ING Luxembourg
Pillar 3 Disclosure 2024

Basel III (Pillar 3 disclosure)

As a sub-subsidiary of ING Bank, ING Luxembourg is subject to mandatory though limited Pillar 3 disclosures from December 2017 (CSSF circular 23/830). Pillar 3 is a complement to Pillar 1 (Minimum Capital Requirements) and Pillar 2 (Supervisory Review Process) allowing market participants to assess the capital adequacy of a bank by using key pieces of information.

Navigation map

The index below enables the readers to track the main risk items through the various risk disclosures.

Remuneration

	Subjects	Pillar 3 Specific disclosure	Pillar III
The ING Luxembourg Pillar 3 disclosure on remuneration provides information on ING's remuneration policy and practices for Identified Staff. In addition, it confirms ING Luxembourg 's compliance with the applicable regulations on remuneration in the financial services sector.	Remuneration policy and governance	1	

Introduction

Basis of disclosure

The information in this report relates to ING Luxembourg SA and its subsidiaries. There are no differences between the scope of consolidation for prudential purposes and the scope of consolidation for accounting purposes as reported in the annual accounts in the 'Accounting policies'.

This Pillar III report provides information on ING Luxembourg SA on a consolidated level.

Assurance/validity

The Pillar III disclosures have been subject to the ING Luxembourg internal control assessments and validation mechanisms, to ensure compliance with laws and regulations. The Executive Committee has assessed and approved the accuracy of the content of the Pillar 3 disclosures. This report has not been audited by ING Luxembourg external auditor.

Regulatory framework

In 2010, the Basel III framework was adopted and consequently translated in the European Union (EU) into regulation through the Capital Requirement Regulation (CRR2) and Capital Requirement Directive V (CRD5). The CRR is binding for all EU member states and became effective per 1 January 2014.

The Basel Committee's framework is based on three pillars. The Pillar I on Minimum Capital Requirements, which defines the rules for the calculation of credit, market and operational risk. Pillar II, for risks not included in Pillar I, is about Supervisory Review and Evaluation Process (SREP), which requires banks to undertake an internal capital adequacy assessment process (ICAAP) to identify and assess risks and maintain sufficient capital to face these risks, and an internal liquidity adequacy assessment process (ILAAP) focusing on maintaining sufficient liquidity (and funding) risk management. Pillar III is on market discipline and transparency, requiring disclosures to allow investors and other market participants to understand the risk profiles of individual banks.

ING Luxembourg prepares the Pillar III report in accordance with the CRR2, CRD5 and EBA guidelines (art 8) on disclosure requirements for subsidiaries considered as material for their local market. The ING Luxembourg's 'Additional Pillar III Report' contains disclosures on Risk Governance arrangements, Own funds, macro-prudential supervisory measures, unencumbered assets, remuneration policy, leverage ratio and liquidity coverage ratio.

The Pillar III report is published on an annual basis.

Developments in disclosure requirements

Local Regulations

CSSF circulars (CSSF 23/830)

In November 2017 and January 2018 CSSF adopted EBA Guidelines on General disclosure & Liquidity Coverage Ratio (LCR) disclosure to complement the disclosure of risk management under Article 435 of Regulation (EU) No 575/2013 (EBA guidelines 2016/11 and EBA guidelines 2017/01).

Considering the full overlap of the Implementing Technical Standards on Pillar 3 disclosures published subsequently (Commission Implementing Regulation (EU) 2021/637) with earlier requirements, EBA has repealed these Guidelines in October 2022. In line, the CSSF Circular 23/830 has repealed the linked circulars 17/673 and 18/676.

European Regulations

EU Commission Implementing Regulation (2021/637) laying down disclosure requirements under Part Eight of Regulation (EU) 575/2013

In December 2016, EBA issued a final paper (EBA guidelines 2016/11) on the guidelines on CRR disclosure requirements to allow EU institutions to implement the Revised Pillar III Framework (RPF) in a way that is compliant with the requirements of Part Eight of the CRR2. A second version was issued on 9 June 2017 with some slight amendments to reflect regulations updates.

Within the Guidelines, the EBA adjusted in 2021 the Revised Pillar III templates to include EU specificities to fit the CRR2 requirements (EU 2021/637). The comprehensive disclosure requirements set out in the Implementing Technical Standards on Pillar 3 disclosures based on the Commission Implementing Regulation (EU) 2021/637 include disclosures requirements previously specified in several EBA guidelines which are therefore repealed (e.g. EBA/GL/2016/11 and EBA/GL/2017/01).

As a non-large Bank under CRR2 art 433a definition, ING Luxembourg is not requested to publish the whole disclosure package.

The table below "disclosure index EBA guidelines" indicates which and where the templates are located in the Pillar III report:

Disclosure index EBA guidelines			
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EBA guidelines on disclosure of non-performing and forborne exposures (EBA/GL/2018/10, as amended by EBA/GL/2022/13)

The guidelines specify the common content and uniform disclosure formats for the information on NPEs, forborne exposures and foreclosed assets that credit institutions should disclose. The guidelines entered into force from December 2019, and were amended by EBA/GL/2022/13, applicable as of 31st December 2022.

Risk Governance

ING's risk and control structure is based on the three lines of defence model. The model aims to provide a sound governance framework for risk management by defining and implementing three layers, with distinct execution and oversight responsibilities. The Chief Executive Officer (CEO) in the first line of defence (1LoD) is accountable to define and deliver ING's strategy. The Chief Risk Officer (CRO) in the second line of defence (2LoD) is accountable and responsible for the Risk Management Framework. Internal Audit is the third line of defence (3LoD) that is responsible for independent assessment of the effectiveness of internal controls-

The Three Line of Defence Model is depicted as:

Definition and Role of 1LoD - First line of defence

The heads of ING's banking business, support functions and countries and their delegates have the primary ownership, accountability and responsibility for assessing, controlling and mitigating all risks affecting their businesses, and, for the completeness and accuracy of the financial statements and risk reports with respect to their responsible areas.

Corporate Support Functions such as Finance, Tax, Procurement, HR, and Legal are part of 1LoD, and provide subject matter expertise to both 1LoD and 2LoD. Support functions such as Legal can own policies at the request of 2LoD and support risk management by validating closure of issues or challenging activities concerning legal topics.

Definition and Role of 2LoD - Second line of defence

2LoD are the functions in risk management (incl. Compliance). They advise 1LoD on risk management and have escalation/veto power in relation to business activities that are judged to present unacceptable risks to ING. The 2LoD can set minimum requirements in terms of quality and quantity of global resourcing in the risk management and compliance functions.
The 2LoD have responsibility for articulating and translating the risk appetite into methodologies and policies to support and monitor business management's control of risk. They objectively challenge risk management execution and control processes and coordinate the reporting of risks and controls by the 1LoD.

Definition and Role of 3LoD - Third line of defence

Corporate Audit Services (CAS) are the 3LoD. CAS provides independent assurance to the Executive Board, the Supervisory Board and the Audit Committee on the quality and effectiveness of ING's internal control, risk management, governance and implemented systems and processes.

Governance arrangements

In Luxembourg, corporate governance is regulated by the CSSF circular number 12/552, as amended, providing the rules to observe in terms of central administration, internal governance and risk management.

Corporate governance and the Board of Directors

In accordance with article 10 of the amended statutes, ING in Luxembourg must be managed by a Board of Directors ("the Board") consisting of at least three members who do not need to be shareholders.

Organisation and functioning of the Board

The activities of the Board of Directors are governed by a charter.

According to article 11 of the amended statutes, the Board is invested with the broadest powers to perform all acts of administration and disposition in compliance with the corporate object. All powers not expressly reserved by law or by the articles of association to the general meeting of shareholders fall within the competence of the Board of Directors.

The Board may also commit the management of all the affairs of the Bank or of a special branch to one or more managers and give special powers for determined matters to one or more proxyholders, selected from its own members or not, either shareholders or not.

The Board may also decide to delegate some power to special committees within the meaning of Article 54 of the Luxembourg Law of 1915 as amended and shall establish the members and powers thereof. The members of such committees shall carry out their activities under the responsibility of the Board.

Among others, the Board will:

- define and approve the strategy ;
- regularly assess the strategy, management structure, organisation, internal control, independent control functions;
- regularly check that ING in Luxembourg has effective internal controls relating to financial reporting process reliability;
- validate the remuneration policy;
- adopt resolutions on the following topics:
  - Management report to be submitted to the annual general meeting
  - Internal audit report
  - Management report on compliance
  - Management report on internal control
  - Management report on risk management function
  - Dashboard on the key risk indicators
  - Risk appetite statements
  - ICAAP and ILAAP reports

Board's specialised committees

The Board has three specialized committees, i.e.:

- The Audit Committee;
- The Risk Committee;
- The Nomination & Remuneration Committee.

The mission of the Board's specialized committees consists in providing the Board with observations and recommendations relating to the organization and the functioning of ING in Luxembourg in audit, risk, nomination and remuneration.

Audit Committee

Composition

The Audit Committee is composed of five effective members.

Mission

The activities of the Audit Committee are governed by a charter.

The Audit Committee shall, amongst others, assist the Board of Directors in the areas of financial information, internal control, including internal audit as well as the audit by the external auditor. It shall take note of the information on the state of the internal control provided by the authorised management at least once a year.

Frequency

The Audit Committee meets minimum four times a year. Meetings can also take place when the Chair of the Audit Committee deems it necessary or upon request of the Board of Directors or the Chair of the Executive Committee or two members of the Audit Committee.

Quorum

Subject to cases of "force majeure", an Audit Committee meeting is valid if at least three members are present or represented. The Chair (or the Vice Chair if any) and a majority of the members of the Audit Committee must as well be present or represented to constitute a valid quorum.

Risk Committee

Composition

The Risk Committee is composed of five effective members.

Mission

The activities of the Risk Committee are governed by a charter.

The Risk Committee shall, amongst others, advise and assist the Board on the definition and implementation of the overall risk strategy of the institution, including its current and future risk tolerance.

It shall take note of the information on the state of the internal control provided by the authorised management at least once a year.

Frequency

The Risk Committee meets minimum four times a year. Meetings can also take place when the Chair of the Risk Committee deems it necessary or upon request of the Board of Directors or the Chair of the Executive Committee or two members of the Risk Committee.

Quorum

Subject to cases of "force majeure", a Risk Committee meeting is valid if at least three members are present or represented. The Chair and a majority of the members of the Risk Committee must as well be present or represented to constitute a valid quorum.

Nomination & Remuneration Committee

Composition

The Nomination & Remuneration Committee is composed of four effective members.

Mission

The activities of the Nomination & Remuneration Committee are governed by a charter.

Frequency

The Nomination & Remuneration Committee meets on a quarterly basis. Additional meetings can also take place when the Chair of the Nomination & Remuneration Committee deems it necessary or upon request of the Board of Directors or the Chair of the Executive Committee or two members of the Committee.

Quorum

For every meeting of the Nomination and Remuneration Committee, at least the Chair and the majority of its members need to be present or represented to constitute a valid quorum.

Corporate governance and the Executive Committee

In accordance with existing legislation on the status and prudential supervision of credit institutions as well as with article 10bis of the Bank's amended statutes, the daily management of ING in Luxembourg is carried out by the Executive Committee chaired by the managing director.

Organisation and functioning of the Executive Committee

Composition

The Executive Committee is composed of authorised managers and associated Executive Committee members.

Mission

The activities of the Executive Committee are governed by a charter.

In accordance with Article 10 and 10bis of the amended statutes the powers and remuneration of the managing director, the members of the management and authorized agents shall be fixed by the Board of Directors.

The Executive Committee is responsible for the day-to-day management of the Bank, except for the decisions that affect the general company policy or any activities that are reserved to the Board of Directors in accordance with legal provisions. As such it ensures in particular the compliance with all legislation and regulation governing the activities of ING in Luxembourg, the management of the risks related to its own activities, and the financing of the Bank. The Executive Committee will report on these matters to the Board of Directors.

Frequency

The Executive Committee generally meets once a week. Additional meetings may be convened if one or several members deem it necessary for the appropriate functioning of the committee.

Quorum

The Executive Committee must gather minimum three of its members among which two authorized managers.

Specialized committees around the Executive Committee

The Executive Committee delegates some of its powers to specialized committees, inter alia the Credit Committee, Credit Restructuring and Recovery Unit Monitoring Committee, Business Acceptance Committee, Asset and Liabilities Committee, Non-Financial Risk Committee.

Information flow on risk to the management body

Each risk department ensures that the Chief Risk Officer, the Executive Committee members, the Audit Committee, the Risk Committee and the Board of Directors have a regular updated view on risks. In addition, each risk department is involved in risk governance and is responsible for defining minimum standards, policies and procedures for its risk scope. The main risk information topics to the management body (as described above) and/or Board' specialised committees and/or Bank's internal committees are summarized in the table below:

Main risk topics reported to the management body and/or Board's specialized committees and/or Bank's internal committees

Topics	Relevant body	Frequency of report
Definition & approval of risk strategy framework, internal and regulatory own funds and liquidity level taking into account of ING Bank and ING Belgium values.	Board of Directors	Minimum 4 times a year
Advise and assist the Board in the areas of financial information, internal control, including internal audit as well as the audit by the external auditor	Audit Committee	Minimum 4 times a year
Advise and assist the Board on the definition and implementation of the overall risk strategy of the institution, including its current and future risk tolerance	Risk Committee	Minimum 4 times a year
Assist the Board of Directors in its responsibilities regarding the Remuneration Policies and the application of these Policies as well as the appointment and assessment of the Board, of members of the management body and key function holders.	Nomination & Remuneration Committee	4 times a year
Ensure the respect of all laws and regulation governing the activities of ING in Luxembourg, the management of all risks of any nature in relation with its activities, and of the Bank's funding.	Executive Committee	Weekly
Credit Risk follow-up	Executive Committee	Quarterly
Decision/approval of credit engagements	Credit Committee	Weekly
Supervision and coordination of **Asset and Liability** management : -apply and allocate limits within the **Fund & Liquidity risk** appetite and oversee and monitor the liquidity risk position and funding mix of the balance sheet; -execute the overall ING Luxembourg **interest rate risk** strategy, apply and allocate limits within the interest rate risk appetite and oversee and monitor the interest rate risk position of ING Luxembourg; -monitor **developments in the balance sheet** in ALCO scope -set limit and monitor the **solvency** of the balance sheet in ALCO scope	Assets & Liabilities Committee	Monthly (minimum 10 per year)
Manage (identify, measure, answer and follow-up) non-financial risk (including operational, Compliance and legal Risk)	Non-Financial Risk Committee	Monthly

Furthermore, some specific risk topics may also be addressed at ING Group level ad-hoc committees

Capital requirement

Capital Adequacy Rules – CRRII / CRDV

The rules for required Regulatory Capital or Capital adequacy are based on the guidelines developed by the Basel Committee on Banking Supervision (The Basel Committee) and the European Union Regulation and Directives, as implemented by the European Central Bank and the National Competent Authority for Luxembourg (Commission de Surveillance du Secteur Financier) for supervisory purposes.

The rules express the regulators and legislators' opinions of how much capital a bank and other regulated credit institutions must retain in relation to the size and the type of risk taking expressed in the form of Risk-Weighted Assets (RWA). The most important part of the capital base is the shareholders' equity. In addition to equity, the institution may issue certain liabilities such as Tier 1 and Tier 2 instruments to be included in the capital base. The legal minimum requirement (excluding buffers) stipulates that the capital base must correspond to at least 8% of the Risk-Weighted Assets.

The table below presents an overview of the minimum capital requirements and the RWA at year end 2024 per type of risk and method of calculation. The largest part of the RWA is related to credit risk (73%) and to the portfolio with calculations based on the Advanced Internal Ratings Based (AIRB) approach.

Template EU OV1: Overview of RWAs (in EUR mln)	RWA amounts		Minimum capital requirements	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Credit risk (excluding counterparty credit risk) (CCR)	**2,791**	**3,578**	**223**	**286**
Of which Standardised Approach (SA)	397	456	32	37
Of which Advanced Internal Rating Based (AIRB) Approach	2,384	3,112	191	249
Of which Equity IRB under the simple risk-weight or the Internal Model Approach (IMA)	10	10	1	1
Counterparty credit risk (CCR)	**56**	**60**	**4**	**5**
Of which Marked to Market				
Of which Original Exposure				
Of which Standardised Approach (SA)				
Of which Internal Model Method (IMM)				
Of which risk exposure amount for contributions to the default fund of a CCP				
Of which Credit Value Adjustment (CVA)	56	60	4	5
Settlement risk	**0**	**0**	**0**	**0**
Securitisation exposures in banking book (after cap)	**0**	**40**	**0**	**3**
Of which IRB Approach	0	0	0	0
Of which IRB Supervisory Formula Approach (SFA)				
Of which Internal Assessment Approach (IAA)				
Of which Standardised Approach (SA)	0	39		
Market risk	**0**	**0**	**0**	**0**
Of which Standardised Approach (SA)				
Of which Internal Model Approach (IMA)	0.08	0	0	0
Large exposures	**0**	**0**	**0**	**0**
Operational risk	**855**	**662**	**68**	**53**
Of which Basic Indicator Approach	855	662	68	53
Of which Standardised Approach (SA)				
Of which Advanced Measurement Approach				
Amounts below the thresholds for deduction (subject to 250% risk weight)	**0**	**0**	**0**	**0**
Floor adjustment	**0**	**0**	**0**	**0**
Total	**3,825**	**4,340**	**306**	**347**

On a year-on-year basis, ING Luxembourg's Risk-Weighted Assets decreased by EUR 787mln. The decrease was observed in both the Wholesale Banking segment and the Retail Banking segments. Within Wholesale Banking, and excluding intra group movements, the main reasons for the reduction in CRWA was lower lending volumes, partly reflected by the discontinuation of the Non-Recourse Receivable Finance Portfolio which began in 2023 and was finalized mid-2024. For Retail Banking the main change was reduced lending exposure in the Mortgage, Corporate and Consumer lending portfolios,

Key metrics indicators

According to CRR/CRD capital adequacy rules, the Common Equity Tier 1 ratio must be at least 4.5%, the Tier 1 ratio at least 6% and the total capital ratio at least 8% of all risk-weighted assets.

ING Luxembourg's regulatory capital consists only of Common Equity Tier 1 capital.
With a total capital ratio of 28.43% at year-end 2024, ING Luxembourg is well in excess of the 11.06% total capital Maximum Distributable Amount. This requirement is the sum of (i) 8.00% Pillar 1 requirement, (ii) the 2.50% capital conservation buffer and (iii) 0.56 % for the institution-specific countercyclical buffer.

The template below shows an overview of the main prudential solvency and liquidity ratios of ING Luxembourg.

Template EU KM1 - Key metrics template

		31 December 2024	31 December 2023
	Available own funds (amount)		
1	Common Equity Tier 1 (CET1) capital	1,087,481,823	1,107,311,688
2	Tier 1 capital	1,087,481,823	1,107,311,688
3	Total capital	1,087,481,823	1,107,311,688
	Risk-weighted exposure amount		
4	Total risk exposure amount	3,824,934,753	4,339,499,818
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	28.43%	25.52%
6	Tier 1 ratio (%)	28.43%	25.52%
7	Total capital ratio (%)	28.43%	25.52%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)		
EU 7b	of which: to be made up of CET1 capital (percentage points)	4.50%	4.50%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	6.00%	6.00%
EU 7d	Total SREP own funds requirements (%)	8.00%	8.00%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted		
8	Capital conservation buffer (%)	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.56%	0.48%
EU 9a	Systemic risk buffer (%)		
10	Global Systemically Important Institution buffer (%)		
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%
11	Combined buffer requirement (%)	3.06%	2.98%
EU 11a	Overall capital requirements (%)	11.06%	10.98%
12	CET1 available after meeting the total SREP own funds requirements (%)	17.37%	14.53%
	Leverage ratio		
13	Total exposure measure	16,449,874	17,434,330
14	Leverage ratio (%)	6.61%	6.35%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU 14b	of which: to be made up of CET1 capital (percentage points)		
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
EU 14d	Leverage ratio buffer requirement (%)		
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%
	Liquidity Coverage Ratio (LCR)		
15	Total High-Quality Liquid Assets (HQLA) (Weighted value -average)	7,463,147,202	6,492,694,721
EU 16a	Cash outflows - Total weighted value	6,319,088,821	6,014,130,760
EU 16b	Cash inflows - Total weighted value	1,082,986,269	1,127,310,712
16	Total net cash outflows (adjusted value)	5,236,102,552	4,886,820,048
17	LCR (%)	142.53%	132.86%
	Net Stable Funding Ratio (NSFR)		
18	Total available stable funding	7,400,208,928	8,569,511,132
19	Total required stable funding	4,911,580,482	6,050,844,173
20	NSFR (%)	150.67%	141.63%

Countercyclical buffer

The Luxembourg Counter Cyclical buffer remains stable at 0.50% and ING Luxembourg specific CounterCyclical Buffer at 0.56% in 2024. See below an overview of the exposure distribution for the most relevant countries (having in place or announced a countercyclical buffer rate larger than 0%).

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer 2024

	Relevant credit exposures value		Trading book exposures		Own funds requirement						
	SA	IRB	Value of trading book exposure for internal models	Securisation exposures	of which : relevant credit exposures value	of which : Trading book exposures	of which : securisation exposures	Total	Own funds requirements weights	Counter-cyclical capital buffer rate	Weighted CcyB rate
2024											
Netherlands	2,506	86,554,525			518,161			518,161	0.36%	2.000%	0.0072%
France	1,949,881	577,524,946			9,151,528			9,151,528	6.35%	1.000%	0.0635%
Germany	53,327	97,820,763			1,102,386			1,102,386	0.76%	0.750%	0.0057%
Belgium	104,445	239,822,080			2,584,052			2,584,052	1.79%	1.000%	0.0179%
Luxembourg	492,191,046	4,226,882,022			122,644,187			122,644,187	85.09%	0.500%	0.4254%
Norway	0	152,182,377			1,126,837			1,126,837	0.78%	2.500%	0.0195%
Sweden	2,339	75,645,313			568,801			568,801	0.39%	2.000%	0.0079%
United Kingdom	5,024	39,972,187			721,979			721,979	0.50%	2.000%	0.0100%
Others without CcyB	32,593	704,736,862	0	0	5,722,649	0	0	5,722,649	3.98%	0.000%	0.0000%
	494,341,161	**6,201,141,074**	**0**	**0**	**144,140,580**	**0**	**0**	**144,140,580**	**100.00%**		**0.56%**

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer 2023

	Relevant credit exposures value		Trading book exposures		Own funds requirement						
	SA	IRB	Value of trading book exposure for internal models	Securisation exposures	of which : relevant credit exposures value	of which : Trading book exposures	of which : securisation exposures	Total	Own funds requirements weights	Counter-cyclical capital buffer rate	Weighted CcyB rate
2023											
Bulgaria		5,990			831			831	0.00%	2.000%	0.00%
Czech Republic		11,385			179			179	0.00%	2.000%	0.00%
Denmark		53,328			968			968	0.00%	2.500%	0.00%
France	3,818,908	589,065,902			27,374,113			27,374,113	14.80%	0.500%	0.07%
Germany	55,813	112,833,511		149,991,594	1,607,627		1,456,773	3,064,400	1.66%	0.750%	0.01%
Spain		20,101,270			7,305,408			7,305,408	3.95%	0.000%	0.00%
Belgium	448,051	260,426,078			6,914,606			6,914,606	3.74%	0.000%	0.00%
Hong Kong		79,256,126			20,986			20,986	0.01%	1.000%	0.00%
Iceland	5,121	12,171			2,230			2,230	0.00%	2.000%	0.00%
Luxembourg	586,941,002	4,613,033,325		3	125,484,732		3	125,484,735	67.84%	0.500%	0.34%
Norway		152,665,646			1,285,471			1,285,471	0.69%	2.500%	0.02%
Slovakia		12,085			178			178	0.00%	1.500%	0.00%
Sweden	3,995	75,677,541			604,305			604,305	0.33%	2.000%	0.01%
United Kingdom	4,295	112,356,930			2,444,238			2,444,238	1.32%	2.000%	0.03%
Others without CcyB	49,266	901,141,489	0	214,295,863	7,890,486	0	2,578,337	10,468,823	5.66%	0.000%	0.00%
	591,326,451	**6,916,652,778**	**0**	**364,287,460**	**180,936,358**	**0**	**4,035,113**	**184,971,470**	**100.00%**		**0.48%**

Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

	2024	2023
Total risk exposure amount	3,824,934,753	4,339,499,818
Institution specific countercyclical capital buffer	0.56%	0.48%
Countercyclical buffer requirement	21,389,530	20,930,910

Own funds

The CRR requires ING Luxembourg to disclose a reconciliation of common equity Tier 1 2 items with the balance sheet in the audited financial statement.

Template EU CC1 - Composition of regulatory own funds		
		31 December 2024
		Amounts
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	604,642,531
	of which ordinary shares	604,642,531
2	Retained earnings	479,849,735
3	Accumulated other comprehensive income (and other reserves)	42,612,152
EU-3a	Funds for general banking risk	0
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	0
5	Minority interests (amount allowed in consolidated CET1)	0
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,127,104,418**
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-21,506,103
8	Intangible assets (net of related tax liability) (negative amount)	0
9	Not applicable	0
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-1,887,854
12	Negative amounts resulting from the calculation of expected loss amounts	0
13	Any increase in equity that results from securitised assets (negative amount)	0
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0
15	Defined-benefit pension fund assets (negative amount)	-1,098,604
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	0
27a	Other regulatory adjustments	-15,130,034
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-39,622,595**
29	**Common Equity Tier 1 (CET1) capital**	**1,087,481,823**
Additional Tier 1 (AT1) capital: instruments		
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**0**
Additional Tier 1 (AT1) capital: regulatory adjustments		
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**0**
44	**Additional Tier 1 (AT1) capital**	**0**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1,087,481,823**
Tier 2 (T2) capital: instruments		
51	**Tier 2 (T2) capital before regulatory adjustments**	**0**
Tier 2 (T2) capital: regulatory adjustments		
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**0**
58	**Tier 2 (T2) capital**	**0**
59	**Total capital (TC = T1 + T2)**	**1,087,481,823**
60	**Total Risk exposure amount**	**3,824,934,753**
Capital ratios and requirements including buffers		
61	Common Equity Tier 1 capital	28.43%
62	Tier 1 capital	28.43%
63	Total capital	28.43%
64	Institution CET1 overall capital requirements	11.06%
65	of which: capital conservation buffer requirement	2.50%
66	of which: countercyclical capital buffer requirement	0.56%
67	of which: systemic risk buffer requirement	0.00%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.00%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0.00%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**17.37%**

Capital Instruments

Template EU CC2 - Reconciliation of regulatory own funds to balance sheet in the financial statements		Balance sheet as in the financial statements	Balance sheet as in the consolidated accounts
		LUXGAAP	IFRS
		31 December 2024	31 December 2024
Assets - Breakdown by asset classes according to the balance sheet in the financial statements			
1	Cash and balances with central banks	5,772,235,329	5,772,686,388
2	Financial assets held for trading	64,455,826	64,455,825
3	Loans and advances to banks	1,668,717,668	1,672,461,700
4	Financial assets at fair value through profit or loss		
5	Financial assets at fair value through other comprehensive income		476,049,690
6	Securities at amortised cost	2,033,098,819	1,567,678,619
7	Loans and advances to customers	5,790,385,035	5,818,454,120
8	Derivatives - Hedge accounting	83,105,535	83,105,535
9	Fair value changes of the hedged items in portfolio hedge of interest rate risk	-19,367,386	-19,367,386
10	Investments in associates and joint ventures	21,397,161	0
11	Property and equipment	7,307,939	66,742,294
12	Intangible assets	161,721	161,721
13	Current tax assets	0	1,123,554
14	Deferred tax assets	2,904,990	0
15	Other assets	152,173,436	197,556,656
16	Assets held for sale	0	0
	Total assets	**15,576,576,073**	**15,701,108,718**
Liabilities - Breakdown by liability classes according to the balance sheet in the financial			
1	Financial liabilities held for trading	65,290,893	65,290,893
2	Deposits from banks	1,602,264,672	1,621,740,396
3	Customer deposits	12,267,794,970	12,172,679,899
4	Financial liabilities at fair value through profit or loss		
5	Derivatives - Hedge accounting	84,367,679	84,367,679
6	Current tax liabilities	59,493,149	61,073,939
7	Deferred tax liabilities	0	7,104,505
8	Provisions	16,186,601	2,363,339
9	Other liabilities	280,887,757	386,382,812
10	Liabilities held for sale		
11	Debt securities in issue	459,963	486,877
12	Subordinated loans		
	Total liabilities	**14,376,745,684**	**14,401,490,340**
Shareholders' Equity			
1	Share capital and share premium	604,642,531	604,642,531
2	Other reserves	431,807,149	6,111,250
3	Retained earnings (incl. profit for the period)	163,380,709	670,886,208
4	Shareholders' equity (parent)		
5	Non-controlling interests	0	17,978,388
	Total shareholders' equity	**1,199,830,389**	**1,299,618,377**
	Total liabilities and shareholders' equity	**15,576,576,073**	**15,701,108,717**

Capital instruments main features – at 31 December 2024		
		CET1
1	Issuer	ING Luxembourg SA
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Not listed
3	Governing law(s) of the instrument	Laws of the Grand Duchy of Luxembourg
Regulatory treatment		
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo / (sub-)consolidated / solo&(sub) consolidated	Solo&(sub-)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Shares of a public limited liability company
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date). Specify in particular if some parts of the instruments are in different tiers of the regulatory capital and if the amount recognised in regulatory capital is different from the amount issued.	EUR 604.6 (o/w EUR 83.4 subscribed capital and EUR 521.2 of share premium)
9	Nominal amount of instrument	EUR 83,400,000
9a	Issue price	N/A
9b	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	15 September 1960
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Partially discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, fully or partially	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

Leverage Ratio

The Leverage Ratio is a CRR/CRD measure indicating the level of the Tier 1 Capital compared to the total exposure. Its aim is to assess the risk of excessive leverage of the institution. In line with the regulatory requirements, ING Luxembourg applies the specific EBA templates as basis for the presentation of its Leverage Ratio. These EBA templates reflect the Leverage Ratio as calculated under the requirements of the applicable CRR/CRD. The Final Draft Implementing Technical Standards (ITS) on disclosure of the leverage ratio have been approved by the European Commission and published in the EU Official Journal early 2016. The official reporting of the Delegated Act Leverage Ratio to the ECB has commenced per September 2016.

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and Leverage Ratio exposures (in EUR mln)

		31 December 2024	31 December 2023
		Applicable amounts	Applicable amounts
1	Total assets as per IFRS consolidated financial statements	15,701	16,614
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation		
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 'CRR')		
4	Adjustment for derivative financial instruments[1]	10	-67
5	Adjustment for securities financing transactions 'SFTs'		
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	789	914
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)		
EU-6b	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	0	0
7	Other adjustments[1]	-51	-26
8	**Total Leverage Ratio exposure**	**16,450**	**17,434**

1 The adjustment for Receivables for cash variation margin provided in derivatives transactions has been included in the line Other adjustments.

Template EU LR2 - LRCom: Leverage Ratio common disclosure (in EUR mln)

		31 December 2024	31 December 2023
		CRR/CRD IV phased in CRR leverage ratio exposures	CRR/CRD IV phased in CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	15,554	16,373
2	(Asset amounts deducted in determining Tier 1 capital)	- 41	- 19
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**15,513**	**16,354**
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	57	91
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	101	83
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	- 10	- 7
11	**Total derivative exposures (sum of lines 4 to 10)**	**148**	**167**
Securities financing transaction exposures			
16	**Total securities financing transaction exposures**	-	-
Other off-balance sheet exposures			
	Off-balance sheet exposures at gross notional amount	789	914
18	(Adjustments for conversion to credit equivalent amounts)		
19	**Other off-balance sheet exposures (sum of lines 17 to 18)**	**789**	**914**
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance			
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))		
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-	-
Capital and total exposures			
20	Tier 1 capital	1,087	1,107
21	**Total Leverage Ratio exposures (sum of lines 3, 11, 16, 19)**	**16,450**	**17,434**
Leverage ratio			
22	**Leverage Ratio**	**6.61%**	**6.35%**
Choice on transitional arrangements and amount of derecognised fiduciary items			
EU-23	Choice on transitional arrangements for the definition of the capital measure	Fully phase in	Fully phase in
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013		

Disclosure on qualitative items

1	Description of the processes used to manage the risk of excessive leverage	ING Luxembourg estimates the leverage ratio on a daily basis.
2	Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers	In 2024, there was a decrease in the loans and advances. As a result, ING Luxembourg leverage ratio on 31 December 2024 increased to 6.61%.

Credit quality

This section focusses on non-performing loans, which are loans where there is a reasonable probability that ING may encounter a loss, unless ING intervenes with specific and significant actions. In other words, in this category an account or portfolio requires a more intensified approach, which may include renegotiation of terms and conditions and/or business/financial restructuring.

The credit quality of risk exposures is presented in several tables, that were introduced in 2017 and 2021 due to changes in Pillar 3 regulations. The tables provide insight in the credit quality per exposure class or counterparty type. These tables present the gross carrying values, consisting of on- and off-balance sheet exposures, split over non-performing / performing, specific risk adjustments and impairments/allowances. On-balance sheet items include loans and debt securities. Off-balance sheet items include guarantees given and irrevocable loan commitments

Performing and Non-Performing Exposures and Related Provisions

Based on the IFRS9 scope only, the template below provides an overview of the credit quality, related provisions and valuation adjustments by portfolio and exposure class. Stage 1' refers to impairment measured in accordance with IFRS 9.5.5.5. 'Stage 2 ' refers to impairment measured in accordance with IFRS 9.5.5.3. 'Stage 3' refers to impairment on credit-impaired assets, as defined in Appendix A to IFRS 9.

Template EU CR1: Performing and non-performing exposures and related provisions (scope IFRS9 exposure - in EUR mln)

	2024	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		Performing exposures			Non-performing exposures			Performing exposures - accumulated impairment and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3
1	**Loans and advances**	**13,128.79**	**12,681.22**	**449.16**	**174.22**	**0.00**	**174.22**	**-14.34**	**-4.00**	**-10.35**	**-32.57**	**0.00**	**-32.57**
2	Central banks	6,638.77	6,638.77	1.58	0.00	0.00	0.00	-0.01	-0.01	0.00	0.00	0.00	0.00
3	General governments	80.86	80.76	0.10	0.00	0.00	0.00	-0.02	-0.01	-0.01	0.00	0.00	0.00
4	Credit institutions	798.91	797.33	1.58	0.00	0.00	0.00	-0.03	-0.01	-0.03	0.00	0.00	0.00
5	Other financial corporations	980.66	953.91	26.75	9.74	0.00	9.74	-1.16	-0.85	-0.31	-2.23	0.00	-2.23
6	Non-financial corporations	1,517.06	1,281.57	235.49	118.20	0.00	118.20	-8.76	-1.68	-7.08	-19.78	0.00	-19.78
7	Of which SMEs	181.23	160.16	21.07	9.86	0.00	9.86	-0.32	-0.21	-0.11	-0.88	0.00	-0.88
8	Households	3,112.53	2,928.88	183.65	46.27	0.00	46.27	-4.36	-1.44	-2.92	-10.56	0.00	-10.56
9	**Debt securities**	**2,041.25**	**2,041.25**	**0.00**	**0.00**	**0.00**	**0.00**	**-0.21**	**-0.21**	**0.00**	**0.00**	**0.00**	**0.00**
10	Central banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	General governments	988.40	988.40	0.00	0.00	0.00	0.00	-0.16	-0.16	0.00	0.00	0.00	0.00
12	Credit institutions	1,047.82	1,047.82	0.00	0.00	0.00	0.00	-0.04	-0.04	0.00	0.00	0.00	0.00
13	Other financial corporations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Non-financial corporations	5.03	5.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	**Off-balance-sheet exposures**	**1,665.17**	**1,601.25**	**63.92**	**8.23**	**6.62**	**1.60**	**0.00**	**0.00**	**0.00**	**-0.14**	**0.00**	**-0.14**
16	Central banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	General governments	86.20	86.09	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Credit institutions	57.87	57.86	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Other financial corporations	664.84	637.34	27.50	1.02	0.79	0.23	0.00	0.00	0.00	0.00	0.00	0.00
20	Non-financial corporations	737.67	729.48	8.19	6.74	5.80	0.95	0.00	0.00	0.00	-0.16	0.00	-0.16
21	Households	118.58	90.48	28.10	0.46	0.03	0.43	0.00	0.00	0.00	0.02	0.00	0.02
22	**Total**	**16,835.21**	**16,323.72**	**513.07**	**182.44**	**6.62**	**175.82**	**-14.55**	**-4.20**	**-10.35**	**-32.71**	**0.00**	**-32.71**

Forborne exposures

The purpose of the first template is to provide an overview of the quality of forborne exposure. At end of December 2024, the performing forborne exposure represents EUR 43.69 mln and the non-performing forborne exposure represents EUR 36.31 mln on total assets of EUR 15.7 bln.

Template EU CQ1: Credit quality of forborne exposures (in EUR mln)

2024		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures	
				Of which defaulted	Of which impaired			
1	**Loans and advances**	**42.23**	**36.31**	**35.81**	**36.31**	**-1.12**	**-7.74**	**56.46**
2	Central banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	General governments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Credit institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Other financial corporations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Non-financial corporations	22.02	30.81	30.81	30.81	-0.90	-6.60	35.99
7	Households	19.28	5.50	5.50	5.50	-0.21	-1.14	20.47
8	**Debt Securities**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
9	**Loan commitments given**	**1.47**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
10	**Total**	**43.69**	**36.31**	**35.81**	**36.31**	**-1.12**	**-7.74**	**56.46**

Ageing of past due exposures

The purpose of the second template is to give an insight into the ageing of the on and off-balance sheets exposures items (like given guarantees and unused credit lines) including both performing and non-performing assets.

In 2024, the non-performing exposures (EUR 182.44 mln) represent 1.07% of the total bank credit risk exposures (EUR 17.02 bln).

Template EU CQ3 : Credit quality of performing and non-performing exposures by past due days (in EUR mln)

2024		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
1	**Loans and advances**	**13,128.79**	**13,101.13**	**27.66**	**174.22**	**123.44**	**2.27**	**12.00**	**19.37**	**12.30**	**4.79**	**0.04**	**174.22**
2	Central banks	6,638.77	6,638.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	General governments	80.86	80.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Credit institutions	798.91	798.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Other financial corporations	980.66	975.24	5.42	9.74	4.99	0.15	0.11	0.32	0.19	3.97	0.00	9.74
6	Non-financial corporations	1,517.06	1,507.30	9.76	118.20	96.40	0.14	1.27	15.54	4.70	0.11	0.04	118.20
7	Of which SMEs	181.23	180.91	0.31	9.86	9.45	0.00	0.32	0.09	0.00	0.00	0.00	9.86
8	Households	3,112.53	3,100.05	12.48	46.27	22.05	1.99	10.61	3.51	7.41	0.71	0.00	46.27
9	**Debt securities**	**2,041.25**	**2,041.25**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
10	Central banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	General governments	988.40	988.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Credit institutions	1,047.82	1,047.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Other financial corporations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Non-financial corporations	5.03	5.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	**Off-balance-sheet exposures**	**1,665.17**			**8.23**								**8.23**
16	Central banks	0.00			0.00								0.00
17	General governments	86.20			0.00								0.00
18	Credit institutions	57.87			0.00								0.00
19	Other financial corporations	664.84			1.02								1.02
20	Non-financial corporations	737.67			6.74								6.74
21	Households	118.58			0.46								0.46
22	**Total**	**16,835.21**	**15,142.38**	**27.66**	**182.44**	**123.44**	**2.27**	**12.00**	**19.37**	**12.30**	**4.79**	**0.04**	**182.44**

Loans granted to members of the Management Bodies and their related parties

The Bank has exposures related to loans granted to the members of the Management Bodies and their related parties for a **total gross carrying amount of EUR 944,460**. The term "related parties" refers to:

1. a spouse, registered partner in accordance with the applicable national law, child or parent of a member of the management body;

2. a commercial entity, in which a member of the management body or his or her close family member as referred to in point (1) has a qualifying holding of 10% or more of capital or of voting rights in that entity, or in which those persons can exercise significant influence, or in which those persons hold positions within the authorised management or are members of the management body."

The financial information related to such exposures is documented in a report available upon CSSF request, in accordance with

Article 38-1 of the Law of Financial Sector of 5th April 1993, as amended.

Market risk

Market risk is the risk of potential loss due to adverse movements in market variables.

Template EU IRRBB1 - Interest rate risks of non-trading book activities					
31/12/2024		Changes of the economic value of equity		Changes of the net interest income*	
Supervisory shock scenarios		Current period	Last period	Current period	Last period
1	Parallel up	-31	-74	65	62
2	Parallel down	22	40	-131	-123
3	Steepener	-38	-55		
4	Flattener	20	27		
5	Short rates up	12	11		
6	Short rates down	-29	-34		

Template EU IRRBB1 - Interest rate risks of non-trading book activities					
30/06/2024		Changes of the economic value of equity		Changes of the net interest income*	
Supervisory shock scenarios		Current period	Last period	Current period	Last period
1	Parallel up	-74	-64	62	77
2	Parallel down	40	37	-123	-154
3	Steepener	-55	-44		
4	Flattener	27	21		
5	Short rates up	11	7		
6	Short rates down	-34	-24		

ING Luxembourg relative NII SOT position represents 2.4 times the 5% of Tier 1 Capital. The bank is comfortable with the position, which is a consequence of ING Luxembourg liability-driven balance sheet. Further business model changes occurred in 2024, NII sensitivity improved by EUR 23 million from EUR -154 million to EUR -131 million.
EVE sensitivity reduction was also driven by business model changes, remaining within the 15% of Tier 1 Capital limit.

Table EU IRRBBA – Qualitative information on interest rate risks of non-trading book activities			
A description of how the institution defines IRRBB for purposes of risk control and measurement.	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 uses risk measures based on both an earnings perspective and a value perspective. The following (sub-)risk types are considered for the measurement of the interest rate risk in the banking book: Gap Risk, Customer Behaviour Risk, Tenor Basis Risk, and Vega Optionality Risk. Next to this, ING measures Credit spread Risk, Equity Investment Risk, FX Risk and Market Risk Economic Capital for the banking book.	Article 448.1 (e), first paragraph	

	ING recognises the importance of sound market risk management and bases its market risk management framework on the need to identify, assess, control, and manage market risks. The approach consists of a cycle of five recurring activities: risk identification, risk assessment, risk control, risk monitoring and risk reporting. • Risk identification is a joint effort of the first and second lines of defence. The goal of risk identification is to detect potential new risks and any changes in known risks. • Identified risks are assessed and measured by means of various risk metrics to determine the importance of the risk to ING and subsequently to identify the control measures needed. • Risk control measures used by ING include policies, procedures, minimum standards, limit frameworks, management buffers to cover for uncertainties and stress tests. • Risk monitoring occurs to check if the implemented risk controls are executed, complied with across the organisation, and are effective. • Market risk management results and findings are reported to the necessary governing departments and approval bodies.		
A description of the institution's overall IRRBB management and mitigation strategies.	ING Luxembourg's IRRBB strategy aligns with the Group's risk appetite, formalized in Risk Appetite Statements and implemented through specific metrics, limits, and governance. The risk appetite is reviewed annually, incorporating strategic priorities, identified risks, and regulatory requirements within group-defined limits. The Management Board delegates IRRBB oversight to ALCO, which meets monthly to monitor key metrics like NII-at-Risk, NPV-at-Risk, Revaluation Reserve-at-Risk, and Economic Value of Equity. Interest rate risks from commercial activities are transferred to the Group's global interest rate risk books via Group Treasury. ING Luxembourg applies three IRRBB measurement perspectives: 1. Sensitivity View: Regulatory and internal risk metrics. 2. Integrated View: Holistic assessment across earnings and economic value, including stress testing. 3. Specific Stress Testing: Tailored scenarios at the product level. Risk mitigation relies on group-approved hedging strategies, from interest rate swaps to portfolio-level approaches. Model risk governance follows the Three Lines of Defense (3LoD): 4. First Line: Local teams develop and implement models per group policies. 5. Second Line: Independent Model Validation at the group level. 6. Third Line: Group Audit Services ensures compliance and robustness. This approach ensures effective IRRBB management while maintaining regulatory compliance and centralized risk oversight.	Article 448.1 (f)	
The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB.	IRRBB measures: •Net Interest Income-at-Risk measures the impact of changing interest rates on net interest income (before tax) of the banking book with a time horizon of one year (expanding to a horizon of three years). This excludes credit spread sensitivity and fees. •Net Present Value-at-Risk measures the impact of changing interest rates on value. The NPV-at-Risk is defined as the outcome of an instantaneous increase and decrease in interest rates from applying currency-specific scenarios. •Economic Value of Equity is a regulatory metric that measures changes in the net present value of the interest rate sensitive instruments. •Customer Behaviour Risk measures the sensitivity of NII and NPV to modelled customer behaviour by shifting the parameters of behavioural models. •Tenor basis risk measures the sensitivity of NII and NPV to changes in the basis spread between different swap curves where the basis spreads relative to the most liquid swap curve are shifted. •Vega optionality risk measures the impact of changes in interest rate volatilities on the NPV. •Revaluation Reserve-at-Risk (RR-at-Risk) is defined as a specific subset of the NPV-at-Risk that is based on the accounting treatment Hold-to-Collect & Sell of the banking book positions. •From an Economic Capital perspective, IRRBB is also measured as it is covered by Market Risk EC. This is measured and reported to ALCO Bank on a monthly basis. IRRBB metrics are calculated, managed and reported on a monthly/quarterly basis	Article 448.1 (e) (i) and (v); Article 448.2	

A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable).	In total, 22 scenarios are defined for gap risk. NII-at-Risk scenarios consist of four parallel up/down scenarios (for internal and regulatory management) and six non-parallel scenarios (short rate up, short rate down, long rate up, long rate down, flattening, steepening all for internal management). For NPV-at-Risk, six parallel scenarios (two up and down scenarios for internal management and up & down for regulatory management) and six non-parallel scenarios (short rate up, short rate down, long rate up, long rate down, flattening, steepening all for internal management). •For the regulatory view, 6 scenarios are defined for Economic Value of Equity, two parallel scenarios (up and down), and four non-parallel scenarios (short rate up, short rate down, flattening, steepening). •For both the earnings and the value perspectives Customer Behaviour Risk scenarios are defined and applied to mortgage and savings models: this entails stress assumptions on mortgage prepayment rates and to volume and pricing development for savings portfolios.	Article 448.1 (e) (iii); Article 448.2	
A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable).	The reported figures for NII are derived from internal measurement system. For this measure, the following key modelling and parametric assumptions are applied based on the management judgement and analysis: •The NII-at-Risk figures are measured based on the assumption of the balance sheet development in line with the dynamic plan. •Straight aggregation across currency is applied. •For NII-at-Risk, it is assumed that the projections of the balance sheet development do not change under the alternative scenarios. •Currency specific interest rate gradual movements (1-in-10 year scenario) are applied. •NII-at-Risk is defined as the outcome of a ramped (i.e. gradual) increase and decrease in interest rates versus a base scenario •Post-shock interest rate floors have been implemented. •The base case scenario for yield curve development is based on the assumption of a forward yield curve.	Article 448.1 (e) (ii); Article 448.2	
A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment (if applicable).	ING Luxembourg uses derivatives for economic hedging purposes to manage its asset and liability portfolios and structural risk positions. The primary objective of ING Luxembourg's hedging activities is to manage the risks which arises from structural imbalances in the duration and other profiles of its assets and liabilities in accordance with its risk appetite. 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 & foreign exchange swaps, with ING Group as sole counterparty. In its interest rate management ING uses [interest rate] swaps. For these swaps different hedge accounting programs are used to align the accounting classification of hedged items with the hedging derivatives. ING uses the following hedge accounting programs in relation to IRRBB: - 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 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. - Cash Flow Hedge Accounting: ING's cash flow hedges mainly consist of interest rate 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.	Article 448.1 (e) (iv); Article 448.2	
A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable)	The key modelling and parametric assumptions used, aim at: - Reporting Economic Value of Equity in line with the regulatory requirements: behavioural assumptions for savings (client rate and volume modelling) and Mortgages which are modelled based on interest rate dependent or constant prepayment modelling. - Modelling customer behaviour in relation to mortgages & savings: per business unit and product type, exposures are typically segmented into different portfolios based on expected client behaviour. For the segments, model parameters for example for the pass-through rate and customer behaviour are determined based on historical data and expert opinion. - ING Luxembourg applies a distinction between transactional, rate-insensitive deposits (primarily current accounts), which are not modelled, and rate-sensitive deposits (primarily savings), where the modelled cash flows are conditional on the interest rate scenario.	Article 448.1 (c); Article 448.2	

	- Using behavioural modelling to estimate mortgage prepayments: the modelling approach is based on the incentive of clients to prepay their mortgage. A distinction in modelling approach exists between rate-insensitive mortgages (primarily floating rate), which are modelled using an unconditional cash flow approach, and rate-sensitive mortgages (primarily fixed rate), where the modelled cash flows are conditional on the interest rate scenario. Depending on the portfolio, there can be additional prepayment drivers such as seasonal patterns and the age of the loan.		
Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosure	ΔEVE in absolute terms has decreased over the reporting period for the BCBS scenarios. The evolution is primarily driven by changes in replication profile of retail banking: the duration of the replication portfolio lowered significantly, leading to a material decrease of the EVE at risk. The deterioration of NII-at-risk negative exposure is mainly explained by the increased closing balance of cash deposited at Luxembourg central bank. This increase is due to a higher volume of current accounts outstanding at month-end, which is placed overnight at the central bank. Given the amounts placed at the BCL assume the full SOT shock and the position equals EUR 5.8bln, the impact on NII-at-risk is significant.	Article 448.1 (d)	

Funding & liquidity risk

Funding and liquidity risk is the risk that ING Luxembourg cannot meet its financial liabilities when they come due, at reasonable cost and in a timely manner.

Asset Encumbrance

As part of the liquidity buffer management, ING Luxembourg monitors the existing asset encumbrance. Encumbered assets represent the on-balance sheet assets that are pledged or used as collateral for ING Luxembourg's liabilities. The presented template of ING Luxembourg's encumbered and unencumbered assets is based on the CRR (Part Eight) and the related guidance from the European Banking Authority (EBA).

Encumbered and unencumbered assets (in EUR mln)

	Carrying amount of encumbered assets	Carrying amount of non-encumbered assets
Assets of the reporting institution	**137**	**15,564**
Loans on demand	0	6,639
Equity instruments	0	3
Debt securities	104	1,937
of which: covered bonds	8	702
of which: issued by general governments	96	892
of which: issued by financial corporations	8	1,040
Loans and advances other than loans on demand	33	6,585
Of which: loans collateralised with immovable property	0	3,833
Other assets	0	401

Encumbered and unencumbered assets (in EUR mln)	Carrying amount of encumbered assets	Carrying amount of non-encumbered assets
Assets of the reporting institution	**48**	**16 566**
Loans on demand	1	5 726
Equity instruments	0	3
Debt securities	24	1 902
of which: covered bonds	8	684
of which: issued by general governments	16	963
of which: issued by financial corporations	8	939
Loans and advances other than loans on demand	24	8 480
Of which: loans collateralised with immovable property	0	4 285
Other assets	0	456

In December 2024 an immaterial part of assets (0.87%) was given as collateral (central bank reserves and collateral given for derivatives).

Liquidity Coverage Ratio

To protect ING Luxembourg and its depositors against liquidity risks, ING Luxembourg maintains a liquidity buffer based on the Delegated Act Liquidity Coverage Ratio (LCR). The local Asset & Liabilities committee ensures that sufficient liquidity is maintained, in accordance with Bank and regulatory rules and standards, including a buffer of unencumbered, high quality liquid assets.

With an average LCR of 129% in Q4 2024 well above the regulatory requirement, ING Luxembourg has a sufficient buffer to face a liquidity stress of 30 days.

Template EU LIQ1 - Quantitative information of LCR (in EUR mln)

		Year 2024				Year 2024			
		Total unweighted value (average)				Total weighted value (average)			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Number of data points used in the calculation of averages	3	3	3	3	3	3	3	3
High-Quality Liquid Assets									
1	Total high-quality liquid assets (HQLA)					6,647	8,267	7,830	8,364
Cash - Outflows									
2	Retail deposits and deposits from small business customers, of which:	2,720	2,620	2,351	2,237	267	260	236	228
3	Stable deposits	1,284	1,214	1,060	977	64	61	53	49
4	Less stable deposits	1,382	1,361	1,248	1,215	202	199	388	179
5	Unsecured wholesale funding	9,271	10,877	9,870	9,870	4,978	6,538	6,020	6,151
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	4,271	5,727	4,822	4,793	1,901	3,184	2,593	2,632
7	Non-operational deposits (all counterparties)	5,000	5,151	5,048	5,076	3,077	3,353	3,427	3,518
8	Unsecured debt	0	0	0	0	0	0	0	0
9	Secured wholesale funding					0	0	0	0
10	Additional requirements	87	86	86	88	87	86	86	88
11	Outflows related to derivative exposures and other collateral requirements	87	86	86	88	87	86	86	88
12	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13	Credit and liquidity facilities	1,165	1,471	1,402	1,390	260	337	338	662
14	Other contractual funding obligations	0	0	0	0	0	0	0	0
15	Other contingent funding obligations	0	0	0	0	0	0	0	0
16	**Total Cash Outflows**					5,839	7,461	6,786	7,345
Cash - Inflows									
17	Secured lending (eg reverse repos)	0	0	0	0	0	0	0	0
18	Inflows from fully performing exposures	912	643	1,084	903	880	616	946	775
19	Other cash inflows	1	1	0	0	1	1	0	0
20	**Total Cash Inflows**	903	1,085	645	914	775	946	617	881
EU-20c	**Inflows Subject to 75% Cap**	903	1,084	643	912	775	946	616	880
Total adjusted value									
21	**Liquidity Buffer**					6,647	8,267	7,830	8,364
22	**Total Net Cash Outflows**					5,064	6,515	6,171	6,465
23	**Liquidity Coverage Ratio (%)**					**131%**	**127%**	**127%**	**129%**

Qualitative information on the Liquidity Coverage Ratio (LCR)

In the LCR calculation the possible impact on collateral outflows is taken into account via the outflows allocated through the Historical Look Back Approach (HLBA) and the 3-notch downgrade.

Global Treasury (GT) is responsible for the liquidity management of the liquidity buffer and manages this throughout the organization on a daily basis.

The HQLA reflected in the quantitative overview, represents a major part of the liquidity buffer of the bank.

Net Stable Funding Ratio

This ratio ensures that ING Luxembourg does not undertake excessive maturity transformation using NSFR assumptions as regulatory prescribed.

The NSFR ratio at the end of Q4 2024 is 150.67%, well above the regulatory requirement.

Template EU LIQ2: Net Stable Funding Ratio (in EUR mln)

2024		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	0	0	0	1,127	1,127
2	Own funds	0	0	0	1,127	1,127
3	Other capital instruments		0	0	0	0
4	Retail deposits		2,503	36	4	2,338
5	Stable deposits		964	0	0	916
6	Less stable deposits		1,539	36	4	1,422
7	Wholesale funding:		10,035	486	722	3,935
8	Operational deposits		2,892	0	0	1,446
9	Other wholesale funding		7,143	486	722	2,489
10	Interdependent liabilities		0	0	0	0
11	Other liabilities	0	478	0	0	0
12	NSFR derivative liabilities	3				
13	All other liabilities and capital instruments not included in the above categories		0	0	0	0
14	**Total available stable funding (ASF)**					**7,400**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					80
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		0	0	0	0
16	Deposits held at other financial institutions for operational purposes		0	0	0	0
17	Performing loans and securities:		1,444	1,185	4,695	4,279
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		0	0	0	0
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,239	844	401	947
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		89	230	1,196	1,147
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		3	53	143	121
22	Performing residential mortgages, of which:		116	111	3,095	2,182
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		82	71	2,812	1,904
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		0	0	3	3
25	Interdependent assets		0	0	0	0
26	Other assets		590	7	291	473
27	Physical traded commodities		0	0	0	0
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	33	96
29	NSFR derivative assets		14	0	0	14
30	NSFR derivative liabilities before deduction of variation margin posted		434	0	0	22
31	All other assets not included in the above categories		142	7	258	340
32	Off-balance sheet items		2,020	0	0	80
33	**Total RSF**					**4,912**
34	**Net Stable Funding Ratio (%)**					**150.67%**

Capital Requirement Regulation (CRR)
2024 Remuneration Disclosure ING Luxembourg SA

1. Introduction

This 2024 remuneration disclosure provides detailed information on ING's remuneration policy and practices for Identified Staff, including the Executive Committee. In addition, it demonstrates how ING is complying with applicable remuneration regulations in the financial services sector.

This information is based on policies and processes applicable in 2024 and relates to the performance of year 2024.

This report should be read in conjunction with the ING Luxembourg Annual Report 2024.

2. Identified Staff selection

ING's selection of Identified Staff is based on the European Banking Authority's Regulatory Technical Standards (RTS) of 25 March 2021. Amongst its employees, ING Luxembourg has employees who qualify as Group Identified Staff ("IDS") and/or as Luxembourg Identified Staff ("Regulated Staff"). For the purpose of this report, the term Identified Staff covers both Group and Luxembourg Identified Staff.

The RTS comprises (i) qualitative and (ii) quantitative selection criteria. ING has carefully considered how to apply these criteria within its organization and, based on this, has identified positions and individuals that qualify as Identified Staff.

The selection of Identified Staff is an ongoing process with periodic checks. The starting point of this analysis is to ensure a full coverage of the organizational structure, full coverage of the risk profile (financial/non-financial risks) as well as full coverage of any local regulatory requirements applicable to ING Groep NV / ING Belgium SA / ING Luxembourg SA.

The application of the Identified Staff selection criteria at ING is reviewed annually and, if necessary, amended to make sure it continues to be aligned with the ING organization and regulatory requirements.

The number of Identified Staff at ING Group increased in 2024 (761) compared to 2023 (736).
At ING Luxembourg level, the number of active Identified Staff as of 31 December 2024 was 30 (including Supervisory Board Members).

3. Performance management

Performance management is a core people management process at ING. It aligns individual performance objectives with ING's strategy and priorities in order to build a long term and successful business for all its stakeholders within its risk appetite framework. Performance management is linked to remuneration and aims to reward for performance and not reward for failure.
ING's remuneration approach is strongly linked to a robust and transparent performance-management process. As part of its Step Up Performance Management (SUPM) approach, managers and employees discuss formally performance at three formal moments during the year: target-setting, mid-year review, and year-end evaluation. The assessment of individual performance is reflected in the employee performance ratings (a new five-point rating scale was introduced in 2024) and variable remuneration outcomes. Individual performances are assessed according to two dimensions:

- **Job:** the impact employees have in their daily work on an individual and team level. This is based on quantitative and qualitative job targets and the overall performance in the job. It takes into account responsibilities and expectations based on the qualitative job description, and the strategic targets of the business or function, cascaded throughout the organisation, for a given performance year.

- **Orange Behaviours:** we aim to boost productivity and steer personal development through the Orange Behaviours. We expect all employees to act in line with ING's Orange Code and the underlying behaviours to deliver on ING's purpose in a sustainable way.

Outcomes of performance evaluations (including collective and individual risk assessments) provide input for remuneration.

Performance management supports ING's long-term interests. Assessing the performance of Identified Staff and subsequently awarding variable remuneration to those who qualify, is done as a part of a multiple-year framework. This longer-term performance management horizon ensures that variable remuneration continues to be 'at risk' throughout the deferral period by means of holdback or after vesting through clawback if any so-called failure is detected.

Variable remuneration is linked to financial and non-financial performance. At least 50 percent of the variable remuneration award must be based on non-financial performance criteria. In addition, employees in control functions (Risk, Compliance, Audit) predominantly have non-financial targets and other specific restrictive principles apply to some categories of the staff not being qualified as Identified Staff (e.g. Sales Staff, MIFID II staff). Variable remuneration takes into account company performance, business line performance and individual performance. Undesired risks taken or compliance issues that were not apparent when the variable remuneration was awarded, are taken into account at every deferred vesting of variable remuneration.

4. Remuneration policy and governance

ING's remuneration policy is designed to ensure that we offer well-balanced remuneration so that we can recruit, engage and retain highly qualified staff and live up to our responsibilities towards our stakeholders.

ING remuneration principles are as follows:

- Attract and retain to deliver ING's strategic goals: Support ING's ambition to be the best European bank by attracting, retaining, and rewarding qualified employees who have the desired values, skills, behaviours, and knowledge to deliver this goal with market competitive pay.
- Pay for performance: Define a clear link between the group, business line, and employee performance and individual remuneration, motivating, recognising, and rewarding long-term sustainable value.
- Fair and transparent: Foster transparency and fairness on how remuneration is determined, ensuring fair and equitable determination of remuneration, and enabling an inclusive and motivating work environment.
- Align with risk appetite and conduct: Design rewards for employees to achieve results in line with ING's risk appetite and conduct expectations.
- Purpose led: Reward business results achieved in a manner consistent with our Orange Code values and behaviours.

ING's remuneration policy, which applies to all staff, is embedded in ING's Remuneration Regulations Framework (IRRF). The IRRF complies with relevant international and local legislation and regulations and sets specific requirements for Identified Staff, Control Functions and the Executive Board and Management Board Banking. All countries where ING is located must adhere to this framework and are obliged to sign a certificate stating that the remuneration policy in that specific country complies with the IRRF. The only deviations that may apply are those based on mandatory local legislation or in a limited transformation period (e.g. negotiations with employee representative bodies).

For internal control functions, ING has set general principles of Remuneration that apply to all staff in Control Functions, including:

- The Remuneration of the Control Functions allows ING to employ qualified and experienced personnel in these functions. The Remuneration of Control Functions is predominantly Fixed Remuneration, to reflect the nature of their responsibilities.
- The methods used for determining the Variable Remuneration of Control Functions do not compromise the staff's objectivity and independence.
- If staff in Control Functions receive Variable Remuneration, they are appraised, and their Variable Remuneration is determined, separately from the business units they control, including performance which results from business decisions (e.g. new product approval) where the staff in Control Functions are involved.
- The criteria used for assessing the performance and risks are qualitative and predominantly based on the internal Control Functions' objectives.

Remuneration requirements for Identified Staff

Fixed remuneration

The fixed remuneration for Identified Staff is sufficiently high to compensate for the respective level of expertise, skills and range of responsibilities required for fulfilling a specific job in a business unit and region. The level of fixed remuneration is sufficiently high to ensure the Identified Staff fixed compensation is competitive, allowing ING to reduce variable remuneration to be reduced to zero if needed.

Benefits

Identified Staff, like other staff, are under predetermined conditions, eligible to receive various employee benefits such as pension/death/disability insurance, medical insurance, remote work subsidies and company car. Benefits in Luxembourg are locally regulated and follow local market practice and therefore differ from other countries. ING Luxembourg does not award discretionary pension benefits.

Variable remuneration

Variable remuneration, where applicable, is primarily focused on long-term value creation and based on individual, business line and bank-wide performance criteria. Where Identified Staff qualifies for variable remuneration, it is subject to specific and/or regulatory conditions. These conditions aim to ensure the variable remuneration is aligned with the ongoing risk profile of ING Bank over a long period.

Variable remuneration will be driven by individual and collective performance (Group and Business line performances that will also determine the variable remuneration pools). The award of discretionary variable remuneration is based on a transparent, structured, and robust mechanism for measuring performance and applying risk adjustments (the Variable Remuneration Accrual Model or VRAM). The VRAM construct follows a five-step process, as described on page 87 of the ING Group Annual Report 2024, in order to determine Group and business line risk-adjusted variable remuneration pools.

When making a Variable Rewards proposals, Managers make decision based on i) the employee's individual performance ii) the employee's individual target and iii) the available funding from the variable remuneration pools.

- With respect to variable remuneration for Identified Staff, the following applies:
- variable remuneration is split into 2 parts:
  1. An upfront award, which is delivered for 50 percent in cash and for 50 percent in shares or other equity-linked instruments
  2. A deferred award, which is delivered for 50 percent in cash and for 50 percent in shares or other equity-linked instruments
- 40 % of the variable remuneration is deferred over a period of 4 to 5 years (depending on job position) with a tiered vesting schedule.

As a principle, ING applies a retention period of at least 1 year is applied to all non-cash elements post vesting; and vesting is conditional on continued employment, provided limited exceptions. In Luxembourg, no retention period would apply to the non-cash elements that have an extended vesting period compared to the minimum regulatory requirements.

ING Benefits from the derogation as laid down in Article 94(3)(b) of Directive 2013/36/EU (the principle of proportionality) for Identified Staff whose variable remuneration (i) does not exceed a total remuneration of €50,000 per year and (ii) does not represent more than 10 percent (for Group Identified Staff) or 30 percent (for Luxembourg Identified Staff) of the staff member's total remuneration. The proportionality means that in such case, no deferral or pay-out in instruments need to be applied. In Luxembourg, 14 employees were applied the principle of proportionality. The total remuneration of Identified Staff that benefits from the derogations amounts to € 2,292,381, consisting of € 1,994,988 of fixed remuneration and € 297,393 of variable remuneration.

Sign-on

A Sign-On Arrangement is a form of guaranteed Variable Remuneration that is only awarded in exceptional cases and relates to the commencement of employment and is not based on performance. In the event of a Sign-On Arrangement, Remuneration is paid to new staff during their first year of service in view of their employment with ING. As part of the arrangements guaranteeing this part of Variable Remuneration the requirements on In-year VR reduction, Holdback and Clawback do not apply. Sign-On Arrangements may be fully paid in non-deferred cash.

The Sign-On Arrangement is solely awarded if the following cumulative conditions apply :

I. it can be substantiated that the Sign-On Arrangement regards an exceptional case;
II. to a new staff member in view of their employment at ING;
III. during the first year of service of the new staff member;
IV. if the staff member did not work at ING in the year prior to being hired; and
V. if ING has a sound and strong capital base.

Staff can only be awarded a Sign-On Arrangement once. This requirement applies at a consolidated and sub-consolidated level and includes situations where staff receive a new contract from another ING entity.
A pay out of a Sign-On Arrangement in non-deferred cash can be considered appropriate.

Sign-On Arrangements awarded to new staff are excluded from the VR-Ratio for the first performance period.

Buy-out

Per IRRF 2024 rules, a Buy-Out Award is a form of Variable Remuneration that is only awarded in exceptional cases and relates to the commencement of employment of new staff members – in both IDS and non-IDS roles – whose previous employment was with a Regulated Firm. From 2025, the Regulated firm condition will not apply anymore. In case of a Buy-Out Arrangement, ING offers compensation for deferred Variable Remuneration awarded by a prior employer that is reduced or revoked by the previous employ er as a direct result of leaving the former employer and joining ING.

The value of a Buy-Out Award can never be more than the value of the reduced or revoked deferred Variable Remuneration. For Identified Staff there may be a continued retention period post-vesting of the Buy-out Award to comply with the regulatory requirements on remuneration. The Buy-Out Arrangement is solely awarded if the following cumulative conditions apply:

I. it can be substantiated that the Buy-Out Award relates to an exceptional case;
II. to a new staff member in view of their employment at ING (and, per rules applied until 2024, whose previous employment – i.e. the employment directly previous to the new ING employment – was with a Regulated Firm);
III. during the first year of service of the new staff member ;
IV. if the staff member did not work at ING in the year prior to being hired; and
V. if ING has a sound and strong capital base.

Until 2024, the new staff members – in both Identified Staff and non-Identified Staff roles – whose previous employment was not with a Regulated Firm could not be offered a Buy-Out Award. For those new staff members a Sign-On Award was an option to compensate for reduced or revoked Variable Remuneration under the assumption that all requir ed conditions were met.

For Buy-out Awards the requirements for Variable Remuneration apply, including deferral, Retention Periods, pay out in instruments, Holdback and Clawback. To ensure that Buy-out Awards do not provide for an inappropriate incentive to change jobs and are aligned with the longer-term interests of ING, Buy-out Awards are subject to the vesting schedule of the previous employer (adjusted to ING vesting dates) – please note acceleration of vesting is not permitted under the regulations. The duration of deferral, Retention Periods, Holdback and Clawback arrangements applied to a Buy-out Award are aligned as far as possible under regulatory requirements to such duration as was applied and remained outstanding at the previous employer.

Severance Payments

The following general principles apply to Severance Payments, without prejudice to local mandatory laws that require ING to act otherwise:

I. Severance Payments are compliant with the Remuneration Regulations, any locally applicable employment law, and any conditions that apply to Variable Remuneration.

II. ING applies the principle of "no reward for failure or misconduct". Failures of staff include, but are not limited to, the following situations: (i) where Identified Staff is no longer considered as meeting appropriate standards of fitness and propriety; (ii) where staff participated in or is responsible for conduct which resulted in significant losses for ING; (iii) where staff acts contrary to internal rules, values or procedures based on intent or gross negligence.

III. Severance Payments do not provide for disproportionate reward and are linked to performance achieved over time. In particular, failure of staff members could lead to a reduction of the amount of Severance Payments, possibly down to zero.

IV. ING will, in principle, only agree on amicable settlement (i.e. a termination by mutual consent) with a relevant staff member with regard to early termination of employment to avoid a decision on a settlement by the competent court if (i) there are prudential reasons to do so; and (ii) the amount of Severance Payment is appropriate and does not reward failure or misconduct.

V. ING will not pay-out any form of Severance Payment to a staff member in the event of: (i) early termination of the employment relationship at the initiative of the staff member, unless this results from seriously imputable acts or failures on the part of ING; (ii) seriously imputable acts or failures by the staff member in the performance of his or her position; or (iii) the staff member continuing to work for ING.

Variable remuneration cap

ING integrated the rules set out in the applicable laws and regulations within its remuneration policy and applies maximum percentages of variable remuneration compared to fixed remuneration for different categories of staff.

At ING Luxembourg, for all Identified and Regulated Staff, the variable remuneration must not exceed 50 % of the fixed remuneration (benefits included). For the rest of the staff, the ratio (Variable to Fixed) does not exceed 100% of the Fixed Remuneration.

Pre-award and post-award assessment process; adjustment, holdback and clawback

Based on the remuneration regulations, specific risk adjustment mechanisms must be applied to the pay-out process of variable remuneration for Identified Staff, including for Luxembourg employees. To this end, ING Group operates a so-called pre-award and post-award assessment process when determining variable remuneration. All awards are subject to regulatory maximum variable percentages.

The pre-award assessment process aims to consider potential risk adjustments on a current and future risk basis. As part of this process, ING takes into account the Group performance, business line and individual performance, as well as capital test. In addition, risk requirements apply to all Identified Staff in so-called risk-taker roles. These risks requirements set the minimum standards to be met during the performance year. Deviation from these standards may lead to a downward adjustment of variable remuneration ("risk modifier").

The post-award risk assessment process analyses whether the outcomes of the initial pre-award risk assessment process were correct. This can, and in certain situations should, result in a downward adjustment of variable remuneration by applying a holdback (i.e. forfeiture of up to 100 percent of the awarded and unvested variable remuneration) and/or clawback (surrender of up to 100 percent of the paid or vested variable remuneration). Any decision to apply holdback or clawback to an Identified Staff is at the discretion of the Supervisory Board.

ING sets specific criteria for the application of holdback or clawback provisions. Depending on the criterion used, ING will apply either

- a mandatory adjustment to an individual's variable remuneration reduction under Criterion 1 (the Staff Member failed to meet appropriate standards of fitness and propriety) and/or 2 (the Staff Member participated in or was responsible for conduct which resulted in significant losses to ING or any of the legal entities in its group)
- a discretionanry adjustment to an individual's variable remuneration reduction under Criterion 3 (payment of the Variable Rewards would be unacceptable accroding to the principles of reasonableness and fairness) and/or 4 (the Variable Rewards payment was made on the basis of incorrect information relating to the achievement of the targets underlying the Varaible Rewards award or circumstances that hte Variable Rewards award depended upon).

Remuneration governance

At ING Group level, the Remuneration Committee advises the Supervisory Board on remuneration decisions, with the support of ING's functions (e.g. Finance, Risk, CAS, Compliance, Legal and HR). To ensure the Nomination & Remuneration Committee receives adequate and accurate information, there are compensation committees in place in the business lines. In addition, remuneration is a key topic of review of CAS.

At local level, the ING Luxembourg Nomination and Remuneration Committee (in its remuneration part) advises the ING Luxembourg Board of Management on remuneration decisions and remuneration policy changes. The Luxembourg Nomination & Remuneration Committee has met six times in 2024 and discussed in particular the following compensation matters:

1. the changes and the application of the IRRF 2024 and the ING Belgium Remuneration policies (applicable to all employees of ING Luxembourg);
2. individual compensation proposals for Identified and Regulated staff;
3. variable rewards approach.

The ING Luxembourg Nomination and Remuneration Committee responsibilities are outlined in the General Governance manual of ING Luxembourg SA and in the charter of the local Nomination and Remuneration Committee. For remuneration matters, the Nomination & Remuneration Committee assists the Board of Directors in its responsibilities regarding the Remuneration Policies, the application of these policies, the remuneration of executive and non-executive Directors as well as the members of the Authorised Management and the Identified Staff and Regulated Staff. To that effect, the Nomination & Remuneration Committee shall prepare the discussion and the decision making within the Board of Directors by providing recommendations to the Board of Directors.

On 31 December 2024, the members of the Luxembourg Nomination & Remuneration Committee were Anne Cannel (Chair), Peter Adams, Guy Beniada and Peter Vandekerckhove.

In 2024, ING Luxembourg used the services of Willis Towers Watson with regards to compensation benchmark.

Quantitative information

The remuneration of Luxembourg Identified Staff and Regulated Staff in relation to performance year 2024 is disclosed in the below tables. None of those employees have had a total remuneration above € 1,000,000 for the performance year 2024. Two of the Identified Staff in Management function have received a severance payment for a total amount of €276,440 (paid during the year 2024 and not taken into account in the bonus cap), and with maximum total individual amount of €140,151.

Table 1 - Remuneration awarded for the financial year

Fixed and variable remuneration awarded to Identified and Regulated Staff in relation to performance year 2024, split by instrument

Amounts in thousands of euros	MB Supervisory function	MB Management function	Other senior management (4)	Other identified staff
Number of identified staff (1)	8	8	14.5	7.4
Total fixed remuneration (2, 3)	**320.0**	**2,840.6**	**2,754.4**	**1,128.8**
Of which: cash-based	320.0	2,840.6	2,754.4	1,128.8
Number of identified staff	-	5	13.4	6.4
Total variable remuneration	-	**924.1**	**524.4**	**123.1**
Of which: cash-based	-	600.3	349.4	123.1
Of which: deferred	-	129.5	70.0	0.0
Of which: shares or equivalent ownership interests	-	323.8	175.1	0.0
Of which: deferred	-	129.5	70.0	0.0
Of which: share-linked instruments or equivalent non-cash instrument	-	-	-	-
Of which: deferred	-	-	-	-
Of which: other instruments	-	-	-	-
Of which: deferred	-	-	-	-
Of which: other forms	-	-	-	-
Of which: deferred	-	-	-	-
Total remuneration	**320**	**3,765**	**3,279**	**1,252**

(1) Includes Identified Staff/Regulated Staff who joined or left ING Luxembourg in 2024.

(2) Out of the 8 Supervisory Board Members of ING Luxembourg S.A., 5 received Direcors fees in 2024.

(3) Fixed remuneration is reported in cash and consists of salary, role based allowances, payments made by the company in relation to insurances/car allowances/other benefits that would not qualify as variable compensation.

(4) The definition of other senior management for the purpose of this disclosure is positions reporting into an ING Luxembourg Executive Committee Member.

Table 2 - Deferred Remuneration

Analysis of deferred remuneration for Identified Staff and Regulated Staff

Amounts in thousands of euros	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year
MB Supervisory function	-	-	-	-	-	-	-
Cash-based	-	-	-	-	-	-	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-
MB Management function	**990**	**248**	**742**	-	-	**51**	**248**
Cash-based	278	52	227	-	-	-	52
Shares or equivalent ownership interests	712	196	516	-	-	51	196
Other instruments	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-
Other Senior Management	**687**	**212**	**475**	-	-	**34**	**212**
Cash-based	175	39	135	-	-	-	39
Shares or equivalent ownership interests	512	173	339	-	-	34	173
Other instruments	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-
Other Identified Staff	-	-	-	-	-	-	-
Cash-based	-	-	-	-	-	-	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-
Total amount	**1,677**	**460**	**1,217**	-	-	**85**	**460**

(1) Equity is valued at the ING share price on 31 December 2024, being €15.01

Table 3 - Information on remuneration of Identified and Regulated Staff in relation to performance year 2024

Fixed and variable remuneration in relation to performance year 2024

Amounts in thousands of euros	MB Supervisory function	MB Management function	Total MB	Retail Banking	Corporate functions	Independent internal control functions	All others	Total
Total number of identified staff (1)								**37.9**
Of which: members of the MB	8	8	16					
Of which: other senior management				3.0	4.6	5.5	1.4	
Of which: other identified staff				5.6	-	1.8	-	
Total remuneration of identified staff	**320**	**3,765**	**4,085**	**1,666**	**1,157**	**1,377**	**331**	**8,615**
Of which: variable remuneration	-	924	924	242	216	137	52	1,572
Of which: fixed remuneration	320	2,841	3,161	1,424	940	1,240	279	7,044

(1) Includes Identified Staff/Regulated Staff who joined or left ING Luxembourg in 2024.