to assess whether the remaining claims would lead to any court case and what the outcome of such court cases would be.

Claims regarding mortgage loans in Swiss franc in Poland: ING Poland is a defendant in several lawsuits with retail customers who took out mortgage loans indexed to the Swiss franc. Such customers have alleged that the mortgage loan contract contains abusive clauses. One element that the court is expected to consider in determining whether such contracts contain abusive clauses is whether the rules to determine the exchange rate used for the conversion of the loan from Polish zloty to Swiss franc are unambiguous and verifiable. In December 2020, the Polish Financial Supervision Authority (PFSA) proposed that lenders offer borrowers voluntary out-of-court settlements on foreign-currency mortgage disputes, with mortgages indexed to Swiss franc serving as a reference point. In February 2021, ING Poland announced its support for this initiative and in October 2021 began offering the settlements to the borrowers following the PFSA's proposal. In October 2022, a hearing of the European Court of Justice ("CJEU") was held inter alia on the question whether, after cancellation of a contract regarding a Swiss franc loan by a court, banks may still charge interests for the amount borrowed under such loan prior to cancellation.

In June 2023, the CJEU issued a ruling. It ruled that under EU law when a loan agreement indexed to the Swiss franc is declared null and void, banks cannot claim any remuneration (i.e. interest) for the duration the principal amount was available to the customer. The customer, however, may assert claims against banks in addition to reimbursement of interest and instalments previously paid to the bank. In September and December 2023, the CJEU issued rulings providing further clarity on the limitation period and about the question of when a contract clause can be considered unfair. In April 2024, the Polish Supreme Court issued a ruling stating that if it is impossible to establish a binding foreign currency exchange rate for the parties in the indexed or denominated loan agreement, the agreement is also not binding in other respects. ING has recorded a portfolio provision. In October and November 2024, seven new preliminary questions were referred to the CJEU which focus on the claims of banks in a situation of annulment of a credit agreement.

Certain Consumer Credit Products: In October 2021, ING announced that it would offer compensation to its Dutch retail customers in connection with certain revolving consumer loans with variable interest rates that allegedly did not sufficiently follow market rates. This announcement was made in response to several rulings by the Dutch Institute for Financial Disputes (Kifid) regarding similar products at other banks. ING has recognized a provision of EUR 180 million in 2021 for compensation and costs in connection with this matter. On 22 December 2021, ING announced that it reached an agreement with the Dutch Consumers' Association (Consumentenbond) on the compensation methodology for revolving credits. Based on a Kifid ruling regarding similar products, ING has amended its previously announced compensation scheme by also compensating interest on interest. In the third quarter of 2022, ING increased its provision for this matter by EUR 75 million. In the fourth quarter of 2022, ING and the Dutch Consumers' Association reached an agreement on the compensation of customers who have had an overdraft facility or a revolving credit card with a variable interest rate. ING has started compensating such customers in line with Kifid rulings about revolving credits including 'interest-on-interest'-effect in these cases. Timelines for compensation vary depending on customer and product segmentation and are dependent on the availability of data. In 2024 the compensation process was expedited. The compensation process is still ongoing.

Climate litigation: In January 2024, Friends of the Earth Netherlands (Milieudefensie) announced that it holds ING liable for alleged contribution to climate change and threatens to initiate legal proceedings against ING. In January 2025, Milieudefensie sent a new letter in which it reiterated its threat to initiate legal proceedings against ING, but revised its demands. If necessary, ING will defend its science-based climate approach in court.

Russian claims: Several ING entities have received claims from, and are involved in litigation with, certain Russia-linked entities. They claim the payment of principal or interest or other amounts that they have not received pursuant to sanctions. Claims are also made related to the settlement of contracts that have been terminated after sanctions were imposed. In at least one case, the claimant seized assets in Russia of ING entities. We do not agree with these claims, as they do not comply with the underlying contracts or applicable laws, including sanctions. We follow IFRS rules for taking legal provisions and would disclose material amounts in that regard if and when applicable which currently is not the case.

40 Consolidated companies and businesses acquired and divested

Acquisitions and divestments

There were no significant acquisitions in 2024, 2023 or 2022, and there was no significant divestment in 2024 and 2023.

Divestments 2022

ING announced at 13 December 2022 that it had sold its interest (80%) in Intersoftware Holding BV to the Sky Group/ DIAS and realised a transaction result of EUR 11.0 million which consisted of a profit of EUR 7.0 on sale of InterSoftware Holding BV and the release of the redemption liability of EUR 3.0 million.

41 Principal subsidiaries, investments in associates and joint ventures

For the majority of ING's principal subsidiaries, ING Bank N.V. has control because it either directly or indirectly owns more than half of the voting power. For subsidiaries in which the interest held is below 50%, control exists based on the combination of ING's financial interest and its rights from other contractual arrangements which result in control over the operating and financial policies of the entity.

For each of the subsidiaries listed, the voting rights held equal the proportion of ownership interest and consolidation by ING is based on the majority of ownership.

For the principal investments in associates and joint ventures ING Bank has significant influence but not control. Significant influence generally results from a shareholding of between 20% and 50% of the voting rights, but also the ability to participate in the financial and operating policies through situations including, but not limited to one or more of the following:

- Representation on the board of directors;
- Participation in the policymaking process; and
- Interchange of managerial personnel.

The principal subsidiaries, investments in associates and joint ventures of ING Bank N.V. and their statutory place of incorporation or primary place of business are as follows:

Principal subsidiaries, investments in associates and joint ventures

			Proportion of ownership and interest held by the group	
			2024	2023
Subsidiary	**Statutory place of Incorporation**	**Country of operation**		
Bank Mendes Gans N.V.[3]	Amsterdam	the Netherlands		100%
ING Belgium S.A./N.V.	Brussels	Belgium	100%	100%
ING Luxembourg S.A.	Luxembourg City	Luxembourg	100%	100%
ING-DiBa AG	Frankfurt am Main	Germany	100%	100%
ING Bank Slaski S.A.[1]	Katowice	Poland	75%	75%
ING Financial Holdings Corporation	Delaware	United States of America	100%	100%
ING Bank A.S.	Istanbul	Türkiye	100%	100%
ING Bank (Australia) Ltd	Sydney	Australia	100%	100%
ING Commercial Finance B.V.	Amsterdam	the Netherlands	100%	100%
ING Groenbank N.V.[3]	Amsterdam	the Netherlands		100%
Investments in associates and joint ventures				
TMBThanachart Bank Public Company Ltd[2]	Bangkok	Thailand	23%	23%

[1] The shares of the non-controlling interest stake of 25% are listed on the Warsaw Stock Exchange, for summarised financial information we refer to Note 29 'Information on geographical areas'
[2] Reference is made to Note 8 'Investment in associates and joint ventures'.
[3] In 2024, Bank Mendes Gans N.V. and ING Groenbank N.V merged with ING Bank N.V.

42 Structured entities

ING Bank's activities involve transactions with various structured entities (SE) in the normal course of its business. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. ING Bank's involvement in these entities varies and includes both debt financing and equity financing of these entities as well as other relationships. Based on its accounting policies ING establishes whether these involvements result in no significant influence, significant influence, joint control or control over the structured entity.

The structured entities over which ING can exercise control are consolidated. ING may provide support to these consolidated structured entities as and when appropriate. However, this is fully reflected in the consolidated financial statements of ING Bank as all assets and liabilities of these entities are included and off-balance sheet commitments are disclosed.

ING's activities involving structured entities are explained below in the following categories:

1. Consolidated ING originated securitisation programmes;
2. Consolidated ING originated Covered bond programme (CBC);
3. Consolidated ING sponsored Securitisation programme (Mont Blanc);
4. Unconsolidated Securitisation programme; and
5. Other structured entities.

1. Consolidated ING originated securitisation programmes

ING Bank enters into liquidity management securitisation programmes in order to obtain funding and improve liquidity. Within the programme ING Bank sells ING originated assets to a structured entity. The underlying exposures include residential mortgages and SME loans in the Netherlands, Belgium, Spain, Italy, Australia and Germany.

The structured entity issues securitised notes (traditional securitisations) which are eligible collateral for central bank liquidity purposes. In most programmes ING Bank acts as investor of the securitised notes. ING Bank continues to consolidate these structured entities if it is deemed to control the entities.

The structured entity issues securitisation notes in two or more tranches, of which the senior tranche obtains a high rating (AAA or AA) by a rating agency. The retained tranche can subsequently be used by ING Bank as collateral in the money market for secured borrowings.

ING Bank originated various securitisations, as at 31 December 2024, these consisted of EUR 74 billion (2023: EUR 67 billion) of senior and subordinated notes, of which EUR 4 billion (2023: EUR 2 billion) were issued externally. The underlying exposures are residential mortgages and SME loans. Apart from the third party funding, these securitisations did not impact ING Bank's Consolidated statement of financial position and profit or loss.

In 2024, there are no non-controlling interests as part of the securitisation structured entities that are significant to ING Bank.

2. Consolidated ING originated Covered bond programme (CBC)

ING Bank has entered into a covered bond programme. Under the covered bond programme ING issues bonds. The payment of interest and principal is guaranteed by the ING administered structured entities, ING Covered Bond Company B.V., ING SB Covered Bond Company B.V. and ING SB2 Covered Bond Company B.V. In order for these entities to fulfil their guarantee, ING legally transfers mainly Dutch mortgage loans originated by ING. Furthermore ING offers protection against deterioration of the mortgage loans. The entities are consolidated by ING Bank.

Covered bond programme

	Fair value pledged mortgage loans	
in EUR million	2024	2023
Dutch Covered Bond programmes	27,172	27,148
Diba Mortgage Pfandbriefe	15,050	18,276
ING Belgium Residential Pandbrieven Programme	9,024	7,347
IBAL Covered Bond	3,676	3,781
ING Bank Hipoteczny CBP	602	544
	55,524	**57,096**

For the covered bond programme, third-party investors in securities issued by the structured entity have recourse to the assets of the entity and to the assets of ING Bank.

3. Consolidated ING sponsored Securitisation programme (Mont Blanc)

In the normal course of business, ING Bank structures financing transactions for its clients by assisting them in obtaining sources of liquidity by selling the clients' receivables or other financial assets to a Special Purpose Vehicle (SPV). The senior positions in these transactions may be funded by the ING administered multi seller Asset Backed Commercial Paper (ABCP) conduit Mont Blanc Capital Corp. (rated A-1/P-1). Mont Blanc Capital Corp. funds itself externally in the ABCP markets.

In its role as administrative agent, ING Bank facilitates these transactions by acting as administrative agent, swap counterparty and liquidity provider to Mont Blanc Capital Corp. ING Bank also provides support facilities (i.e. liquidity) backing the transactions funded by the conduit. The types of asset currently in the Mont Blanc conduit include trade receivables, consumer finance receivables, car leases and residential mortgages.

ING Bank supports the ABCP programmes by providing Mont Blanc Capital Corp. with short-term liquidity facilities. Once drawn these facilities bear normal credit risk.

The liquidity facilities provided to Mont Blanc are EUR 3,119 million (2023: EUR 2,268 million). The drawn liquidity amount is nil as at 31 December 2024 (2023: nil).

The standby liquidity facilities are reported under irrevocable facilities. All facilities, which vary in risk profile, are granted to the Mont Blanc Capital Corp. subject to normal ING Bank credit and liquidity risk analysis procedures. The fees received for services provided and for facilities are charged subject to market conditions.

4. Unconsolidated Securitisation programme

In 2013 ING transferred financial assets (mortgage loans) for an amount of EUR 2 billion to a special purpose vehicle (SPV). The transaction resulted in full derecognition of the financial assets from ING's statement of financial position. Following this transfer ING continues to have two types of ongoing involvement in the transferred assets: as counterparty to the SPE of a non-standard interest rate swap, which is recognised as a non-trading derivative, and as servicer of the transferred assets. ING has an option to unwind the transaction by redeeming all notes at their principal outstanding amount, in the unlikely event of changes in accounting and/or regulatory requirements that significantly impact the transaction. The fair value of the swap held by ING at 31 December 2024 amounted to EUR -11 million (2023: EUR -26 million); fair value changes on this swap recognised in the statement of profit or loss in 2024 were EUR 14 million (2023: EUR 14 million). Service fee income recognised, for the role as administrative agent, in the statement of profit or loss in 2024 amounted to EUR 1 million (2023: EUR 1 million). The cumulative income recognised in profit or loss since derecognition amounts to EUR 20 million (2023: EUR 19 million).

5. Other structured entities

In the normal course of business, ING Bank enters into transactions with structured entities as counterparty. Predominantly in its structured finance operations, ING can be instrumental in facilitating the creation of these structured entity counterparties. These entities are generally not included in the consolidated financial statements of ING Bank, as ING facilitates these transactions as administrative agent by providing structuring, accounting, funding, lending, and operation services.

ING Bank offers various investment fund products to its clients. ING Bank does not invest in these investment funds for its own account nor acts as the fund manager.

43 Related parties

In the normal course of business, ING Bank enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Related parties of ING Bank include, among others, its subsidiaries, associates, joint ventures, key management personnel, and various defined benefit and contribution plans. For post-employment benefit plans, reference is made to Note 30 'Pensions and other post-employment benefits'. Transactions between related parties include rendering or receiving of services, leases, transfers under finance arrangements and provisions of guarantees or collateral. All transactions with related parties took place at conditions customary in the market. There are no significant provisions for doubtful debts or individually significant bad debt expenses recognised on outstanding balances with related parties. ING Bank forms part of ING Group and also enters into transactions with ING Group. These transactions vary from financing activities to regular purchase and sales transactions. Disclosed in the table below, are the transactions with ING Groep N.V.

Parent Company

Transactions with ING Groep N.V.

in EUR million	2024	2023
Assets	72	56
Liabilities	77,739	70,524
Income received	0	1
Expenses paid	2,507	2,026

Liabilities to ING Groep N.V. mainly comprise long-term funding.

Associates and joint ventures

Transactions with ING Bank's main associates and joint ventures

	Associates		Joint ventures	
in EUR million	2024	2023	2024	2023
Assets	142	121		
Liabilities	263	424	10	1
Off-balance sheet commitments	23	20		
Income received	16	10		
Expenses paid	2	3		

Assets, liabilities, commitments, and income related to Associates and joint ventures result from transactions which are executed as part of the normal Banking business. Dividends received by associates and joint ventures are included in Note 8 'Investment in associates and joint ventures'.

Key management personnel compensation

The Executive Board of ING Groep N.V., the Management Board Banking and the Supervisory Board are considered Key Management personnel of ING. In 2024, 2023 and 2022, the three members of the Executive Board of ING Groep N.V. were also members of the Management Board Banking.

Transactions with key management personnel, including their compensation are included in the tables below.

Key management personnel compensation (Executive Board and Management Board Banking)

2024 in EUR thousands	Executive Board of ING Groep N.V.	Management Board Banking [1]	Total
Fixed Compensation			
– Base salary	4,388	3,598	7,987
– Collective fixed allowances [2]	1,033	790	1,823
– Pension costs	84	95	179
– Severance benefits			
Variable compensation			
– Upfront cash	0	609	609
– Upfront shares	302	609	911
– Deferred cash	0	914	914
– Deferred shares	453	914	1,367
– Other emoluments [3]	306	418	724
Total compensation	**6,566**	**7,948**	**14,513**

1 Excluding members of the Management Board Banking that are also members of the Executive Board of ING Groep N.V.

2 The collective fixed allowances consist of two savings allowances applicable to employees in the Netherlands; an individual savings allowance of 3.5% and a collective savings allowance to compensate for the loss of pension benefits with respect to salary in excess of EUR 137,800.

3 This includes expatriate allowances (such as housing, school/tuition fees and international health insurances, if applicable); banking and insurance benefits from ING (on the same terms as for other employees of ING in the Netherlands); tax and financial planning services to ensure compliance with the relevant legislative requirements; and the use of a company car or driver service.

Key management personnel compensation (Executive Board and Management Board Banking)

2023 in EUR thousands	Executive Board of ING Groep N.V.	Management Board Banking [1]	Total
Fixed Compensation			
– Base salary	4,220	4,200	8,420
– Collective fixed allowances [2]	1,002	887	1,889
– Pension costs	78	107	185
– Severance benefits		734	734
Variable compensation			
– Upfront cash		598	598
– Upfront shares	293	598	891
– Deferred cash		897	897
– Deferred shares	439	897	1,336
– Other emoluments [3]	344	487	832
Total compensation	**6,376**	**9,405**	**15,782**

1 Excluding members of the Management Board Banking that are also members of the Executive Board of ING Groep N.V.
2 The collective fixed allowances consist of two savings allowances applicable to employees in the Netherlands; an individual savings allowance of 3.5% and a collective savings allowance to compensate for the loss of pension benefits with respect to salary in excess of EUR 128,810.
3 This includes expatriate allowances (such as housing, school/tuition fees and international health insurances, if applicable); banking and insurance benefits from ING (on the same terms as for other employees of ING in the Netherlands); tax and financial planning services to ensure compliance with the relevant legislative requirements; reimbursement of costs under the Directors & Officers indemnity provided by ING; and the use of a company car or driver service.

Key management personnel compensation (Executive Board and Management Board Banking)

2022 in EUR thousands	Executive Board of ING Groep N.V.	Management Board Banking [1]	Total
Fixed Compensation			
– Base salary	4,220	4,969	9,189
– Collective fixed allowances [2]	1,011	1,073	2,084
– Pension costs	70	116	186
– Severance benefits		932	932
Variable compensation			
– Upfront cash		803	803
– Upfront shares	268	803	1,071
– Deferred cash		1,204	1,204
– Deferred shares	401	1,204	1,605
– Other emoluments [3]	296	638	934
Total compensation	**6,266**	**11,742**	**18,008**

1 Excluding members of the Management Board Banking that are also members of the Executive Board of ING Groep N.V.
2 The collective fixed allowances consist of two savings allowances applicable to employees in the Netherlands; an individual savings allowance of 3.5% and a collective savings allowance to compensate for loss of pension benefits with respect to salary in excess of EUR 114,866.
3 This includes amongst others: housing, school/tuition fees, international health insurance, relocation costs and tax and financial planning.

ING indemnifies the members of the EB 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 EB, as far as permitted by law, on the conditions laid down in the Articles of Association and their commission contract. ING has taken out liability insurance for the members of the EB.

In accordance with the Articles of Association ING indemnifies the members of the Supervisory Board as far as legally permitted 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 Supervisory Board.

Key management personnel compensation is generally included in Staff expenses in the statement of profit or loss. The total remuneration of the Executive Board and Management Board Banking is disclosed in the table above. Under IFRS, certain components of variable remuneration are not recognised in the statement of profit or loss directly, but are allocated over the vesting period of the award. The comparable amount recognised in Staff expenses in 2024 relating to the fixed expenses of 2024 and the vesting of variable remuneration of earlier performance years, is EUR 12 million in 2024 (2023: EUR 14 million; 2022: EUR 14 million).

The table below shows the total of fixed remuneration, expense allowances and attendance fees for the Supervisory Board in 2024, 2023 and 2022.

Key management personnel compensation (Supervisory Board)			
in EUR thousands	2024	2023	2022
Total compensation	1,191	1,152	1,048

Loans and advances to key management personnel

As at 31 December 2024 Loans and advances outstanding to key management personnel amounted to EUR 1.1 million (2023: EUR 1.7 million) with an average interest rate of 2.1% (2023: 2.1%) and loan commitments to key management personnel amounted to EUR 145 thousand (2023: EUR 138 thousand). Total interest received in 2024 on these loans and advances amounted to EUR 28 thousand (2023: EUR 30 thousand).

These loans and advances and loan commitments (1) were made in the ordinary course of business, (2) were granted on conditions that are comparable to those of loans and advances granted to all employees and (3) did not involve more than the normal risk of collectability or present other unfavourable features.

Deposits outstanding to key management personnel

As at 31 December 2024 Deposits outstanding from key management personnel amounted to EUR 15.8 million (2023: EUR 13.9 million). Total interest paid in 2024 on these deposits amounted to EUR 324 thousand (2023: EUR 197 thousand).

ING shares held by key management personnel

Number of ING Groep N.V. shares to key management personnel		
	ING Groep N.V. shares	
in numbers	2024	2023
Executive Board members	152,652	128,241
Management Board Banking	343,055	262,507
Supervisory Board members	5,295	5,295

44 Capital management

Capital management strategy

Group Treasury (GT) is responsible for maintaining the adequate capitalisation of ING Group and ING Bank entities to manage the risk associated with ING's business activities. This involves not only managing, planning and allocating capital within ING Group, ING Bank and its various entities, but also executing necessary capital market transactions, term (capital) funding and risk management transactions. ING takes an integrated approach to assess the adequacy of its capital position in relation to its risk profile and operating environment. This means GT takes into account both regulatory and internal, economic-based metrics and requirements as well as the interests of key stakeholders, such as customers, shareholders and rating agencies.

ING applies the following main capital definitions:

- Common equity Tier 1 capital (CET1) is defined as shareholders' equity less regulatory adjustments. CET1 capital divided by risk-weighted assets equals the CET1 ratio.
- Tier 1 capital is defined as CET1 capital plus Additional Tier 1 (hybrid) securities and other regulatory adjustments. Tier 1 capital divided by risk-weighted assets equals the Tier 1 capital ratio.
- Total capital is Tier 1 capital plus subordinated Tier 2 liabilities and regulatory adjustments. Total capital divided by risk-weighted assets equals the Total capital ratio.
- ING's fully loaded CET1 ratio target is built on the CET1 requirements specified for ING, potential increase in the regulatory requirement of the countercyclical buffer, the potential impact of a standardised and pre-determined stress scenario and available mitigating actions, and general uncertainties.
- Leverage ratio (LR) is defined as Tier 1 capital divided by the leverage exposure.
- Minimum Required Eligible Liabilities (MREL)/ Total Loss Absorbing Capacity (TLAC) is Total capital plus senior unsecured bonds and amortisations. MREL/ TLAC ratios are based on both risk-weighted assets and leverage exposure.

Capital position as per 31 December 2024

ING Bank capital position according to CRR II / CRD V		
in EUR million	2024	2023
Shareholders' equity [1]	42,743	40,191
- Interim profits not included in CET 1 capital	0	-766
- Other adjustments	-2,146	-1,029
Regulatory adjustments	-2,146	-1,795
Available common equity Tier 1 capital	**40,597**	**38,396**
Additional Tier 1 securities	7,967	6,962
Regulatory adjustments additional Tier 1	106	86
Available Tier 1 capital	**48,671**	**45,444**
Supplementary capital Tier 2 bonds [2]	9,853	9,115
Regulatory adjustments Tier 2	81	54
Available Total capital	**58,604**	**54,613**
Risk weighted assets	334,770	321,358
Common equity Tier 1 ratio	12.1%	11.9%
Tier 1 ratio	14.5%	14.1%
Total capital ratio	17.5%	17.0%

1 Shareholders' equity is determined in accordance with IFRS-EU.
2 All T2 securities are CRR/CRD V-compliant for 2024.

In accordance with the applicable regulation, credit and operational risk models used in the capital ratios calculations are not audited.

Regulatory requirements

Capital adequacy and the use of required regulatory capital are based on the guidelines developed by the Basel Committee on Banking Supervision (The Basel Committee) and the European Union Directives, as implemented by the Dutch Central Bank and the ECB for supervisory purposes. In 2010, the Basel Committee issued new solvency and liquidity requirements that superseded Basel II, implemented in the EU via CRR / CRD. In accordance with the CRR the minimum Pillar 1 capital requirements applicable to ING Bank are: a CET1 ratio of 4.5%, a Tier 1 ratio of 6.0% and a Total capital ratio of 8.0% of risk-weighted assets.

The overall SREP CET1 requirement (including buffer requirements) for ING Bank N.V. at a consolidated level was 9.83% at the end of 2024. This requirement is the sum of a 4.5% Pillar I requirement, a 2.5% capital conservation buffer (CCB), a 0.83% countercyclical buffer (CCyB) and a 2.0% O-SII (Other Systemically Important Institutions) buffer (based on December 2024 positions).

45 Subsequent events

On January 28, 2025 ING announced that it has reached an agreement on the sale of its business in Russia to Global Development JSC, a Russian company owned by a Moscow-based financial investor with a background in factoring services. This transaction will effectively end ING's activities in the Russian market. Under the terms of the agreement, Global Development will acquire all shares of ING Bank (Eurasia) JSC, taking over all Russian onshore activities and staff. Global Development intends to continue to serve customers in Russia under a new brand. The transaction, which has been preceded by extensive due diligence, is subject to various regulatory approvals and is expected to be closed in the third quarter of 2025.

ING has taken on no new business with Russian companies, has scaled down operations and has taken actions to separate the business from ING's networks and systems.

ING estimates a negative impact to the Result on disposal of Group companies of EUR 0.7 billion post tax. This includes an estimated book loss of EUR 0.4 billion, representing the expected difference between the sale price and the book value of the business. It also includes an estimated negative impact of EUR 0.3 billion from recycling the currency translation adjustment net of the Net Investment hedge reserve through P&L, that is currently booked in equity for past changes of the value of ING Bank (Eurasia) JSC as a result of changes in exchange rates.

On 2 March 2025, ING agreed with a minority shareholder to acquire their 17.6% stake in Van Lanschot Kempen N.V. Per the agreement, ING has directly acquired 7.2% with the remainder of the transaction subject to regulatory approval. Together with ING's existing stake of 2.7%, ING is expected to hold a total of 20.3% after completion of the transaction.

There are no other subsequent events to report other than those already disclosed in Note 39 'Legal proceedings' of the consolidated financial statements.

Authorisation of Consolidated Financial Statements

Amsterdam, 3 March 2025

The Supervisory Board

K.K. (Karl) Guha, chairperson
A.M.G. (Mike) Rees, vice-chairperson
J. (Juan) Colombás
M. (Margarete) Haase
L.J. (Lodewijk) Hijmans van den Bergh
H.A.H. (Herman) Hulst
H.H.J.G. (Harold) Naus
A. (Alexandra) Reich
H.W.P.M.A. (Herna) Verhagen

The Management Board Banking

S.J.A. (Steven) van Rijswijk, CEO and chairperson
T. (Tanate) Phutrakul, CFO
L. (Ljiljana) Čortan, CRO
P. (Pinar) Abay, head of Retail, Market Leaders and Challengers & Growth Markets
A.J.M. (Andrew) Bester, head of Wholesale Banking
M.A. (Marnix) van Stiphout, Chief operations officer
D. (Daniele) Tonella, Chief technology officer

Parent company Financial statements

Parent company statement of financial position

as at 31 December before appropriation of result

in EUR million	2024	2023
Assets		
Cash and balances with central banks 2	34,633	51,484
Short-dated government paper 3	270	253
Loans and advances to banks 4	78,966	71,930
Loans and advances to customers 5	367,179	346,104
Debt securities 6	55,059	48,671
Equity securities 7	9,925	6,279
Investments in group companies 8	31,753	31,040
Investments in associates and joint ventures 9	1,378	1,243
Intangible assets 10	634	582
Property and equipment 11	856	783
Other assets 12	63,385	63,845
Accrued assets	485	501
Total assets	**644,521**	**622,716**

in EUR million	2024	2023
Liabilities		
Deposits from banks 13	39,625	38,569
Customer deposits 14	368,903	357,248
Debt securities in issue 15	61,656	61,355
Other liabilities 16	63,651	68,865
Provisions 17	691	782
Senior non-preferred debt 18	49,393	40,213
Subordinated loans 19	17,861	15,494
Total liabilities	**601,778**	**582,525**
Equity 20		
Share capital	525	525
Share premium	16,542	16,542
Revaluation reserves	717	-181
Legal and statutory reserves	-639	-557
Other reserves	21,256	22,398
Unappropriated result	4,342	1,465
Total equity	**42,743**	**40,191**
Total liabilities and equity	**644,521**	**622,716**

The comparative balances 2023 have been adjusted due to legal mergers using the 'pooling of interests' method. Reference is made to Note 1 'Basis of presentation'.

References relate to the accompanying notes. These form an integral part of the Parent company financial statements.

Parent company statement of profit or loss

for the years ended 31 December

in EUR million	2024	2023
Interest income	31,518	33,286
Interest expense	-26,466	-27,387
Net interest income 21	**5,052**	**5,899**
Investment income and results from participating interests 22	4,389	4,697
Fee and commission income	2,720	2,528
Fee and commission expense	-660	-596
Net fee and commission income 23	**2,060**	**1,932**
Results from financial transactions 24	2,022	1,563
Other income	13	75
Total income	**13,536**	**14,167**
Staff expenses 25	3,657	3,492
Depreciation, amortisation and impairments 26	331	324
Other expenses 27	2,176	2,154
Addition to loan loss provisions	399	52
Total expenses	**6,563**	**6,022**
Result before tax	**6,972**	**8,144**
Taxation 28	785	987
Result after tax	**6,187**	**7,157**

The comparative balances 2023 have been adjusted due to legal mergers using the 'pooling of interests' method. Reference is made to Note 1 'Basis of presentation'

References relate to the accompanying notes. These form an integral part of the Parent company financial statements.

Parent company statement of changes in equity

in EUR million	Share capital	Share premium	Revaluation reserves	Legal and statutory reserves	Other reserves	Unappropriated results	Total
Balance as at 31 December 2022	**525**	**16,542**	**-862**	**361**	**25,067**	**913**	**42,546**
Net result				336		6,821	7,157
Amounts net of tax recognised directly in equity			680	97			777
Dividends and other cash distributions					-4,000	-6,269	-10,269
Transfers				-1,351	1,351	0	0
Other changes					-20		-20
Balance as at 31 December 2023	**525**	**16,542**	**-181**	**-557**	**22,398**	**1,465**	**40,191**
Net result				125		6,062	6,187
Amounts net of tax recognised directly in equity			898	409			1,307
Dividends and other cash distributions					-2,500	-2,486	-4,986
Transfers				-615	1,315	-699	0
Other changes					44		44
Balance as at 31 December 2024	**525**	**16,542**	**717**	**-639**	**21,256**	**4,342**	**42,743**

Changes in individual Reserve components are presented in Note 20 'Equity'.

Notes to the parent company financial statements

1 Basis of presentation

ING Bank N.V. (Naamloze Vennootschap) is registered at Bijlmerdreef 106, 1102 CT Amsterdam, the Netherlands (Commercial Register of Amsterdam under number 33031431). ING Bank N.V. is a wholly-owned subsidiary of ING Groep N.V. domiciled in Amsterdam, the Netherlands. ING Bank is a global financial institution with a strong European base, offering a wide range of retail and wholesale banking services to customers. These Parent financial statements, as at and for the year ended 31 December 2024, comprise ING Bank N.V. also referred to as ING Bank. The Parent company financial statements of ING Bank are prepared in accordance with the financial reporting requirements included in Part 9 of Book 2, of the Dutch Civil Code. In accordance with subsection 8 of section 362, Book 2 of the Dutch Civil Code, the recognition and measurement principles applied in these Parent company financial statements are the same as those applied in the ING Bank Consolidated financial statements, reference is made to Note 1 'Basis of preparation and material accounting policy information' of the consolidated financial statements.

Investments in group companies are accounted in the Parent company accounts according to the equity method. In addition to the notes to these financial statements, further information is included in the notes to the consolidated financial statements. A list containing the information referred to in Section 379 (1), Book 2, of the Dutch Civil Code has been filed with the office of the Commercial Register of Amsterdam, in accordance with Section 379 (5), Book 2 of the Dutch Civil Code.

The parent company financial statements are presented in euros, rounded to the nearest million, unless stated otherwise. Amounts may not add up due to rounding. The ING Bank Parent financial statements, as at and for the year ended 31 December 2024, were authorised for issue in accordance with a resolution of the Management Board Banking on 3 March 2025.

In 2024, ING Bank updated the presentation of the statement of changes in equity to simplify its structure and reduce duplication. Comparative figures have been updated accordingly. Furthermore, ING has changed the presentation and classification of Senior non-preferred instruments in the statement of financial position. Comparative figures have been updated accordingly.

Parent company equity and related reserves

The total amount of equity in the Parent company financial statements equals Shareholders' equity (parent) in the Consolidated financial statements. Certain components within equity are different, as a result of the following presentation differences between the parent company accounts and consolidated accounts:

- Unrealised revaluations including those related to cash flow hedges within consolidated group companies, presented in Other reserves - Revaluation reserve in the consolidated accounts, are presented in the Share of associates and joint ventures reserve in the parent company accounts;
- Foreign currency translation from consolidated group companies, presented in Other reserves - Currency translation reserve in the consolidated accounts, is presented in the Share of associates and joint ventures reserve in the parent company accounts;
- Revaluations on investment property and certain participations recognised in income and consequently presented in Retained earnings in the consolidated accounts, is presented in the Share of associates and joint ventures reserve in the parent company accounts.

A legal reserve is carried at an amount equal to the share in the results of associates and joint ventures since their first inclusion at net asset value less the amount of profit distributions to which rights have accrued in the interim. Profit distributions which can be repatriated to the Netherlands without restriction are likewise deducted from the Share of associates and joint ventures reserve.

Merger Bank Mendes Gans N.V. and ING Groenbank N.V.

On 1 July 2024 and 1 October 2024, respectively, ING Groenbank N.V. and Bank Mendes Gans N.V. (both wholly owned subsidiaries of ING Bank N.V.) legally merged into its parent company, ING Bank N.V. The 2024 parent company financial statements of ING Bank N.V. reflect the combined operations of the merged entities using the 'pooling of interests' method which requires that the parent's financial statements include the merged businesses as if the mergers were always effective. Accordingly, 2024 results of ING Bank N.V. include the results of ING Groenbank N.V. and Bank Mendes Gans N.V. for the full year and the comparative figures for prior year have also been updated. The impact on the financial statements has been limited. Both assets and liabilities of ING Bank N.V. decreased by EUR 1.3 billion in 2023 and liabilities showed a shift from Deposits from banks (EUR -16.5 billion) to Customer deposits (EUR +15.4 billion) as the previous balances of ING Bank N.V. with its subsidiaries got effectively replaced with external customer balances of those subsidiaries after the legal merger. There was no impact on Equity and total Profit or Loss. The merger had no impact on the activities of the bank.

Presentation parent company assets and liabilities

The presentation of assets and liabilities in the parent company financial statements differs from the presentation in the consolidated financial statements. In below tables a reconciliation is included between the presentation in the parent company versus consolidated financial statements.

Presentation Parent company financial statements versus Consolidated financial statements, Assets

in EUR million						*Parent company statement of financial position*					
Assets as at 31 December 2024	Cash and balances with central banks	Short-dated government paper	Loans and advances to banks	Loans and advances to customers	Debt securities	Equity securities	Investments in associates and joint ventures	Intangible assets	Property and equipment	Accrued and other assets	**Total**
Included in Consolidated statement of financial position:											
Cash and balances with central banks	34,633										34,633
Loans and advances to banks			55,730								55,730
Financial assets at fair value through profit or loss											
– Trading assets		37	1,052	10,961	9,428	7,450				45,167	74,095
– Non-trading derivatives										12,836	12,836
– Designated as at fair value through profit or loss			689	272	3,690						4,651
– Mandatorily at fair value through profit or loss			21,401	18,933	784	31					41,149
Financial assets at fair value through other comprehensive income		196	94	755	17,655	2,444					21,142
Securities at amortised cost		37			23,501						23,538
Loans and advances to customers				336,259							336,259
Investments in associates and joint ventures							1,378				1,378
Property and equipment									854		854
Intangible assets								634			634
Current tax assets										356	356
Deferred tax assets										587	587
Other assets									2	4,924	4,926
Total assets	**34,633**	**270**	**78,966**	**367,179**	**55,059**	**9,925**	**1,378**	**634**	**856**	**63,869**	**612,768**

Presentation Parent company financial statements versus Consolidated financial statements, Liabilities

in EUR million	*Parent company statement of financial position*							
Liabilities as at 31 December 2024	Deposits from banks	Customer deposits	Debt securities in issue	Other liabilities	Provisions	Senior non-preferred debt	Subordinated loans	**Total**
Included in Consolidated statement of financial position:								
Deposits from banks	26,617							26,617
Customer deposits		355,491						355,491
Financial liabilities at fair value through profit or loss								
– Trading liabilities	2,190	3,206		44,151				49,547
– Non-trading derivatives				14,019				14,019
– Designated as at fair value through profit or loss	10,818	10,206	9,012				122	30,157
Current tax liabilities				107				107
Deferred tax liabilities					250			250
Provisions					430			430
Other liabilities				5,374	10			5,385
Debt securities in issue			52,644					52,644
Senior non-preferred debt						49,393		49,393
Subordinated loans							17,739	17,739
Total liabilities	**39,625**	**368,903**	**61,656**	**63,651**	**691**	**49,393**	**17,861**	**601,778**

Notes to the Parent company statement of financial position

2 Cash and balances with central banks

Amounts held at central banks amount to EUR 33,737 million (2023: EUR 50,668 million). In 2024, the movement in Cash and balances with central banks reflects ING's active liquidity management.

3 Short-dated government paper

Short-dated government paper includes Dutch and international government paper amounting to EUR 270 million (2023: EUR 253 million) for the company.

4 Loans and advances to banks

Loans and advances to banks		
in EUR million	2024	2023
Non-subordinated receivables from:		
Group companies	34,124	36,387
Third parties	41,328	32,588
	75,453	**68,975**
Subordinated receivables from:		
Group companies	3,513	2,955
	78,966	**71,930**

As at 31 December 2024, Loans and advances to banks includes receivables with regard to securities, which have been acquired in reverse repurchase transactions amounting to EUR 32,908 million (2023: EUR 23,682 million).

5 Loans and advances to customers

Loans and advances to customers		
in EUR million	2024	2023
Non-subordinated receivables from:		
ING Groep N.V.	67	51
Group companies	29,533	31,135
Third parties	336,177	313,514
	365,776	**344,701**
Subordinated receivables from:		
Group companies	1,403	1,404
	367,179	**346,104**

As at 31 December 2024, receivables included in Loans and advances to customers that are part of the trading portfolio amount to EUR 10,961 million (2023: EUR 10,837 million).

Loans and advances to customers includes receivables with regard to securities which have been acquired in reverse repurchase transactions amounting to EUR 30,682 million (2023: EUR 23,625 million) for the company.

6 Debt securities

Debt securities by issuer		
in EUR million	2024	2023
Public sector	33,522	32,343
Other	21,537	16,328
	55,059	**48,671**

Debt securities by listing		
in EUR million	2024	2023
Listed	41,760	38,424
Unlisted	13,299	10,247
	55,059	**48,671**

Debt securities includes the following non subordinated debt securities:		
in EUR million	2024	2023
Non-subordinated debt securities issued by:		
Third parties	54,184	47,701
	54,184	**47,701**

Changes in debt securities [1]		
in EUR million	2024	2023
Opening balance	38,072	35,934
Additions	27,616	16,605
Amortisation	-60	-82
Changes in unrealised revaluations	-135	187
Disposals and redemptions	-25,275	-14,655
Exchange rate differences	891	0
Other changes	46	83
Closing balance	**41,156**	**38,072**

[1] Excluding fair value through profit or loss portfolio.

7 Equity securities

Equity securities by listing		
in EUR million	2024	2023
Listed	9,756	6,086
Unlisted	169	193
	9,925	**6,279**

Changes in equity securities at fair value through OCI		
in EUR million	2024	2023
Opening balance	1,778	1,808
Additions	9	26
Changes in unrealised revaluations	596	42
Disposals	-1	-1
Exchange rate differences	61	-101
Other changes	0	5
Closing balance	**2,444**	**1,778**

The cost or purchase price of the shares in the trading portfolio of EUR 7,450 million (2023: EUR 4,460 million) approximates their fair value. As at 31 December 2024 the cost or purchase price of shares excluding trading portfolio is EUR 1,773 million lower (2023: EUR 1,119 million lower) than the carrying amount.

8 Investments in group companies

Investments in group companies

in EUR million	2024		2023	
	Interest held (%)	Statement of financial position value	Interest held (%)	Statement of financial position value
ING Holding Deutschland GmbH	100	10,457	100	10,097
ING Belgium S.A./N.V.	100	9,388	100	9,069
ING Bank (Australia) Limited	100	3,466	100	3,722
ING Financial Holdings Corporation	100	3,378	100	3,064
ING Bank Slaski S.A.	75	2,981	75	2,865
ING Bank A.S.	100	573	100	531
ING Bank (Eurasia) JSC	100	390	100	367
ING Corporate Investments B.V.	100	58	100	212
ING Lease (Nederland) B.V.	100	135	100	150
ING Hubs B.V.	100	149	100	133
Other (including financing companies)		779		830
		31,753		**31,040**

As at 31 December 2024, Investments in group companies includes credit institutions of EUR 16,936 million (2023: EUR 16,682 million).

As at 31 December 2024 listed investments in group companies amount to EUR 2,981 million (2023: EUR 2,865 million).

Changes in investments in group companies

in EUR million	2024	2023
Opening balance	31,040	29,430
Repayment of capital injection	-33	-225
Revaluations	-132	345
Results from group companies	4,207	4,473
Dividends received	-4,745	-2,841
Capital contribution[1]	1,200	
Mergers and liquidations	3	26
Exchange rate differences	209	-157
Other changes	4	-10
Closing balance	**31,753**	**31,040**

[1] Capital contribution includes EUR 1.2 billion additional Tier 1 subordinated loan provided to ING Holding Deutschland GmbH.

9 Investments in associates and joint ventures

Investments in associates and joint ventures

in EUR million	2024		2023	
	Interest held (%)	Statement of financial position value	Interest held (%)	Statement of financial position value
TMBThanachart Bank Public Company	23	1,266	23	1,128
Other		111		115
		1,378		**1,243**

Changes in investments in associates and joint ventures		
in EUR million	2024	2023
Opening balance	1,243	1,240
Additions	6	26
Share of results	115	122
Dividends received	-70	-62
Disposals	0	-50
Impairments	-3	-5
Revaluations	0	6
Exchange rate differences	87	-35
Other changes	0	
Closing balance	**1,378**	**1,243**

10 Intangible assets

Changes in intangible assets	Goodwill		Software		Other		Total	
in EUR million	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	119	114	461	449	2	2	582	565
Additions			206	174			206	174
Disposals			-10	-6			-10	-6
Amortisation			-140	-148	0	0	-140	-148
Impairments			-6	-3			-6	-3
Exchange rate differences	1	5	0	0	0	0	1	5
Other changes			0	-5	0		0	-5
Closing balance	**120**	**119**	**512**	**461**	**1**	**2**	**634**	**582**

Goodwill is tested for impairment annually.

11 Property and equipment

Changes in property and equipment		
in EUR million	2024	2023
Opening balance	783	828
Additions	219	162
Depreciation	-181	-170
Disposals	-5	-36
Impairments	-5	-2
Reversal of impairments	1	0
Exchange rate differences	4	0
Other changes	40	0
Closing balance	**856**	**783**
Gross carrying amount as at 31 December	2,032	1,922
Accumulated depreciation as at 31 December	-1,176	-1,139
Net carrying value	**856**	**783**

Property and equipment includes EUR 5 million (2023: EUR 7 million) cumulative revaluation surplus.

12 Other assets

Other assets		
in EUR million	2024	2023
Derivatives	58,003	58,783
Deferred tax assets	587	701
Income tax receivables	356	189
Pension asset	445	454
Other receivables	3,995	3,719
	63,385	**63,845**

Derivatives includes transactions with group companies of EUR 32,333 million (2023: EUR 36,984 million).

Other receivables includes EUR 2,434 million (2023: EUR 2,477 million) related to transactions still to be settled at balance sheet date. As at 31 December 2024, an amount of EUR 676 million (2023: EUR 589 million) is expected to be settled after more than one year from the balance sheet date.

13 Deposits from banks

Deposits from banks by counterparty		
in EUR million	2024	2023
Group companies	18,081	13,798
Third parties	21,543	24,770
	39,625	**38,569**

14 Customer deposits

Customer deposits by counterparty		
in EUR million	2024	2023
ING Groep N.V.	8,583	12,187
Group companies	9,088	10,596
Third parties	351,232	334,464
	368,903	**357,248**

Customer deposits by type		
in EUR million	2024	2023
Current accounts / Overnight deposits	126,337	122,536
Savings deposits	161,578	152,655
Time deposits	65,673	60,569
Other	15,314	21,487
	368,903	**357,248**

15 Debt securities in issue

Debt securities in issue by type		
in EUR million	2024	2023
Long term bonds	17,199	17,522
Covered bonds	25,916	22,384
Commercial paper	14,825	19,249
Other	3,716	2,199
	61,656	**61,355**

16 Other liabilities

Other liabilities		
in EUR million	2024	2023
Derivatives	55,325	59,855
Trading liabilities	2,845	2,342
Costs payable	876	991
Income tax payable	107	169
Other taxation and social security contribution	195	130
Other amounts payable	4,303	5,378
	63,651	**68,865**

Derivatives includes transactions with group companies of EUR 32,131 million (2023: EUR 39,372 million).

Other amounts payable includes EUR 2,817 million (2023: EUR 3,752 million) related to transactions still to be settled at balance sheet date. As at 31 December 2024, an amount of EUR 208 million (2023: EUR 61 million) is expected to be settled after more than one year from the balance sheet date.

17 Provisions

General provisions		
in EUR million	2024	2023
Deferred tax liabilities	250	169
Pension liabilities and other staff-related liabilities	10	15
Reorganisations and relocations	101	124
Other	329	475
	691	**782**

As at 31 December 2024, an amount of EUR 291 million (2023: EUR 238 million) is expected to be settled after more than one year from the balance sheet date.

18 Senior non-preferred debt

All senior non-preferred debt instruments are loans from ING Groep N.V. The average interest rate of Senior non-preferred debt with a maturity of more than 1 year is 3.3% (2023: 2.7%).

19 Subordinated loans

Subordinated loans by group companies and third parties		
in EUR million	2024	2023
ING Groep N.V.	18,523	16,328
Third parties including value changes hedged part loans	-663	-833
	17,861	**15,494**

Subordinated loans by type		
in EUR million	2024	2023
Capital debentures	2	3
Private loans	17,858	15,492
	17,861	**15,494**

The subordinated loans rank subordinated to the other liabilities in a winding-up of ING Bank.

The average interest rate of subordinated loans with a maturity of more than 1 year is 4.5% (2023: 4.0%).

20 Equity

Equity		
in EUR million	2024	2023
Share capital	525	525
Share premium	16,542	16,542
Revaluation reserves	717	-181
Legal and statutory reserves	-639	-557
Other reserves	21,256	22,398
Unappropriated result	4,342	1,465
Total equity	**42,743**	**40,191**

Share capital				
	Ordinary shares (par value EUR 1.13)			
	Number x 1,000		Amount in EUR million	
	2024	2023	2024	2023
Authorised share capital	1,600,000	1,600,000	1,808	1,808
Unissued share capital	1,134,965	1,134,965	1,283	1,283
Issued share capital	465,035	465,035	525	525

No changes occurred in the issued share capital and share premium in 2024 and 2023.

ING Bank has 50 authorised preference shares with par value of EUR 1.13 per preference share. As at 31 December 2024, 7 preference shares were issued and fully paid (2023: 7 preference shares) amounting to EUR 8 (2023: EUR 8).

Changes in revaluation reserves

in EUR million

2024	Property in own use reserve	Equity securities at fair value through other comprehensive income	Debt instruments at fair value through other comprehensive income	Cash flow hedge reserve	Net defined benefit assets/- liability remeasurement reserve	Credit liability	Total
Opening balance	27	1,119	-208	-1,142	-8	30	-181
Unrealised revaluations	-4	654	-125			-46	479
Realised gains/losses transferred to the statement of profit or loss			27				27
Realised revaluations reclassified to retained earnings		0					0
Changes in cash flow hedge reserve				413			413
Change in net defined benefit assets/liability					-22		-22
Closing balance	**23**	**1,773**	**-305**	**-729**	**-30**	**-15**	**717**
2023							
Opening balance	24	1,171	-272	-1,908	55	70	-862
Unrealised revaluations	4	-75	68			-24	-28
Realised gains/losses transferred to the statement of profit or loss			-3				-3
Realised revaluations reclassified to retained earnings		23				-15	8
Changes in cash flow hedge reserve				766			766
Change in net defined benefit assets/liability					-63		-63
Closing balance	**27**	**1,119**	**-208**	**-1,142**	**-8**	**30**	**-181**

Changes in legal and statutory reserves

in EUR million

2024	Share of associates and joint ventures reserves	Currency translation reserve	Statutory reserves	Capitalised software	Total
Opening balance	0	-2,567	1,602	408	-557
Result for the year			125		125
Unrealised revaluations available-for-sale investments and other	-132				-132
Realised gains/losses transferred to the statement of profit or loss	36				36
Changes in cash flow hedge reserve	-48				-48
Unrealised revaluation property in own use	-12				-12
Changes in net defined benefit asset/liability remeasurement reserve	6				6
Exchange rate differences	-3	544			541
Changes in composition of the group and other changes	182		-830	52	-596
Closing balance	**27**	**-2,023**	**897**	**460**	**-639**
2023					
Opening balance	0	-2,305	2,264	402	361
Result for the year			336		336
Unrealised revaluations available-for-sale investments and other	3				3
Realised gains/losses transferred to the statement of profit or loss	12				12
Changes in cash flow hedge reserve	231				231
Unrealised revaluation property in own use	-2				-2
Changes in net defined benefit asset/liability remeasurement reserve	-22				-22
Exchange rate differences	130	-262			-132
Changes in composition of the group and other changes	-352		-998	6	-1,344
Closing balance	**0**	**-2,567**	**1,602**	**408**	**-557**

The Share of associates and joint ventures reserve includes the following components: Reserve for non-distributable retained earnings of associates of EUR 1,250 million (2023: EUR 1,037 million), Revaluation reserve of associates and joint ventures EUR -957 million (2023: EUR -800 million), Currency translation reserve of EUR 37 million (2023: EUR 40 million) and Net defined benefit asset/liability remeasurement reserve of EUR -303 million (2023: EUR -309 million).

Due to negative revaluations the share of participating interest reserve was negative in 2023 (EUR 31 million) which is not allowed under Dutch law and is replenished out of, and subsequent released in 2024 to, retained earnings, included in the line Changes in the composition of the group and other changes.

The Statutory reserves include non-distributable reserves of EUR 897 million (2023: EUR 1,602 million) related to the former Stichting Regio Bank and the former Stichting Vakbondspaarbank SPN that cannot be freely distributed in accordance with the article 23.1 of the articles of association. The reserve have been utilized for an amount of EUR -830 million (2023: EUR -998 million) which is presented as part of Changes in the composition of the group and other changes.

Changes in the value of hedging instruments that are designated as net investment hedges, are included in the line Exchange rate differences and other.

Changes in other reserves, retained earnings		
in EUR million	2024	2023
Opening balance	22,398	25,067
Transfer from unappropriated result	699	0
Dividends and other cash distributions	-2,500	-4,000
Employee share plans	45	24
Changes in the composition of the group and other changes	614	1,306
Closing balance	**21,256**	**22,398**

Dividends and other cash distributions includes the cash distributions to the parent company ING Groep N.V. to fund the share buyback programmes.

The reserve for cash flow hedges is included in the Share of associates and joint ventures reserve on a net basis. The Revaluation reserve, Share of associates and joint ventures reserve and Currency translation reserve cannot be freely distributed. Retained earnings can be freely distributed, except for an amount equal to the negative balance in each of the components of the Revaluation reserve , Share of associates and joint ventures reserve and the Currency translation reserve. Unrealised gains and losses on derivatives, other than those used in cash flow hedges, are presented in the statement of profit or loss and are therefore part of Retained earnings and are not included in Share of associates and joint ventures reserve.

The total amount of non-distributable reserves, in accordance with the financial reporting requirements per Part 9 of Book 2 of the Dutch Civil Code, is EUR 5,672 million (2023: EUR 6,696 million).

Reference is made to Note 20 'Equity' and Note 44 'Capital management' in the ING Bank Consolidated financial statements for additional information, including restrictions with respect to dividend and repayment of capital.

Notes to the Parent company statement of profit or loss

21 Net interest income

Net interest income

in EUR million	2024	2023
Interest income on loans	18,751	17,950
Interest income on impaired loans	91	120
Negative interest on liabilities	8	19
Total interest income on loans	**18,850**	**18,088**
Interest income on financial assets at fair value through OCI	551	368
Interest income on financial assets at amortised cost	496	394
Interest income on securities at fair value through profit or loss	3,221	2,645
Interest income on non-trading derivatives (no hedge accounting)	4,569	8,539
Interest income on non-trading derivatives (hedge accounting)	3,800	3,206
Other interest income	31	46
Interest income	**31,518**	**33,286**

	2024	2023
Interest expense on deposits from banks	1,307	1,457
Interest expense on customer deposits[1]	9,489	7,501
Interest expense on debt securities	1,899	1,461
Interest expense on subordinated loans	752	708
Interest expense on securities at fair value through profit or loss	2,153	1,936
Interest expense on non-trading derivatives (no hedge accounting)	4,641	8,770
Interest expense on non-trading derivatives (hedge accounting)	6,149	5,477
Other interest expense	67	67
Negative interest on assets	9	9
Interest expense	**26,466**	**27,387**
Net interest income	**5,052**	**5,899**

1 Includes interest paid on customer deposits and senior non-preferred debt.

Interest income includes EUR 5,371 million (2023: EUR 9,357 million) from group companies. Interest expense includes EUR 5,782 million (2023: EUR 9,408 million) to group companies.

22 Investment income and results from participating interest

Investment income and results from participating interests

in EUR million	2024	2023
Results from shares and other non-fixed income securities	69	107
Results from group companies	4,207	4,473
Results from associates, joint ventures and other participations	116	122
Impairment of associates and joint ventures	-3	-5
	4,389	**4,697**

Impairments

There were no material impairments of associates and joint ventures in 2024 and 2023.

23 Net fee and commission income

Fee and commission income		
in EUR million	2024	2023
Payment services	1,341	1,242
Securities business	240	195
Insurance and other broking	103	115
Portfolio Management fees	299	262
Lending business	336	313
Financial guarantees and other commitments	261	270
Other	140	132
	2,720	**2,528**

Fee and commission expenses		
in EUR million	2024	2023
Payment services	379	351
Securities business	89	73
Distribution of products (Externally)	98	89
Other	94	84
	660	**596**

24 Results from financial transactions

Results from financial transactions		
in EUR million	2024	2023
Results from securities trading portfolio	985	860
Results from foreign exchange transactions	-287	1,009
Results from non-trading derivatives	1,992	266
Other	-668	-572
	2,022	**1,563**

Result from financial transactions includes EUR 358 million (2023: EUR 332 million) from group companies. Other includes EUR 46 million (2023: EUR -30 million) related to fair value changes on trading derivatives.

25 Staff expenses

Staff expenses		
in EUR million	2024	2023
Salaries	2,426	2,315
Social security costs	293	273
Pension costs and other staff related benefit costs	341	301
Other staff expenses	596	603
	3,657	**3,492**

The average number of FTE's was 23,071 (2023: 22,424) of which outside the Netherlands 8,287 (2023: 8,021).

Remuneration of Senior management, Management board and Supervisory board Reference is made to Note 43 'Related parties' in the ING Bank Consolidated financial statements.

26 Depreciation, amortisation and impairments

Depreciation and amortization		
in EUR million	2024	2023
Depreciation of equipment	181	171
Amortisation of software and other intangible assets	140	148
Impairments and reversal of impairments	10	5
	331	**324**

Impairments includes software (EUR 6 million, 2023: EUR 3 million) and equipment (EUR 5 million, 2023: EUR 2 million).

27 Other expenses

Other expenses		
in EUR million	2024	2023
Computer costs	617	548
Office expenses	112	114
Travel and accommodation expenses	51	48
Advertising and public relations	212	164
External advisory fees	235	213
Regulatory costs	398	557
Addition/(releases) of provision for reorganisations and relocations	52	52
Other	500	458
	2,176	**2,154**

28 Taxation

in EUR million	2024	2023
Current taxation	759	971
Deferred taxation	25	16
	785	**987**

Reconciliation of the weighted average statutory income tax rate to ING Bank's effective income tax rate		
in EUR million	2024	2023
Result before tax from continuing operations	6,972	8,144
Weighted average statutory tax rate	24.7 %	24.8 %
Weighted average statutory tax amount	1,725	2,020
Permanent differences affecting current tax		
Participation exemption	-1,144	-1,177
Other income not subject to tax	-23	-45
Expenses not deductible for tax purposes	230	199
Current tax from previously unrecognised amounts	-1	1
State and local taxes	21	32
Adjustments to prior periods	-27	-45
Differences affecting deferred tax		
Impact on deferred tax from change in tax rates	0	2
Deferred tax from previously unrecognised amounts	0	0
Write-off/reversal of deferred tax assets	4	0
Effective tax amount	**785**	**987**
Effective tax rate	**11.3 %**	**12.1 %**

For more information on the reconciliation of the weighted average statutory income tax rate to ING Bank's effective income tax rate reference is made to Note 31 'Taxation' in the ING Bank Consolidated financial statements.

29 Maturity of certain assets and liabilities

Analysis of certain assets and liabilities by maturity

in EUR million 2024	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Maturity not applicable	**Total**
Assets							
Loans and advances to banks	17,947	2,602	6,630	23,375	5,151	23,261	**78,966**
Loans and advances to customers	32,810	13,633	26,762	108,641	155,286	30,047	**367,179**
Liabilities							
Deposits from banks	12,816	4,331	6,837	1,150	673	13,817	**39,625**
Customer deposits	301,928	13,768	26,177	9,380	2,231	15,418	**368,903**
Debt securities in issue	1,852	9,305	13,179	13,162	10,602	13,555	**61,656**
Senior non-preferred debt		975		30,121	19,153	-856	**49,393**
Subordinated loans					18,237	-376	**17,861**

Analysis of certain assets and liabilities by maturity

in EUR million 2023	Less than 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Maturity not applicable	**Total**
Assets							
Loans and advances to banks	14,996	4,314	6,561	19,985	6,408	19,665	**71,930**
Loans and advances to customers	34,010	8,547	26,674	100,693	150,103	26,078	**346,104**
Liabilities							
Deposits from banks	12,722	7,124	2,583	2,163	678	13,298	**38,569**
Customer deposits	289,539	15,835	23,951	5,591	2,450	19,881	**357,248**
Debt securities in issue	3,210	5,500	19,100	11,844	9,632	12,069	**61,355**
Senior non-preferred debt		570	903	25,119	15,367	-1,747	**40,213**
Subordinated loans					16,093	-598	**15,494**

30 Assets not freely disposable

Assets not freely disposable

in EUR million	2024	2023
Equity and debt instruments	22,366	16,063
Lending	46,207	42,670
Banks	6,456	9,159
Other assets	439	439
	75,468	**68,331**

The table includes assets relating to securities lending as well as sale and repurchase transactions

31 Contingent liabilities and other commitments

Contingent liabilities by type

in EUR million	2024	2023
Guarantees	48,908	42,355
Irrevocable letters of credit	11,720	12,283
Contingent debts	**60,628**	**54,638**
Irrevocable facilities	93,736	86,857
	154,364	**141,495**

Contingent debts

in EUR million	2024	2023
Group companies	31,535	24,103
Third parties	29,092	30,535
	60,628	**54,638**

Irrevocable facilities

in EUR million	2024	2023
Group companies	—	1
Third parties	93,736	86,856
	93,736	**86,857**

32 Other

Guarantees

ING Bank has issued guarantees as participant in collective arrangements of national banking funds and as a participant in required collective guarantee schemes. For example, ING Bank N.V. provided a guarantee to the German Deposit Guarantee Fund (‘Einlagensicherundsfonds’ or ESF) under section 5 (10) of the by-laws of this fund, where ING Bank N.V. indemnifies the Association of German Banks Berlin against any losses it might incur as result of actions taken with respect to ING Germany. The ESF is a voluntary collective guarantee scheme for retail savings and deposits in excess of EUR 100,000.

ING Bank N.V. has issued statements of liabilities in connection with Section 403 Book 2 of the Dutch Civil Code (‘403 statements’) and issued third party guarantees (and third party letters of comfort/awareness) in a limited number of cases. Third party guarantees are used when ING Bank N.V. is requested to issue a guarantee to a third party creditor of one of its subsidiaries in order to guarantee the (financial) performance of this subsidiary. 403 statements have been issued for the following Dutch subsidiaries:

- B.V. Deelnemings- en Financieringsmaatschappij 'Nova Zembla'
- B.V. Maatschappij van Onroerende Goederen 'Het Middenstandshuis'
- BMG monumenten B.V.
- Cofiton B.V.
- Entero B.V.
- ING Bank Personeel B.V.
- ING Hubs B.V.
- ING Commercial Finance B.V.
- ING Corporate Investments B.V.
- ING Corporate Investments Mezzanine Fonds B.V.
- ING Corporate Investments Participaties B.V.
- ING Corporate Investments Structured Finance B.V.
- ING Lease (Nederland) B.V.
- ING Sustainable Investments B.V.
- ING Vastgoed Ontwikkeling B.V.
- Nationale-Nederlanden Hypotheekbedrijf N.V.
- Nationale-Nederlanden Intervest II B.V.
- WestlandUtrecht Verzekeringen B.V.

Claim agreements

In the ordinary course of business we have entered into a number of agreements whereby we are provided indemnifications related to sale of our past businesses and agreements whereby we made detailed arrangements regarding allocation and handling of claims.

Fiscal unity

ING Bank N.V. forms a fiscal unity with ING Groep N.V. and several Dutch banking entities for corporation tax purposes. ING Bank N.V. and ING Groep N.V. and its banking subsidiaries that form part of the fiscal unity are jointly and severally liable for taxation payable by the fiscal unity. Settlements of corporate income tax paid or received are executed by ING Bank N.V.

33 Proposed appropriation of results

For 2024, it is proposed that the result, insofar at the disposal of the General Meeting, will be appropriated as follows:

Proposed appropriation of result	
in EUR million	2024
Net result	**6,187**
- Addition to reserves pursuant to Article 25 of the Articles of Association	125
- Proposed to be added to the Other Reserves pursuant to Article 25 of the Articles of Association	4,342
- Available for dividend distribution	1,721

The total dividend of EUR 1,721 million was paid in May 2024 (EUR 788 million) and November 2024 (EUR 933 million) as an interim dividend.

34 Subsequent events

On January 28, 2025 ING announced that it has reached an agreement on the sale of its business in Russia to Global Development JSC, a Russian company owned by a Moscow-based financial investor with a background in factoring services. This transaction will effectively end ING's activities in the Russian market. Under the terms of the agreement, Global Development will acquire all shares of ING Bank (Eurasia) JSC, taking over all Russian onshore activities and staff. Global Development intends to continue to serve customers in Russia under a new brand. The transaction, which has been preceded by extensive due diligence, is subject to various regulatory approvals and is expected to be closed in the third quarter of 2025.

ING has taken on no new business with Russian companies, has scaled down operations and has taken actions to separate the business from ING's networks and systems.

ING estimates a negative impact to the Result on disposal of Group companies of EUR 0.7 billion post tax. This includes an estimated book loss of EUR 0.4 billion, representing the expected difference between the sale price and the book value of the business. It also includes an estimated negative impact of EUR 0.3 billion from recycling the currency translation adjustment net of the Net Investment hedge reserve through P&L, that is currently booked in equity for past changes of the value of ING Bank (Eurasia) JSC as a result of changes in exchange rates.

On 2 March 2025, ING agreed with a minority shareholder to acquire their 17.6% stake in Van Lanschot Kempen N.V. Per the agreement, ING has directly acquired 7.2% with the remainder of the transaction subject to regulatory approval. Together with ING's existing stake of 2.7%, ING is expected to hold a total of 20.3% after completion of the transaction.

There are no other subsequent events to report other than those already disclosed in Note 39 'Legal proceedings' of the consolidated financial statements.

Authorisation of Parent company financial statements

Amsterdam, 3 March 2025

The Supervisory Board

K.K. (Karl) Guha, chairperson
A.M.G. (Mike) Rees, vice-chairperson
J. (Juan) Colombás
M. (Margarete) Haase
L.J. (Lodewijk) Hijmans van den Bergh
H.A.H. (Herman) Hulst
H.H.J.G. (Harold) Naus
A. (Alexandra) Reich
H.W.P.M.A. (Herna) Verhagen

The Management Board Banking

S.J.A. (Steven) van Rijswijk, CEO and chairperson
T. (Tanate) Phutrakul, CFO
L. (Ljiljana) Čortan, CRO
P. (Pinar) Abay, head of Retail, Market Leaders and Challengers & Growth Markets
A.J.M. (Andrew) Bester, head of Wholesale Banking
M.A. (Marnix) van Stiphout, Chief operations officer
D. (Daniele) Tonella, Chief technology officer

Other information and appendices

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Independent auditor's report

To: the General Meeting of the Shareholder and the Supervisory Board of ING Bank N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of ING Bank N.V. as at 31 December 2024 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of ING Bank N.V. as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2024 of ING Bank N.V. (the 'Company' or 'ING Bank') based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1 the consolidated statement of financial position as at 31 December 2024;
2 the following consolidated statements for 2024: the statement of profit or loss, the statements of comprehensive income, changes in equity and cash flows; and
3 the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1 the parent company statement of financial position as at 31 December 2024;
2 the parent company statement of profit or loss and the statement of changes in equity for 2024; and
3 the notes comprising the basis of preparation and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of ING Bank N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, climate-related risks and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality
• Group materiality of EUR 350 million (2023: EUR 300 million). • 3.9% of profit before tax (2023: 2.9% of profit before tax).

Group audit
• 72% of profit before tax covered by audit procedures performed by component auditors. • 90% of total assets covered by audit procedures performed by component auditors.

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Risk of material misstatements related to Fraud, Non-compliance with laws and regulations, Going concern and Climate-related risks

- Fraud risks: presumed risk of management override of controls and the risk of management override over the collective loan loss provisioning identified and incorporated in our audit response.
- Non-compliance with laws and regulations (NOCLAR) risks: our risk assessment procedures related to NOCLAR risks did not result in the identification of a risk of material misstatement.
- Going concern risks: no going concern risks identified.
- Climate risks: our risk assessment procedures related to climate-related risks did not result in the identification of a risk of material misstatement.

Key audit matters

- Assessment of expected credit losses on loans and advances to customers and loans and advances to banks.
- User access and change management.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 350 million (2023: EUR 300 million). The materiality is determined with reference to profit before tax and represents 3.9% (2023: 2.9%) of that balance. We consider profit before tax as the most appropriate benchmark based on our assessment of the general information needs of the users of the financial statements and given the fact that ING Bank is a profit-oriented entity. When planning our audit at the beginning of the financial year, we determine materiality based on forecasted profit before tax and reassess its appropriateness based on actual profit before tax. The increase in materiality, both in the absolute amount and as a percentage of the benchmark, compared to 2023 reflects a consistent higher level of profit before tax over the last two years. With profit before tax being at a higher level for a sustained number of years we concluded increasing materiality to be appropriate. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit Committee of the Supervisory Board that misstatements identified during our audit in excess of EUR 17.5 million (2023: EUR 15 million) would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

ING Bank is at the head of a group of components. The financial information of this group is included in the consolidated financial statements of ING Bank.

ING Bank is structured in six segments: Retail Netherlands, Retail Belgium, Retail Germany, Retail Other, Wholesale Banking and Corporate Line, each comprising of multiple legal entities and/or covering different countries. Because we are ultimately responsible for the group audit, we are responsible for directing, supervising and performing the group audit. In this respect, we have determined the nature and extent of audit procedures to be carried out for group entities or so-called components.

This year, we applied the revised group auditing standard in our audit of the financial statements. The revised standard emphasises the role and responsibilities of the group auditor. The revised standard contains new requirements for the identification and classification of components, scoping, and the design and performance of audit procedures across the group. As a result, we determine coverage differently and comparisons to prior period coverage figures are not meaningful.

We performed risk assessment procedures throughout our audit to determine which of ING Bank's components are likely to include risks of material misstatement to ING Bank's financial statements. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally. Across 16 countries we identified 24 components associated with a risk of material misstatement. For 20 out of these 24 components we involved component auditors. We as group auditor audited the remaining components.

In supervising and directing our component auditors, we:

- We held our annual planning conference in The Netherlands, for all components in scope of the group audit. Our component auditors were directly informed by ING Bank's senior management on current developments.
- Held risk assessment discussions with the component auditors to obtain their input to identify matters relevant to the group audit.
- All components in scope for group reporting are audited by KPMG member firms. We sent detailed audit instructions to all component auditors, covering significant areas such as the identified risks of material misstatement on a group level and further set out the information that is required to be reported to the group audit team. We received written communication about the results of the work performed at component level.

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- We set component performance materiality levels considering the component's size and risk profile. Component materiality ranges from EUR 35 million to EUR 125 million, based on the mix of their relative size and the nature of the risks of material misstatements identified for the components, in order to reduce aggregation risk to an acceptable level.
- We held conference calls and/or had remote meetings with the audit teams of our components and attended closing meetings with management for components in The Netherlands, Belgium and Germany. During these meetings and calls, the planning, risk assessment, procedures performed, findings and observations reported to the group auditor were discussed in detail and any further work deemed necessary by the group audit team was then performed.
- Inspected the work performed by component auditors in the Netherlands, Belgium, Germany, Poland and the United States and evaluated the appropriateness of audit procedures performed and conclusions drawn from the audit evidence obtained, and the relation between communicated findings and work performed. In our inspection we mainly focused on expected credit losses on loans and advances to customers as well as procedures performed to address the risk of management override.

The consolidation of the financial information of components in the group, the disclosures in the financial statements and certain accounting topics that are performed on a group level were further covered by the group audit team. Procedures performed by the group audit team included, but were not limited to, substantive procedures with respect to equity and certain elements of the expected credit loss provisioning process.

We have performed audit procedures for 72% of ING Bank's profit before tax and 90% of ING Bank's total assets. At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than reasonable possibility of a material misstatement.

We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the ING Bank's financial information to provide an opinion on the financial statements as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations

Introduction

In chapters 'Strategy' and 'Risk management - Non-financial risk and Compliance risk' of the annual report and note 39 of the financial statements, the Management Board Banking describes its procedures in respect of the risk of fraud and non- compliance with laws and regulations. In the Supervisory Board report the assessment in respect of these topics is described.

As part of our audit, we have gained insights into the Company and its business environment and the Company's risk management in relation to fraud and non-compliance.

Our procedures included, among other things, assessing the Company's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, the Audit Committee of the Supervisory Board and other relevant functions, such as Internal Audit, Legal Counsel and Compliance. We corroborated these inquiries with the results of our inspection of correspondence with relevant supervisory authorities and regulators. We have also incorporated elements of unpredictability in our audit, such as making changes to our high-risk criteria that we applied to journal entry testing, varying the timing of audit procedures including testing of controls and involved forensic specialists in our audit procedures.

Non-compliance with laws and regulations

As a result, from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:
- fraud, corruption and anti-bribery law (reflecting the Company's significant and geographically diverse nature of operations and clients);
- data protection law (reflecting the processing of sensitive data inherent to the Company's business activities);
- prudential and supervision regulations (reflecting the Company's nature of operations);
- anti-money laundering and anti-terrorist financing law (reflecting the Company's involvement in a number of ongoing investigations by national competent authorities);
- sanction law (reflecting the Company's significant and geographically diverse nature of operations and clients); and
- anti-competition law (reflecting the Company's involvement in a number of ongoing investigations by national competition authorities).

Our procedures did not result in the identification of a risk of material misstatement in respect of non-compliance with laws and regulations.

Fraud risk

We assessed the presumed fraud risk on revenue recognition as not significant as the accounting of interest income and commission income is based on automatically generated accruals based on static data taken from the source systems and therefore contains routine transactions not subject to management judgement. Furthermore, the contracts used in the financial sector generally use standardised definitions which reduce the complexity of revenue recognition to a low level.

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Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit and responded as follows:

- *Management override of controls (presumed fraud risk)*

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively, such as reporting fictitious journal entries.

We evaluated the design and the implementation and tested the operating effectiveness of internal controls that mitigate fraud risks, such as processes related to journal entries and estimates related to loan loss provisions. We also performed a data analysis of high-risk journal entries and evaluated key estimates and judgments for bias by the Company’s management.

Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified journal entry, including testing of transactions back to source information.

- *Management override of collective loan loss provisioning (ECL)*

With respect to the risk and responses in regards of fraud in relation to management override of Expected Credit Loss (ECL) provision results, we refer to the Key audit matter ‘Assessment of Expected Credit Losses on loans and advances to customers and loans and advances to banks’.

Our evaluation of procedures performed in relation to fraud and non-compliance with laws and regulations did not result in an additional key audit matter. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

We communicated our risk assessment, audit responses and results to the Management Board Banking and the Audit Committee of the Supervisory Board.

Audit response to going concern

As explained on page 117 of the financial statements, the Management Board Banking has performed its going concern assessment and has not identified a going concern risk. To assess the Management Board Banking’s assessment, we have performed, inter alia, the following procedures:

- we considered whether the Management Board Banking’s assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we considered whether the developments in interest and inflation rates, geopolitical uncertainty and risks of disruption due to innovation and the emergence of new competitors from the technology sector indicate a going concern risk;
- we analysed the Company’s financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks; and
- we inspected regulatory correspondence to obtain an understanding of the Company’s capital and liquidity position, that underpins management’s assessment of the going concern assumption for financial reporting.

The outcome of our risk assessment procedures on the going concern assessment, including our consideration of findings from our audit procedures on other areas, did not give reason to perform additional audit procedures on the Management Board Banking’s going concern assessment.

Audit response to climate-related risks

In planning our audit, we considered the potential impact of risks arising from climate change on the Company’s business and its financial statements. The Company has set out its commitments and ambitions relating to climate change in the chapters ‘Strategy’ (‘Sustainability at the heart’) and ‘Risk management’ (‘Environmental, social and governance risk’) of the annual report. The Company aims to reach net zero in its own operations, to steer the most carbon-intensive parts of the loan portfolio towards net zero by 2050 or sooner, and to finance and advise specific clients in line with a net- zero economy.

Management assessed, against the background of the Company’s business and operations, how climate-related risks and opportunities and the Company’s own commitments and ambitions could have a significant impact on its business or could impose the need to modify its strategy and operations. Management has considered the impact of both transition and physical risks on the financial statements in accordance with the applicable financial reporting framework, more specifically the impact on expected credit losses on loans and advances, as described in the section ‘Risk management – Climate and environmental risks in IFRS9 models’ of the annual report.

Management prepared the financial statements, including considering whether the implications from climate-related risks and commitments and ambitions, have been appropriately accounted for and disclosed.

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As part of our audit we performed a risk assessment of the impact of climate-related risk and the Company's commitments and ambitions in respect of climate change on the financial statements and our audit approach. In doing this we performed the following:

- To understand management's processes:
  - we performed an analysis of the external environment and obtained an understanding of relevant sustainability themes and issues relevant for the Company;
  - we made inquiries with the Management Board Banking, other senior management, members of the ESG Committee and the Audit Committee of the Supervisory Board;
  - We have inspected minutes (such as of the Management Board Banking and the Supervisory Board) and documents relevant for assessing the climate-related risks in the audit;
  - we inspected regulatory correspondence to obtain an understanding of how climate risk impact financial reporting;
  - we gained an understanding whether any current and/or future regulations may impact ING Bank, such as greenhouse gas emission regulations, potential increases in taxes on certain products and future climate reporting obligations; and
  - we gained an understanding of the Company's Net Zero alignment pathways, including the intermediate target setting for 2030.

- We have evaluated climate related fraud risk factors, such as management board remuneration being linked to climate related KPIs. This did not result in an additional key audit matter.

- We performed specific inquiries with the Legal Counsel on any climate risk related allegations and claims against the Company.

- We used our credit risk modelling experts to assist in gaining understanding how climate- related risks are of impact on the expected credit loss estimation, including the credit risk models, as determined by the Company.

Based on our risk assessment procedures, we did not identify a risk of material misstatement specific to climate-related risk, including on the determination of expected credit losses on loans and advances, and thus no further audit response was considered necessary.

Furthermore we have read the 'Other information', relating to climate change as included in the annual report and considered whether such information contains material inconsistencies with the financial statements or our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee of the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Assessment of expected credit losses on loans and advances to customers and loans and advances to banks

Description

As discussed in the Credit Risk section on pages 54 - 80 and in Note 3 and Note 7 in the consolidated financial statements, the loans and advances to customers amount to EUR 680 billion and loans and advances to banks amount to EUR 22 billion as at 31 December 2024. These loans and advances are measured at amortised cost, less expected credit losses ('ECL') of EUR 6 billion. For collectively determined ECL, management uses models that estimate expected credit losses using three components: probability of default ('PD'), loss given default ('LGD') and exposure at default ('EAD'). Management applied forward looking economic scenarios with associated weights. Relevant macroeconomic factors include the gross domestic product ('GDP'), house price index ('HPI') and unemployment rate. The recent economic conditions are outside the bounds of historical experience used to develop ECL model methodologies and result in greater uncertainties to estimate ECLs. These uncertainties are considered by management in their assessment of whether judgemental overlays to model-based provisions need to be applied. For individually determined provisions, management estimates ECL using the amount and timing of future expected recovery scenarios and applying probability weights if more than one recovery scenario is present.

Our response

We identified the assessment of ECL on loans and advances to customers and loans and advances to banks as a critical audit matter because of the significant and complex auditor judgement and specialised skills and knowledge required to evaluate the following elements of the overall ECL estimate:

- The judgements used to develop the model-driven PD and LGD parameters.
- The use of forward-looking macroeconomic forecasts in ECL, including GDP, HPI and unemployment rate.
- The consistent identification and application of criteria for significant increase in credit risk ('SICR').
- The determination of management overlays to the modelled ECL due to the volatility and uncertainty in the economic environment combined with the delay in which the models capture emerging risks.
- The determination of the amount and timing of expected future recovery cash flows for individual loan provision assessments for impaired loans and advances and the probability weights applied in the presence of more than one recovery scenario.

The following are the primary procedures we performed to address this key audit matter.

- We evaluated the design and tested the operating effectiveness of certain internal controls related to the estimation of ECL for loans and advances to customers and loans and advances to banks. This included controls relating to the selection of key assumptions (including PD, LGD and macroeconomic forecasts), review and authorisation of model outputs, governance and monitoring of the ECL process, determination of credit risk ratings, the estimation of future recovery cash flows of individual loan loss provisions and associated scenario weights assigned and the determination of management overlays to the modelled ECL.
- We involved credit risk professionals with specialised skills and knowledge who assisted in evaluating the assumptions used to determine the PD and LGD parameters in models used by the Company to determine the collective provisions, including the evaluation of the recalibrated and redeveloped credit risk models. This included reperforming back-testing of certain models to evaluate the current model performance and evaluation of the identification of SICR in loans and advances by challenging the scope of management's criteria used in staging assessments, consistent application of the thresholds applied within each criterion, and the ability of staging criteria to identify SICR prior to loans and advances being credit impaired. In addition, the credit risk professionals assisted in testing management overlays recorded, including an overlay related to interest-only residential mortgages in the Netherlands.
- We involved economic professionals with specialised skills and knowledge, who assisted in assessing the Company's methodology to determine the macroeconomic forecasts used in determining the ECL. We tested the reasonableness of management's forecasts against other external benchmarks and our own internal forecasts.
- We involved valuation and credit risk professionals with specialised skills and knowledge, who assisted in assessing the methodologies, cash flows and collateral values used in expected future recovery cash flow assessments of individual loan loss provisions for impaired loans and advances and in challenging management's use of recovery scenarios and expected cash flows by comparing against industry trends and comparable benchmarks and recalculating recovery amounts.

Our observation
Based on our procedures performed, we found management's overall assessment relating to the valuation of loans and advances to customers and banks within an acceptable range and adequately disclosed in Note 3 and Note 7 of the consolidated financial statements.

User access and change management

Description
ING Bank is highly dependent on its IT environment for the continuity of operations and reliability of financial reporting. The IT environment of ING Bank evolves over time, which includes the implementation of tooling to support automated control execution related to user access and change management of IT assets. We consider general IT controls, and in particular user access and change management controls, that support the effective operations of automated controls a key audit matter.

Our response
Our audit approach relies to a large extent on the operating effectiveness of automated controls, which are dependent on user access and change management general IT controls to operate effectively. With the support of IT-auditors, who are an integral part of the audit team, we test the design, implementation and operating effectiveness of automated controls and general IT controls for applications, databases, operating systems, the network layer and automated tooling. The general IT controls include access provisioning, design of access rights, timely removal of user access rights, high privileged user access and monitoring, access to deploy changes and the testing and approval of changes prior to implementation.

Our audit procedures identified deficiencies in high privileged user access and monitoring, including access to modify configurations, deploy code and/or change data. These deficiencies were similar to prior year and management implemented a programme to remediate these deficiencies during the year. Since these deficiencies were open during (parts of) the year, we performed additional procedures to respond to the risk of unauthorised and/or unintentional access or changes to automated controls and/or data. These procedures included testing compensating controls implemented by management and additional substantive procedures.

Our observation
Our testing of controls and additional substantive procedures did not identify unauthorised user activities in the systems relevant to financial reporting which would have required us to significantly expand the extent of our planned detailed testing.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.
Based on the following procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board Banking is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were initially appointed by the General Meeting of Shareholders as auditor of ING Bank N.V. on 11 May 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year. We have been reappointed by the General Meeting of Shareholders on 24 April 2023 to continue to serve ING Bank as its external auditor for the financial years 2024 and 2025.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the

EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Services rendered

For the period to which our statutory audit relates, in addition to this audit, we have provided the following services to the Company and its controlled undertakings:

- agreed-upon procedures and assurance engagements for the benefit of external stakeholders, largely driven by regulatory requirements.

European Single Electronic Format (ESEF)

ING Bank has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by ING Bank, complies in all material respects with the RTS on ESEF.

The Management Board Banking is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the Management Board Banking combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N ’Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument’ (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF; and
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Management Board Banking and the Supervisory Board for the financial statements

The Management Board Banking is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board Banking is responsible for such internal control as the Management Board Banking determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Management Board Banking, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Management Board Banking is responsible for assessing the Company’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board Banking should prepare the financial statements using the going concern basis of accounting unless the Management Board Banking either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The Management Board Banking should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report. This description forms part of our auditor's report.

Utrecht, 3 March 2025

KPMG Accountants N.V.

P.A.M. de Wit RA

Appendix:
Description of our responsibilities for the audit of the financial statements

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Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board Banking;
- concluding on the appropriateness of the Management Board Banking's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the Audit Committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Alternative performance measures

Our financial information is prepared in accordance with IFRS as detailed in the financial statements of our Annual Report. In addition, in the discussion of our financial performance, we use a number of alternative performance measures, including resilient net profit, net core lending and deposits growth. Resilient net profit is defined as net profit adjusted for significant items not linked to the normal course of business, reference is made to 'Capital Management' for a reconciliation. We consider net core lending and deposits growth as useful information to track our real commercial growth in customer balances. It measures the development of our customer lending and deposits adjusted for currency impacts and changes in the Treasury and run-off portfolios. The below tables show how these measures can be reconciled to the nearest IFRS measure.

Customer lending and Net core lending growth by business line

	Retail Netherlands			Retail Belgium			Retail Germany			Retail Other			Wholesale Banking			Corporate Line			Total		
in EUR billion	2024	2023	change	2024	2023	change	2024	2023	change	2024	2023	change	2024	2023	change	2024	2023	change	2024	2023	change
Customer lending IFRS-EU [1]	164.3	152.8	11.4	98.3	94.3	4.0	110.2	102.9	7.3	117.2	109.8	7.4	195.8	188.0	7.8	0.3	0.3	0.0	686.1	648.1	38.1
Exclude: FX impact			0.0			0.0			0.0			0.9			-4.7						-3.8
Exclude: Treasury, run-off portfolios and other			-1.9			-0.4			-2.9			-0.2			-1.3			0.0			-6.6
Net core lending growth			9.6			3.7			4.4			8.2			1.8			0.0			27.7

1 Loans and advances to customers excluding LLP.

Customer deposits and Net core deposits growth by business line

	Retail Netherlands			Retail Belgium			Retail Germany			Retail Other			Wholesale Banking			Corporate Line			Total		
in EUR billion	2024	2023	change	2024	2023	change	2024	2023	change	2024	2023	change	2024	2023	change	2024	2023	change	2024	2023	change
Customer deposits IFRS-EU	200.7	199.7	1.0	97.1	91.2	5.9	151.1	143.6	7.5	163.2	151.0	12.1	79.6	64.8	14.9	8.1	11.7	-3.7	699.7	662.0	37.7
Exclude: FX impact			0.0			0.0			0.0			0.6			-0.4						0.3
Exclude: Treasury, run-off portfolios and other			4.0			0.5			0.0			-0.1			1.3			3.7			9.4
Net core deposits growth			5.0			6.4			7.5			12.7			15.8			0.0			47.4

Customer lending and Net core lending growth by business line

	Retail Netherlands			Retail Belgium			Retail Germany			Retail Other			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-EU [1]	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	0.3	0.1	648.1	641.5	6.5
Exclude: FX impact			0.0			0.0			0.0			0.3			2.6						2.9
Exclude: Treasury, run-off portfolios and other			3.0			-1.2			-2.9			2.4			-2.2			-0.1			-0.9
Net core lending growth			2.3			1.4			1.7			4.3			-1.2			0.0			8.6

[1] Loans and advances to customers excluding LLP.

Customer deposits and Net core deposits growth by business line

	Retail Netherlands			Retail Belgium			Retail Germany			Retail Other			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-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	11.7	7.8	4.0	662.0	648.5	13.5
Exclude: FX impact			0.0			0.0			0.0			-0.4			0.3						-0.1
Exclude: Treasury, run-off portfolios and other			-0.2			-1.0			0.8			0.0			1.5			-4.0			-2.8
Net core deposits growth			-1.6			-1.3			8.5			12.9			-7.9			0.0			10.6

Articles of Association – Appropriation of results

Appropriation of results

The result is appropriated pursuant to Article 25 of the Articles of Association of ING Bank N.V., the relevant stipulations of which state that the result shall firstly be appropriated to the Stichting Regio Bank Reserve, respectively the Reserve Stichting Vakbondsspaarbank SPN or charged to that reserves in proportion to the ratio between the Stichting Regio Bank Reserve, respectively the Reserve Stichting Vakbondsspaarbank SPN and the company's equity at the end of the relevant financial year and that the remainder shall be at the disposal of the General Meeting.

Risk factors

Summary of risk factors

The following is a summary of the principal risk factors that could have a material adverse effect on the reputation, business activities, financial condition, results and prospects of ING. Please carefully consider all of the information discussed in this section 'Risk factors' for a detailed description of these risks.

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.
- Inflation and deflation scenarios, as well as interest rate volatility and changes may adversely affect our business, results and financial condition.
- The default of a major market participant could disrupt the markets and may have an adverse effect on our business, results and financial condition.
- Continued risk of political instability and fiscal uncertainty around the globe, as well as ongoing volatility in the financial markets and the economy generally have adversely affected, and may continue to adversely affect, our business, results and financial condition.
- 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 and financial condition.
- Discontinuation of interest rate benchmarks may negatively affect our business, results and financial condition.
- We may incur losses due to failures of banks falling under the scope of resolution funding or deposit schemes.

Risks related to the regulation and supervision of the Group

- Non-compliance with laws and/or regulations 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 business activities.
- We are subject to additional legal and regulatory risk in certain countries with less developed or less predictable legal and regulatory frameworks or the supervision thereof.
- We are subject to the regulatory supervision of the ECB and other regulators and public bodies 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 the EU recovery and resolution regime and several other bank recovery and resolution regimes that include statutory write-down and conversion as well as other powers, which remain 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 resulting in proceedings or investigations with respect to tax laws.
- Our reputation could be harmed and we could be subject to enforcement actions, fines and penalties if we fail to comply with our obligations under tax laws and regulations.
- ING is exposed to the risk of claims from customers or stakeholders 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 targets, ambitions, aims or expectations or requirements with respect to ESG-related matters.
- 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.
- ING's business and operations are exposed to transition risks related to climate change.
- ING's business and operations are exposed to physical risks, including as a direct result of climate change.
- 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.
- We are subject to increasing risks related to cybercrime and compliance with cybersecurity regulation.
- Because we operate in highly competitive markets, including our home market, we may not be able to increase or maintain our market share, which may have an adverse effect on our results.

- 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 monetise our internal innovations and restrict our ability to capitalise on future opportunities.
- The inability of counterparties to meet their financial obligations or our inability to fully enforce our rights against counterparties could have a material adverse effect on our results.
- 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.
- 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 the value of plan assets is not sufficient to cover potential obligations, including as a result of differences between actual results and underlying actuarial assumptions and models.

Risks related to the Group's risk management practices

- Risks relating to our use of quantitative models to model client behaviour for the purposes of our calculations may adversely impact our results and results.
- We may be unable to manage our risks successfully through derivatives.

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 negatively impact our liquidity, borrowing and capital positions, as well as increase the cost of liquidity, borrowings and capital.

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 presence and serving 40 million customers, corporate clients and financial institutions in 38 countries, ING's business, results and financial condition may be significantly impacted by turmoil and volatility in the worldwide financial markets or in the particular geographic areas in which we operate. In Retail Banking, our products include savings, payments, investments, loans and mortgages. In Wholesale Banking, we provide specialised lending, tailored corporate finance, debt and equity market solutions, payments & cash management, trade and treasury services. Negative developments in relevant financial markets and/or countries or regions have in the past had and may in the future have a material adverse impact on our business, results and financial condition, including as a result of the potential consequences listed below.

Factors such as inflation or deflation, interest rates, securities prices, credit spreads, liquidity spreads, exchange rates, consumer spending, changes in customer behaviour, climate change, business investment, real estate values and private equity valuations, government spending, the volatility and strength of the capital markets, geopolitical events and trends, supply chain disruptions, shortages, terrorism, pandemics and epidemics (such as the recent Covid-19 pandemic) or other widespread health emergencies all impact the business and economic environment and, ultimately, our solvency, liquidity and the amount and profitability of business we conduct in a specific geographic region. Some of these risks are often experienced globally as well as in specific geographic regions and are described in greater detail below under the headings: 'Inflation and deflation scenarios, as well as interest rate volatility and changes may adversely affect our business, results and financial condition'; '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 and financial condition'; and 'Continued risk of political instability and fiscal uncertainty, as well as ongoing volatility in the financial markets and the economy generally have adversely affected, and may continue to adversely affect, our business, results and financial condition'. All of these are factors in local and regional economies as well as in the global economy, and we may be affected by changes in any one of these factors in any one country or region, and more if more of these factors occur simultaneously and/or in multiple countries or regions or on a global scale.

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

- inadequate reserves or provisions, in relation to which losses could ultimately be realised through profit and loss and shareholders' equity;
- the write-down of tax assets impacting net results and/or equity;
- impairment expenses related to goodwill and other intangible assets, impacting our net result and 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 the Benelux countries and Germany, from which we derive a significant portion of our revenues in both Retail Banking and 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. 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 and Russia's response thereto have significantly impacted, and may continue to significantly impact, Russia's economy, our activities in Russia and our activities involving Russian-owned parties. They 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, most 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).

On 28 January 2025, ING announced that it has reached an agreement on the sale of its business in Russia to Global Development JSC, a Russian company owned by a Moscow-based financial investor with a background in factoring services. This transaction will effectively end ING's activities in the Russian market. Under the terms of the agreement, Global Development will acquire all shares of ING Bank (Eurasia) JSC, taking over all Russian onshore activities and staff. Global Development intends to continue to serve customers in Russia under a new brand. The transaction, which has been preceded by extensive due diligence, is subject to various regulatory approvals and is expected to be closed in the third quarter of 2025.

Environmental and/or climate risks have also directly and indirectly impacted ING without significant financial impact, 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 29 'Information on geographical areas' to the consolidated financial statements.

Inflation and deflation scenarios, as well as interest rate volatility and changes may adversely affect our business, results and financial condition.

In general, both inflation and deflation may influence consumers' spending habits, affecting the economic activity and consequently our core revenue stream (e.g. in terms of overall financial health of borrowers and loan demand, and collateral management, among other things). Furthermore, inflation and deflation may have repercussions on interest rate spreads, and therefore on the profitability of traditional banking activities. Overall, both inflation and deflation can pose significant challenges, impacting our ability to generate revenue, manage risk, and maintain a stable financial position.

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

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

Central banks have started easing their policy and further rates cuts are likely. However, they have also reiterated their commitment to keep policy rates sufficiently restrictive, and therefore undertaken further measures during the course of 2025 in order to keep inflation at a lower level compared to previous years.

Changes in interest rates may impact our business. In case of increased interest rates, we may:

- experience a decrease of the estimated fair value of certain fixed income securities that we hold in our investment portfolios, resulting in:
  - reduced levels of unrealised capital gains available to us, which could negatively impact our solvency position and net income, and/or

  - a decrease in collateral values;
- face an increased withdrawal of certain savings products, particularly those with fixed rates below market rates;
- be required, as an issuer of securities, to pay higher interest rates on debt securities that we issue in the financial markets from time to time to finance our operations, which would increase our interest expenses and reduce our results;
- experience further customer defaults as interest rate rises flow through into payment stress for lower credit quality customers.

On the other hand, a decrease in prevailing interest rates may lead to lower interest income from loans and investments, reduced profitability of traditional banking activities, and potential declines in the value of certain fixed income securities we hold in our investment portfolio, as well as negatively affecting our business in other ways, including leading to:

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

In addition, given the volatility in inflation and related volatility in interest rates, a failure to accurately anticipate inflation on an ongoing basis and factor it into our product pricing assumptions may result in the mispricing of our products, which could materially and adversely impact our results.

Each of the preceding risks, should they materialise, may adversely affect our business, results and financial condition.

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

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

Continued risk of political instability and fiscal uncertainty around the globe, as well as ongoing volatility in the financial markets and the economy generally have adversely affected, and may continue to adversely affect, our business, results and financial condition.

Our global business and results are materially affected by conditions in the global capital markets and the economy generally. In Europe, there are continuing concerns over weaker economic conditions, levels of unemployment in certain countries, including tariffs or other trade barriers introduced by the United States and responses to those trade barriers, the availability and cost of credit, as well as credit spreads. In addition, geopolitical issues, including trade tensions between the US and China, increasing protectionism between key countries, and issues with respect to North Korea and the Middle East, may all contribute to adverse developments in the global capital markets and the economy generally. Sustained uncertainty about, or worsening of, current global economic conditions and further escalation of trade tensions between the US and its trading partners, especially China, could result in a global economic slowdown and long-term changes to global trade. In addition, Russia's invasion of Ukraine and related international response measures have had, and are expected to continue to have, a negative impact on regional and global economic conditions, including 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, most 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 our entire Wholesale Banking portfolio, in areas such as commodities financing, energy and utilities and energy-consuming clients

Moreover, there is a risk that an adverse credit event at one or more European sovereign debtors (including a credit rating downgrade or a default) could trigger a broader economic downturn in Europe and elsewhere. In addition, the confluence of these and other factors has resulted in volatile foreign exchange markets. International equity markets have also continued to experience heightened volatility and turmoil. These events, market upheavals and continuing risks, including high levels of volatility, may have an adverse effect on our results, in part because we have a large investment portfolio.

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

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

Any of these general developments in global financial and political conditions could negatively impact our business, results and financial condition in future periods.

Discontinuation of interest rate benchmarks may negatively affect our business, results and financial condition.

Changes to major interest rate benchmarks may negatively affect our business, including the level of net interest revenue. Financial markets have historically relied on Interbank Offered Rates (IBORs) benchmarks, such as the London Interbank Offered Rate (LIBOR), the Euro Over Night Index Average (EONIA) and the Euro Interbank Offered Rate (EURIBOR). While some interest rate benchmarks have been reformed and will continue to exist, such as EURIBOR, others such as EONIA and LIBOR have been replaced by recommended alternative rates. EONIA ceased to be published on 3 January 2022, and was succeeded by €STR. GBP, JPY, CHF and EUR LIBOR ceased in 2021/2022, and USD LIBOR ceased on 30 June 2023. Synthetic rates of certain GBP and USD LIBOR rates are available for a limited time to facilitate the transition of remaining legacy transactions.

In 2022 the Polish National Working Group published a roadmap indicating that the market should be prepared for a cessation of, among others, the WIBOR reference rate. It is expected that the reform will be completed by the end of 2027, with the offering of financial products using the new benchmark (WIRON) to progress gradually in 2023 and 2024.

The discontinuation of WIBOR, CDOR and other local benchmarks in the future could result in a number of risks for the Group, its customers, and the financial services industry more widely. These risks include legal risks and costs in relation to changes required to documentation for existing transactions and for clients' contracts. In addition to the heightened conduct and operational risks, the process of adopting new reference rates may expose the Group to an increased level of financial risk, such as potential earnings volatility resulting from contract modifications and changes in hedge accounting relationships.

ING continues to monitor market developments and reform plans for other rates to anticipate the impact on our customers and any related risks.

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 and financial condition.

We are exposed to the risk that our borrowers (including sovereigns) may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. We may see adverse changes in the credit quality of our borrowers and counterparties, for example, as a result of their inability to refinance their indebtedness or in the case of a decline in financial performance. Adverse changes in the credit quality of our borrowers and/or decreasing collateral values would result in increased capital requirements and provisions, and any deterioration of market conditions may lead to increasing delinquencies, defaults and insolvencies across a range of sectors. This may lead to impairment charges on loans and other assets, higher costs and additions to loan loss provisions. A significant increase in the size of our provision for loan losses could have a material adverse effect on our business, results and financial condition.

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

We may incur losses due to failures of banks falling under the scope of resolution funding or deposit schemes.

While prudential regulation is intended to minimise the risk of bank failures, in the event such a failure occurs, given our size, we may incur significant compensation payments to be made under the Dutch Deposit Guarantee Scheme (DGS), which we may be unable to recover from the bankrupt estate, and therefore the consequences of any future failure of such a bank could be significant to ING. Such costs and the associated costs to be borne by us may have a material adverse effect on our results and financial condition. On the basis of the EU Directive on deposit guarantee schemes, ING pays quarterly risk-weighted contributions into a DGS-fund. The Dutch DGS-fund reached its intended target size of 0.8 percent of all deposits guaranteed under the DGS, in July 2024. Further, quarterly risk-weighted contributions are only required when individual and / or collective covered deposits show an increase in a quarter. 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 percent of their covered deposits per calendar year. In exceptional circumstances, and with the consent of the competent authority, higher contributions may be required. However, extraordinary ex-post contributions may be temporarily deferred if, and for so long as, they would jeopardise the solvency or liquidity of a bank. Depending on the size of the failed bank, the available financial means in the DGS-fund, and the required additional financial means, the impact of the extraordinary ex-post contributions on ING may be material.

Since 2015, the EU has been discussing the introduction of a pan-European deposit guarantee scheme (EDIS), which would (partly) replace or complement national compensation schemes. As of the date of this report, negotiations regarding EDIS have stalled and no such scheme has been introduced.

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 banks in the EU. 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 European Parliament adopted its first-reading reports on the proposals in April 2024. The Council agreed on a negotiating mandate for the revision of the CMDI on 19 June 2024. With this agreement, the Council is ready to negotiate with the European Parliament on the final form of this legislative proposal. 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.

Risks related to the regulation and supervision of the Group

Non-compliance with laws and/or regulations could result in fines and other liabilities, penalties or 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 initiation of regulatory investigations or legal proceedings. For additional information on legal proceedings, see Note 41 ‘Legal proceedings’ in 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 comply with applicable standards. Regulators and other authorities have the power to initiate investigations and/or administrative or judicial proceedings against us, which may result, among other things, in suspension or revocation of our licences, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary measures, which could materially harm our results and financial condition as well as ING’s reputation. If we fail, or appear to fail to properly address, any of these matters, our reputation may be harmed and we may be exposed to additional legal risk, which in turn may 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 the circumvention of sanctions, 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 prospects in any given period. For further discussion on the impact of litigation, enforcement proceedings, investigations or other regulatory actions with respect to financial economic crimes, see 'We may be subject to litigation, enforcement proceedings, investigations or other regulatory actions, and adverse publicity' below.

Changes in laws and/or regulations governing financial services or financial institutions or the application of such laws and/or regulations may increase our operating costs and limit our business activities.

We are subject to detailed banking laws and financial regulations in the jurisdictions in which we conduct business. The regulations governing the industries in which we operate has become more extensive and complex, while also attracting supervisory scrutiny. Compliance with current and new laws and regulations is resource-intensive and may materially increase our operating costs. Moreover, these regulations are designed to protect our customers, markets and society as a whole and can limit or redirect our activities, among others, through stricter net capital, market conduct and transparency requirements and restrictions on the businesses in which we can operate or invest.

Our revenues and profitability and those of our industry have been and continue to be affected by requirements relating to capital, additional loss-absorbing capacity, leverage, minimum liquidity and long-term funding levels, resolution and recovery planning requirements, derivatives clearing and margin rules and levels of regulatory oversight, as well as restrictions on which and, if permitted, how certain business activities may be carried out by financial institutions.

We are subject to additional legal and regulatory risk in certain countries with less developed or less predictable legal and regulatory frameworks or the supervision thereof.

In certain countries where we operate or where our clients reside, judicial and dispute resolution systems may be less effective. As a result, in the event of a breach of contract, we have experienced in the past and may continue to have difficulties in making and enforcing claims against contractual counterparties and, if claims are made against us, we have experienced in the past and may continue to encounter difficulties in mounting a defence against such allegations. If we become party to legal proceedings in a market with an insufficiently developed judicial system, it could have an adverse effect on our operations and net results. For additional information on legal proceedings, see Note 41 'Legal proceedings' in the consolidated financial statements.

In addition, as a result of our operations in certain countries, we are subject to risks of possible nationalisation, expropriation, price controls, exchange controls and other restrictive government actions, as well as the outbreak of hostilities and/or war, in these markets. In particular, we have wholesale banking activities in both Russia and Ukraine, as well as investments in Russia, some of which are denominated in local currency. Furthermore, the current economic environment in certain countries in which we operate may increase the likelihood for regulatory initiatives to enhance consumer protection or to protect homeowners from foreclosures. Any such regulatory initiative could have an adverse impact on our ability to protect our economic interest, for instance in the event of defaults on residential mortgages.

We are subject to the regulatory supervision of the ECB and other regulators and public bodies with extensive supervisory and investigatory powers.

In its capacity as the 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 impose monetary and other sanctions. For example, under the Single Supervisory Mechanism (SSM), the relevant (national) competent authorities, including the ECB, can conduct stress tests and have the discretionary power to impose capital surcharges on financial institutions for risks 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 regard to supervisory measures, minimum capital requirements (including buffer requirements) or with liquidity requirements, or if there are deficiencies in its governance and risk management processes. A failure to comply with prudential or conduct regulations may 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, results and financial condition and on our ability to make payments on certain of 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 being prohibited from making payments on certain of our securities. Because implementation phases and transposition into EU or national regulation where required may often involve a lengthy period, the impact of changes in capital, liquidity and leverage regulations on our business, results and financial condition, and on our ability to make payments on certain of our securities, is often unclear.

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

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

ING Capital Markets LLC is also registered with the SEC as a security-based swap dealer. Operating as a security-based swap dealer requires compliance with SEC regulatory requirements, which may be burdensome, impose additional compliance costs and could adversely affect the profitability of this business, as well as exposing ING to the risk of non-compliance with these regulations. While most of these SEC requirements apply to ING Capital Markets LLC, in addition to its CFTC swap dealer 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 which could be more capital-intensive.

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 the EU recovery and resolution regime and 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) and 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 financial services provider, employer, investor and taxpayer. As a financial institution, we are subject to specific laws and regulations governing financial services and/or financial institutions. See 'Changes in laws and/or regulations governing financial services or financial institutions or the application of such laws and/or regulations may increase our operating costs and limit our activities' and 'Our US commodities and derivatives business is subject to CFTC and SEC regulation under the Dodd-Frank Act' above. Financial reporting irregularities involving other large and well-known companies, possible findings of government authorities in various jurisdictions which are investigating several processes, notifications made by whistleblowers, increasing regulatory and law enforcement scrutiny of ‘know your customer’ anti-money laundering regulations, tax evasion, prohibited transactions with countries or persons subject to sanctions, and bribery or other anti-corruption measures and anti-terrorist-financing procedures and their effectiveness, regulatory investigations of the banking industry, and litigation that arises from the failure or perceived failure by us to comply with legal, regulatory, tax and compliance requirements could result in adverse publicity and reputational harm, lead to increased regulatory supervision, affect our ability to attract and retain customers and employees and maintain access to the capital markets, result in cease and desist orders, claims, enforcement actions, fines and civil and criminal penalties, other disciplinary action or have other material adverse effects on us in ways that are not predictable. With respect to sanctions, Russia’s continued occupation of Ukraine and the associated conflict has seen successive significant sanctions packages imposed and continued 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. The EU’s additional measures combating sanctions circumvention has led to focus on several locations as potential diversion hubs. While various sanctions include grace periods before full compliance is required, there is no guarantee that ING will be able to implement all required procedures within the applicable grace periods. In addition, some claims and allegations may be brought by or on behalf of a class and claimants may seek large or indeterminate amounts of damages, including compensatory, liquidated, treble and punitive damages. Our reserves for litigation liabilities may prove to be inadequate. Claims and allegations, should they become public, need not be well founded, true or successful to have a negative impact on our reputation. In addition, press reports and other public statements that assert some form of wrongdoing could result in inquiries or investigations by regulators, legislators and law enforcement officials, and responding to these inquiries and investigations, regardless of their ultimate outcome, is time consuming and expensive. Adverse publicity claims and allegations, litigation and regulatory investigations and sanctions have had in the past and may continue to have in the future a material adverse effect on our business, results, financial condition and/or prospects.

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 resulting in 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.

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 recognised. 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.

Our reputation could be harmed and we could be subject to enforcement actions, fines and penalties if we fail to comply with our obligations under tax laws and regulations.

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 products or the circumstances under which the products were sold, were misrepresented to them. When new financial products are brought to the market, it is ING's policy to engage in a multidisciplinary product approval process in connection with the development and distribution of such products, including production of appropriate marketing and communication materials. Notwithstanding these processes, customers have made in the past and may continue to make in the future claims against ING if the products do not meet their expectations, either at the purchase/execution of the product and/or through the life of the product. Customer protection regulations, as well as changes in interpretation and perception by both the public at large and governmental authorities of acceptable market practices, influence customer expectations.

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

The negative publicity associated with any sales practices, any compensation payable in respect of any such issues and regulatory changes resulting from such issues, have had and could have a material adverse effect on our reputation, business, results, financial condition and prospects. For additional information regarding legal proceedings or claims, see Note 41 'Legal proceedings' to the consolidated financial statements.

Risks related to the Group's business and operations

ING may be unable to meet internal or external targets, ambitions, aims or expectations or requirements with respect to ESG-related matters.

Environmental, Social and Governance (ESG) is an area of significant and increased public dialogue and focus for governments and regulators, investors, ING's customers and employees, and other stakeholders or third parties (e.g. non-governmental organisations or NGOs). As a result, an increasing number of laws, regulations and legislative actions have been introduced to address ESG-related matters, including in relation to the financial sector's operations and strategy. Such ESG-related matters may relate to climate change, sustainability, diversity, equity and inclusion (DEI) or other ESG-related matters. Such recent regulations include the EU Sustainable Finance Disclosure Regulation (SFDR), EU Taxonomy regulation and EU Green Bond Standards, which broadly focus on disclosure obligations, standardised definitions and classification frameworks for environmentally sustainable activities, and the EU Corporate Sustainability Reporting Directive (CSRD), which requires certain companies, including ING, to disclose information on what they see as the risks and opportunities arising from environmental, social and governance issues, and on the impact of their activities on people and the environment. Similarly, the SEC climate-related disclosure rules could require disclosure of climate-related information and the State of California's legislation requires broad disclosure of greenhouse gas emissions and other climate-related information.

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 establish ESG-related initiatives, adopt reporting frameworks and announce several targets, ambitions or aims in connection with the conduct of its business and operations. However, these goals may change from time to time and, ultimately, there is no guarantee that ING will be able to implement such initiatives or meet such targets, ambitions or aims within anticipated timeframes, or at all. Our ability to achieve any ESG-related initiatives, targets, ambitions, aims or expectations and to accurately report performance or developments with respect to such initiatives, targets, aims or expectations is subject to numerous risks, many of which are outside of our control, including the evolving legal environment, regulatory requirements for the tracking and reporting of standards or disclosures, the actions of suppliers, partners, and other third parties, and data that is outside of ING's control.

Our stakeholders may hold differing views on ESG-related matters, including DEI, which may result in negative attention in traditional and social media or a negative perception of our response to concerns regarding these matters. In addition, we may also face potentially conflicting supervisory directives as certain US regulatory and non-US authorities have prioritized ESG-related issues while Congress and certain US state governments have signalled pursuing potentially conflicting priorities. These circumstances, among others, may result in pressure from investors, unfavourable reputational impacts, including inaccurate perceptions or a misrepresentation of our actual ESG-related practices and diversion of management's attention and resources. Any failure, or perceived failure, by us to adhere to our public statements, comply fully with developing interpretations of ESG-related laws and regulations, including with respect to DEI-related matters, or meet evolving and varied stakeholder expectations and standards could negatively impact our reputation or result in legal and enforcement proceedings against ING. For instance, Friends of the Earth Netherlands (*Milieudefensie*) reiterated in January 2025 that it holds ING liable for alleged contribution to climate change and threatened to initiate legal proceedings against ING.

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. At the same time, there also exists 'anti-ESG' sentiment among certain stakeholders, including governmental authorities, and we may face scrutiny, reputational risk, product boycotts, lawsuits or market access restrictions from these parties regarding our ESG-related initiatives, including with respect to DEI matters. 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.

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

The transition to a low-carbon or net-zero economy gives rise to risks and uncertainties associated with climate change-related laws, regulations and oversight, changing or new technologies, and shifting customer sentiment. For instance, ING may be required to change its lending portfolio to comply with new climate change-related regulations and other ESG-related demands from customers, investors and other stakeholders. As a result, it might be unable and unwilling to lend to certain prospective customers, or lead to the termination of certain existing relationships with certain customers. This could result in claims or legal challenges from such customers against ING. At the same time, there also exists 'anti-ESG' sentiment among certain stakeholders, and we may face scrutiny, reputational risk, product boycotts, lawsuits or market access restrictions from these parties regarding our ESG-related initiatives. This transition may also adversely impact the business and operations of ING's customers and other counterparties. Further, there is a risk that changing community standards and market expectations could lead to a reduction in demand and a decline in valuations for certain assets, which may affect the value of collateral we hold or the financial strength of certain of our portfolios. If ING fails to adequately factor in such risks in its lending or other business decisions, ING could be exposed to losses.

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

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

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

ING's business and operations are exposed to the impacts of physical risks arising from climate and weather-related events, including heatwaves, droughts, flooding, storms, rising sea levels, other extreme weather events or natural disasters, and to the impacts of physical risks arising from environmental degradation, including the loss of biodiversity, water or resource scarcity, pollution or waste management. Such physical risks have disrupted in the past and could continue in the future to disrupt ING's business continuity and operations or impact ING's premises or property portfolio, as well as its customers' property, business or other financial interests. These risks could potentially result in impairing asset values, financial losses, declining creditworthiness of customers and increased defaults, delinquencies, write-offs and impairment charges in ING's portfolio, etc. In particular, changing climate patterns resulting in more frequent and extreme weather events, such as the severe flooding that occurred in Spain in October 2024 or the severe flooding in Germany in mid-2024, could lead to unexpected business interruptions or losses for ING or its customers.

Furthermore, ING's ongoing aim to implement appropriate systems, controls and frameworks increasingly requires ING to develop adequate physical risk assessment and modelling capabilities (as there is currently no standard approach or methodology available), and to collect customer, third-party or other data. There are significant risks and uncertainties inherent in the development of new risk modelling methodologies and the collection of data, potentially resulting in systems or frameworks that could be inadequate, inaccurate, incomplete or susceptible to incorrect customer, third-party or other data.

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 system 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 utilised), 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 entered into force in January 2025. Failure to appropriately manage and monitor our IT risk profile could affect our ability to comply with these regulatory requirements, to securely and efficiently serve our clients or to timely, completely or accurately process, store and transmit information, and may adversely impact our reputation, business and results. For further description of the particular risks associated with cybercrime, which is a specific risk to ING as a result of its strategic focus on technology and innovation, see 'We are subject to increasing risks related to cybercrime and compliance with cybersecurity regulation' below.

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

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

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

Like other financial institutions and global companies, we are regularly the target of cyber attacks, which is a specific risk to ING as a result of its strategic focus on technology and innovation. In particular, threats from Distributed Denial of Service (DDoS), targeted attacks (also called Advanced Persistent Threats) and ransomware have intensified worldwide, and attempts to gain unauthorised access and the sophistication of techniques used for such attacks is increasing. Cyber threats are constantly evolving and the techniques used in these attacks change, develop and evolve rapidly, including the use of emerging technologies, such as advanced forms of artificial intelligence and quantum computing. The new cyber risks introduced by these changes in technology require us to devote significant attention to the identification, assessment and analysis of the risks and the 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, DORA and the Cyber Resilience Act are examples of such regulations. The resilience of financial institutions against ransomware attacks is now a subject of the yearly stress test executed by the ECB. 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 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.

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.

Because we operate in highly competitive markets, including our home market, we may not be able to increase or maintain our market share, which may have an adverse effect on our results.
There is substantial competition in the Netherlands and the other countries in which we do business for the types of wholesale banking, retail banking, investment banking and other products and services we provide. Customer loyalty and retention can be influenced by several factors, including brand recognition, reputation, relative service levels, the prices and attributes of products and services, scope of distribution, credit ratings and actions taken by existing or new competitors (including non-bank or financial technology competitors). A decline in our competitive position as to one or more of these factors could adversely impact our ability to maintain or further increase our market share, which would adversely affect our results. Such competition is most pronounced in our more mature markets of the Netherlands, Belgium, the rest of Western Europe and Australia. In recent years, however, competition in emerging markets, such as Asia and Central and Eastern Europe, has also increased as large financial services companies from more developed countries have sought to establish themselves in markets which are perceived to offer higher growth potential, and as local institutions have become more sophisticated and competitive and proceeded to form alliances, mergers or strategic relationships with some of our competitors. The Netherlands is our largest market. Our main competitors in the banking sector in the Netherlands are ABN AMRO Bank and Rabobank.

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

Increasing competition in the markets in which we operate (including from non-banks and financial technology competitors) may significantly impact our results if we are unable to match the products and services offered by our competitors. Future economic turmoil may accelerate additional consolidation activity. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms or have declared bankruptcy. These developments could result in 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 monetise our internal innovations and restrict our ability to capitalise 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 our inability to fully enforce our rights against counterparties could have a material adverse effect on our results.

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

We routinely execute a high volume of transactions, such as unsecured debt instruments, derivative transactions and equity investments with counterparties and customers in the financial services industry, including brokers and dealers, commercial and investment banks, mutual and hedge funds, insurance companies, institutional clients, futures clearing merchants, swap dealers, and other institutions, resulting in large periodic settlement amounts, which may result in us having significant credit exposure to one or more of such counterparties or customers. As a result, we could face concentration risk with respect to liabilities or amounts we expect to collect from specific counterparties and customers. We are exposed to increased counterparty risk as a result of recent financial institution failures and weakness and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. As a result of the Russian invasion of Ukraine and related international response measures, including sanctions and capital controls, we may be exposed to an increased risk of default of counterparties located in Russia and Ukraine, counterparties of which the ultimate parent is located in Russia or may be considered effectively controlled or influenced through Russian involvement, and other counterparties in sectors affected by the response measures. Also, liquidity or currency controls enforced by the Russian central bank may impact Russian companies' ability to pay. In addition, we have counterparty exposure to Russian entities in connection with foreign exchange derivatives for future receipt of foreign currencies against the Russian rouble (RUB). Remaining at risk for ING at year-end 2024 is €1.0 billion of credit exposures booked outside of Russia and €550 million with clients in Ukraine. A default by, or even concerns about the creditworthiness of, one or more of these counterparties or customers or other financial services institutions could therefore have an adverse effect on our results or liquidity.

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, including sanction risk. 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 decide on a downgrade at any time.

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

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

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

The increasing restrictions on, and public and political scrutiny of, remuneration (especially in the Netherlands), may continue to have an impact on existing ING Bank remuneration policies and individual remuneration packages for personnel. For example, under the EU's amended Shareholder Rights Directive, known as SRD II, which came into effect on 10 June 2019, ING is required to hold a shareholder binding vote on ING's Executive Board remuneration policy and Supervisory Board remuneration policy at least every four years. Furthermore, the shareholders have an advisory vote on ING's remuneration report annually. This may restrict our ability to offer competitive compensation compared with companies (financial and/or non-financial) that are not subject to such restrictions and it could adversely affect ING Bank's ability to retain 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 models.
ING Bank 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 the 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 to model client behaviour for the purposes of our calculations may adversely impact our results and reputation.
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 results and reputation. In addition, we use assumptions to model client behaviour for 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 loans and investment portfolios. Assumptions based on past client behaviour may not always be a reliable indicator of future behaviour. The 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 laws and regulations (e.g. with reference to client rates, prepayment compensation, etc.) 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. As noted there, regulation of the industries in which we operate is becoming increasingly more extensive and complex, while also attracting supervisory scrutiny. Compliance failures may lead to changes in the laws and regulations governing the risk management practices and materially increase our operating costs.

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

Our hedging strategy additionally relies on the assumption that hedging counterparties remain able and willing to provide the hedges required by our strategy. Increased regulation, market shocks, worsening market conditions, and/or other factors that affect or are perceived to affect the financial condition, liquidity and creditworthiness of ING may reduce the ability and/or willingness of such counterparties to engage in hedging contracts with us and/or other parties, affecting our overall ability to hedge our risks and adversely affecting our business, results and financial condition.

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 negatively impact our liquidity, borrowing and capital positions, as well as increase the cost of liquidity, borrowings and capital.

Adverse capital market conditions may negatively impact 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 remained so since the financial crisis of 2008, interest rates were recently raised resulting in increased funding costs due in part due to the withdrawal of perceived government support of financial institutions in the event of future financial crises. Financing costs could remain higher as result of this perception, even if rates are lowered again in the upcoming years. In addition, liquidity in the financial markets has also been negatively impacted as market participants and market practices adjust to newer and more comprehensive regulations.

We require liquidity to fund new and ongoing business, to pay our operating expenses and interest on our debt as well as dividends on our capital stock, maintain our securities lending activities and replace 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 funds, repurchase agreements, commercial paper, medium- and long-term debt, subordinated debt securities, capital securities and shareholders’ equity.

In addition, as 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 ING’s 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 customer confidence could have an adverse effect on our liquidity and capital position through the withdrawal of deposits, as well as on our revenues and total financial results. As 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 liquidity requirements, 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 rating 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. See also 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 results'.

Similarly, our access to funding may be limited if regulatory authorities or rating agencies take negative actions against us. If our internal sources of liquidity prove to be insufficient, there is a risk that we may not be able to successfully obtain additional financing on favourable terms, or at all. Any actions we might take to access financing may, in turn, cause rating agencies to re-evaluate our ratings.

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

Furthermore, regulatory liquidity requirements in certain jurisdictions in which we operate remain stringent, undermining our efforts to maintain centralised management of our liquidity. This may continue to cause trapped pools of liquidity and capital, resulting in inefficiencies in the cost of managing our liquidity and solvency, and hinder our efforts to integrate our balance sheet. An example of such trapped liquidity includes our operations in Germany where German regulations impose separate liquidity requirements that restrict ING's ability to move a liquidity surplus out of the German subsidiary.

Disclaimer

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to a number of factors, including, without limitation: (1) changes in general economic conditions 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 (2) changes affecting interest rate levels (3) any default of a major market participant and related market disruption (4) changes in performance of financial markets, including in Europe and developing markets (5) fiscal uncertainty in Europe and the United States (6) discontinuation of or changes in 'benchmark' indices (7) inflation and deflation in our principal markets (8) changes in conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness (9) failures of banks falling under the scope of state compensation schemes (10) 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 (11) geopolitical risks, political instabilities and policies and actions of governmental and regulatory authorities, including in connection with the invasion of Russia into Ukraine and the related international response measures (12) legal and regulatory risks in certain countries with less developed legal and regulatory frameworks (13) prudential supervision and regulations, including in relation to stress tests and regulatory restrictions on dividends and distributions (also among members of the group) (14) ING's ability to meet minimum capital and other prudential regulatory requirements (15) changes in regulation of US commodities and derivatives businesses of ING and its customers (16) application of bank recovery and resolution regimes, including write-down and conversion powers in relation to our securities (17) outcome of current and future litigation, enforcement proceedings, investigations or other regulatory actions, including claims by customers or stakeholders who feel misled or treated unfairly, and other conduct issues (18) changes in tax laws and regulations and risks of non-compliance or investigation in connection with tax laws, including FATCA (19) operational and IT risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business and including any risks as a result of incomplete, inaccurate, or otherwise flawed outputs from the algorithms and data sets utilized in artificial intelligence (20) risks and challenges related to cybercrime including the effects of cyber-attacks and changes in legislation and regulation related to cybersecurity and data privacy, including such risks and challenges as a consequence of the use of emerging technologies, such as advanced forms of artificial intelligence and quantum computing (21) changes in general competitive factors, including ability to increase or maintain market share (22) inability to protect our intellectual property and infringement claims by third parties (23) inability of counterparties to meet financial obligations or ability to enforce rights against such counterparties (24) changes in credit ratings (25) business, operational, regulatory, reputation, transition and other risks and challenges in connection with climate change, diversity, equity and inclusion and other ESG-related matters, including data gathering and reporting and also including managing the conflicting laws and requirements of governments, regulators and authorities with respect to these topics (26) inability to attract and retain key personnel (27) future liabilities under defined benefit retirement plans (28) failure to manage business risks, including in connection with use of models, use of derivatives, or maintaining appropriate policies and guidelines (29) changes in capital and credit markets, including interbank funding, as well as customer deposits, which provide the liquidity and capital required to fund our operations, and (30) the other risks and uncertainties detailed in the most recent annual report of ING Bank N.V. (including the Risk Factors contained therein) and ING's more recent disclosures, including press releases, which are available on ing.com.

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