Amendment to Program Information

ING Groep N.V.

ING Bank N.V.

AMENDMENT TO PROGRAM INFORMATION

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Company Name:	ING Groep N.V. ING Bank N.V.
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Status of Submission of Annual Securities Reports or Issuer Filing Information:	Yes

This amendment is filed to update the information included in the Program Information dated 29 March 2017. This constitutes an integral part of the Program Information dated on 29 March 2017 and shall be read together with it. Terms used in this document have the same meanings as those used in the Program Information dated on 29 March 2017 unless otherwise defined in this document.

SECTIONS TO BE UPDATED/AMENDED

PART II. CORPORATE INFORMATION

I OUTLINE OF COMPANY

PART II. CORPORATE INFORMATION

The corresponding sections in the Program Information dated 29 March 2017 (as amended) shall be updated as follows.

I OUTLINE OF COMPANY

DOCUMENTS INCORPORATED BY REFERENCE

1. The current item (b) shall be deleted and the following new items (b) to (d) shall be inserted in the section entitled "Documents Incorporated by Reference – ING Group" of the Program Information dated 29 March 2017:

"(b) the publicly available annual report of ING Group in respect of the year ended 31 December 2016, including, among other things, the audited consolidated financial statements and auditors' report in respect of such year, but excluding the sections entitled 'Additional Pillar III information' and 'Non-financial appendix' appearing on pages 366 through 443 (inclusive); and

(c) the publicly available audited consolidated financial statements of ING Group in respect of the years ended 31 December 2015 and 2014 (in each case, together with the auditors' reports thereon and explanatory notes thereto).

(d) the press release published by ING on 25 April 2017 entitled "ING to participate in Bank of Beijing share offering"; and

(e) the press release published by ING Group on 10 May 2017 entitled "ING 1Q17 net result EUR 1,143 million" (the "Q1 Press Release"). The Q1 Press Release contains, among other things, the consolidated unaudited interim results of ING Group as at, and for the three month period ended, 31 March 2017."

2. The current item (b) shall be deleted and the following new items (b) to (d) shall be inserted in the section entitled "Documents Incorporated by Reference – ING Bank" of the Program Information dated 29 March 2017:

"(b) the publicly available annual report of ING Bank in respect of the year ended 31 December 2016, including the audited financial statements and auditors' report in respect of such year;

(c) the publicly available audited consolidated financial statements of ING Bank in respect of the years ended 31 December 2015 and 2014 (in each case, together with the auditors' reports thereon and explanatory notes thereto);

(d) the press release published by ING on 25 April 2017 entitled "ING to participate in Bank of Beijing share offering"; and

(e) the Q1 Press Release. The Q1 Press Release contains, among other things, the consolidated unaudited interim results of ING Group as at, and for the three month period ended, 31 March 2017, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through ING Bank and its consolidated group."

3. The following new paragraph shall be inserted at the end of the section entitled "Documents Incorporated by Reference – ING Bank" of the Program Information dated 29 March 2017:

"With respect to the Q1 Press Release, prospective investors should note that the Issuer's consolidated operations, while materially the same, are not identical with the reported financial and statistical information on a segment basis for the banking business of ING Group as described in the Q1 Press Release, because the financial and statistical information reported by ING Group also contains certain financial items incurred solely at the level of ING Group (on a standalone basis) which are therefore not included in the consolidated operations of the Issuer (being a wholly-owned subsidiary of ING Group). Despite the incorporation by reference of one or more press releases published by it, ING Group is not responsible for the preparation of this document."

DESCRIPTION OF ING GROEP N.V.

1. The last sentence of the first paragraph of the section entitled "ING Bank" of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

"ING Bank has more than 51,000 employees."

2. The first sentence of the first paragraph of the section entitled "Proposed changes to the Executive Board and Supervisory Board" of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

"On 23 March 2017, the Issuer convened the annual general meeting (the "**AGM**")."

3. The whole paragraph in the section entitled " Share capital and preference shares" of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

"The authorised share capital of ING Groep N.V. amounted to EUR 190 million at 16 March 2017, consisting of 14,500 million ordinary shares with a nominal value of EUR 0.01 each and 4,500 million cumulative preference shares, with a nominal value of EUR 0.01 each. The issued and paid-up capital amounted to EUR 38.8 million consisting of 3,878 million ordinary shares at 31 December 2016, and to EUR 38.8 million consisting of 3,878 million ordinary shares at 31 March 2017. No cumulative preference shares have been issued."

4. The eighth paragraph of the section entitled "SIGNIFICANT DEVELOPMENTS IN 2016" of the Programme Information dated 29 March 2017 shall be deleted and restated as follows

"With a 14.2% Group common equity Tier 1 ratio as at 31 December 2016, the Issuer is already in compliance with the current fully-loaded requirement of 11.75%."

5. The following paragraph shall be added immediately before the section entitled " DELIVERING ON RESTRUCTURING" of the Programme Information dated 29 March 2017:

"**SIGNIFICANT DEVELOPMENTS IN 2017**

On 15 February 2017, the Issuer issued EUR 750 million debt instruments in the form of Fixed Rate Subordinated Notes due 15 February 2029 under its EUR 55 billion Debt Issuance Programme qualifying as Tier 2 capital under CRD IV / CRR to further strengthen its capital base.

On 9 March 2017, the Issuer issued EUR 1.5 billion debt instruments in the form of Fixed Rate Senior Notes due 9 March 2022 under its EUR 55 billion Debt Issuance Programme.

On 15 March 2017, the Issuer redeemed USD 1.1 billion 7.20% grandfathered Perpetual Debt Securities.

On 29 March 2017, the Issuer issued EUR 1.5 billion debt instruments in the form of Fixed Rate Senior Notes due 2022, EUR 1.5 billion debt instruments in the form of Fixed Rate Senior Notes due 2027 and EUR 1 billion debt instruments in the form of Floating Rate Senior Notes due 2022."

6. The following paragraphs shall be added at the bottom of the section entitled " MARKET AND REGULATORY CONTEXT – Macroeconomic developments in 2016" of the Programme Information dated 29 March 2017:

"Progress on relevant regulatory initiatives

The Single Supervisory Mechanism (SSM), the system of banking supervision for Europe, was in effect for the second full year in 2016. In this second year, the daily interactions on supervision between the European Central Bank (ECB), national competent authorities like the Dutch Central Bank in the Netherlands and banks were streamlined further.

The ECB in particular took important steps to communicate its expectations to the banking sector and public at large. For example, the ECB provided detailed information about its annual Supervisory Review and Evaluation Process (SREP) and its findings based on its sector-wide thematic review on risk governance and appetite. Such transparency helps support the banking union in coming together, as well as the efficiency and effectiveness of the ECB's supervision.

ING remains a supporter of the SSM. With its strong European footprint, the Issuer has a clear interest in the proper functioning of European financial markets and in a harmonised approach to European banking supervision. The Issuer believes that this will contribute to a more efficient use of capital across Europe. As banks' customers are more able to realise their ambitions, the European economy's growth prospects will benefit. Harmonisation will also help the Issuer accelerate its Think Forward strategy to create one digital banking platform across borders.

ING expects benefits from harmonised supervision to materialise over the coming years with converging supervisory practices, stress testing, streamlined reporting, and the cross-border flow of capital and liquidity.

Alongside the SSM, the Single Resolution Mechanism (SRM) came into force on 1 January 2016. It aims to ensure an orderly resolution process for failing banks. With SSM and SRM, two of the three pillars of the Banking Union have been established. More on this can be found in "Regulation and Supervision – Global Regulatory Environment" below.

The last remaining pillar, mutualisation of deposit guarantee schemes, is progressing at a much slower pace than the first two pillars. Lack of a common European deposit guarantee scheme leaves the eurozone potentially vulnerable to interdependence between banks and governments, despite the existence of the SSM and SRM.

The second EU Directive on Payment Services (PSD2) was adopted in October 2015 and will be implemented in the coming years. It will create an EU-wide single market for payment initiation services and account information services. Its main objective is to promote innovation and competition in the EU payments market. ING welcomes this development and sees the PSD2 as an opportunity to develop new and innovative ways of serving the Issuer's customers. At the same time, the Issuer finds it important regulators take into account the changing competitive landscape and support financial services providers who embrace innovation and new ways of doing business and should ensure they can compete on a level playing field with newcomers.

In November 2016, the EC launched the review of the existing Capital Requirements Regulation (CRR) and Directive (CRD), and Bank Recovery and Resolution Directive (BRRD) regulation. These draft EC proposals are subject to approval by the European Parliament and Council. They consist of important new regulatory requirements for banks, including the Net Stable Funding Ratio (NSFR), the leverage ratio, review of the trading book and counterparty credit risk. The proposal also includes changes to transpose the FSB TLAC term sheet into EU law and introduces a harmonised approach for creditor hierarchy in Europe.

Regulatory costs and uncertainty

ING's regulatory costs increased 36.3% in 2016. One main reason were costs for the new Dutch deposit guarantee scheme (EUR 129 million in 2016 compared with zero in 2015). A new European rule says that banks must pay into these deposit guarantee schemes on a regular basis and not just after a bank failure.

Bank taxes were also a major reason for higher costs in 2016; specifically a Polish bank tax of EUR 64 million compared with zero in 2015. This taxes a part of ING's balance sheet on which the Issuer already pays tax in the Netherlands. There is no European regulation on bank taxes and little coordination between countries addressing the fact that banks pay the same taxes in more than one country. The Issuer hopes that, as is already the case in Germany and foreseen in France, bank taxes will be abolished in the Netherlands and in other countries that still require them.

Other new regulation also contributed to the rise in costs for 2016, such as the European Single Resolution Mechanism (SRM) mentioned above. This required banks to begin paying contributions to the Single Resolution Fund as of January 2016.

A prominent source of regulatory uncertainty in 2016 was the Basel Committee on Banking Supervision (BCBS) proposals regarding risk-weighted assets. The proposals are intended to make risk-weight calculation simpler and more comparable across banks, limiting the use of banks' own internal models. ING believes that the Basel proposals could allocate too high a risk weight to various lending activities, in particular mortgages, corporates and specialised lending. This would not be in line with historical loss rates and distorts sound economic incentives. ING does support increased comparability of internal models and therefore supports initiatives to address undue risk variability. It is involved in ECB and European Banking Authority (EBA) work underway to address this, such as the Targeted Review of Internal Models (TRIM) by the ECB. Apart from the proposals in the area of credit risk, the BCBS is also considering changes in the areas of operational and market risk. The continuing uncertainty is detrimental for banks and the economy at large.

Other uncertainties concern loss-absorption requirements, which have not yet been finalised in the EU. The Financial Stability Board's total loss-absorbing capacity term sheet still has to be transposed into EU law before it is clear how to calculate the minimum requirement for own funds and eligible liabilities (MREL).

The range and complexity of non-prudential regulation is increasing. Regulation is becoming more stringent in areas like customer due diligence (CDD) and transaction monitoring to prevent and report money laundering (AML), terrorist financing, and fraud. Regulations such as the Common Reporting Standard (CRS) and FATCA, which require financial institutions to report detailed client-related information to competent authorities, are also adding to banks' regulatory burden. There are a number of risks in areas where applicable regulations are unclear, subject to multiple interpretations or under development, are in conflict with each other, or where regulators revise their guidance or courts overturn previous rulings. Meeting all these requirements within the strict timelines that have been set poses a significant operational challenge for banks. Regulations also need to strike a proper balance between consumer protection and innovation to allow banks to compete in the new competitive environment.

Competitive landscape

Technology is removing a number of the barriers to entry that once insulated the Issuer's business. The Issuer faces competition from many different directions, with relatively new players providing more segmented offers to its customers and clients. Technology giants, payment specialists, retailers, telecommunication companies, crowd-funding initiatives and aggregators are all encroaching on the market for traditional banking services. Its customers, in turn, are willing to consider these offers.

Banks strive to act in the interests of their customers. Safe banking requires specific knowledge of financial services, in-depth knowledge of customers, and rigorous risk-management systems. As competition from outside the banking sector continues to increase, ING has to become faster, more agile and more innovative.

The Issuer's long track record and strong brand place it well to seize these opportunities and become a better company for all of its stakeholders. ING is a leader in digital banking, and it has scale combined with local market expertise. It is investing in building profitable, mutually beneficial relationships with its customers based on the quality of its service and the differentiating experience it offers them. ING intends to be even clearer about the strategic choices it makes."

6. The third sentence of the first paragraph of the section entitled "ING Group's performance in 2016" of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

"ING's focus on primary customer relationships helped it to achieve healthy and balanced growth in its lending to customers and in customer deposits. Net core lending grew by nearly EUR 35 billion and customer deposits increased by EUR 22 billion in 2016, both increasing around six per cent."

7. The whole paragraphs of the section entitled "Anti-Money Laundering Initiatives and countries subject to sanctions" of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

"A major focus of governmental policy on financial institutions in recent years has been aimed at combating money laundering and terrorist financing. In addition, the bank regulatory agencies are imposing heightened standards, and law enforcement authorities have been taking a more active role. Failure of a financial institution to maintain and implement adequate programs to combat money laundering and terrorist financing could have serious legal and reputational consequences for the institution. Further, Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 ("ITRA") added a new subsection (r) to Section 13 of the Securities Exchange Act of 1934, as amended, which requires ING to disclose whether ING Group or any of its affiliates has engaged during the calendar year in certain Iran-related activities, including any transaction or dealing with the Government of Iran that is not conducted pursuant to a specific authorisation of the U.S. government.

EU and US sanctions against Iran were partially lifted in January 2016 under the Joint Comprehensive Plan of Action (JCPOA) that was agreed in July 2015 by China, France, Germany, Russia, the United Kingdom, the United States, the European Union, and Iran. As noted above, ING Bank has maintained its policy not to enter into new relationships with clients from Iran and processes remain in place to discontinue existing relationships involving Iran.

ING Bank maintains a limited legacy portfolio of guarantees, accounts, and loans that involve various entities with a (perceived) Iranian nexus. These positions remain on the books, but accounts related thereto are 'frozen' where prescribed by applicable laws and procedures and in all cases subject of an increased level of scrutiny. Any interest or other payments ING Bank is legally required to make in connection with said positions are only made into such accounts. Funds can only be withdrawn by relevant Iranian parties from 'frozen' accounts after due regulatory consent from the relevant competent authorities. ING Bank has strict controls in place to monitor every transaction related to these accounts, specifically to ensure that no unauthorised account activity takes place in relation to accounts that are 'frozen'. ING Bank may receive loan repayments, duly authorised by the relevant competent authorities where prescribed by applicable laws. For the relevant period, ING Group had receivable activities of approximately USD 5.3 million, which were principally related to legacy loans, and ING Group estimates that it had net profit of approximately USD 63,641. ING Bank intends to terminate each of the legacy positions as the nature thereof and applicable law permits.

Also in 2016, the Ukraine-related sanctions imposed by both the US and the EU remained in force. Those sanctions restrict amongst others the dealing in specific (financial) products with certain named parties. Management of ING Bank entities use their existing control framework to ensure compliance with these sanctions.

The ING Bank Financial Economic Crime Policy (the "ING Bank FEC Policy") and Minimum Standards directly reflect relevant national and international laws, regulations and industry standards. The ING Bank FEC Policy is mandatory and applies to all ING banking entities, majority owned ING business, businesses under management control, staff departments, product lines and to all client engagements and transactions.

Management of ING Bank entities maintain local procedures aiming to enable them to comply with local laws, regulations and the ING Bank FEC Policy and Minimum Standards. Where local laws and regulations are more stringent, the local laws and regulations are applied. Likewise the FEC Policy and Minimum Standards prevail when the standards therein are stricter than stipulated in local laws and regulations and if not specifically forbidden (data privacy or bank secrecy).

The ING Bank FEC Policy and Minimum Standards provide a statement of what is required by all ING Bank entities, in order to guard against any involvement in criminal activity, and to participate in international efforts to combat money laundering and the funding of terrorist and criminal activities. The requirements in the ING Bank FEC Policy cover minimum standards and controls related to: money laundering, terrorist financing, export trade controls, proliferation financing, sanctions (economic, financial and trade) and countries designated by ING Bank as Ultra High Risk Countries (UHRC). The effectiveness of those controls is reviewed periodically.

As a result of frequent evaluation of all businesses from economic, strategic and risk perspective ING Bank continues to believe that doing business involving certain specified countries should be discontinued. In that respect, ING has a policy not to enter into new relationships with clients from these countries and processes remain in place to discontinue existing relationships involving these countries. At present these countries are North Korea, Sudan, Syria, Iran and Cuba. Each of these countries is subject to a variety of EU, US and/or other sanctions regimes. Iran, Sudan, and Syria are identified by the US as state sponsors of terrorism and are subject to U.S. economic sanctions and export controls.

ING Bank has an FEC control framework in place to mitigate the risks related to Financial Economic Crime.

For further information regarding compliance with relevant laws, regulations, standards and expectations by ING Bank and its business in certain specified countries, see "Global Regulatory Environment" above."

DESCRIPTION OF ING BANK N.V.

Whole of the section entitled "Description of ING Bank N.V." of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

"General

ING Bank N.V. is part of ING Groep N.V. ING Groep N.V., also called "ING Group", is the holding company for a broad spectrum of companies (together, "ING"). ING Group holds all shares of ING Bank N.V., which is a non-listed 100% subsidiary of ING Group.

ING is a holding company incorporated in 1991 under the laws of The Netherlands. ING currently is a global financial institution with a strong European base, offering banking services. ING draws on its experience and expertise, its commitment to excellent service and its global scale to meet the needs of a broad customer base, comprising individuals, families, small businesses, large corporations, institutions and governments. ING serves more than 35 million customers in over 40 countries. ING has more than 54,000 employees.

The sale in 2016 of ING's remaining stake in NN Group, ING's former European/Japanese insurance businesses, completed ING's restructuring.

ING Bank currently offers retail banking services to individuals, small and medium-sized enterprises ("SMEs") and mid-corporates in Europe, Asia and Australia and wholesale banking services to customers around the world, including multinational corporations, governments, financial institutions and supranational organisations. ING Bank currently serves more than 34 million customers through an extensive network in more than 40 countries. ING Bank has more than 51,000 employees.

ING Bank's purpose is to empower customers to stay a step ahead in life and in business. Its strengths include a well-known, strong brand with positive recognition from customers in many countries, a strong financial position, an omnichannel distribution strategy and an international network. Moreover, ING is currently among the leaders in the Dow Jones Sustainability Index "Banks industry" group.

ING Bank's reporting structure reflects the two main business lines through which it is active: Retail Banking and Wholesale Banking.

ING Bank has defined three categories of markets in which it intends to compete: Market Leaders, Challengers and Growth markets. ING Bank's aim is to become the primary bank for more customers in these markets through growing the share of payment accounts in Retail Banking and with anchor products, such as lending and transaction services, in Wholesale Banking.

Market Leaders are ING Bank's businesses in mature markets in the Benelux where it has strong positions in retail and wholesale banking. Its strategy is to grow in selected segments, continue to invest in digital leadership with a digital-first model, deliver on operational excellence programmes and create greater cost efficiency in order to fund business expansion in growth markets.

Challengers are markets where ING Bank offers both retail and wholesale banking services. Its retail activities are mainly direct banking offered online with a significant cost advantage over traditional banks. Its strategy is to leverage its strong savings franchises in these markets to expand into payments accounts and increase the number of primary customer relationships. ING Bank is also using its direct banking experience to grow the lending business at low cost in areas like consumer and SME lending. Further, ING Bank is using its strong savings businesses to fund expansion of Wholesale Banking, particularly to support clients in Industry Lending and working capital solutions.

Growth Markets are markets with a full range of retail and wholesale banking services in markets with expanding economies and strong growth potential. ING Bank is investing to achieve sustainable franchises and will focus on digital leadership by converging to the direct-first model and by prioritising innovation.

Retail Banking

Retail Banking provides banking services to individuals, SMEs and mid-corporates in Europe, Asia and Australia. A full range of products and services is provided, albeit offerings may vary according to local demand.

Retail Banking operates in a variety of markets within the three market categories mentioned above: Market Leaders, Challengers and Growth Markets. In all markets ING pursues a digital-first approach, complemented by advice when needed, with omnichannel contact and distribution possibilities. Market Leaders are ING Bank's businesses in The Netherlands, Belgium and Luxembourg. In its Challengers countries – Australia, Austria, the Czech Republic, France, Germany, Italy and Spain – ING Bank combines strong deposit-gathering capabilities with low-cost digital distribution. Growth Markets are expanding economies that offer good opportunities for achieving sustainable share: Poland, Romania and Turkey. In addition, ING Bank has stakes in Bank of Beijing (China) and TMB (Thailand) and Kotak Mahindra Bank (India). In most of its markets ING Bank offers a full range of retail banking products and services, covering payments, savings, investments and secured and unsecured lending.

Wholesale Banking

ING Wholesale Banking is a primary-relationship driven European wholesale bank with global reach. It has an extensive international network of offices in more than 40 countries across Europe, the Americas, Asia and Australia. ING Wholesale Banking's global franchises in Industry Lending, General Lending, Transaction Services and Financial Markets serve a range of organisations, including corporates, multinational corporations, financial institutions, governments and supranational bodies.

ING Wholesale Banking helps its clients to meet their ambitions, either in a specific area of expertise or geography. It aims to provide a differentiating and seamless client experience through new technologies and services across the globe. ING Bank's lending capabilities are at the heart of most client relationships. ING Wholesale Banking continues to grow Industry Lending by supporting clients with sector expertise and in-depth knowledge of their business. Transaction Services offers clients expertise in international payments and cash management, trade finance services and working capital solutions. Financial Markets, as the bank's gateway to global professional markets, serves ING Bank's clients from treasury through to capital markets, providing risk management and structured financial products.

In addition to the basic banking services of lending, payments and cash management, and treasury, ING Wholesale Banking provides tailored banking solutions in areas including corporate finance, commercial finance (factoring), equity markets and debt capital markets to help its clients achieve their business goals. ING Wholesale Banking supports clients in realising their sustainability ambitions.

As of 2016, ING's commercial banking activities were renamed Wholesale Banking. The new name better reflects the mainly international, large corporate and institutional nature of its business. It clearly positions ING as a global wholesale bank and is more aligned with the consistent client experience it aims for across its markets.

Incorporation and History

ING Bank was incorporated under Dutch law in The Netherlands on 12 November 1927 for an indefinite duration in the form of a public limited company as Nederlandsche Middenstandsbank N.V. ("NMB Bank").

On 4 October 1989, NMB Bank merged with Postbank, the leading Dutch retail bank. The legal name of NMB Bank was changed into NMB Postbank Groep N.V. On 4 March 1991, NMB Postbank Groep N.V. merged with Nationale-Nederlanden N.V., the largest Dutch insurance group. On that date, the newly formed holding company Internationale Nederlanden Groep N.V. honoured its offer to exchange the shares of NMB Postbank Groep N.V. and of Nationale-Nederlanden N.V. NMB Postbank Groep N.V. and Nationale-Nederlanden N.V. continued as sub-holding companies of Internationale Nederlanden Groep N.V. An operational management structure ensured a close co-operation between the banking and insurance activities, strategically as well as commercially. The sub-holding companies remained legally separate. After interim changes of name, the statutory names of the above-mentioned companies were changed into ING Groep N.V., ING Bank N.V. and ING Verzekeringen N.V. on 1 December 1995.

On 13 May 2009, ING announced that – in line with the April 2009 strategy announcement – it was taking measures to simplify its governance. These measures have been implemented. On 26 October 2009, ING announced that it would move towards a separation of ING's banking and insurance operations, clarifying the strategic direction for the bank and the insurance company going forward. In April 2016, ING completed the divestment of its insurance business through the sale of its remaining stake in NN Group.

The registered office of ING Bank N.V. is at Bijlmerplein 888, 1102 MG Amsterdam, The Netherlands (telephone number: +31 20 563 9111). ING Bank N.V. is registered at the Dutch Chamber of Commerce under no. 33031431 and its corporate seat is in Amsterdam, The Netherlands. The Articles of Association of ING Bank N.V. were last amended by notarial deed executed on 13 December 2013. According to Article 2 of its Articles of Association, the objects of ING Bank N.V. are to conduct the banking business in the widest sense, including insurance brokerage, to acquire, build and operate real estate, to participate in, manage, finance and furnish personal or real security for the obligations of and provide services to other enterprises and institutions of any kind, but in particular enterprises and institutions which engage in lending, investments and/or other financial services, and to engage in any activity which may be related or conducive to the foregoing.

As a non-listed company, ING Bank N.V. is not bound by the Dutch Corporate Governance Code (the "Code"). ING Group, as the listed holding company of ING Bank N.V., is in compliance with the Code. However, ING Bank is bound to the Dutch Banking Code. The Dutch Banking Code is a form of self-regulation that took effect on 1 January 2010 on a 'comply or explain' basis. On 16 October 2014, the Dutch Banking Association published a revised version of the Dutch Banking Code. Just like its predecessor, the revised version ("Banking Code"), is applicable to ING Bank. The Banking Code applies to the financial year 2015 and subsequent years, as of the financial year 2015, on 16 March 2017, ING Bank published its application of the Dutch Banking Code for the financial year 2016 on its corporate website www.ing.com.

Supervisory Board and Management Board Banking

ING Bank has a two-tier board system, consisting of a Supervisory Board and a Management Board Banking. All members of the Supervisory Board, with the exception of Eric Boyer de la Giroday, are independent within the meaning of the Code. Eric Boyer de la Giroday is not to be regarded as independent within the meaning of the Code because of his position as chairman of the Board of Directors of ING Belgium SA/NV and his former positions as a member of the Executive Board of ING Group and vice-chairman of Management Board Banking of ING Bank N.V. The task of the Supervisory Board is to supervise the policy of the Management Board Banking and the general course of events at ING Bank and to assist the Management Board Banking by providing advice. The Management Board Banking is responsible for the daily management of ING Bank.

The composition of the Supervisory Board and the Management Board Banking is as follows:

- Supervisory Board: J. (Jeroen) van der Veer (chairman), H.J.M. (Hermann-Josef) Lamberti (vice-chairman), E.F.C.B. (Eric) Boyer de la Giroday, H.W. (Henk) Breukink, M. (Mariana) Gheorghe, Robert W.P. Reibestein and A. (Ann) Sherry.
- Management Board Banking: R.A.J.G. (Ralph) Hamers (chairman), J.V. (Koos) Timmermans (vice-chairman), J.V. (Koos) Timmermans (CFO), R.M.M. (Roel) Louwhoff (COO), W.F. (Wilfred) Nagel* (CRO) and A. (Aris) Bogdaneris.

* Will retire from the Management Board Banking as further described below

The business address of all members of the Supervisory Board and the Management Board Banking is: ING Bank N.V., Bijlmerplein 888 (Amsterdamse Poort), P.O. Box 1800, 1000 BV Amsterdam.

In order to avoid potential conflicts of interest, ING Bank N.V. has a policy that members of its Management Board Banking do not accept corporate directorships with listed companies outside ING.

Details of relationships that members of the Management Board Banking may have with ING Group subsidiaries as ordinary, private individuals are not reported.

There are no potential conflicts of interest between any duties owed by the members of the Supervisory Board or the Management Board Banking to ING Bank N.V. and any private interests or other duties which such persons may have.

Listed below are the most relevant ancillary positions performed by members of the Supervisory Board outside ING.

Veer, J. van der
Chairman of the Supervisory Board of Koninklijke Philips Electronics N.V., The Netherlands.

Member of the Supervisory Board of Koninklijke Boskalis Westminster N.V., The Netherlands.

Member of the Board of Directors of Statoil ASA, Norway.

Member of the Supervisory Board of Het Concertgebouw N.V., The Netherlands.

Chairman of the Supervisory Council of Nederlands Openluchtmuseum, The Netherlands.

Member of the Board of Nationale Toneel (theatre), The Netherlands.

Boyer de la Giroday, E.F.C.B.
Chairman of the Board of Directors ING Belgium SA/NV, Belgium.

Member of the Board of the Directors of the International Institute for Physics and Chemistry founded by Ernest Solvay, asb, Belgium.

Breukink, H.W.
Chairman of the Supervisory Board of NSI N.V. (real estate fund), The Netherlands.

Non-executive director of Brink Groep B.V., The Netherlands.

Chairman of the Supervisory Board of Inholland University, The Netherlands.

Non-executive Director of Gemeente Museum Den Haag, The Netherlands.

Gheorge, M.
Chief Executive Officer of OMV Petrom S.A., Romania.

Chairwoman of the Supervisory Board of OMV Petrom Marketing SRL, Romania.

Chairwoman of the Supervisory Board of OMV Petrom Gas SRL, Romania.

Chairwoman of the Supervisory Board of OMV Petrom Global Solutions SRL, Romania.

Lamberti, H-J.M.

Non-executive Member of the Board of Directors of Airbus Group N.V. (formerly European Aeronautic Defense and Space Company N.V.), The Netherlands.

Chairman of the Supervisory Board of Hypo Group Alpe Adria (HAA), SEE, Austria.

Member of the Supervisory Board Open-Xchange AG, Germany.

Member of the Supervisory Board of Stonebranch, United States of America.

Reibestein, R.W.P.

Member of the Supervisory Board of IMC B.V., The Netherlands.

Member of the Supervisory Board of World Wildlife Fund, The Netherlands.

Sherry, A.

Member of the Supervisory Board ING (Australia) Limited, Australia.

Member of the Supervisory Board Sydney Airport Corporation, Australia.

Member of the Supervisory Board The Palladium Group, Australia.

Chairwoman of Carnival Australia (advisory role), Australia.

Changes to the Management Board Banking and Supervisory Board

On 8 May 2017, ING Group held its annual general meeting (the "AGM"). At the AGM, Koos Timmermans and Steven van Rijswijk were appointed as new members of the ING Group's executive board (the "Executive Board"). This appointment includes an appointment as members of the Management Board Banking of ING Bank. Koos Timmermans became chief financial officer as per the end of the AGM, succeeding Patrick Flynn who had decided to pursue his career outside of ING. Steven van Rijswijk will become chief risk officer as of 1 August 2017, succeeding Wilfred Nagel, who will retire as of that date.

The AGM further appointed Jan Peter Balkenende, Margarete Haase and Hans Wijers as members of the Supervisory Board, which was announced on 16 March 2017. The appointment of Jan Peter Balkenende and Hans Wijers will be effective as per 1 September 2017. In light of a planned reduction of the total number of her board positions, the appointment of Margarete Haase will become effective at a later date upon decision of the Supervisory Board.

It is the intention of the Supervisory Board to elect Hans Wijers as its chairman to succeed Jeroen van der Veer in that capacity per the end of the AGM in 2018. In order to ensure a smooth transfer of responsibilities to Hans Wijers, the AGM reappointed Jeroen van der Veer as member of the Supervisory Board for a period of one year, ending as per the end of the AGM in 2018.

Supervisory Board Committees

The Supervisory Board has five standing committees: the Audit Committee, the Risk Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee.

The organisation, powers and conduct of the Supervisory Board are detailed in the Supervisory Board Charter. Separate charters have been drawn up for the Audit Committee, the Risk Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee. These charters are available on the website of ING Group (www.ing.com) (but are not incorporated by reference in, and do not form part of, this Program Information). A short description of the duties for the five Committees follows below.

The Audit Committee assists the Supervisory Board in monitoring the integrity of the financial statements of ING Bank N.V., in monitoring the compliance with legal and regulatory requirements and in monitoring the independence and performance of ING Bank's internal and external auditors. At the date of this Program Information, the members of the Audit Committee were: Hermann-Josef Lamberti (chairman), Eric Boyer de la Giroday, Isabel Castellà and Robert Reibestein. Eric Boyer de la Giroday is a financial expert as defined in the Dutch Corporate Governance Code considering his academic background as well as his knowledge and experience in his previous role as a board member and vice-chairman of ING Groep N.V. and ING Bank N.V.

The Risk Committee assists and advises the Supervisory Board in monitoring the risk profile of ING as a whole as well as the structure and operation of the internal risk management and control systems. At the date of this Program Information, the members of the Risk Committee were: Robert Reibestein (chairman), Eric Boyer de la Giroday, Hermann-Josef Lamberti and Jeroen van der Veer.

The Remuneration Committee's tasks include advising the Supervisory Board on the terms and conditions of employment (including remuneration) of the members of the Management Board Banking and on the policies and general principles on which the terms and conditions of employment of the members of the Management Board Banking and of senior managers of ING Bank and its subsidiaries are based. At the date of this Program Information, the members of the Remuneration Committee were: Henk Breukink (chairman) and Jeroen van der Veer.

The Nomination Committee's tasks include advising the Supervisory Board on the composition of the Supervisory Board and Management Board Banking. At the date of this Program Information, the members of the Nomination Committee were: Jeroen van der Veer (chairman), Isabel Castellà and Henk Breukink.

The Corporate Governance Committee assists the Supervisory Board in monitoring and evaluating the corporate governance of ING as a whole and reporting on this in the annual report and to the General Meeting. It also advises the Supervisory Board on improvements. At the date of this Program Information, the members of the Corporate Governance Committee were: Henk Breukink (chairman) and Jeroen van der Veer.

FIVE-YEAR KEY CONSOLIDATED FIGURES FOR ING BANK N.V. (1)

	2016	2015	2014	2013	2012
			(EUR millions)		
Balance sheet(2)					
Total assets	843,919	1,001,992	1,014,403	787,566	834,322
Total equity	44,146	41,495	38,686	33,760	35,807
Deposits and funds borrowed(3)	664,365	823,568	826,044	624,274	633,683
Loans and advances	562,873	700,007	703,920	508,329	541,527
Results(4)					
Total income	17,514	17,070	15,674	15,327	16,298
Operating expenses	10,603	9,308	10,225	8,805	9,630
Additions to loan loss provisions	974	1,347	1,594	2,289	2,125
Result before tax	5,937	6,415	3,855	4,233	4,543
Taxation	1,635	1,684	1,032	1,080	1,171
Net result (before non-controlling interests)	4,302	4,731	2,823	3,153	3,372
Attributable to Shareholders of the parent	4,227	4,659	2,744	3,063	3,281

	2016	2015	2014	2013	2012
			(EUR millions)		
Ratios (in %)					
BIS ratio(5)	17.42	16.04	15.53	16.46	16.96
Tier 1 ratio(6)	14.41	13.43	12.52	13.53	14.40

Notes:

(1) These figures have been derived from the audited 2016 annual consolidated accounts of ING Bank N.V. in respect of the financial years ended 31 December 2012 to 2016 . Loans and advances to customers and Customer deposits as at 31 December 2015 and 2014 are adjusted as a result of a change in accounting policies. Reference is made to Note 1 'Accounting policies' – Changes in accounting policies 2016 in the Annual Account of ING Bank N.V. Amounts for the years 2013 and 2012 have not been adjusted.

(2) At 31 December.

(3) Figures including Banks and Debt securities.

(4) For the year ended 31 December.

(5) BIS ratio = BIS capital as a percentage of Risk Weighted Assets (as of the year 2014 based on Basel III phased-in) and until year-end 2013 based on Basel II.

(6) Tier 1 ratio = Available Tier 1 capital as a percentage of Risk Weighted Assets. Note: As of 2014, these Risk Weighted Assets are based on Basel III phased-in, until year-end 2013 based on Basel II.

Share Capital and Preference Shares

The authorised share capital of ING Bank N.V. amounted to EUR 1,808 million at 31 December 2016, consisting of 1,600 million ordinary shares with a nominal value of EUR 1.13 each and 50 preference shares, with a nominal value of EUR 1.13 each. The issued and paid-up capital amounted to EUR 525 million, consisting of 465 million ordinary shares and seven preference shares at 31 December 2016.

Significant Developments in 2016

2016 was an important year for ING, as it further strengthened its capitalisation. The further regulatory capital strengthening reflects the sale of the remaining stake in NN Group as well as strong profitability. Although the regulatory environment remains uncertain, ING's strong capital position ensures it can continue to support its customers to realise their financial future.

In January 2016, ING successfully sold 33 million ordinary shares of NN Group and exchanged the final tranche of EUR 337.5 million mandatory exchangeable subordinated notes, which had been issued in 2014 as part of the anchor investment in NN Group. These transactions reduced ING's remaining stake in NN Group from 25.8% to 14.1%. In April 2016, ING sold its remaining 14.1% stake in NN Group. The transactions together resulted in a profit of EUR 0.4 billion. The divestment of NN Group is the final step of ING´s programme to divest all of its insurance and investment management businesses as part of the restructuring agreement with the European Commission. As a result of the sale of NN Group shares, NN Group is not an investment anymore and available Tier-1 instruments on-lent to NN Group do not need to be deducted and have become part of available Tier-1 capital. This had a positive impact on available Tier-1 capital of EUR 0.8 billion.

In March 2016, a GBP 66 million grandfathered additional Tier 1 security, which was fully on-lent to the Issuer, was redeemed by ING Group on its first call date. In April 2016, the Issuer issued EUR 1 billion CRD IV-eligible Tier-2 instruments. The transaction had an issuer substitution option which gave ING the right to exchange these for subordinated Tier-2 notes issued by ING Group. On 13 March 2017, ING exercised such right to exchange which became effective on 11 April 2017.

In September 2016, ING Group redeemed USD 800 million 7.05% grandfathered Perpetual Debt Securities which were on-lent to the Issuer.

The transitional (phased-in) common equity Tier 1 requirement that ING Group had to meet on a consolidated basis in 2016 was set at 10.25%. This requirement is the sum of (i) 9.5% being the ECB's decision on the 2015 Supervisory Review and Evaluation Process ("SREP"), including the capital conservation buffer, and (ii) 0.75% for the Systemic Risk Buffer which has been set separately for Dutch systemic banks by the Dutch Central Bank (*De Nederlandsche Bank*, "DNB"). The fully-loaded Systemic Risk Buffer requirement is currently set at 3% for ING Group and phases in over four years, with a final implementation date of 1 January 2019. The impact from countercyclical buffer requirements was insignificant at the start of 2016.

At year-end 2016, ING Group received the ECB's decision on the 2016 SREP. The common equity Tier 1 requirement for ING Group was set at 9.0% in 2017. This requirement consists of a 4.5% Pillar 1 requirement, a 1.75% Pillar 2 requirement, a 1.25% Capital Conservation Buffer ("CCB') and the 1.50% SRB which has been set separately for Dutch systemic banks by DNB. This excludes Pillar 2 guidance, which is not disclosed. The CCB and the Systemic Risk Buffer are scheduled to phase-in over the coming years to 2.5% and 3.0% respectively by 1 January 2019. Consequently, the fully-loaded Maximum Distributable Amount ("MDA") trigger level is expected to rise from 9.0% in 2017 to 11.75% in 2019 and assumes a stable Pillar 2 requirement. In the event that ING Group breaches the MDA level, it may face restrictions to pay dividends, coupons on AT1 instruments and bonuses. ING Group believes that the impact from the Countercyclical Buffer ("CCyB") is negligible at this stage.

With a 14.2% Group common equity Tier 1 ratio as at 31 December 2016, ING Group is already in compliance with the current fully-loaded requirement of 11.75%.

To support orderly resolution, the BRRD requires banks to meet minimum requirements for own funds and eligible liabilities ("MREL"). In addition, ING Bank as a Global Systemically Important Bank ("G-SIB") needs to comply with the total loss absorption capacity ("TLAC") proposal published by the Financial Stability Board ("FSB") in November 2015.

Since 2012, ING has worked diligently with the different resolution authorities to determine a resolution strategy and to identify potential impediments to resolution. Following an intensive discussion throughout 2016, with the Single Resolution Board ("SRB") and the national resolution authority, DNB, in November 2016, ING concluded that ING Group should be its designated resolution entity. At the end of January 2017, the SRB has informed ING that it supports the designation of ING Group as the point of entry. Henceforth, ING Group will be the issuing entity for all TLAC/ MREL eligible debt consisting of Additional Tier 1, Tier 2 and senior unsecured debt.

G-SIBs will be required to meet the TLAC requirement alongside the minimum regulatory requirements set out in the Basel III framework. Specifically, they will be required to meet a Minimum TLAC requirement of at least 16% of the resolution group's risk-weighted assets ("TLAC RWA Minimum") as from 1 January 2019 and at least 18% as from 1 January 2022. Minimum TLAC must also be at least 6% of the Basel III leverage ratio denominator ("TLAC Leverage Ratio Exposure (LRE) Minimum") as from 1 January 2019, and at least 6.75% as from 1 January 2022. Buffer requirements will come on top of the RWA requirement but not on top of the leverage requirement. In addition, the Single Resolution Board has assumed full power as per 1 January 2016. The work plan for the SRB in 2016 will focus on determining the preferred resolution strategy, the resolution entity and the required amount of MREL.

The Issuer continues to maintain a strong and high quality capital level, with a fully-loaded Common Equity Tier-1 ratio and a phased-in Common Equity Tier-1 ratio of 12.6%, thereby complying with CRR/CRD IV solvency requirements. A dividend from the Issuer to ING Group of EUR 1.3 billion was paid in November 2016. The fourth quarter 2016 profit of EUR 0.6 billion is not included in the regulatory capital per December 2016 as this was upstreamed as dividend to ING Group in February 2017. The sale of 2.5% of Kotak Mahindra Bank shares, which was settled in October 2016, had no material impact on ING's capital ratios. The fully loaded and phased in Tier-1 ratios respectively increased from 13.9% to14.7% and 13.4% to 14.4%, primarily reflecting developments in the Issuer's common equity Tier 1 ratio. This was partly offset by the redemption of the USD 800 million 7.05% grandfathered Perpetual Debt Securities in September.

Tier 2 debt instruments

On 11 April 2016, the Issuer issued EUR 1 billion debt instruments in the form of Fixed Rate Subordinated Notes due 11 April 2028 under its EUR 55 billion Debt Issuance Programme qualifying as Tier 2 capital under CRD IV / CRR to further strengthen its capital base. These debt instruments are subject to an exchange provision. Now that clarity has been provided on the preferred resolution strategy, ING intends to use the option to replace these ING Bank Tier 2 notes with ING Group Tier 2 notes at similar terms through exchange. The noteholders have agreed upfront to the terms and conditions to exchange their ING Bank Tier 2 notes for ING Group Tier 2.

Delivering on Restructuring

As a result of having received Dutch state aid, ING in 2009 agreed a restructuring plan that met the European Commission's requirements to approve the state aid. The Restructuring Plan subjected ING to certain behavioural restrictions and it was required among other things, to divest a significant part of its operations, including its insurance activities and its ING Direct operations in the United States.

The behavioural restrictions ceased to apply on 29 May 2015 after ING divested NN more than 50% and deconsolidated NN under IFRS. As of 31 December 2015, the Restructuring Plan had been fully implemented, except for ING's obligation to sell its remaining stake in NN Group. In transactions executed in February and April 2016, ING completed the divestment of its stake in NN Group. The divestment improved ING Group's Common Equity Tier 1 ratio and also turned debt at the Group level into a cash surplus, providing ING with ample financial flexibility. ING believes the divestment has left the company stronger, simpler and more sustainable.

Market and Regulatory Context

Macroeconomic developments in 2016

Global economic developments

Similar to 2015, 2016 was not a strong year for the global economy. Growth in the US regained momentum, but the recovery in the Eurozone was not able to shift into higher gear and the Chinese economy continued to slow. However, although uncertainty about the global economic outlook and (geo)political uncertainty led to flares of financial market volatility, the global economy held up relatively well. Concerns about the global economy started in the first quarter, with disappointing data on the Chinese economy and a decline in oil prices. The world's main stock market indices fell 10 to 15 per cent. below 2015 year-end levels and corporate credit risk rose to levels not seen during the previous two-and-a-half years. Currencies of a number of important emerging economies came under downward pressure. Worries eventually faded, and stock markets and oil prices recovered, as the US Federal Reserve signalled it would be cautious and take the state of the global economy into account when raising interest rates, and the Chinese authorities implemented measures to support the economy.

Brexit

In late June 2016, financial market volatility increased as Britain surprised markets by deciding to leave the EU ("Brexit"). While the British pound depreciated to record lows against the US dollar and the Bank of England loosened monetary policy as a precaution, the immediate economic impact appears relatively limited. Still, there is long-term uncertainty, as the actual Brexit probably will not take place until 2019 at the earliest. It is still unclear what the relationship between the UK and the EU will be after Brexit.

Eurozone developments

Persistent low growth and declining inflation led the ECB to further loosen monetary policy in 2016. This triggered spectacular falls in market interest rates. Also because of Brexit fears, yields on German government bonds with a remaining maturity of 10 years became negative. While similar bonds issued by other Eurozone governments still carried positive yields, they were at historic low levels as well and often negative for shorter maturities. However, in the second half of the year, expectations about a more expansionary fiscal policy in the US following the presidential election victory of Donald Trump, an interest rate increase by the Federal Reserve, and an increase in oil prices, pushed up capital market interest rates again. ECB policies also resulted in a further decline in the cost of borrowing for Eurozone households and businesses and contributed to a modest increase in credit demand. Marked differences between countries remain, with credit growth generally more positive in northern European countries, while low or negative in southern ones.

Low–interest-rate environment

Persistent low interest rates will, over time, put banks' net interest income under pressure. On mortgages for instance, ING could be confronted with higher than expected prepayment rates as the difference between rates on existing mortgages and the prevailing market rate lead customers to refinance. On savings, net interest income may decrease as savings rates approach zero and options to further reduce client rates on savings deposits diminish. ING actively manages its interest-rate risk exposure and successfully maintained the net interest margin on its core lending in 2016. To address the challenge of interest-income erosion, containing costs remains an important goal. ING is also putting more emphasis on generating fee-based income and is reassessing its product characteristics.

Progress on relevant regulatory initiatives

The Single Supervisory Mechanism (SSM), the system of banking supervision for Europe, was in effect for the second full year in 2016. In this second year, the daily interactions on supervision between the European Central Bank (ECB), national competent authorities like the Dutch Central Bank in the Netherlands and banks were streamlined further.

The ECB in particular took important steps to communicate its expectations to the banking sector and public at large. For example, the ECB provided detailed information about its annual Supervisory Review and Evaluation Process (SREP) and its findings based on its sector-wide thematic review on risk governance and appetite. Such transparency helps support the banking union in coming together, as well as the efficiency and effectiveness of the ECB's supervision.

ING remains a supporter of the SSM. With its strong European footprint, the Issuer has a clear interest in the proper functioning of European financial markets and in a harmonised approach to European banking supervision. The Issuer believes that this will contribute to a more efficient use of capital across Europe. As banks' customers are more able to realise their ambitions, the European economy's growth prospects will benefit. Harmonisation will also help the Issuer accelerate ING's Think Forward strategy to create one digital banking platform across borders.

ING expects benefits from harmonised supervision to materialise over the coming years with converging supervisory practices, stress testing, streamlined reporting, and the cross-border flow of capital and liquidity.

Alongside the SSM, the Single Resolution Mechanism (SRM) came into force on 1 January 2016. It aims to ensure an orderly resolution process for failing banks. With SSM and SRM, two of the three pillars of the Banking Union have been established. More on this can be found in "Regulation and Supervision – Global Regulatory Environment" below.

The last remaining pillar, mutualisation of deposit guarantee schemes, is progressing at a much slower pace than the first two pillars. Lack of a common European deposit guarantee scheme leaves the eurozone potentially vulnerable to interdependence between banks and governments, despite the existence of the SSM and SRM.

The second EU Directive on Payment Services (PSD2) was adopted in October 2015 and will be implemented in the coming years. It will create an EU-wide single market for payment initiation services and account information services. Its main objective is to promote innovation and competition in the EU payments market. ING welcomes this development and sees the PSD2 as an opportunity to develop new and innovative ways of serving the Issuer's customers. At the same time, the Issuer finds it important regulators take into account the changing competitive landscape and support financial services providers who embrace innovation and new ways of doing business and should ensure they can compete on a level playing field with newcomers.

In November 2016, the EC launched the review of the existing Capital Requirements Regulation (CRR) and Directive (CRD), and Bank Recovery and Resolution Directive (BRRD) regulation. These draft EC proposals are subject to approval by the European Parliament and Council. They consist of important new regulatory requirements for banks, including the Net Stable Funding Ratio (NSFR), the leverage ratio, review of the trading book and counterparty credit risk. The proposal also includes changes to transpose the FSB TLAC term sheet into EU law and introduces a harmonised approach for creditor hierarchy in Europe.

Regulatory costs and uncertainty

ING's regulatory costs increased 36.3% in 2016. One main reason were costs for the new Dutch deposit guarantee scheme (EUR 129 million in 2016 compared with zero in 2015). A new European rule says that banks must pay into these deposit guarantee schemes on a regular basis and not just after a bank failure.

Bank taxes were also a major reason for higher costs in 2016; specifically a Polish bank tax of EUR 64 million compared with zero in 2015. This taxes a part of the Issuer's balance sheet on which the Issuer already pays tax in the Netherlands. There is no European regulation on bank taxes and little coordination between countries addressing the fact that banks pay the same taxes in more than one country. The Issuer hopes that, as is already the case in Germany and foreseen in France, bank taxes will be abolished in the Netherlands and in other countries that still require them.

Other new regulation also contributed to the rise in costs for 2016, such as the European Single Resolution Mechanism (SRM) mentioned above. This required banks to begin paying contributions to the Single Resolution Fund as of January 2016.

A prominent source of regulatory uncertainty in 2016 was the Basel Committee on Banking Supervision (BCBS) proposals regarding risk-weighted assets. The proposals are intended to make risk-weight calculation simpler and more comparable across banks, limiting the use of banks' own internal models. ING believes that the Basel proposals could allocate too high a risk weight to various lending activities, in particular mortgages, corporates and specialised lending. This would not be in line with historical loss rates and distorts sound economic incentives. ING does support increased comparability of internal models and therefore supports initiatives to address undue risk variability. It is involved in ECB and European Banking Authority (EBA) work underway to address this, such as the Targeted Review of Internal Models (TRIM) by the ECB. Apart from the proposals in the area of credit risk, the BCBS is also considering changes in the areas of operational and market risk. The continuing uncertainty is detrimental for banks and the economy at large.

Other uncertainties concern loss-absorption requirements, which have not yet been finalised in the EU. The Financial Stability Board's total loss-absorbing capacity term sheet still has to be transposed into EU law before it is clear how to calculate the minimum requirement for own funds and eligible liabilities (MREL).

The range and complexity of non-prudential regulation is increasing. Regulation is becoming more stringent in areas like customer due diligence (CDD) and transaction monitoring to prevent and report money laundering (AML), terrorist financing, and fraud. Regulations such as the Common Reporting Standard (CRS) and FATCA, which require financial institutions to report detailed client-related information to competent authorities, are also adding to banks' regulatory burden. There are a number of risks in areas where applicable regulations are unclear, subject to multiple interpretations or under development, are in conflict with each other, or where regulators revise their guidance or courts overturn previous rulings. Meeting all these requirements within the strict timelines that have been set poses a significant operational challenge for banks. Regulations also need to strike a proper balance between consumer protection and innovation to allow banks to compete in the new competitive environment.

Competitive landscape

Technology is removing a number of the barriers to entry that once insulated the Issuer's business. The Issuer faces competition from many different directions, with relatively new players providing more segmented offers to its customers and clients. Technology giants, payment specialists, retailers, telecommunication companies, crowd-funding initiatives and aggregators are all encroaching on the market for traditional banking services. Its customers, in turn, are willing to consider these offers.

Banks strive to act in the interests of their customers. Safe banking requires specific knowledge of financial services, in-depth knowledge of customers, and rigorous risk-management systems. As competition from outside the banking sector continues to increase, ING Bank has to become faster, more agile and more innovative.

The Issuer's long track record and strong brand place it well to seize these opportunities and become a better company for all of its stakeholders. ING Bank is a leader in digital banking, and it has scale combined with local market expertise. It is investing in building profitable, mutually beneficial relationships with its customers based on the quality of its service and the differentiating experience it offers them. ING intends to be even clearer about the strategic choices it makes.

ING Bank Strategy

ING's purpose is to empower people to stay a step ahead in life and in business. This is founded on ING's belief that the role of a financial institution is to support and promote economic, social and environmental progress at the same time as it generates healthy returns for shareholders. To fulfil that purpose, achieve financial and commercial success and create value for all its stakeholders ING Bank has developed the Think Forward strategy.

ING's approach to the customer experience is based on its Customer Promise. This is a pledge to customers to be Clear and Easy, available Anytime and Anywhere, to Empower and to Keep Getting Better. ING Bank does that by striving to be a leader in the digital customer experience based on easy access, simplified products and services, and tools to help customers make smart financial decisions.

The success of ING's strategy is reflected in the growing number of customers who want to bank with ING Bank, the high level of customer satisfaction and the growth of ING Bank's lending franchise. By end-2016 ING's total number of customers stood at almost 36 million, an increase of more than a million year-on-year. Primary customers also increased to 9.7 million, on track to achieve ING's target of 10 million primary customers by 2017; this ambition has now been increased to 14 million primary customers by 2020.

ING Bank enjoys high customer satisfaction scores in many of its markets, achieving number one Net Promoter Scores (NPS) in 7 of its 13 retail markets, and its net core lending grew during 2016 by more than six percent, supporting the economies of the countries where it is active.

One of the ways ING is fulfilling its purpose to empower customers is by offering products, services and tools that make it easier for customers to manage their money and make better financial decisions. In 2016, ING in Spain introduced My Money Coach, a free digital service that uses answers customers provide on their personal situation, risk appetite and financial knowledge to design a personalised plan to help them achieve their savings, investment and retirement goals. Last year ING Bank also expanded the range of the successful online Financially Fit planning tools in The Netherlands. Similar digital advisers are part of ING's offering or are being developed in Belgium, France, Poland and Spain.

In 2016, ING launched Moje ING in Poland, an omnichannel customer interface offering an easy overview of a customer's finances and financial planning tools and based on ING's successful Genoma platform in Spain. In the Netherlands, ING also introduced the "Kijk Vooruit" (or "Look Ahead") tool, which enables users to gain more control over their finances through an overview of future planned and predicted transactions.

ING believes that banking can play a significant role in creating a fairer and greener economy. This includes helping its clients to develop more sustainable business models and supporting clients who develop solutions to environmental and social challenges and also clients who are environmental outperformers in their sectors. ING's sustainable transitions financed came to more than EUR 34 billion in 2016. One notable deal ING was involved in was UK waste operator Shanks Plc's merger with the leading Dutch waste processor Van Gansewinkel Groep. ING served as advisor and underwriter for this deal that will create one of Europe's leading players in recycling and illustrates ING's commitment to the circular economy.

Accelerating Think Forward

While it is achieving successes with its strategy, rapid developments in technology, customer behaviour and the competitive landscape mean that ING needs to speed up its pace of transformation in order to offer customers a differentiating experience in the future. These trends include the continuing digitalisation of banking – especially the rapid growth of mobile devices as the main customer interface – and technology reducing barriers to enter the financial services markets, resulting in a wave of newcomers targeting segments underserved by traditional banks. In addition, new regulations are opening up Europe's payment market to non-banks, and digital ecosystems are developing that allow users to access social media, online purchases, services and payments all in one app. Low interest rates are also decreasing returns for customers and depressing banks' interest margins. And regulatory changes are increasing the cost of capital, limiting banks' capacity to continue to provide certain types of services at a reasonable price. This means that ING needs to look to new offerings that can provide consumers an alternative, for example to low yielding savings accounts, and generate fee income for the bank. It also needs to reduce its operating costs without compromising on the customer experience that it delivers.

To keep up with these developments and remain among the leaders in digital banking, ING Bank needs to offer a customer experience that is instant, personal, frictionless and relevant – one that meets the expectations customers have from their interactions with other leaders in the online digital experience.

The future of banks is not banking as we know it today. This is challenging ING Bank as a bank to re-think what it is. ING Bank believes it should be providing its customers, both Retail and Wholesale, with one platform that extends beyond banking. It should provide customers with their complete financial picture across all institutions, with actionable insights so that they are empowered to make smart financial decisions. ING also envisages connecting its customers to solutions offered by third parties. And ING will connect its ecosystem to selected digital ecosystems, to be visible and present in the places where customers go when they are online.

To help ING achieve this, it announced in October 2016 an investment of EUR 800 million in continued digital transformation to further improve the customer experience and accelerate growth in primary customers and lending. This effort will be overseen by a newly created chief transformation officer role at Management Board Banking level that will be filled by Roel Louwhoff, who will combine the new role with his current one as chief operating officer.

ING's goal is to ultimately converge its different banking models into one globally scalable platform. As a first step, it will move to an intermediate state (2016-2021) where it will converge businesses with similar customer propositions that can benefit from a more standardised approach and economies of scale.

In the Netherlands and Belgium, ING Bank intends to improve its customer experience by moving to an integrated banking platform, leveraging the combined strengths of the omnichannel capabilities of the Netherlands with the relationship model and advice capabilities of Belgium. In its Challenger markets, ING Bank will work towards a Model Bank, with one retail strategy and harmonised retail proposition focused on increasing customer interaction, and supported by a shared services organisation. Germany's Welcome banking platform will further digitalise ING's business there and enable it to pilot key elements of the future integrated platform, which it plans over time to open to non-customers and for selected third parties. In Wholesale Banking, ING will continue its Target Operating Model (TOM) programme, further driving simplification, business growth and innovation.

In this intermediate state, ING is also laying the bank-wide, shared foundation that will allow it to develop into a single, integrated platform in the future. This comprises global process management, global data management, modular architecture, bank-wide shared services and cloud-based services.

ING will fund this journey and respond to headwinds on the economic growth and regulatory fronts through additional cost management and income diversification.

Elements of ING Bank's strategy

Strategic priorities

To deliver on its Customer Promise and create a differentiating customer experience, ING Bank has identified four strategic priorities:

Earning the primary relationship – the better ING Bank knows its customers, the better it will be able to empower them to make smart financial decisions and continue to be relevant for them. ING Bank can do this best if customers do a range of banking with it – if it is the bank its customers go to for their daily transactions. ING Bank calls that the primary relationship. In Retail Banking, ING Bank defines the primary relationship as a customer with a payment account with recurrent income and at least one other product with ING. In Wholesale Banking, it aims to increase primary relationships by increasing its so-called "flow" relationships (e.g. transaction services, working capital solutions) and the percentage of relationships where ING Bank is the client's lead finance provider.

Develop data analytics – the relationship between banks and their customers, as in other industries, is increasingly a digital one. Digitalisation challenges banks to maintain intimacy with a customer who they rarely meet face to face. But the digital interface also provides a wealth of data on customers' preferences and needs that gives banks important insights they can use to provide the kind of experience customers now expect from businesses they interact with online. Developing analytic skills is essential to serving customers in a digital world. This is not only important for improving customer services, but also for preventing fraud, improving operational processes, reducing risks and generating services that go beyond traditional banking so ING Bank can stay relevant for customers.

Increase the pace of innovation – to serve changing customer needs – customer expectations, new technologies and new competitors are transforming banking. Through innovation, ING Bank can increase efficiency, improve the customer experience and gain competitive advantage. ING Bank's PACE methodology is designed to encourage fast experimentation and turn ideas quickly into new products and services for customers. ING Bank also promotes an internal culture of innovation through its employee-driven Innovation Bootcamps. To speed up the pace of innovation ING also partners with outside parties, including fintechs.

Think beyond traditional banking to develop new services and business models – thinking beyond traditional banking is crucial given that disruption in the banking industry puts a significant portion of revenues at risk. ING Bank's payments value chain is already under threat from many bank and nonbank players. To be successful, banks need to expand the concept of what a bank is and what it means to customers. ING Bank envisages doing this by creating an open digital platform that also includes relevant offers from third parties, providing a complete financial view for customers in one place – including of their holdings at other institutions – so they are empowered to make better financial decisions, and also by finding ways to be relevant to customers earlier in their purchasing decision-process.

Geographical presence and strategic approach

ING Bank has a presence in over 40 countries. Though its local businesses vary in terms of their market positions all are guided by ING Bank's purpose of empowerment and strategy to provide customers with a differentiating customer experience.

Market Leaders – these are ING Bank's businesses in mature markets in the Benelux where it has strong positions in retail and wholesale banking. Its strategy is to grow in selected segments, continue to invest in digital leadership with a digital-first model, deliver on operational excellence programmes and create greater cost efficiency in order to fund business expansion in growth markets.

Challengers – these are businesses in markets where ING Bank offers both retail and wholesale banking services. Its retail activities are mainly direct-banking offered online with a significant cost advantage over traditional banks. Its strategy is to leverage its strong savings franchises in these markets to expand into payments accounts and increase the number of primary customer relationships. ING Bank is also using its direct banking experience to grow the lending business at low cost in areas like consumer and SME lending. Further, it is using its strong savings businesses to fund expansion of Wholesale Banking, particularly to support clients in Industry Lending and working capital solutions.

Growth Markets – these are businesses in markets with a full range of retail and wholesale banking services in markets with expanding economies and strong growth potential. ING Bank is investing to achieve sustainable franchises and will focus on digital leadership by converging to the direct-first model and by prioritising innovation.

Wholesale Banking – ING Wholesale Banking is a network bank for its clients across Europe with global reach and strong positions in a number of global franchises, including Industry Lending, Financial Markets and Transaction Services. ING Wholesale Banking is investing in its business transformation programme Target Operating Model and is targeting growth in its corporate client base, Industry Lending and Transaction Services. In Challenger countries it is expanding its lending activities to build locally optimised balance sheets and sustainable franchises.

ING Group's performance in 2016

The good progress that ING has made in 2016 implementing the Think Forward strategy and providing differentiating banking experience for customers, resulted in strong commercial and financial performance.

ING Group net result of EUR 4.7 billion and underlying net result of just under EUR 5 billion were driven by robust commercial growth at resilient margins and declining risk costs and achieved despite increasing regulatory costs.

ING's focus on primary customer relationships helped it to achieve healthy and balanced growth in its lending to customers and in customer deposits. Net core lending grew by nearly EUR 35 billion and customer deposits increased by EUR 22 billion in 2016, both increasing around six per cent.

Lending is well diversified across regions and categories, with particularly strong growth in the Challengers & Growth Markets and Industry Lending in Wholesale Banking. Substantial progress was also seen in fee and commission income, particularly in Challengers & Growth Markets where ING Bank is increasingly becoming the primary bank for customers.

ING believes that this strong profitability and growth and the important steps it is taking to accelerate the strategy enables it to continue to be successful in the future and providing a superior experience for customers.

Corporate Organisation

ING Bank N.V. has a Supervisory Board and a Management Board Banking. The Management Board Banking is responsible for the day-to-day management of ING Bank and its business lines Retail Banking and Wholesale Banking. See "Supervisory Board and Management Board Banking" above.

The Management Board Banking sets the performance targets and approves and monitors the budgets prepared by the business lines. Business lines formulate strategic, commercial and financial policy in conformity with the strategic and performance targets set by the Management Board Banking.

Retail Banking

Retail Banking provides banking services to individuals, SMEs and mid-corporates in Europe, Asia and Australia. A full range of products and services is provided, albeit offerings may vary according to local demand.

For more on Retail Banking, please refer to the general description (on page 34).

Wholesale Banking

ING Wholesale Banking is a European wholesale bank with global reach. It has an extensive international network of offices in more than 40 countries across Europe, Asia and the Americas. Wholesale Banking's global franchises in Industry Lending, General Lending, Transaction Services and Financial Markets serve a range of organisations, including corporates, multinational corporations, financial institutions, governments and supranational bodies.

For more on Wholesale Banking, please refer to the general description (on page 34).

Industry Lending

Industry Lending is a high value-added product for clients and ING Bank. ING Bank's Industry Lending teams provide financing to clients in selected markets based on specialist industry knowledge and expertise. Industry Lending, is broadly diversified across sectors and geographies. Its activities are grouped into the Energy, Transport & Infrastructure Group, the Specialised Financing Group, the International Trade and Export Finance Group, and Real Estate Finance.

General Lending

General Lending is offered to corporate clients as the anchor product in a broader relationship typically involving flow products in Financial Markets ("FM") or Transaction Services. It is typically less complex than Industry Lending with more standardised transactions. Client teams focus on cross-sell opportunities with other bank products.

Transaction Services

Transaction Services supports ING Bank's client's core processes and daily financial operations with tailor-made integrated solutions and advice. It compromises Payments & Cash Management, Trade Finance Services, Working Capital Solutions and Bank Mendes Gans, ING's cash pooling business.

ING Bank is an important player in the issuing (corporate cards) and the retail payment markets. Both products lines generate fee-based income.

ING Bank is a top Payments & Cash Management provider in the Benelux. It also enhanced its raking amongst the top league pan-European cash management banks due to the exit of a global competitor.

Trade Finance Services ("TFS") finances, settles and mitigates risks of international trade for clients in all markets globally, but primarily in Asia, the Middle East, Central and Eastern Europe and Latin America.

Working Capital Solutions ("WCS") combines ING Bank's Supply Chain Finance and Trade Receivables activities and is a key growth area for Wholesale Banking, offering substantial opportunities for ING Bank's clients to achieve efficiency benefits. From the bank's perspective, the underlying short-term and capital-efficient nature of this asset class makes it an attractive area for ING Bank to expand.

Bank Mendes Gans ("BMG") is a specialist bank providing global liquidity management services, including multi-currency, multi-bank cash-pooling and netting solutions, to multinational corporations.

Financial Markets

FM is a well-diversified business targeting developed markets and emerging economies. It focuses on interest rates, currencies and to credit products. It aims to serve ING Bank's institutional, corporate and retail clients with relevant financial markets products.

Through FM, ING Bank also provides its clients with a gateway to global institutional markets. A multi-product global sales force offers a full range of products and services across three main business lines: FX Rates and Credit Trading, Global Equity Products and Global Capital Markets. It provides clients with hedging solutions to mitigate financial risk in all markets. It also provides investment solutions to meet specific investment objectives, as well as financing solutions through clients' public or private debt or equity issuance, or through securities financing.

In Debt Capital Markets ING Bank continues to transform the business into a consistent top-10 European player in its chosen areas of focus. These areas of focus include supporting existing clients, maintaining its position as Dutch bank of choice for issuers, and capitalising on its continued balance sheet support for Russia, Turkey, Poland and Romania.

Real Estate and Other

Real Estate & Other (RE&O) focuses on a smooth divestment of the remaining real estate portfolio of the former Real Estate Development and Real Estate Investment Management operations. It also includes General Lease operations outside ING Bank's home markets which have been placed in run-off.

Regulation and Supervision

European Regulatory framework

In November 2014, the European Central Bank (ECB) assumed responsibility for a significant part of the prudential supervision of euro area banking groups in the Eurozone, including ING Bank. Now that the ECB has assumed responsibility for the supervision of the banking groups in the Eurozone, it has become ING Bank's main supervisor. The ECB is amongst others responsible for tasks such as market access, compliance with capital and liquidity requirements and governance arrangements. National regulators remain responsible for supervision of tasks that have not been transferred to the ECB such as financial crime and payment supervision.

Dutch Regulatory Framework

The Dutch regulatory system for financial supervision consists of prudential supervision – monitoring the soundness of financial institutions and the financial sector, and conduct-of-business supervision – regulating institutions' conduct in the markets. As far as prudential supervision has not been transferred to the ECB, it is exercised by the DNB, while conduct-of-business supervision is performed by the AFM. DNB is in the lead with regard to macroprudential supervision. However, the ECB can set higher macroprudential obligations than proposed by DNB.

Global Regulatory Environment

There is a variety of proposals for laws and regulations that could impact ING Bank globally, in particular those made by the Financial Stability Board and the Basel Committee on Banking Supervision at the transnational level, Dodd-Frank in the United States and an expanding series of supranational directives and national legislation in the European Union**.** The aggregated impact and possible interaction of all of these proposals are hard to determine, and it may be difficult to reconcile them where they are not aligned. The financial industry has also taken initiatives by means of guidelines and self-regulatory initiatives. Examples of these initiatives are the Dutch Banking Code as established by the Dutch Bankers' Association, which details a set of principles on corporate governance, risk management, audit and remuneration that Dutch banks have to apply on a comply-or-explain basis. Elements of these initiatives may subsequently be incorporated into legislation, as was the case with the "Banker's oath" and remuneration principles from the Dutch Banking Code. The aforementioned "Banker's oath" is a mandatory oath for all employees in the Netherlands of banks licensed in The Netherlands, which the Dutch government has introduced, effective per 1 April 2015. In this oath, the employees of the relevant ING Bank entities, declare that they (i) will perform their duties with integrity and care (ii) will carefully consider all the interests involved in the company, i.e. those of the customers, the shareholders, the employees and the society in which the company operates, (iii) in that consideration, will give paramount importance to the client's interests and inform the customer to the best of their ability, (iv) will comply with the laws, regulations and codes of conduct applicable to them, (v) will observe secrecy in respect of matters entrusted to them, (vi) will not abuse their knowledge, (vii) will act in an open and assessable manner and know their responsibility towards society and (viii) will endeavour to maintain and promote confidence in the financial sector. To enforce the oath, non-compliance can be sanctioned by a special disciplinary court. Moreover, if Executive or Supervisory Board members break the oath, the supervisory authority (DNB/AFM) can decide to reassess their suitability. As mentioned above, a significant change has been made to the supervisory structure within the Eurozone and in November 2014 the Single Supervisory Mechanism ("SSM") came into force, a mechanism composed of national competent authorities and the ECB with the ECB assuming direct responsibility for a significant part of the prudential supervision of the Issuer and its holding company ING Group. ING expects to benefit from the harmonisation of supervision resulting from the SSM but at the same time does not expect such harmonisation to be fully in place in the short- to mid-term.

Another significant change in the regulatory environment is the setting up of the Single Resolution Mechanism ("SRM"), which comprises the Single Resolution Board ("SRB") and the national resolution authorities and is fully responsible for the resolution of banks within the Eurozone as of 1 January 2016. ING has been engaging already with the Dutch national resolution authorities for a few years with the aim to draw up a resolution plan for ING. ING will continue to work with the SRB to set up a resolution plan for ING. The rules underpinning the SRM could have a significant impact on business models and capital structure of financial groups but at this stage it is not clear what the impact on ING's banking operations will be.

As a third pillar to the Banking Union, the EU has harmonised regulations for Deposit Guarantee Schemes ("DGS"). Main elements are the creation of ex-ante funded DGS funds, financed by risk-weighted contributions from banks. As a next step, the EU is discussing a pan-European (or pan-banking union) DGS, (partly) replacing or complementing national compensation schemes. A more definitive proposal is expected in 2017 or 2018.

Dodd-Frank Act

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), which became law on 21 July 2010, represented a significant overhaul in the regulation of U.S. financial institutions and markets. The primary impact on ING Bank is through the establishment of a regulatory regime for the off-exchange derivatives market, pursuant to Title VII of the Dodd-Frank Act.

Among other things, the regulation of the U.S. derivatives market required swap dealers to register with the Commodity Futures Trading Commission (the "CFTC", the primary swaps regulator in the U.S.) as 'swap dealers' or 'major swap participants' and be subject to CFTC regulation and oversight. The ING subsidiary, ING Capital Markets LLC, is registered as a swap dealer. As a registered entity, it is subject to business conduct, record-keeping and reporting requirements, as well as capital and margin requirements. In addition to the obligations imposed on registrants, such as swap dealers, reporting, clearing, and on-facility trading requirements have been imposed for much of the off-exchange derivatives market. It is possible that registration, execution, clearing and compliance requirements will increase the costs of and restrict participation in the derivative markets. These rules (as well as further regulations, some of which are not yet final) could therefore restrict trading activity, reducing trading opportunities and market liquidity, potentially increasing the cost of hedging transactions and the volatility of the relevant markets. This could adversely affect the business of ING in these markets.

The Dodd-Frank also impacts U.S. banks and non-U.S. banks with branches or agencies in the United States. The primary impacts are through the Volcker Rule and Section 165 of the Dodd-Frank Act.

The Volcker Rule imposes limitation on U.S. banks, the U.S. branches of non-U.S. banks, and the affiliates of either, on proprietary trading and investing in hedge funds and private equity funds.

Among other things, Section 165 of the Dodd-Frank Act imposes capital, liquidity, stress-testing, and risk management requirements on most U.S. banking and non-banking operations of non-U.S. banking organisations with U.S. branches or agencies. Those with U.S. non-banking assets of $50 billion or more also must establish an intermediate holding company as the top-level holding company for the organisation's U.S. non-banking entities. This intermediate holding company is regulated in a manner similar to a U.S. bank holding company.

The Dodd-Frank Act also created a new agency, the Financial Stability Oversight Council ("FSOC"), an inter-agency body that is responsible for monitoring the activities of the U.S. financial system, designating systemically significant financial services firms and recommending a framework for substantially increased regulation of such firms, including systemically important non-bank financial companies that could consist of securities firms, insurance companies and other providers of financial services, including non-U.S. companies. The consequences of being designated a systemically important non-bank financial company could be significant, including having subsidiaries supervised by the Federal Reserve Board, and being subject to heightened prudential standards, including minimum capital requirements, liquidity standards, short-term debt limits, credit exposure requirements, management interlock prohibitions, maintenance of resolution plans, stress testing, and other restrictions. ING or any part thereof (such as its U.S. operations) has not been designated a systemically significant non-bank financial company by the FSOC and such a designation is deemed unlikely.

The Dodd-Frank Act also imposes a number of other requirements, some of which may have a material impact on ING Bank's operations and results, as discussed further under "Risk Factors—The Issuer operates in highly regulated industries. Changes in laws and/or regulations governing financial services or financial institutions or the application of such laws and/or regulations governing its business may reduce its profitability".

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

DNB, ING Bank's home country supervisor until the ECB took over that position in November 2014, has given ING Bank permission to use the most sophisticated approaches for solvency reporting under the Financial Supervision Act, the Dutch legislation reflecting the Basel II and Basel III Frameworks. DNB has shared information with host regulators of relevant jurisdictions to come to a joint decision. In all jurisdictions where the bank operates through a separate legal entity, ING Bank must meet local Basel requirements as well.

ING Bank uses the Advanced IRB Approach for credit risk, the Internal Model Approach for its trading book exposures and the Advanced Measurement Approach for operational risk. As of 2009, a Basel I regulatory floor of 80% of Basel I RWA has been applicable. A small number of portfolios are still reported under the Standardised Approach.

In December 2010, the Basel Committee on Banking Supervision announced higher global minimum capital standards for banks, and has introduced a new global liquidity standard and a new leverage ratio to be phased in over 2014-2018. The Committee's package of reforms, collectively referred to as the "Basel III" rules, among other requirements, increases the amount of common equity required to be held by subject banking institutions, prescribes the amount of liquid assets and the long term funding a subject banking institution must hold at any given moment, and limits leverage. Banks will be required to hold a "capital conservation buffer" to withstand future periods of stress such that the required common equity Tier 1 ratio, when the buffer is fully phased in on 1 January 2019, will rise to 7%. Basel III also introduces a "countercyclical buffer" as an extension of the capital conservation buffer, which permits national regulators to require banks to hold more capital during periods of high credit growth (to strengthen capital reserves and moderate the debt markets). Further, Basel III will strengthen the definition of capital that will have the effect of gradually disqualifying many hybrid securities during the years 2013-2022, including the hybrids that were issued by the ING Group, from inclusion in regulatory capital, as well as the higher capital requirements (for example, for credit value adjustments ("CVAs") and illiquid collateral) as part of a number of reforms to the Basel II framework. In addition, the Basel Committee and Financial Stability Board ("FSB") published measures that would have the effect of requiring higher loss absorbency capacity, liquidity surcharges, exposure limits and special resolution regimes for, and instituting more intensive and effective supervision of, "systemically important financial institutions" ("SIFIs"), in addition to the Basel III requirements otherwise applicable to most financial institutions. The implementation of these measures began in 2012 and full implementation is targeted for 2019. ING Bank has been designated by the Basel Committee and FSB as a so-called "Global Systemically Important Banks" ("G-SIBs"), most recently in November 2015, and by DNB and the Dutch Ministry of Finance as a "domestic SIB" ("D-SIB") from November 2011 onward.

For European banks the Basel III requirements have been implemented through the Capital Requirement Regulation ("CRR") and the Capital Requirement Directive ("CRD IV"). The Dutch CRD IV Implementation Act has led to significant changes in the Dutch prudential law provisions, most notably with regard to higher capital and liquidity requirements for all banks. The CRD IV regime entered into effect in August 2014 in The Netherlands, but not all requirements are to be implemented all at once. Having started in 2014, the requirements will be gradually tightened, mostly before 2019, until the Basel III migration process is completed in 2022. While the full impact of the new Basel III rules, and any additional requirements for G-SIBs if and as applicable to ING Group, will depend on how they are implemented by national regulators, including the extent to which such regulators and supervisors can set more stringent limits and additional capital requirements or surcharges, as well as on the economic and financial environment at the time of implementation and beyond, ING Bank expects these rules to have a material impact on ING Bank's operations and financial condition and may require ING Group to seek additional capital. The DNB requires the largest Dutch banks, including ING Group, to build up a 3% Systemic Risk Buffer during 2016-2019 in addition to the capital conservation buffer and the countercyclical buffer described above, but this buffer then includes both the G-SIB and domestic SIB buffers mentioned above.

Banks are also subject to Pillar 2 requirements. Based on an internal capital adequacy assessment process ("ICAAP"), the ECB has examined ING's capital adequacy and set a Pillar 2 requirement of 1.75% for ING Group.

ING Bank files consolidated quarterly and annual reports of its financial position and results with DNB in The Netherlands as well as with the ECB. ING Bank's independent auditors annual audit these reports on an annual basis.

United States

ING Bank has a limited direct presence in the United States through the facility of the ING Bank Representative Office in New York. Although the office's activities are strictly limited to essentially that of a marketing agent of bank products and services and a facilitator (i.e. the office may not take deposits or execute any transactions), the office is subject to the regulation of the State of New York Department of Financial Services and the Federal Reserve. ING Bank also has a subsidiary in the United States, ING Financial Holdings Corporation, which through several operating subsidiaries (one of which is registered with the U.S. Commodity Futures Trading Commission as a swap dealer and another of which is registered with the U.S. Securities and Exchange Commission as a securities broker-dealer) offers various financial products, including lending, and financial markets products. These entities do not accept deposits in the United States on their own behalf or on behalf of ING Bank.

Anti-Money Laundering Initiatives and countries subject to sanctions

A major focus of governmental policy on financial institutions in recent years has been aimed at combating money laundering and terrorist financing. In addition, the bank regulatory agencies are imposing heightened standards, and law enforcement authorities have been taking a more active role.

Failure of a financial institution to maintain and implement adequate programs to combat money laundering and terrorist financing could have serious legal and reputational consequences for the institution. Further, Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 ("ITRA") added a new subsection (r) to Section 13 of the Securities Exchange Act of 1934, as amended, which requires ING Bank to disclose whether ING Group or any of its affiliates has engaged during the calendar year in certain Iran-related activities, including any transaction or dealing with the Government of Iran that is not conducted pursuant to a specific authorisation of the U.S. government.

EU and US sanctions against Iran were partially lifted in January 2016 under the Joint Comprehensive Plan of Action (JCPOA) that was agreed in July 2015 by China, France, Germany, Russia, the United Kingdom, the United States, the European Union, and Iran. As noted above, ING Bank has maintained its policy not to enter into new relationships with clients from Iran and processes remain in place to discontinue existing relationships involving Iran.

ING Bank maintains a limited legacy portfolio of guarantees, accounts, and loans that involve various entities with a (perceived) Iranian nexus. These positions remain on the books, but accounts related thereto are 'frozen' where prescribed by applicable laws and procedures and in all cases subject of an increased level of scrutiny. Any interest or other payments ING Bank is legally required to make in connection with said positions are only made into such accounts. Funds can only be withdrawn by relevant Iranian parties from 'frozen' accounts after due regulatory consent from the relevant competent authorities. ING Bank has strict controls in place to monitor every transaction related to these accounts, specifically to ensure that no unauthorised account activity takes place in relation to accounts that are 'frozen'. ING Bank may receive loan repayments, duly authorised by the relevant competent authorities where prescribed by applicable laws. For the relevant period, ING Bank had gross revenues of approximately USD 5.3 million, which was principally related to legacy loan repayment, and ING Bank estimates that it had net profit of approximately USD 63,641. ING Bank intends to terminate each of the legacy positions as the nature thereof and applicable law permits.

Also in 2016, the Ukraine-related sanctions imposed by both the US and the EU remained in force. Those sanctions restrict amongst others the dealing in specific (financial) products with certain named parties. Management of ING Bank entities use their existing control framework to ensure compliance with these sanctions.

The ING Bank Financial Economic Crime Policy (the "ING Bank FEC Policy") and Minimum Standards directly reflect relevant national and international laws, regulations and industry standards. The ING Bank FEC Policy is mandatory and applies to all ING banking entities, majority owned ING business, businesses under management control, staff departments, product lines and to all client engagements and transactions.

Management of ING Bank entities maintain local procedures aiming to enable them to comply with local laws, regulations and the ING Bank FEC Policy and Minimum Standards. Where local laws and regulations are more stringent, the local laws and regulations are applied. Likewise the FEC Policy and Minimum Standards prevail when the standards therein are stricter than stipulated in local laws and regulations and if not specifically forbidden (data privacy or bank secrecy).

The ING Bank FEC Policy and Minimum Standards provide a statement of what is required by all ING Bank entities, in order to guard against any involvement in criminal activity, and to participate in international efforts to combat money laundering and the funding of terrorist and criminal activities. The requirements in the ING Bank FEC Policy cover minimum standards and controls related to: money laundering, terrorist financing, export trade controls, proliferation financing, sanctions (economic, financial and trade) and countries designated by ING Bank as Ultra High Risk Countries (UHRC). The effectiveness of those controls is reviewed periodically.

As a result of frequent evaluation of all businesses from economic, strategic and risk perspective ING Bank continues to believe that doing business involving certain specified countries should be discontinued. In that respect, ING Bank has a policy not to enter into new relationships with clients from these countries and processes remain in place to discontinue existing relationships involving these countries. At present these countries are North Korea, Sudan, Syria, Iran and Cuba. Each of these countries is subject to a variety of EU, US and/or other sanctions regimes. Iran, Sudan, and Syria are identified by the US as state sponsors of terrorism and are subject to U.S. economic sanctions and export controls.

ING Bank has an FEC control framework in place to mitigate the risks related to Financial Economic Crime.

For further information regarding compliance with relevant laws, regulations, standards and expectations by ING Bank and its business in certain specified countries, see "Global Regulatory Environment" above.

Australia

ING Bank's banking activities are undertaken in Australia by ING Bank (Australia) Limited (trading as ING Direct) and ING Bank N.V., Sydney Branch. Banking activities, specifically licensing of an Authorised Deposit Taking Institution ("ADI") in Australia are subject to regulation by the Australian Prudential Regulation Authority ("APRA") and the Australian Securities and Investments Commission ("ASIC"). In addition, ING Bank entities are required to comply with the requirements under the Anti-Money Laundering and Counter Terrorism Financing Act that is subject to regulatory compliance oversight by the Australian Transaction Reports and Analysis Centre ("AUSTRAC").

APRA is responsible for the prudential regulation of banks and ADI's, life and general insurance companies, superannuation funds and Retirement Savings Account Providers. ASIC regulates corporate entities, markets, financial services and consumer credit activities. ASIC's aim is to protect markets and consumers from manipulation, deception and unfair practices and also promote confident participation in the financial system.

As an Australian incorporated subsidiary, ING Bank (Australia) Limited is required to comply with corporate requirements and in the event of listing of issued debt securities to comply with Australian Securities Exchange listing and disclosure requirements. ING Bank (Australia) Limited must demonstrate compliance with financial services laws as a condition to maintaining its Australian Financial Services Licence ("AFSL") and Australian Credit Licence ("ACL"). ING Bank N.V., Sydney Branch is not an Australian incorporated legal entity. ING Bank N.V., Sydney Branch holds its own banking ADI license and AFSL which is limited to the provision of financial services to wholesale clients."

SELECTED FINANCIAL INFORMATION

1. The table entitled "BREAKDOWN OF SHAREHOLDERS' EQUITY OF ING GROEP N.V." of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

BREAKDOWN OF SHAREHOLDERS' EQUITY OF ING GROEP N.V.*

(amounts in EUR million)	**31 December 2016**	**31 December 2015**	**31 December 2014**
Share capital	38	928	925
Share premium	16,950	16,054	16,046
Revaluation reserve	4,811	4,888	11,021
Currency translation reserve	-770	-538	-741
Net defined benefit asset/liability remeasurement reserve	-371	-306	-504
Other reserves	29,134	28,806	24,597

(amounts in EUR million)	31 December 2016	31 December 2015	31 December 2014
Shareholders' equity (parent)	49,793	47,832	51,344

*These figures have been derived from the audited annual consolidated accounts of the Issuer in respect of the financial years ended 31 December 2016, 2015 and 2014.

2. The table entitled "Consolidated Statement of Financial Position of ING Bank N.V." of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

(amounts in EUR million)	**31 December 2016**	**31 December 2015**	**31 December 2014**
Assets			
Cash and balances with central banks	18,144	21,458	12,222
Loans and advances to banks	28,872	29,966	37,122
Financial assets at fair value through profit or loss			
- trading assets	114,512	131,485	136,964
- non-trading derivatives	2,309	3,216	4,303
- designated as at fair value through profit or loss	5,099	3,234	2,756
Investments			
- available-for-sale	82,912	87,000	95,401
- held-to-maturity	8,751	7,826	2,239
Loans and advances to customers	562,873	700,007	703,920
Investments in associates and joint ventures	1,003	842	861
Property and equipment	2,002	2,027	2,100
Intangible assets	1,484	1,567	1,655
Current tax assets	252	279	289
Deferred tax assets	1,000	813	1,126
Other assets	14,706	12,272	12,716
Assets held for sale	0	0	729
Total assets	**843,919**	**1,001,992**	**1,014,403**
Equity			
Shareholders' equity (parent)	43,540	40,857	38,064
Non-controlling interests	606	638	622
Total equity	**44,146**	**41,495**	**38,686**
Liabilities			
Subordinated loans	16,104	15,920	16,599
Debt securities in issue	101,305	117,556	120,959
Deposits from banks	31,964	33,808	30,003
Customer deposits	531,096	672,204	675,082
Financial liabilities at fair value through profit or loss			
- trading liabilities	83,167	88,807	97,901
- non-trading derivatives	3,585	4,364	6,357
- designated as at fair value through profit or loss	12,266	12,616	13,551
Current tax liabilities	546	590	442
Deferred tax liabilities	919	645	872
Provisions	2,028	964	1,017

(amounts in EUR million)	**31 December 2016**	**31 December 2015**	**31 December 2014**
Other liabilities	16,793	13,023	13,744
Total liabilities	**799,773**	**960,497**	**975,717**
Total equity and liabilities	**843,919**	**1,001,992**	**1,014,403**

Note:

(1) Loans and advances to customers and Customer deposits, as at 31 December 2015 and 2014, are adjusted as a result of a change in accounting policies.

3. The table entitled "Breakdown of Shareholders' Equity of ING Bank N.V." of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

	31 December 2016	31 December 2015	31 December 2014
Share Capital	525	525	525
Share premium	16,542	16,542	16,542
Revaluation reserve	4,810	4,897	4,781
Currency translation reserve	-791	-540	-609
Net defined benefit asset/liability remeasurement reserve	-371	-306	-370
Other reserves	22,825	19,739	17,195
Shareholders' equity (parent)	43,540	40,857	38,064

(1) These figures have been derived from the audited annual consolidated accounts of the Issuer in respect of the financial years ended 31 December 2016, 2015 and 2014.

4. The table entitled "Consolidated Statement of Profit or Loss of ING Bank N.V." of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

(amounts in EUR million)	**2016**	**2016**	**2015**	**2015**	**2014**	**2014**
Interest income	44,221		46,397		48,376	
Interest expense	-30,904		-33,653		-35,770	
Net interest result		13,317		12,744		12,606
Investment income		421		127		213
Net result on disposals of group companies		1		2		195
Commission income	3,581		3,420		3,314	
Commission expense	-1,148		-1,100		-1,023	
Net commission income		2,433		2,320		2,291
Valuation results and net trading income		1,093		1,333		191
Share of profit from associates and joint ventures		77		493		76
Other income		172		51		102
Total income		17,514		**17,070**		**15,674**
Additions to loan loss provisions		974		1,347		1,594
Staff expenses		5,036		4,962		5,783
Other operating expenses		5,567		4,346		4,442
Total expenses		11,577		**10,655**		**11,819**
Result before tax		5,937		**6,415**		**3,855**
Taxation		1,635		1,684		1,032
Net result (before non-controlling interests)		4,302		**4,731**		**2,823**

Note:

(1) These figures have been derived from the audited annual consolidated accounts of ING Bank N.V. in respect of the financial years ended 31 December 2016 to 2014.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following section shall be added at the end of the section entitled "OPERATING AND FINANCIAL REVIEW AND PROSPECTS" of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

"OPERATING AND FINANCIAL REVIEW AND PROSPECTS FOR ING BANK

The following review and prospects should be read in conjunction with the consolidated financial statements and the notes thereto of ING Bank incorporated by reference in this Registration Document. These consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU ("IFRS EU").

Factors Affecting Results of Operations

ING Bank's results of operations are affected by demographics and by a variety of market conditions, including economic cycles, banking industry cycles, fluctuations in stock markets, interest and foreign exchange rates, political developments and client behaviour changes. See the section "Risk Factors" in this Registration Document for more factors that can impact ING Bank's results of operations.

The Issuer's results of operations are affected by demographics and by a variety of market conditions, including economic cycles, banking industry cycles and fluctuations in stock markets, interest and foreign exchange rates, political developments and client behaviour changes. See "Risk Factors" for more factors that can impact the Issuer's results of operations.

Financial environment

See "*Market and regulatory context*" for more information on the financial environment.

Fluctuations in equity markets

ING Bank's operations are exposed to fluctuations in equity markets. ING Bank maintains an internationally diversified and mainly client-related trading portfolio. Accordingly, market downturns are likely to lead to declines in securities trading and brokerage activities which ING Bank executes for customers and therefore to a decline in related commissions and trading results. In addition to this, ING Bank also maintains equity investments in its own non-trading books. Fluctuations in equity markets may affect the value of these investments.

Fluctuations in interest rates

ING Bank's operations are exposed to fluctuations in interest rates. Mismatches in the interest repricing and maturity profile of assets and liabilities in its balance sheet can affect the future interest earnings and economic value of the bank's underlying banking operations. In addition, changing interest rates may impact the (assumed) behaviour of ING's customers, impacting the interest rate exposure, interest hedge positions and future interest earnings, ING Bank's solvency and economic value of the bank's underlying banking operations. In the current low (and for some terms even negative) interest rate environment in the Eurozone, the stability of future interest earnings and margin also depends on the ability to actively manage pricing of customer assets and liabilities. Especially, the pricing of customer savings portfolios in relation to repricing customer assets and other investments in the Issuer's balance sheet is a key factor in the management of the bank's interest earnings.

Fluctuations in exchange rates

ING Bank is exposed to fluctuations in exchange rates. ING Bank's management of exchange rate sensitivity affects the results of its operations through the trading activities for its own account and because ING Bank prepares and publishes its consolidated financial statements in euros. Because a substantial portion of ING Bank's income, expenses and foreign investments is denominated in currencies other than euros, fluctuations in the exchange rates used to translate foreign currencies, particularly the U.S. Dollar, Pound Sterling, Turkish Lira, Chinese Renminbi, Australian Dollar, Japanese Yen, Polish Zloty, Korean Won, the Indian Rupee, Brazilian Real and Russian Ruble into euros will impact its reported results of operations, cash flows and reserves from year to year. This exposure is mitigated by the fact that realised results in non-euro currencies are translated into euro by monthly hedging. See Note 34 "Derivatives and hedge accounting" to the consolidated financial statements of the Issuer for the year ended 31 December 2016, which is incorporated by reference herein, for a description of ING Bank's hedging activities with respect to foreign currencies. Fluctuations in exchange rates will also impact the value (denominated in euro) of ING Bank's investments in its non-euro reporting subsidiaries. The impact of these fluctuations in, exchange rates is mitigated to some extent by the fact that income and related expenses, as well as assets and liabilities, of each of ING Bank's non-euro reporting subsidiaries are generally denominated in the same currencies. This translation risk is managed by taking into account the effect of translation results on the common Tier-1 ratio.

For the years 2016, 2015 and 2014, the year-end exchange rates (which are the rates ING Bank uses in the preparation of the consolidated financial statements for balance sheet items not denominated in euros), and the average quarterly exchange rates (which are the rates ING uses in the preparation of the consolidated financial statements for income statement items and cash flows not denominated in euros) were as follows for the currencies specified below:

Average	**4Q 2016**	**3Q 2016**	**2Q 2016**	**1Q 2016**
U.S. Dollar	1.083	1.114	1.127	1.102
Australian Dollar	1.449	1.480	1.501	1.509
Brazilian Real	3.542	3.630	3.915	4.298
Chinese Renminbi	7.380	7.421	7.375	7.184
Pound Sterling	0.868	0.845	0.790	0.768
Indian Rupee	73.007	74.716	75.369	74.036
Korean Won	1,250.197	1,249.993	1,303.320	1,308.371
Turkish Lira	3.530	3.303	3.228	3.213
Polish Zloty	4.375	4.369	4.373	4.329
Russian Rouble	68.135	72.309	73.620	80.409

Average	**4Q 2015**	**3Q 2015**	**2Q 2015**	**1Q 2015**
U.S. Dollar	1.093	1.114	1.102	1.137
Australian Dollar	1.526	1.534	1.429	1.448
Brazilian Real	4.295	3.938	3.434	3.243
Chinese Renminbi	6.984	7.005	6.833	7.080
Pound Sterling	0.724	0.720	0.721	0.746
Indian Rupee	72.070	72.416	69.898	70.898
Korean Won	1,271.902	1,296.208	1,213.660	1,250.293
Turkish Lira	3.217	3.178	2.929	2.805
Polish Zloty	4.262	4.199	4.109	4.185
Russian Rouble	73.576	69.379	60.022	70.981

Average	4Q 2014	3Q 2014	2Q 2014	1Q 2014
U.S. Dollar	1.244	1.320	1.373	1.373
Australian Dollar	1.453	1.437	1.477	1.533
Brazilian Real	3.137	3.009	3.062	3.220
Chinese Renminbi	7.652	8.140	8.556	8.402
Pound Sterling	0.784	0.792	0.817	0.828
Indian Rupee	77.206	80.034	82.190	84.499
Korean Won	1,346.868	1,355.481	1,417.828	1,465.069
Turkish Lira	2.810	2.869	2.912	3.013
Polish Zloty	4.216	4.179	4.169	4.186
Russian Rouble	59.406	48.088	47.978	47.893

Year-end	2016	2015	2014
U.S. Dollar	1.055	1.089	1.215
Australian Dollar	1.460	1.490	1.482
Brazilian Real	3.434	4.313	3.229
Chinese Renminbi	7.333	7.069	7.533
Pound Sterling	0.857	0.734	0.779
Indian Rupee	71.696	72.085	76.843
Korean Won	1,274.184	1,276.681	1,335.467
Turkish Lira	3.723	3.182	2.829
Polish Zloty	4.417	4.265	4.288
Russian Rouble	64.485	79.963	72.267

Sovereign Debt Exposures

For information regarding certain sovereign debt exposures, see Note 5 "Investments" and section "Risk Management" to the consolidated financial statements of the Issuer for the year ended 31 December 2016, which are incorporated by reference herein.

Critical Accounting Policies

See Note 1 "Accounting policies" to the consolidated financial statements of the Issuer for the year ended 31 December 2016, which are incorporated by reference herein.

Consolidated Results of Operations

The following information should be read in conjunction with, and is qualified by reference to, ING Bank's consolidated financial statements and other financial information included elsewhere herein. ING Bank's management evaluates the results of its operations, including the business lines of the banking operations, using a non-IFRS financial performance measure called underlying result. To give an overview of the underlying result measure, ING Bank also presents consolidated underlying result before tax and underlying net result. Underlying figures are derived from figures determined in accordance with IFRS-EU by excluding the impact of divestments, special items and result from discontinued operations. Special items include items of income or expense that are significant and arise from events or transactions that are clearly distinct from ordinary operating activities.

While items excluded from underlying result are significant components in understanding and assessing ING Bank's consolidated financial performance, ING Bank believes that the presentation of underlying net result is relevant and useful for investors because it allows investors to understand the primary method used by management to evaluate ING Bank's operating performance and make decisions about allocating resources. In addition, ING Bank believes that the presentation of underlying net result helps investors compare its segment performance on a meaningful basis by highlighting result before tax attributable to ongoing operations and the underlying profitability of the segment businesses. For example, ING Bank believes that trends in the underlying profitability of its segments can be more clearly identified by disregarding the effects of significant restructuring provisions and realised gains/losses on divestures as the timing of such events is largely subject to its discretion and influenced by market opportunities and ING Bank does not believe that they are indicative of future results. ING Bank believes that the most directly comparable GAAP financial measure to underlying net result is net result. However, underlying net result should not be regarded as a substitute for net result as determined in accordance with IFRS-EU. Because underlying net result is not determined in accordance with IFRS-EU, underlying net result as presented by ING Bank may not be comparable to other similarly titled measures of performance of other companies. In addition, ING Bank's definition of underlying net result may change over time. For further information on underlying result, as well as the reconciliation of ING Bank's underlying result before tax to its net result, see "Segment Reporting" below and Note 29 "Segments" to the Issuer's consolidated financial statements for the year ended 31 December 2016, which are incorporated by reference herein.

The following table sets forth the consolidated results of operations of the Issuer for the years ended 31 December 2016, 2015 and 2014:

	2016	**2015**	**2014**
		(EUR millions)	
Underlying income			
Net interest income	13,317	12,744	12,606
Net commission income	2,434	2,320	2,290
Total investment and other income	1,763	1,639	574
Total underlying income	17,514	16,703	15,471
Underlying expenditure			
Operating expenses	9,445	9,231	8,965
Addition to loan loss provision	974	1,347	1,594
Total underlying expenditure	10,419	10,578	10,559
Underlying result before tax	7,095	6,125	4,912
Taxation	1,993	1,703	1,271
Non-controlling interests	75	72	79
Underlying net result	5,026	4,350	3,562
Divestments[(1)]		367	202
Special items[(2)]	(799)	(58)	(1,021)
Net result	4,227	4,659	1,744

Notes:

(1) Divestments include the net operating result of the divested units as well as the gains/losses on the divestments. Divestments: net gain on merger between ING Vysya Bank and Kotak Mahindra Bank (EUR 367 million, 2015), result on the deconsolidation of ING Vysya Bank (EUR 202 million, 2014).

(2) Special items: ING Group's digital transformation programmes (EUR -787 million, 2016), Retail Netherlands strategy (EUR -13 million, 2016, EUR -58 million, 2015, EUR -63 million, 2014), impact of the changes for making the Dutch Defined Benefit pension fund financially independent (EUR -653 million, 2014), bank tax related to the SNS Reaal nationalisation (EUR -304 million, 2014).

Year ended 31 December 2016 compared to year ended 31 December 2015

The Issuer posted strong results in 2016, driven by higher net interest income and lower risk costs. This was realised despite a sharp increase in operating expenses due to EUR 1,157 million of pre-tax charges recorded as special items, primarily related to the digital transformation programmes as announced on ING's Investor Day on 3 October 2016. The Issuer's net profit increased to EUR 4,227 million from a net result of EUR 4,659 million in 2015. The Issuer's 2016 net result includes special items after tax in a total amount of EUR -799 million (including EUR -787 million related to the Issuer's digital transformation programmes and EUR -13 million related to Retail Netherlands strategy).

Underlying net result for 2016 was EUR 5,026 million, an increase of 15.5% from EUR 4,350 million in 2015. Underlying net result is derived from total net result by excluding the impact of divestments, special items and result from discontinued operations.

Year ended 31 December 2015 compared to year ended 31 December 2014

The Issuer posted a strong set of full-year 2015 results, driven by higher net interest income and lower risk costs. This was realised despite a sharp increase in regulatory costs during 2015. The Issuer's net profit increased to EUR 4,659 million from a net result of EUR 2,744 million in 2014. The Issuer's 2015 net result included a EUR 367 million net result on divestments related to the merger between ING Vysya Bank and Kotak Mahindra Bank and EUR -58 million of special items after tax (related to Retail Netherlands strategy).

Underlying net result for 2015 was EUR 4,350 million, an increase of 22.1% from EUR 3,562 million. Underlying net result is derived from total net result by excluding the impact of divestments, discontinued operations and special items.

Consolidated Assets and Liabilities

The following table sets forth ING Bank's condensed consolidated assets and liabilities as of 31 December 2016, 2015 and 2014:

	2016	**2015**	**2014**
		(EUR billions)	
Cash and balances with central banks	18.1	21.4	12.2
Loans and advances to banks	28.9	30.0	37.1
Financial assets at fair value through profit or loss	121.9	137.9	144.0
Investments	91.7	94.8	97.6
Loans and advances to customers[(1)]	562.9	536.5	518.1
Other assets	20.4	17.8	18.7
Assets held for sale	—	—	0.7
Total assets before change in accounting policy	843.9	838.5	828.6
Impact change in accounting policy on Loans and advances to customers[(1)]	—	163.5	185.8
Total assets	843.9	1,002.0	1,014.4

	2016	2015	2014
		(EUR billions)	
Deposits from banks	32.0	33.8	30.0
Customer deposits[1]	531.1	508.7	489.3
Financial liabilities at fair value through profit or loss	99.0	105.8	117.0
Other liabilities	20.3	15.2	16.1
Debt securities in issue/subordinated loans[2]	117.4	133.5	137.6
Liabilities held for sale	—	—	—
Total liabilities before change in accounting policy	799.8	797.0	789.9
Impact change in accounting policy on Customer deposits[1]	—	163.5	185.8
Total liabilities	799.8	960.5	975.7
Shareholders' equity	43.5	40.9	38.1
Non-controlling interests	0.6	0.6	0.6
Total equity	44.1	41.4	38.7
Total liabilities and equity	843.9	1,002.0	1,014.4

Notes:

(3) ING changed its accounting policy for the netting of cash pooling arrangements in the second quarter of 2016. In accordance with IFRS, the comparable amounts must be adjusted. In this table, however, the year-end 2015 and 2014 cash pool balances in Loans and advances to customers and Customer deposits are still presented on a net basis in order to provide consistent information to its users.

(4) Subordinated loans includes other borrowed funds. Historical figures have been adjusted, as explained in Note 1 "Accounting policies" to the consolidated financial statements of the Issuer for the year ended 31 December 2016, which are incorporated by reference herein.

Customer deposits consists predominantly of savings accounts, credit balances on customer accounts and corporate deposits.

Year ended 31 December 2016 compared to year ended 31 December 2015

ING Bank N.V.'s total assets decreased to EUR 844 billion at year-end 2016 compared to EUR 1,002 billion at year-end 2015. Excluding the impact of the accounting policy change for cash pooling arrangements, total assets increased by EUR 5 billion, or 0.6%, to EUR 844 billion at year-end 2016, compared to EUR 839 billion at year-end 2015. Excluding EUR 1 billion of negative currency impacts, the increase was EUR 7 billion.

Loans and advances to customers increased by EUR 26 billion, which was due to the growth of the net core customer lending base by EUR 35 billion, partly offset by a reduction in non-core customer lending (among others in the WUB and Lease run-off portfolios). This increase was largely offset by lower financial assets at fair value through profit or loss (decreased trading securities and repo activity), lower cash and balances with central banks and lower investments (including a reduction of ING's stake in Kotak Mahindra Bank).

Customer deposits increased by EUR 22 billion, of which almost EUR 29 billion was driven by net growth, excluding currency impacts and Bank Treasury. Other liabilities increased by EUR 5 billion, which includes the redundancy provision recorded in the fourth quarter. These increases were largely offset by decreases of debt securities in issue (mainly lower long-term debt), financial liabilities at fair value through profit or loss (mirroring the asset side) and deposits from banks.

Shareholders' equity increased by EUR 2.7 billion, from EUR 40.9 billion at year-end 2015 to EUR 43.5 billion at year-end 2016. The increase was mainly due to the net result for the year 2016, partly offset by dividend payments.

Year ended 31 December 2015 compared to year ended 31 December 2014

ING Bank N.V.'s total assets decreased to EUR 1,002 billion at year-end 2015 from EUR 1,014 billion at year-end 2014. Excluding the impact of the accounting policy change for cash pooling arrangements (mentioned above), total assets increased by EUR 10 billion, or 1.2%, to EUR 839 billion at year-end 2015 compared to EUR 829 billion at year-end 2014. Total assets excluding assets held for sale, increased by EUR 11 billion, including EUR 11 billion of positive currency impacts. Excluding currency impacts, ING Bank N.V. grew its core customer lending base by EUR 22 billion, and cash and balances at central banks were up by EUR 9 billion. These increases were largely offset by reductions in loans and advances to banks, investments and financial assets at fair value through P&L (due to lower valuation of trading derivatives) and by a reduction in non-core customer lending (amongst others in the WUB and Lease run-off portfolios).

ING Bank N.V. continued to improve its funding profile, as customer deposits increased by EUR 19 billion, with an EUR 11 billion increase in savings and EUR 12 billion increase in credit balances on customer accounts, partly offset by a decrease in deposits from asset managers and corporate treasurers, all excluding currency impacts. Debt securities in issue mainly decreased due to a reduction in short-term CD/CPs.

Shareholders' equity increased by EUR 2.8 billion, from EUR 38.1 billion at year-end 2014 to EUR 40.9 billion at year-end 2015. The increase was mainly due to the net result for the year 2015, partly offset by dividend paid to ING Group, to support the dividend policy of ING Group.

Segment Reporting

The Issuer's segments are based on the internal reporting structures. The following table specifies the segments by line of business and the main sources of income of each of the segments:

Retail Netherlands (Market Leaders)

Income from retail and private banking activities in the Netherlands, including the SME and mid-corporate segments. The main products offered are current and savings accounts, business lending, mortgages and other consumer lending in the Netherlands.

Retail Belgium (Market Leaders)

Income from retail and private banking activities in Belgium, including the SME and mid-corporate segments. The main products offered are similar to those in the Netherlands.

Retail Germany (Challengers and Growth Markets)

Income from retail and private banking activities in Germany. The main products offered are current and savings accounts, mortgages and other customer lending.

Retail Other (Challengers and Growth Markets)

Income from retail banking activities in the rest of the world, including the SME and mid-corporate segments in specific countries. The main products offered are similar to those in the Netherlands.

Wholesale Banking

Income from wholesale banking activities (a full range of products is offered from cash management to corporate finance), real estate and lease.

The Management Board of ING Bank set the performance targets, approve and monitor the budgets prepared by the business lines. Business lines formulate strategic, commercial and financial policy in conformity with the strategy and performance targets set by the Management Board of ING Bank.

The accounting policies of the segments are the same as those described in Note 1 "Accounting policies" to the consolidated financial statements of the Issuer for the year ended 31 December 2016, which is incorporated by reference herein. Transfer prices for inter-segment transactions are set at arm's length. Corporate expenses are allocated to business lines based on time spent by head office personnel, the relative number of staff, or on the basis of income, expenses and/or assets of the segment.

As of 1 January 2016, Czech Republic, previously fully reported within Wholesale Banking is now segmented to both Retail and Wholesale Banking. The presentation of previously reported underlying profit or loss amounts has been adjusted to reflect this change.

As of 1 January 2015, the segment Retail Rest of the World was renamed to Retail Other. In addition to this, the attribution of 'Underlying result' to segments changed as follows as of such date:

'Interest benefit on economic capital' is replaced by 'Interest benefit on total capital' resulting in a reallocation between Retail Banking, Wholesale Banking and Corporate Line Banking in the line 'Interest result Banking operations'

ING Turkey, previously fully reported within Retail Banking, became segmented to both Retail Banking and Wholesale Banking

Bank Treasury (excluding isolated legacy costs recorded within Corporate Line) became allocated to both Retail Banking and Wholesale Banking. Previously, Bank Treasury was allocated to Retail and/or Wholesale Banking on a country-by-country basis.

The presentation of previously reported underlying profit or loss figures has been restated to reflect the above changes.

The Issuer evaluates the results of its banking segments using a non-IFRS financial performance measure called underlying result. Underlying result is derived from result determined in accordance with IFRS-EU by excluding the impact of special items, divestments and results from discontinued operations.

Special items include items of income or expense that are significant and arise from events or transactions that are clearly distinct from the ordinary operating activities. Disclosures on comparative periods also reflect the impact of current period's divestments.

ING Bank's operations

The following table sets forth the contribution of ING Bank's business lines and the corporate line ("Corporate Line") to the underlying net result for each of the years 2016, 2015 and 2014.

2016	**Retail Netherlands**	**Retail Belgium**	**Retail Germany**	**Retail Other**	**Wholesale Banking**	**Corporate Line[(1)]**	**Total**
				(EUR millions)			
Underlying income:							
Net interest income...........	3,653	1,936	1,689	2,107	3,750	182	13,317
Net commission income..............................	546	385	183	320	1,003	(2)	2,434
Total investment and other income	237	253	51	432	855	(65)	1,763
Total underlying income	4,436	2,573	1,923	2,859	5,608	115	17,514
Underlying expenditure:							
Underlying operating expenses..........................	2,560	1,438	886	1,723	2,572	267	9,445

2016	Retail Netherlands	Retail Belgium	Retail Germany	Retail Other	Wholesale Banking	Corporate Line[1]	Total
				(EUR millions)			
Additions to loan loss provision	171	175	(18)	278	368	—	974
Total underlying expenditure	2,731	1,613	868	2,001	2,940	267	10,419
Underlying result before tax	1,705	961	1,055	858	2,668	(152)	7,095
Taxation	422	306	315	178	753	18	1,993
Non-controlling interests	—	1	2	60	11	—	75
Underlying net result	1,282	653	738	620	1,903	(171)	5,026
Divestments	—	—	—	—	—	—	—
Special items	(192)	(418)	—	(12)	(149)	(27)	(799)
Net result	1,090	235	738	608	1,754	(198)	4,227

2015	Retail Netherlands	Retail Belgium	Retail Germany	Retail Other	Wholesale Banking	Corporate Line[1]	Total
				(EUR millions)			
Underlying income:							
Net interest income	3,683	1,953	1,634	1,935	3,538	1	12,744
Net commission income	515	397	172	278	962	(4)	2,320
Total investment and other income	205	195	104	195	1,070	(130)	1,639
Total underlying income	4,403	2,546	1,910	2,408	5,570	(133)	16,703
Underlying expenditure:							
Underlying operating expenses	2,475	1,532	842	1,594	2,559	230	9,231
Additions to loan loss provision	433	169	57	210	478	—	1,347
Total underlying expenditure	2,908	1,701	899	1,804	3,036	230	10,578
Underlying result before tax	1,495	845	1,012	604	2,533	(364)	6,125
Taxation	391	255	328	142	676	(91)	1,703
Non-controlling interests	—	6	2	48	16	—	72
Underlying net result	1,104	583	681	414	1,841	(273)	4,350
Divestments	—	—	—	367	—	—	367
Special items	(58)	—	—	—	—	—	(58)
Net result	1,046	583	681	781	1,841	(273)	4,659

2014	Retail Netherlands	Retail Belgium	Retail Germany	Retail Other	Wholesale Banking	Corporate Line(1)	Total
				(EUR millions)			
Underlying income:							
Net interest income..........	3,778	1,998	1,500	1,832	3,508	(10)	12,606
Net commission income ...	464	376	143	331	979	(2)	2,290
Total investment and other income	87	243	-27	197	383	(309)	574
Total underlying income	4,330	2,617	1,615	2,359	4,870	(321)	15,471
Underlying expenditure:...							
Underlying operating expenses...........................	2,678	1,524	773	1,496	2,392	102	8,965
Additions to loan loss provision	714	142	72	165	500	—	1,594
Total underlying expenditure.....................	3,392	1,667	845	1,661	2,893	102	10,559
Underlying result before tax	938	951	771	698	1,978	(423)	4,912
Taxation	243	256	230	140	469	(67)	1,271
Non-controlling interests..	—	1	1	51	26	—	79
Underlying net result......	694	693	540	508	1,483	(356)	3,562
Divestments	—	—	—	202	—	—	202
Special items.....................	(63)	—	—	—	—	(957)	(1,021)
Net result.........................	631	693	540	710	1,483	(1,313)	2,744

Note:

(5) Corporate Line mainly includes items not directly attributable to the business lines and the isolated legacy costs (mainly interest results) for replacing short-term funding with long-term funding. In 2016, the underlying result before tax included EUR -7 million of DVA on own-issued debt versus EUR 43 million in 2015 and EUR -57 million in 2014. Underlying expenditure increased in 2016 on both 2015 and 2014. The latter included material releases from deposit guarantee scheme (DGS)-related provisions. Special items in 2016 included EUR -27 million restructuring charges related to the intended digital transformation programmes as announced on ING's Investor Day on 3 October 2016. Special items in 2014 included EUR -653 million for making the Dutch Defined Benefit pension fund financially independent and EUR -304 million related to the SNS Reaal nationalisation.

The business lines are analysed on a total basis for Underlying income, Underlying expenditure and Net result. The product split within Wholesale Banking is based on underlying figures.

Year ended 31 December 2016 compared to year ended 31 December 2015

Net result from ING Bank's operations (including the impact of divestments and special items) fell to EUR 4,227 million from EUR 4,659 million in 2015. Special items contributed EUR -799 million to the net result in 2016 compared with a EUR 309 million positive contribution from divestments and special items in 2015. Special items in 2016 included EUR -787 million after tax related to the planned digital transformation programmes announced on ING's Investor Day on 3 October 2016 and EUR -13 million after tax related to the earlier announced restructuring programmes in Retail Netherlands. Divestments in 2015 consisted of a EUR 367 million net gain resulting from the merger between ING Vysya Bank and Kotak Mahindra Bank and special items after tax in 2015 were EUR -58 million related to restructuring programmes in Retail Netherlands.

ING Bank's underlying banking operations posted a strong performance in 2016. The underlying result before tax rose 15.8% to EUR 7,095 million in 2016 from EUR 6,125 million in 2015, driven by higher net interest income reflecting the continuously positive business momentum and lower risk costs. This was achieved despite a EUR 225 million increase in regulatory costs during 2016.

Total underlying income rose 4.9% to EUR 17,514 million in 2016, from EUR 16,703 million in 2015, in spite of a EUR 301 million negative swing in credit and debt valuation adjustment (CVA/DVA) in Wholesale Banking and Corporate Line. The underlying interest result increased 4.5% to EUR 13,317 million, driven by an increase of the net interest margin to 1.53% from 1.47% in 2015 combined with a slightly higher average balance sheet total. The increase of the average balance sheet was limited as strong growth in net core lending and customer deposits was largely offset by declines in among others financial assets at fair value through profit or loss and debt securities in issue. The interest result on customer lending activities increased driven by higher volumes at stable margins. The interest result on customer deposits was flat, as the impact of volume growth was offset by margin pressure on both savings and current accounts due to lower reinvestment yields and despite a further lowering of client savings rates in several countries. The growth of net interest income was furthermore supported by improved net interest income in the Corporate Line, with part of the increase being structural due to a gradual redemption of the isolated legacy funding costs. Net commission income rose 4.9% to EUR 2,434 million from EUR 2,320 million in 2015, particularly in the Challengers & Growth Markets. Total investment and other income rose to EUR 1,763 million from EUR 1,639 million in 2015. Excluding the negative swing in CVA/DVA adjustments in Wholesale Banking and the Corporate Line (which were EUR -77 million in 2016, compared with EUR 224 million in 2015), total investment and other income increased by EUR 426 million, mainly due to a EUR 200 million gain on Visa shares and positive hedge ineffectiveness results, whereas 2015 included non-recurring charges related to the mortgage portfolios in Italy and Belgium due to higher-than-expected repayments and renegotiations.

Underlying operating expenses increased 2.3% to EUR 9,445 million, compared with EUR 9,231 million in 2015. In 2016, underlying operating expenses included EUR 845 million of regulatory expenses (including contributions to the new Dutch deposit guarantee scheme and a new bank tax in Poland) compared with EUR 620 million in 2015. Excluding regulatory costs, underlying operating expenses were marginally lower than a year ago. Increases due to IT investments and selective business growth in the Retail Challengers & Growth Markets and Wholesale Banking's Industry Lending, as well as additional provisioning for Dutch SME clients with interest rate derivatives that were sold in the Netherlands were fully offset by the benefits from the running cost-saving programmes and some incidental items, including a one-off expense adjustment in Belgium and an adjustment in the capitalisation and amortisation of software.

The net addition to the provision for loan losses declined 27.7% to EUR 974 million from EUR 1,347 million in 2015. Risk costs were 31 basis points of average risk-weighted assets, which is below ING Bank's through-the-cycle guidance range for risk costs of 40-45 basis points.

Year ended 31 December 2015 compared to year ended 31 December 2014

Net result from ING Bank's operations (including the impact of divestments and special items) rose to EUR 4,659 million in 2015 from EUR 2,744 million in 2014. Results on divestments and special items contributed EUR 309 million to the net result in 2015 versus EUR -818 million in 2014. Divestments and special items in 2015 included a EUR 367 million net gain resulting from the merger between ING Vysya Bank and Kotak Mahindra Bank and EUR -58 million of special items after tax related to restructuring programmes in Retail Netherlands that were announced before 2013. Divestments in 2014 related to a EUR 202 million net gain on the deconsolidation of ING Vysya Bank following its

reclassification as an investment in an associate under equity accounting at the end of the first quarter of 2014. Special items after tax in 2014 consisted of a EUR 653 million net charge to make the Dutch closed defined benefit pension fund financially independent, EUR 304 million of bank levies related to the nationalisation of SNS in the Netherlands and a EUR 63 million charge related to restructuring programmes in Retail Netherlands.

ING Bank's underlying banking operations posted a strong performance in 2015. The underlying result before tax rose 24.7% to EUR 6,125 million in 2015 from EUR 4,912 million in 2014, mainly reflecting higher interest results and lower risk costs. This strong performance was realised despite a sharp increase in regulatory costs of EUR 212 million during 2015.

Total underlying income rose 8.0% to EUR 16,703 million, from 15,471 million in 2014. Net interest income increased 1.1% to EUR 12,744 million driven by a higher average balance sheet, whereas the interest margin declined to 1.47% from 1.53% in 2014. The interest margin on lending and savings products improved slightly, supported by repricing in the loan book and further reduction of client savings rates in several countries. This was more than offset by lower margins on current accounts due to the low interest environment and lower interest results at Financial Markets. Customer lending and deposits volumes increased except for residential mortgages due to the continued transfer of WestlandUtrecht Bank (WUB) assets to NN Group, the run-off in the WUB portfolio and the sale of white-labelled mortgage portfolios in Australia. Net commission income rose 1.3% to EUR 2,320 million from EUR 2,290 million in 2014. Total investment and other income increased to EUR 1,639 million, from EUR 574 million in 2014. This increase was mainly explained by a positive swing in credit and debt valuation adjustments (CVA/DVA) in Wholesale Banking and the Corporate Line (which were EUR 224 million in 2015, compared with EUR -273 million in 2014) and higher other revenues at Financial Markets.

Underlying operating expenses increased 3.0% to EUR 9,231 million, compared with EUR 8,965 million in 2014. In 2015, underlying operating expenses included EUR 620 million of regulatory expenses (including contributions to the new national resolution funds and a one-off charge in Poland related to the bankruptcy of SK Bank) compared with EUR 408 million of regulatory expenses in 2014. The fourth quarter of 2015 also included a number of smaller restructuring provisions in Retail Benelux and Wholesale Banking which in aggregate amounted to EUR 120 million, whereas 2014 included EUR 399 million of redundancy provisions. Excluding both items, underlying operating expenses increased by EUR 333 million, or 4.1%. This increase was partly visible in the Corporate Line, where expenses were EUR 121 million higher year-on-year, mainly due to large releases from DGS-related provisions and high value-added tax refunds in 2014. The remaining increase was mainly caused by investments to support business growth in Retail Challengers & Growth Markets and Wholesale Banking, IT investments in the Netherlands and a provision for potential compensation related to certain floating interest rate loans and interest rate derivatives that were sold in the Netherlands, partly offset by the benefits from the ongoing cost-saving programmes.

The net addition to the provision for loan losses declined 15.5% to EUR 1,347 million, from EUR 1,594 million in 2014. Risk costs were 44 basis points of average risk-weighted assets, which is within the range of the expected loss of 40-45 basis points through the cycle.

The Banking business lines are analysed using underlying result before tax in a format that is similar to the IFRS-EU profit and loss account.

Retail Netherlands

	Retail Netherlands		
	2016	**2015**	**2014**
		(EUR millions)	
Underlying income			
Net interest income	3,653	3,683	3,778
Net commission income	546	515	464
Other underlying income	237	205	87

	Retail Netherlands		
	2016	**2015**	**2014**
		(EUR millions)	
Total underlying income	4,436	4,403	4,330
Underlying expenditure			
Operating expenses	2,560	2,475	2,678
Additions to the provision for loan losses	171	433	714
Total underlying expenditure	2,731	2,908	3,392
Underlying result before tax	1,705	1,495	938
Taxation	422	391	243
Non-controlling interests	—	—	—
Underlying net result	1,282	1,104	694
Special items	(192)	(58)	(63)
Net result	1,090	1,046	631

Year ended 31 December 2016 compared to year ended 31 December 2015

Net result of Retail Netherlands rose to EUR 1,090 million from EUR 1,046 million in 2015. Underlying net result increased 16.1% to EUR 1,282 million from EUR 1,104 million in 2015. Special items after tax excluded from underlying net result were equal to EUR -192 million in 2016, of which EUR -180 million related to the planned digital transformation programmes announced on ING's Investor Day on 3 October 2016 and EUR -13 million to the restructuring programmes in Retail Netherlands announced before 2013. Special items after tax in 2015 were EUR -58 million and were fully related to the earlier announced restructuring programmes in Retail Netherlands.

Underlying result before tax of Retail Netherlands rose to EUR 1,705 million from EUR 1,495 million in 2015, due to lower risk costs while underlying income was resilient due to stable interest margins and higher revenues from Bank Treasury. Underlying income rose 0.7% to EUR 4,436 million. Net interest income slightly declined, mainly caused by a decline in lending volumes and margin pressure on current accounts, partly offset by higher margins on savings and lending. The lower lending volumes were partly caused by the continued transfer of WestlandUtrecht Bank (WUB) mortgages to NN Group and the run-off in the WUB portfolio. Net core lending book (excluding the WUB portfolio, Bank Treasury products and movements in the mortgage hedge) declined by EUR 4.2 billion in 2016. The decline was both in mortgages and other lending; the latter reflecting subdued demand in business lending. Net customer deposits (excluding Bank Treasury) grew by EUR 7.1 billion. Net commission income rose by EUR 31 million, or 6.0%, and investment and other income was up EUR 32 million, in part due to a gain on the sale of Visa shares.

Underlying operating expenses increased 3.4% to EUR 2,560 million from EUR 2,475 million in 2015, mainly due to higher regulatory costs and an additional provision for Dutch SME clients with interest-rate derivatives, whereas in 2015 underlying operating expenses included some smaller restructuring provisions. These factors were partly offset by the benefits from ongoing cost-saving initiatives. From the existing cost-saving programmes announced since 2011, which aim to realise EUR 675 million of annual cost savings by the end of 2017, an amount of EUR 562 million have already been realised. Risk costs declined to EUR 171 million, or 32 basis points of average risk-weighted assets, from EUR 433 million in 2015. The decline was both in business lending and residential mortgages, reflecting the improvements in the Dutch economy and housing market.

Year ended 31 December 2015 compared to year ended 31 December 2014

Net result of Retail Netherlands increased to EUR 1,046 million in 2015 compared with EUR 631 million in 2014. Underlying net result rose to EUR 1,104 million in 2015 compared with EUR 694 million in 2014. Special items after tax excluded from underlying net result were EUR -58 million in 2015 compared with EUR -63 million in 2014. Both were fully related to restructuring programmes in Retail Netherlands that were announced before 2013.

Underlying result before tax of Retail Netherlands rose to EUR 1,495 million from EUR 938 million in 2014, mainly due to lower risk costs and lower expenses. Underlying operating expenses declined by EUR 203 million, predominantly due to EUR 349 million of redundancy provisions taken in 2014. Excluding these provisions, underlying result before tax rose 16.2%. Underlying income increased 1.7% to EUR 4,403 million. Net interest income was supported by higher margins on lending and savings, which largely compensated for a decline in lending volumes. Lower lending volumes were partly caused by the continued transfer of WestlandUtrecht (WUB) mortgages to NN Group and the run-off in the WUB portfolio. The net core lending book (excluding the WUB portfolio, Bank Treasury products and movement in the mortgage hedge) declined by EUR 2.9 billion due to higher repayments on mortgages and muted demand for business lending. The net production in customer deposits (excluding Bank Treasury) was EUR 3.5 billion, reflecting increases in both savings and current accounts. Net commission income was up 11.0% and total investment and other income rose by EUR 118 million, in part due to positive hedge ineffectiveness, while in 2014 investment and other income included a one-off loss on the sale of real estate in own use. Excluding the redundancy provisions in 2014, underlying operating expenses increased 6.3%, mainly due to higher regulatory costs, investments in IT, some smaller restructuring provisions and a provision for potential compensation related to certain floating interest-rate loans and interest-rate derivatives that were sold in the Netherlands. This increase was partly offset by the benefits from the ongoing cost-saving programmes. The cost-saving programmes were on track to realise EUR 675 million of annual cost savings by the end of 2017. Of this amount, EUR 438 million has been realised since 2011. Risk costs declined 39.4% to EUR 433 million from EUR 714 million in 2014, both in residential mortgages and business lending, supported by a recovery in the Dutch economy.

Retail Belgium

	Retail Belgium		
	2016	**2015**	**2014**
		(EUR millions)	
Underlying income			
Net interest income	1,936	1,953	1,998
Net commission income	385	397	376
Investment and other income	253	195	243
Total underlying income	2,573	2,546	2,617
Underlying expenditure			
Operating expenses	1,438	1,532	1,524
Additions to the provision for loan losses	175	169	142
Total underlying expenditure	1,613	1,701	1,667
Underlying result before tax	961	845	951
Taxation	306	255	256
Non-controlling interests	1	6	1
Underlying net result	653	583	693

	Retail Belgium		
	2016	2015	2014
		(EUR millions)	
Special items..	(418)	0	0
Net result	235	583	693

Year ended 31 December 2016 compared to year ended 31 December 2015

Net result of Retail Belgium declined to EUR 235 million in 2016 compared with EUR 583 million in 2015. Underlying net result increased 12.0% to EUR 653 million from EUR 583 million in 2015. Special items after tax excluded from underlying net result were equal to EUR -418 million in 2016, and were fully related to the intended digital transformation programmes as announced on ING's Investor Day on 3 October 2016.

The underlying result before tax of Retail Belgium rose 13.7% to EUR 961 million in 2016, compared with EUR 845 million in 2015, reflecting lower expenses and slightly higher income. Underlying income increased 1.1% to EUR 2,573 million, from EUR 2,546 million in 2015, supported by higher Bank Treasury revenues and a gain on the sale of Visa shares. Net interest income declined 0.9%, mainly due to lower margins on savings and current accounts, as well as on mortgages due to lower prepayment and renegotiation fees, which was largely offset by increased volumes in most products. The net production in the customer lending portfolio (excluding Bank Treasury) was EUR 4.8 billion, of which EUR 1.7 billion in mortgages and EUR 3.2 billion in other lending. The net inflow in customer deposits was EUR 1.4 billion. Net commission income was 3.0% lower. Investment and other income rose by EUR 58 million, driven by the Visa gain. Underlying operating expenses declined by EUR 94 million, or 6.1% to EUR 1,438 million, due to a EUR -95 million one-off expense adjustment in 2016. Risk costs increased by EUR 6 million to EUR 175 million, or 54 basis points of average risk-weighted assets. The increase was mainly in business lending due to a few specific files, while risk costs for mortgages and consumer lending declined.

Year ended 31 December 2015 compared to year ended 31 December 2014

Both net result and underlying net result of Retail Belgium decreased by EUR 110 million, or 15.9%, to EUR 583 million in 2015 from EUR 693 million in 2014. There were no special items or divestments in 2015 and 2014.

The underlying result before tax of Retail Belgium fell 11.1% to EUR 845 million in 2015 compared with EUR 951 million in 2014, mainly due to lower income and higher risk costs. Underlying income declined 2.7% to EUR 2,546 million, from EUR 2,617 million in 2014. Net interest income decreased 2.3% due to lower margins on lending products and current accounts, which was only partly compensated by higher volumes in most products. The net production in the customer lending portfolio (excluding Bank Treasury) was EUR 1.7 billion in 2015, of which EUR 1.1 billion in mortgages and EUR 0.6 billion in other lending. Net customer deposits grew by EUR 3.0 billion. Underlying operating expenses increased 0.5% to EUR 1,532 million, as higher regulatory expenses and some additional restructuring costs were largely offset by a decrease in staff expenses and a value-added tax refund. The cost-savings programme announced by ING Belgium in early 2013, with the aim of realising EUR 160 million cost savings by the end of 2017, was successfully concluded by the end of 2015. Risk costs increased by EUR 27 million to EUR 169 million, or 59 basis points of average risk-weighted assets. The increase was mainly in business lending and consumer lending, while risk costs for mortgages declined.

Retail Germany

	Retail Germany		
	2016	2015	2014
		(EUR millions)	
Underlying income			
Net interest income	1,689	1,634	1,500
Net commission income	183	172	143
Investment and other income	51	104	(27)
Total underlying income	1,923	1,910	1,615
Underlying expenditure			
Operating expenses	886	842	773
Additions to the provision for loan losses	(18)	57	72
Total underlying expenditure	868	899	845
Underlying result before tax	1,055	1,012	771
Taxation	315	328	230
Non-controlling interests	2	2	1
Underlying net result	738	681	540
Net result	738	681	540

Year ended 31 December 2016 compared to year ended 31 December 2015

Both net result and underlying net result of Retail Germany increased by EUR 57 million, or 8.4%, to EUR 738 million in 2016 from EUR 681 million in 2015. There were no special items or divestments in 2016 and 2015.

Retail Germany's underlying result before tax increased 4.2% to EUR 1,055 million, compared with EUR 1,012 million in 2015. This increase was supported by a net release in risk costs, partly offset higher expenses. Underlying income rose 0.7% to EUR 1,923 million, from EUR 1,910 million in 2015, supported by a gain on the sale of Visa shares. Net interest income increased 3.4% following continued business growth, partly offset by lower margins on most products. Net inflow in customer deposits (excluding Bank Treasury) was EUR 9.0 billion in 2016. The net production in customer lending (excluding Bank Treasury and movement in the mortgage hedge) was EUR 3.8 billion, of which EUR 3.0 billion was in mortgages and EUR 0.8 billion in consumer lending. Net commission income rose 6.4% to EUR 183 million. Investment and other income decreased by EUR 53 million, due to lower gains on the sale of bonds and less positive hedge ineffectiveness results, which was partly compensated by a EUR 44 million gain on the sale of Visa shares. Underlying operating expenses increased 5.2% to EUR 886 million, from EUR 842 million in 2015. The increase was mainly due to a higher headcount in order to support business growth and customer acquisition, as well as investments in strategic projects. This was partly offset by lower regulatory costs. The cost/income ratio was 46.1%, compared with 44.1% in 2015. Risk costs turned to a net release of EUR 18 million from a net addition of EUR 57 million in 2015, reflecting a benign credit environment in the German market and model updates for mortgages.

Year ended 31 December 2015 compared to year ended 31 December 2014

Both net result and underlying net result of Retail Germany increased by EUR 141 million, or 26.1%, to EUR 681 million in 2015 from EUR 540 million in 2014. There were no special items or divestments in 2015 and 2014.

Retail Germany's underlying result before tax increased 31.3% to EUR 1,012 million compared with EUR 771 million in 2014, driven by strong income growth. Underlying income rose 18.3% to EUR 1,910 million in 2015 from EUR 1,615 million in 2014. This increase mainly reflects higher interest results following continued business growth and improved margins on savings. Margins on lending and current accounts were somewhat lower. Net inflow in customer deposits (excluding Bank Treasury) was EUR 6.4 billion in 2015. The net production in customer lending (excluding Bank Treasury and movement in the mortgage hedge) was EUR 2.5 billion, of which EUR 1.6 billion was in mortgages and EUR 0.9 billion in consumer lending. Investment and other income was EUR 104 million in 2015, compared with a loss of EUR 27 million in 2014, mainly due to higher realised gains on the sale of bonds and a positive swing in hedge ineffectiveness results. Underlying operating expenses increased 8.9% compared with 2014 to EUR 842 million. The increase mainly reflects higher regulatory costs, an increase in headcount at both ING-DiBa and Interhyp, as well as investments to support business growth and attract primary banking clients. The cost/income ratio improved to 44.1% from 47.8% in 2014. The net addition to loan loss provisions declined to EUR 57 million, or 23 basis points of average risk-weighted assets, from EUR 72 million, or 29 basis points, in 2014, reflecting the better performance in the German mortgage book.

Retail Other

	Retail Other		
	2016	**2015**	**2014**
		(EUR millions)	
Underlying income			
Net interest income	2,107	1,935	1,832
Net commission income	320	278	331
Investment and other income	432	195	197
Total underlying income	2,859	2,408	2,359
Underlying expenditure			
Operating expenses	1,723	1,594	1,496
Additions to the provision for loan losses	278	210	165
Total underlying expenditure	2,001	1,804	1,661
Underlying result before tax	858	604	698
Taxation	178	142	140
Non-controlling interests	60	48	51
Underlying net result	620	414	508
Divestments	—	367	202
Special items	(12)	—	—
Net result	608	781	710

Year ended 31 December 2016 compared to year ended 31 December 2015

Net result of Retail Other decreased to EUR 608 million in 2016 compared with EUR 781 million in 2015, when the net result included a EUR 367 million gain from divestments, reflecting the result from the merger between ING Vysya Bank and Kotak Mahindra Bank. In 2016, special items after tax were EUR -12 million, fully related to the digital transformation programmes as announced on ING's Investor Day on 3 October 2016. Underlying net result which excludes divestments and special items, rose to EUR 620 million in 2016 compared with EUR 414 million in 2015.

Retail Other's underlying result before tax rose to EUR 858 million, from EUR 604 million in 2015. The increase was largely attributable to a EUR 109 million gain on the sale of Visa shares in 2016, while 2015 included a EUR 97 million of non-recurring charges in Italy related to increased prepayments and renegotiations of fixed-term mortgages. Total underlying income increased by EUR 451 million, or 18.7%, to EUR 2,859 million. Excluding the gain on Visa shares in 2016 and the one-off charge in Italy in 2015, underlying income grew by 9.8%. This increase was mainly attributable to revenue growth in most businesses and was furthermore supported by a EUR 32 million one-time gain from the reduction of ING's stake in Kotak Mahindra Bank. Net interest income rose 8.9% due to volume growth in most countries and higher margins on lending, partly offset by lower margins on current accounts. Net production (excluding currency effects and Bank Treasury) in both customer lending and customer deposits was EUR 7.8 billion in 2016. Net commission income rose 15.1% due to continued client and volume growth in most countries. Underlying operating expenses increased by EUR 129 million, or 8.1%, to EUR 1,723 million. This increase was mainly due to increased regulatory costs as well as higher IT and professional-services expenses related to strategic projects. The cost/income ratio improved to 60.3% from 66.2% in 2015. The addition to the provision for loan losses was EUR 278 million, or 57 basis points of average risk-weighted assets in 2016, up from EUR 210 million, or 45 basis points of average risk-weighted assets in 2015. The increase was mainly attributable to higher risk costs in Turkey.

Year ended 31 December 2015 compared to year ended 31 December 2014

Net result of Retail Other increased to EUR 781 million in 2015 compared with EUR 710 million in 2014. In 2015, the impact of divestments was EUR 367 million, reflecting the result from the merger between ING Vysya Bank and Kotak Mahindra Bank. In 2014, the impact of divestments was EUR 202 million and related to the change in accounting of ING Vysya Bank. Underlying net result (excluding divestments) declined to EUR 414 million in 2015 compared with EUR 508 million in 2014.

Retail Other's underlying result before tax decreased to EUR 604 million, from EUR 698 million in 2014. The decline was primarily attributable to lower income in Italy due to EUR 97 million of non-recurring charges related to increased prepayments and renegotiations of fixed-term mortgages and a EUR 31 million one-off charge in regulatory expenses related to the bankruptcy of SK Bank in Poland. Excluding both items result before tax increased 4.9%. Total underlying income rose by EUR 49 million, or 2.1%, to EUR 2,408 million. This increase was attributable to higher interest results stemming from higher volumes in most countries, partly offset by the aforementioned non-recurring charges in Italy. The net inflow of customer deposits, adjusted for currency effects and Bank Treasury, was EUR 8.0 billion, with growth mainly in Spain, Poland, Turkey and Romania. Net customer lending (also adjusted for the sale of mortgage portfolios in Australia) rose by EUR 7.8 billion, mainly due to growth in Australia, Poland and Spain. Underlying operating expenses increased by EUR 98 million, or 6.6%, versus 2014, largely as a result of higher regulatory costs (including the one-off charge in Poland), investments to support business growth in most of the business units and inflation adjustments in the Growth Markets. The addition to the provision for loan losses was EUR 210 million, or 45 basis points of average risk weighted assets in 2015, up from EUR 165 million, or 40 basis points, in 2014. The increase was mainly visible in Turkey and Poland.

Wholesale Banking

	Wholesale Banking		
	2016	**2015**	**2014**
		(EUR millions)	
Underlying income			
Net interest income	3,750	3,538	3,508
Net commission income	1,003	962	979

	Wholesale Banking		
	2016	2015	2014
		(EUR millions)	
Investment and other income	855	1,070	383
Total underlying income	5,608	5,570	4,870
Operating expenses	2,572	2,559	2,392
Additions to the provision for loan losses	368	478	500
Total underlying expenditure	2,940	3,036	2,893
Underlying result before tax	2,668	2,533	1,978
Taxation	753	676	469
Non-controlling interests	11	16	26
Underlying net result	1,903	1,841	1,483
Special items	(149)	—	—
Net result	1,754	1,841	1,483

Year ended 31 December 2016 compared to year ended 31 December 2015

Net result of Wholesale Banking declined to EUR 1,754 million in 2016 compared with EUR 1,841 million in 2015. Underlying net result increased to EUR 1,903 million from EUR 1,841 million in 2015. Special items after tax excluded from underlying net result were equal to EUR -149 million in 2016 and were fully related to the intended digital transformation programmes as announced on ING's Investor Day on 3 October 2016.

Wholesale Banking's underlying result before tax increased to EUR 2,668 million in 2016, from EUR 2,533 million in 2015. Credit and debt valuation adjustments (CVA/DVA), fully recorded in Financial Markets, were EUR -71 million in 2016 compared with EUR 181 million in 2015. Excluding CVA/DVA impacts, the increase in pre-tax result was 16.4%, reflecting excellent performance in Industry Lending, steady volume growth across industries and products, and a lower level of risk costs.

Industry Lending posted an underlying result before tax of EUR 1,736 million, up 14.4% compared with 2015, driven by continued business growth in Structured Finance and Real Estate Finance at attractive margins. The underlying result before tax from General Lending & Transaction Services rose by 31.3% to EUR 613 million, due to lower expenses and risk costs. Income growth was limited as volume growth was largely offset by some pressure on margins. Financial Markets underlying result before tax fell to EUR 134 million from EUR 462 million in 2015, largely due to the aforementioned negative swing in CVA/DVA impacts. The underlying result before tax of Bank Treasury & Other was EUR 185 million, up from EUR 87 million in 2015, which was negatively impacted by a EUR 92 million impairment on an equity stake. Excluding this impairment, the pre-tax result increased by EUR 6 million as higher Bank Treasury results were offset by lower results in the run-off businesses, mainly due to lower sales results in the Real Estate Development portfolio.

Underlying income increased 0.7% to EUR 5,608 million compared with 2015. Excluding CVA/DVA impacts, income rose 5.4% driven by strong volume growth in lending and higher income in Bank Treasury. Net production of customer lending (excluding Bank Treasury and currency impacts) was EUR 21.8 billion in 2016. Wholesale Banking's net core lending book (also excluding Lease run-off) grew by EUR 22.6 billion, due to strong growth in Structured Finance and General Lending & Transaction Services. The net inflow in customer deposits (excluding Bank Treasury and currency impacts) was EUR 3.1 billion. Net interest income rose 6.0% on 2015, whereas net commission income increased by 4.3%. Underlying operating expenses increased 0.5% to EUR 2,572 million, mainly due to higher regulatory costs and an increase in FTEs to support business growth. This increase was largely offset by benefits from cost saving initiatives and lower IT change costs. The previously announced restructuring programmes are on track to realise EUR 340 million of annual cost savings by the end of 2017. At the end of 2016, EUR 305 million of annual cost savings had already been realised. Risk costs declined to EUR 368 million, or 24 basis points of average risk-weighted assets, from EUR 478 million, or 33 basis points of average risk-weighted assets, in 2015. Lower risk costs were mainly visible in General Lending and to a lesser extent Industry Lending, in part due to larger releases on Ukraine clients.

Year ended 31 December 2015 compared to year ended 31 December 2014

Both net result and underlying net result of Wholesale Banking increased to EUR 1,841 million in 2015 compared with EUR 1,483 million in 2014. There were no special items or divestments in 2015 and 2014.

Wholesale Banking posted a good set of results due to continued strong Industry Lending performance, good volume growth and improved Financial Markets results. Underlying result before tax rose to EUR 2,533 million in 2015, from EUR 1,978 million in 2014. Credit and debt valuation adjustments (CVA/DVA) in Wholesale Banking, fully recorded in Financial Markets, were EUR 181 million positive in 2015 versus EUR 216 million of negative adjustments in 2014. Excluding CVA/DVA impacts, underlying result before tax rose 7.2% from 2014.

Industry Lending posted an underlying result before tax of EUR 1,517 million, up 16.9% compared with 2014. This increase was mainly caused by higher income in Structured Finance and Real Estate Finance due to strong volume growth. Underlying result before tax from General Lending & Transaction Services declined 8.3% to EUR 467 million, due to higher expenses and risk costs, while income growth was limited due to some pressure on margins. Financial Markets recorded an underlying result before tax of EUR 462 million, up from EUR 130 million in 2014, mainly reflecting the aforementioned positive swing in CVA/DVA impacts. The underlying result of Bank Treasury & Other was EUR 87 million compared with EUR 41 million in 2014. The result was supported by higher Bank Treasury income, while the results in the run-off businesses increased due to improved sales results in Real Estate Development and lower risk costs in Leasing, partly offset by a EUR 92 million impairment on an equity stake.

Underlying income rose 14.4% on 2014, mainly in Financial Markets and Industry Lending. Net production of customer lending (excluding Bank Treasury and currency impacts) was EUR 11.6 billion in 2015. Wholesale Banking grew the net core lending book, also adjusted for the Lease run-off, by EUR 13.0 billion in 2015, due to strong growth in Structured Finance and - to a lesser extent - Real Estate Finance and Transaction Services. Customer deposits (excluding currency impacts and Bank Treasury) remained flat compared with 2014. Underlying operating expenses increased 7.0% to EUR 2,559 million, mainly due to higher FTEs to support business growth, increased regulatory expenses and positive currency impacts. The previously announced restructuring programmes are on track to realise EUR 340 million of annual cost savings by 2017; of this amount EUR 260 million of cost savings had been realised so far. Risk costs declined to EUR 478 million, or 33 basis points of average risk-weighted assets (RWA), from EUR 500 million, or 37 basis points, in 2014. Lower risk costs were mainly visible in Real Estate Finance and the lease run-off business, while risk costs in Structured Finance and General Lending were up in absolute terms, but declined as a percentage of average RWA.

Liquidity and Capital Resources

Cash Flows

The principal sources of funds for ING Bank's operations are growth in retail funding, which mainly consists of current accounts, savings and retail deposits as well as repayments of loans, disposals and redemptions of investment securities (mainly bonds), sales of trading portfolio securities, interest income and commission income. The major uses of funds are advances of loans and other credits, investments, purchases of investment securities, funding of trading portfolios, interest expense and administrative expenses.

ING Bank's Risk Management, including liquidity, is discussed in the section "Risk Management" of the ING Bank consolidated financial statements for the year ended 31 December 2016, which are incorporated by reference herein.

The following table sets forth the consolidated statement of cash flows for ING Bank for the years ended 31 December 2016, 2015 and 2014 (certain figures have been restated (please see page 53 for more information)).

	2016	2015	2014
		(EUR millions)	
Result before tax	5,937	6,415	3,855
Adjusted for:			
- depreciation	536	614	594
- addition to loan loss provisions	974	1,347	1,594
- other	1,580	-227	1,947
Taxation paid	-1,555	-1,306	-887
Changes in:			
- amounts due from banks, not available on demand	-1,168	6,760	3,361
- trading assets	16,976	5,485	-23,802
- non-trading derivatives	1,725	-742	-2,260
- other financial assets at fair value through profit and loss	-3,400	-282	-614
- loans and advances to customers	-29,668	-21,143	-12,935
- other assets	-1,280	1,106	-366
- amounts due to banks, not payable on demand	-346	5,175	3,353
- customer deposits and other funds on deposit	23,682	19,600	17,803
- trading liabilities	-5,634	-8,276	23,855
- other financial liabilities at fair value through profit and loss	-432	-1,254	-524
- other liabilities	1,030	1,689	1,639
Net cash flow from operating activities	**8,957**	**14,961**	**16,613**
Investment and advances:			
- group companies			–
- associates	-49	-24	-31
- available-for-sale investments	-27,003	-43,092	-73,348
- held-to-maturity investments			
- real estate investments	-1,731	-3,457	-315
- property and equipment	-351	-326	-355
- assets subject to operating leases	-64	-37	-34
- loan portfolio			
- other investments	-288	-256	-257
Disposals and redemptions:			
- group companies			-398
- associates	54	119	187
- available-for-sale investments	31,165	48,232	60,098
- held-to-maturity investments	630	1,219	1,172

	2016	2015	2014
		(EUR millions)	
- property and equipment	63	73	54
- assets subject to operating leases	12	17	3
- loan portfolio	1,295	3,590	2,382
- other investments	9	3	2
Net cash flow from investing activities	**3,742**	**6,061**	**-10,840**
Proceeds from issuance of subordinated loans	1,085	2,085	3,266
Repayments of subordinated loans	-961	-4,244	-2,788
Proceeds from borrowed funds and debt securities	106,174	133,290	135,318
Repayments from borrowed funds and debt securities	-121,998	-140,120	-142,996
Issuance of ordinary shares/capital injection			
Issuance of preference shares			
Payments to acquire treasury shares			
Sales of treasury shares			
Dividends paid	-1,345	-2,200	-1,225
Net cash flow from financing activities	**-17,045**	**-11,189**	**-8,425**
Net cash flow	**-4,346**	**9,833**	**-2,652**
Cash and cash equivalents at beginning of year	20,354	10,863	13,509
Effect of exchange rate changes on cash and cash equivalents	155	-342	6
Cash and cash equivalents at end of year	16,163	20,354	10,863

At 31 December 2016, cash and cash equivalents include cash and balances with central banks of EUR 18,144 million (2015: EUR 21,458 million; 2014: EUR 12,222 million). See Note 28 "Cash and cash equivalents" to the ING Bank consolidated financial statements for the year ended 31 December 2016.

Year ended 31 December 2016 compared to year ended 31 December 2015

At 31 December 2016 and 2015, ING Bank had EUR 16,163 million and EUR 20,354 million, respectively, of cash and cash equivalents. The decrease in cash and cash equivalents is mainly attributable to banks on demand positions with central banks.

Specification of cash position (EUR millions):

	2016	2015
	(EUR millions)	
Cash and balances with central banks	18,144	21,458
Short dated government paper	512	363
Cash and cash equivalents classified as assets held for sale		
Banks on demand	-2,493	-1,467
Cash balance and cash equivalents	**16,163**	**20,354**

The EUR 6,004 million decrease in ING Bank's net cash flow from operating activities, consist of EUR 8,957 million cash inflow for the year ended 31 December 2016, compared to EUR 14,961 million cash inflow for the year ended 31 December 2015.

Cash flow from operating activities in 2016 was largely effected by the cash outflow from loans to and deposits from banks, the cash outflow from loans and advances, the cash inflow from customer deposits and the large cash inflow from trading assets. In 2016 there was a small cash outflow from loans and deposits to and from banks, compared to a strong cash inflow in 2015 mainly related to less (reverse) repurchase transactions. The cash inflow from loans and advances was caused by increasing corporate lending and partly compensated by the cash inflow from customer deposits due to increased savings and increased current accounts from corporates. In addition in 2016 the cash inflow from trading assets is related to a mixture of less equity securities required to hedge equity swaps, less trading government bonds and a decrease in (reverse) repurchase activities.

Net cash flow from investing activities was EUR 3,742 million compared to EUR 6,061 million in 2015. Investments in available-for-sale securities was EUR 27,003 million and EUR 43,092 million in 2016 and 2015, respectively. Disposals and redemptions of available-for-sale securities amounted to EUR 31,165 million and EUR 48,232 million in 2016 and 2015, respectively.

Net cash flow from financing activities in 2016 amounted to a cash outflow of EUR -17,054 million compared to a cash outflow in 2015 of EUR -11,189 million. In 2016 repayments on subordinated loans and issued debt securities exceeded proceeds from new issuance of subordinated loans, borrowed funds and debt securities. In addition, dividend payments made by the Issuer to ING Group in 2016 amounted to EUR 1,354 compared to a dividend payment in 2015 of EUR 2,220 million.

The operating, investing and financing activities described above resulted in net cash and cash equivalents of EUR 16,163 million at year-end 2016 compared to EUR 20,354 million at year-end 2015, a decrease of EUR 4,191 million and a negative cash flow of EUR -4,346 million in 2016 compared to a positive net cash flow of EUR 9,833 million in 2015.

Year ended 31 December 2015 compared to year ended 31 December 2014

At 31 December 2015 and 2014, ING Bank had EUR 20,354 million and EUR 10,863 million, respectively, of cash and cash equivalents. The increase in cash and cash equivalents is mainly attributable to banks on demand positions with central banks.

Specification of cash position (EUR millions):

	2015	**2014**
	(EUR millions)	
Cash and balances with central banks	21,458	12,222
Short dated government paper	363	677
Cash and cash equivalents classified as assets held for sale		
Banks on demand	-1,467	-2,036
Cash balance and cash equivalents	**20,354**	**10,863**

The EUR 1,652 million decrease in ING Bank's net cash flow from operating activities, consist of EUR 14,961 million cash inflow for the year ended 31 December 2014, compared to EUR 16,613 million cash inflow for the year ended 31 December 2013.

Cash flow from operating activities in 2015 was largely effected by the cash outflow from loans and advances caused by increased corporate lending and the cash inflow from Customer funds and other funds entrusted caused by increased Savings. In addition in 2015 there was a strong cash inflow from amounts due from banks mainly related to fewer (reverse) repurchase transactions.

Net cash inflow from investing activities was EUR 6,061 million (2014: EUR -10,840 million cash outflow). Investments in available-for-sale securities was EUR 43,092 million and EUR 73,348 million in 2015 and 2014, respectively. Disposals and redemptions of available-for-sale securities amounted to EUR 48,232 million and EUR 60,098 million in 2015 and 2014, respectively.

Net cash flow from financing activities in 2015 amounted to a cash outflow of EUR 11,189 million compared to a cash outflow in 2014 of EUR 8,425 million. In 2015 repayments on subordinated loans and issued debt securities exceeded proceeds from new issuance of subordinated loans, borrowed funds and debt securities. In addition, dividend payments made by the Issuer to ING Group in 2015 amounted to EUR 2,200 compared to a dividend payment in 2014 of EUR 1,225.

The operating, investing and financing activities described above resulted in a positive cash flow of EUR 9,833 million in 2015 compared to a negative net cash flow of EUR 2,652 million in 2014.

Capital Adequacy of ING Bank

As at 1 January 2014, the CRR/CRD IV capital rules entered into force. The capital position table below reflects own funds according to the Basel III rules as specified in the CRR/CRD IV. As CRD IV will be phased in gradually until 2019, the table shows the CRD IV positions according to the 2019 end-state rules and the 2016 rules. ING reports these metrics for ING Group and ING Bank. During 2016, ING Group and ING Bank were adequately capitalised.

ING Bank capital position according to CRR/CRD IV

	Fully loaded	Phased-in	Phased-in
	2016	**2016**	**2015**
		(EUR millions)	
Shareholders' equity (parent)	43,540	43,540	40,857
Interim profit non included in CET capital(1)	617	617	
Regulatory adjustments	-3,548	-3,661	-4,103
Available common equity Tier 1	**39,375**	**39,262**	**36,753**
Additional Tier 1 securities(2)	6,496	6,496	7,248
Regulatory adjustments additional Tier 1		-798	-1,281
Available Tier 1 capital	**45,871**	**44,960**	**42,721**
Supplementary capital Tier 2 bonds(3)	9,488	9,488	8,570
Regulatory adjustments Tier 2	109	-86	-239
BIS capital	**55,467**	**54,362**	**51,052**
Risk weighted assets	312,086	312,086	318,202
Common equity Tier 1 ratio	12.62%	12.58%	11.55%
Tier 1 ratio	14.70%	14.41%	13.43%
BIS ratio	17.77%	17.42%	16.04%

Notes:

(6) The interim profit of the fourth quarter 2016 has not been included in CET1 capital as of 31 December 2016

(7) Of which EUR 3,542 million (2015: EUR 3,531 million) is CRR/CRD IV compliant and EUR 2,954 million (2015: EUR 3,718 million) to be replaced as capital recognition subject to CRR/CRDIV grandfathering rules.

(8) Of which EUR 7,347 million (2015: EUR 6,229 million) is CRR/CRD IV-compliant and EUR 2,141 million (2015: EUR 2,431 million) to be replaced as capital recognition is subject to CRR/CRD IV grandfathering rules.

Capital adequacy and the use of regulatory required capital are based on the guidelines developed by the Basel Committee on Banking Supervision (the Basel Committee) and the European Union Directives, as implemented by the Dutch Central Bank (DNB until 3 November 2014, the ECB thereafter) for supervisory purposes. In 2010 the Basel Committee on Banking Supervision issued new solvency and liquidity requirements, which superseded Basel II. The minimum requirements, excluding buffers, for the common equity Tier 1 ratio is 4.5%, the minimum Tier 1 requirement is 6% and the total capital ratio (known as the BIS ratio) is 8% of all risk-weighted assets. Basel III requires Banks to hold a capital of at least 80% of the old Basel I requirements, which was 8% of the RWAs as calculated with the Basel I methodology. This Basel I floor has been extended until the end of 2017.

ING Bank's management believes that working capital is sufficient to meet the current and reasonably foreseeable needs of ING Bank.

Off-balance Sheet Arrangements

The following table sets forth contingent liabilities and commitments of the Issuer for the years ended 31 December 2016 and 31 December 2015. See Note 40 "Contingent liabilities and commitments" to the ING Bank N.V. consolidated financial statements for the year ended 31 December 2016.

	Total 2016	**Less than one year**	**More than one year**	**Total 2015**	**Less than one year**	**More than one year**
			(EUR millions)			
ING Bank N.V.						
Banking operations						
Contingent liabilities in respect of:						
- discounted bills	1	1	–	–	–	–
- guarantees	24,870	20,178	4,692	22,192	17,772	4,420
- irrevocable letters of credit	13,546	13,380	166	11,162	10,905	257
- other contingent liabilities	348	39	309	244	244	
Irrevocable facilities	98,554	66,633	31,921	98,378	56,998	41,380
Total	**137,319**	**100,231**	**37,088**	**131,976**	**85,919**	**46,057**

SELECTED STATISTICAL INFORMATION

The following section shall be added at the end of the section entitled "SELECTED STATISTICAL INFORMATION" of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

"SELECTED STATISTICAL INFORMATION FOR ING BANK

The information in this section is unaudited and sets forth selected statistical information regarding the operations of ING Bank. Information for 2016, 2015 and 2014 is prepared on the basis of IFRS-EU and is calculated based on figures included in the ING Bank consolidated financial statements for the respective financial year. Unless otherwise indicated, average balances, when used, are calculated from monthly data and the distinction between domestic and foreign is based on the location of the office where the assets and liabilities are booked, as opposed to the domicile of the customer. However, ING Bank believes that the presentation of these amounts based upon the domicile of the customer would not result in material differences in the amounts presented below.

	Year ended 31 December		
	2016	2015	2014
Return on shareholders' equity of ING Bank	10.0%	11.8%	7.7%
Return on assets of ING Bank	0.5%	0.6%	0.3%
Shareholders' equity to assets of ING Bank	5.2%	4.9%	4.6%
Net interest margin of ING Bank	1.5%	1.5%	1.5%

Average Balances and Interest Rates

The following tables show the banking operations, average interest-earning assets and average interest-bearing liabilities, together with average rates, for the periods indicated. The interest income, interest expense and average yield figures do not reflect interest income and expense on derivatives and other interest income and expense not considered to be directly related to interest-bearing assets and liabilities. These items are reflected in the corresponding interest income, interest expense and net interest result figures in the consolidated financial statements. A reconciliation of the interest income, interest expense and net interest result figures to the corresponding line items in the consolidated financial statements is provided hereunder.

Assets(1)

	Interest-earning assets								
	2016			2015			2014		
	Average balance	Interest income	Average yield	Average balance	Interest income	Average yield	Average balance	Interest income	Average yield
	(EUR millions)		*(%)*	*(EUR millions)*		*(%)*	*(EUR millions)*		*(%)*
Time deposits with banks									
domestic	32,058	58	0.2	29,058	51	0.2	16,032	72	0.4
foreign	22,888	323	1.4	26,299	290	1.1	30,578	330	1.1
Loans and advances									
domestic	219,036	6,674	3.0	225,425	7,618	3.4	225,332	8,336	3.8
foreign	381,663	11,651	3.1	362,259	11,449	3.2	335,075	11,538	3.4
Interest-earning securities(1)									
domestic	35,842	472	1.3	34,637	537	1.6	33,374	634	1.9
foreign	69,780	1,638	2.3	75,100	1,765	2.4	76,955	2,006	2.6
Other interest-earning assets									
domestic	14,762	31	0.2	8,353	38	0.5	14,692	106	0.7
foreign	20,907	77	0.4	17,194	87	0.5	15,796	164	1.0
Total	**796,936**	**20,924**	**3.0**	**778,325**	**21,835**	**2.8**	**747,834**	**23,186**	**3.1**
Non-interest earning assets	34,612			41,334			38,177		

	Interest-earning assets								
	2016			2015			2014		
	Average balance	**Interest income**	**Average yield**	**Average balance**	**Interest income**	**Average yield**	**Average balance**	**Interest income**	**Average yield**
	(EUR millions)		*(%)*	*(EUR millions)*		*(%)*	*(EUR millions)*		*(%)*
Derivatives assets	**44,818**			**49,363**			**39,907**		
Total assets[(2)]....................	**876,366**			**869,021**			**825,918**		
Percentage of assets applicable to foreign operations..........................		63.6%			64.5%			65.2%	
Interest income on derivatives		22,917			24,333			25,137	
Other		380			229			53	
Total interest income		**44,221**			**46,397**			**48,376**	

Note:

(1) ING has changed its accounting policy for the netting of cash pooling arrangements in the second quarter of 2016. In accordance with IFRS, the comparable amounts must be adjusted. The comparable amounts are adjusted in the ING 2016 Annual Accounts. In the above table however, the year-end 2015 and 2014 cash pool balances in Customer deposits are still presented on a net basis in order to provide consistent information to its users.

(2) Substantially all interest-earning securities held by ING Bank are taxable securities.

Liabilities[1]

	Interest-bearing liabilities								
	2016			2015			2014		
	Average balance	Interest expense	Average yield	Average balance	Interest expense	Average yield	Average balance	Interest expense	Average yield
	(EUR millions)		*(%)*	*(EUR millions)*		*(%)*	*(EUR millions)*		*(%)*
Time deposits from banks									
domestic	13,701	21	0.2	11,391	18	0.1	3,336	23	0.7
foreign	13,066	224	1.7	12,723	252	2.0	9,782	281	2.9
Demand deposits[2]									
domestic	51,119	100	0.2	45,065	88	0.2	41,916	134	0.3
foreign	72,185	26	0.0	63,876	56	0.1	54,437	95	0.2
Time deposits[2]									
domestic	24,624	138	0.6	29,858	86	0.3	31,266	95	0.3
foreign	16,654	208	1.2	18,725	265	1.4	18,972	251	1.3
Savings deposits[2]									
domestic	92,814	531	0.6	90,549	883	1.0	88,149	1,168	1.3
foreign	256,240	1,924	0.8	249,318	2,513	1.0	239,101	3,374	1.4
Short-term debt									
domestic	11,271	54	0.5	15,630	44	0.3	17,486	63	0.4
foreign	23,012	192	0.8	21,535	142	0.7	24,091	182	0.8
Long-term debt									
domestic	69,253	1,821	2.6	78,557	2,077	2.6	75,319	2,277	3.0
foreign	14,992	445	3.0	16,917	455	2.7	18,220	575	3.2
Subordinated liabilities									
domestic	16,541	430	2.6	17,398	455	2.6	16,689	717	4.3
foreign	205	9	4.3	319	15	4.6	438	30	6.8
Other interest-bearing liabilities									
domestic	27,140	-87	-0.3	18,673	-10	-0.1	18,340	29	0.2
foreign	43,136	407	0.9	44,107	359	0.8	46,908	318	0.7
Total	745,955	6,442	0.9	734,640	7,698	1.1	704,453	9,612	1.4
Non-interest bearing liabilities	39,588			42,210			43,645		
Derivatives liabilities	47,358			52,009			42,504		
Total liabilities	832,900			828,858			790,602		
Group capital	43,465			40,163			35,316		
Total liabilities and capital	876,366			869,021			825,918		
Percentage of liabilities applicable to foreign operations		59.8%			61.3%			62.3%	
Other interest expense:									
interest expenses on derivatives		23,636			25,241			26,024	
other		826			714			134	
Total interest expense		**30,904**			**33,653**			**35,770**	
Total net interest result		**13,317**			**12,744**			**12,606**	

Note:

(1) ING has changed its accounting policy for the netting of cash pooling arrangements in the second quarter of 2016. In accordance with IFRS, the comparable amounts must be adjusted. The comparable amounts are adjusted in the ING 2016 Annual Accounts. In the above table however, the year-end 2015 and 2014 cash pool balances in Customer deposits are still presented on a net basis in order to provide consistent information to its users.
(2) These captions do not include deposits from banks.

Analysis of Changes in Net Interest Income

The following table allocates changes in ING Bank's interest income and expense and net interest result between changes in average balances and rates for the periods indicated. Changes due to a combination of volume and rate have been allocated to changes in average volume. The net changes in interest income, interest expense and net interest result, as calculated in this table, have been reconciled to the changes in interest income, interest expense and net interest result in the consolidated financial statements. See introduction to "Average Balances and Interest Rates" for a discussion of the differences between interest income, interest expense and net interest result as calculated in the following table and as set forth in ING Bank's consolidated financial statements (certain figures have been restated). Please see page 88 footnote[(1)] for more information.

	2016 over 2015 Increase (decrease) due to changes in			2015 over 2014 Increase (decrease) due to changes in		
	Average volume	Average rate	Net change	Average volume	Average rate	Net change
		(EUR millions)			*(EUR millions)*	
Interest-earning assets						
Time deposits to banks						
domestic	5	2	7	58	-79	-21
foreign	-38	70	33	-46	6	-40
Loans and advances						
domestic	-216	-727	-943	3	-722	-719
foreign	613	-411	202	936	-1,025	-89
Interest-earning securities						
domestic	19	-84	-65	24	-121	-97
foreign	-125	-2	-127	-48	-193	-242
Other interest-earning assets						
domestic	29	-36	-7	-46	-22	-68
foreign	19	-29	-10	14	-91	-77
Interest income						
domestic	-163	-845	-1,008	39	-944	-904
foreign	469	-372	97	856	-1,303	-448
Total	307	-1,217	-911	895	2,247	-1,352
Other interest income			-1,265			-627
Total interest income			**-2,176**			**-1,979**

The following table shows the interest spread and net interest margin for the past two years.

	2016 Average rate	2015 Average rate
	%	%
Interest spread		
domestic	1.6	1.6
foreign	1.8	1.9
Total	1.7	1.8
Net interest margin		
domestic	1.6	1.5
foreign	1.9	2.0
Total	1.8	1.8

	2016 over 2015 Increase (decrease) due to changes in			2015 over 2014 Increase (decrease) due to changes in		
	Average volume	Average rate	Net change	Average volume	Average rate	Net change
		(EUR millions)			*(EUR millions)*	
Interest-bearing liabilities						
Time deposits from banks						
domestic	4	0	4	55	-61	-5
foreign	7	-35	-28	85	-113	-29
Demand deposits						
domestic	12	0	12	10	-56	-46
foreign	7	-37	-30	17	-56	-39
Time deposits						
domestic	-15	67	52	-4	-4	-8
foreign	-29	-28	-57	-3	17	14
Savings deposits						
domestic	22	-374	-352	32	-316	-284
foreign	70	-659	-589	144	-1,005	-861
Short-term debt						
domestic	-12	23	10	-7	-13	-19
foreign	10	40	50	-19	-20	-40
Long-term debt						
domestic	-246	-10	-256	98	-298	-200
foreign	-52	42	-10	-41	-79	-120
Subordinated liabilities						
domestic	-21	-4	-25	30	-293	-262
foreign	-5	-1	-6	-8	-7	-15
Other interest-bearing liabilities						
domestic	-5	-73	-77	1	-40	-39
foreign	-8	56	48	-19	61	42
Interest expense						
domestic	-261	-371	-632	215	-1,080	-864
foreign	0	-622	-622	154	-1,202	-1,047
Total	**-261**	**-993**	**-1,255**	**369**	**-2,281**	**-1,912**
Other interest expense			-1,494			-205
Total interest expense			**-2,749**			**-2,117**
Net interest						

	2016 over 2015 Increase (decrease) due to changes in			2015 over 2014 Increase (decrease) due to changes in		
	Average volume	Average rate	Net change	Average volume	Average rate	Net change
		(EUR millions)			*(EUR millions)*	
domestic	98	-474	-376	-175	136	-40
foreign	470	250	720	702	-102	600
Net Interest	**468**	**-224**	**344**	**526**	**34**	**560**
Other net interest result			229			-422
Net interest result			**573**			**138**

Investments of ING Bank

The following table shows the balance sheet value under IFRS-EU of the investments of ING Bank.

	Year ended 31 December		
	2016	2015	2014
		(EUR millions)	
Debt securities available for sale			
Dutch government	8,968	9,016	9,599
German government	12,617	13,033	17,413
Central banks	1,253	803	842
Belgian government	5,497	6,591	8,256
Other governments	24,010	27,204	30,055
Corporate debt securities			
Banks and financial institutions	20,154	20,080	21,009
Other corporate debt securities	1,577	1,512	1,935
U.S. Treasury and other U.S. Government agencies	2,713	2,868	2,875
Other debt securities	2,099	1,459	699
Total debt securities available for sale	**78,888**	**82,566**	**92,683**
Debt securities held to maturity			
Dutch government	1,105	1,124	
German government	0	529	
Other governments	5,583	4,376	315
Banks and financial institutions	1,498	1,219	1,567
Other corporate debt securities	215	221	
U.S. Treasury and other U.S. Government agencies			
Other debt securities	350	357	357

	Year ended 31 December		
	2016	2015	2014
		(EUR millions)	
Total debt securities held to maturity	**8,751**	**7,826**	**2,239**
Shares and convertible debentures	4,024	4,434	2,718
Land and buildings(1)	946	1,059	1,100
Total	**92,609**	**95,885**	**98,740**

Note:

(1) Including commuted ground rents.

Banking investment strategy

ING Bank's investment strategy for its investment portfolio related to the banking activities is formulated by the Asset and Liability Committee ("ALCO"). The exposures of the investments to market rate movements are managed by modifying the asset and liability mix, either directly or through the use of derivative financial products including interest rate swaps, futures, forwards and purchased option positions such as interest rate caps, floors and collars. See "Operating and Financial Review and Prospects – Factors Affecting Results of Operations" in this Registration Document and section "Risk Management" in the ING Bank consolidated financial statements for the year ended 31 December 2016.

The investment portfolio related to the banking activities primarily consists of fixed-interest securities. Approximately 85% of the land and buildings owned by ING Bank are wholly or partially in use by Group companies.

Portfolio maturity description

	1 year or less		Between 1 and 5 years		Between 5 and 10 years	
	Book value	Yield	Book value	Yield	Book value	Yield
	(EUR millions)	%	(EUR millions)	%	(EUR millions)	%
Debt securities available for sale						
Dutch government	610		3,592		4,766	
German government	1,050		6,505		5,062	
Belgian government	1,184		3,198		1,115	
Central banks	1,253					
Other governments	3,255		11,020		8,825	
Banks and financial institutions	4,682		10,641		4,806	
Corporate debt securities	241		836		500	
U.S. Treasury and other U.S. Government agencies			958		1,251	
Other debt securities	2		86		1,317	
Total debt securities available for sale	**12,277**	**2.3**	**36,836**	**1.6**	**27,642**	1.7

	Over 10 years		Total
	Book value	Yield	Book value
	(EUR millions)	*%*	*(EUR millions)*
Debt securities available for sale			
Dutch government			8,968
German government			12,617
Belgian government			5,497
Central banks			1,253
Other governments	910		24,010
Banks and financial institutions	25		20,154
Corporate debt securities			1,577
U.S. Treasury and other U.S. Government agencies	504		2,713
Other debt securities	694		2,099
Total debt securities available for sale	**2,133**	**2.0**	**78,888**

	1 year or less		Between 1 and 5 years		Between 5 and 10 years	
	Book value	Yield	Book value	Yield	Book value	Yield
	(EUR millions)	*%*	*(EUR millions)*	*%*	*(EUR millions)*	*%*
Debt securities held to maturity						
Dutch government			225		272	
German government						
Belgian government	264		562		86	
Central banks						
Other governments	1,772		1,496		161	
Banks and financial institutions	504		818		176	
Corporate debt securities			215			
U.S. Treasury and other U.S. Government agencies						
Other debt securities			45			
Total debt securities held to maturity	**2,540**	**2.3**	**3,361**	2.1	**695**	3.1

	Over 10 years		Total
	Book value	Yield	Book value
	(EUR millions)	*%*	*(EUR millions)*
Debt securities held to maturity			
Dutch government	608		1,105
German government			
Belgian government			912
Central banks			
Other governments	1,242		4,671

	Over 10 years		Total
	Book value	Yield	Book value
	(EUR millions)	*%*	*(EUR millions)*
Banks and financial institutions			1,498
Corporate debt securities			215
U.S. Treasury and other U.S. Government agencies			
Other debt securities	305		350
Total debt securities held to maturity	**2,155**	**0.3**	**8,751**

At 31 December 2016, ING Bank also held the following securities for the banking operations that exceeded 10 % of shareholders' equity:

	2016	
	Book value	Market value
	(EUR millions)	
German government	12,645	12,645
Dutch government	10,074	10,312
French government	5,668	5,670
Belgian government	6,409	5,425
Poland government	5,158	5,151

Loan Portfolio

Loans and advances to banks and customers

Loans and advances to banks include all receivables from credit institutions, except for cash, current accounts and deposits with other banks (including central banks). Lending facilities to corporate and private customers encompass among others, loans, overdrafts and finance lease receivables.

Loans and Loan loss provisions

See Note 6 "Loans and advances to customers" to the consolidated financial statements of the Issuer for the year ended 31 December 2016 (certain figures have been restated (please see page 55 in this Registration Document for more information)).

Loans and loan loss provisions

	2016	2015
	(EUR millions)	
Loans past due 90 days	8,630	11,578
Other impaired loans	4,457	3,747
Total impaired loans (loans with a loan loss provision)	13,087	15,325

Potential problem loans	6,304	6,240
Total impaired loans and potential problem loans	19,391	21,565
Loans neither impaired nor potential problem loans	577,523	713,230
Total	**596,914**	**734,795**
This amount is presented in the balance sheet as:		
Amounts due from Banks	28,863	29,016
Loans and advances to customers	568,051	705,779
Total	**596,914**	**734,795**
Loan loss provisions included in:		
Amounts due from Banks	11	14
Loans and advances to customers	5,178	5,772
Other Provision	119	
Total loan loss provisions	**5,308**	**5,786**

	2016	**2015**
Loans and advances by customer type:		
Loans secured by public authorities	46,380	49,126
Loans secured by mortgages	318,629	308,623
Loans guaranteed by credit institutions	1,180	5,008
Personal lending	23,099	22,677
Asset backed securities excluding MBS	3,380	4,936
Corporate loans	175,383	315,409
Total	**568,051**	**705.779**

	2016	**2015**
Loan loss provisions by customer type:		
Loans secured by public authorities	7	2
Loans secured by mortgages	1,188	1,536
Loans guaranteed by credit institutions	14	15
Personal lending	742	889
Mortgage backed securities (MBS)		–
Asset backed securities excluding MBS	2	2
Corporate loans	3,355	3,342
Total	**5,308**	**5,786**

	2016	**2015**
Increase in Loan loss provision by customer type:		
Loans secured by public authorities	5	–
Loans secured by mortgages	-348	-326
Loans guaranteed by credit institutions	-1	7

Personal lending	-147	19
Mortgage backed securities (MBS)		–
Asset backed securities excluding MBS		
Corporate loans	13	91
Total	**-478**	**-209**

The net decrease in Loan loss provision includes:		
Increase in loan loss provision (P&L)	974	1,347
Write-offs and other	-1,452	-1,556
Total	**-478**	**-209**

The following table sets forth the gross loans and advances to banks and customers as at 31 December 2016, 2015, 2014, 2013 and 2012 under IFRS-EU.

IFRS-EU	**Year ended 31 December**				
	2016	**2015**	**2014**	**2013**	**2012**
			(EUR millions)		
By domestic offices:					
Loans guaranteed by public authorities	27,746	30,912	27,665	29,132	35,857
Loans secured by mortgages	126,885	128,685	139,079	139,475	153,594
Loans to or guaranteed by credit institutions	10,621	16,334	17,307	11,686	14,641
Other private lending	4,376	5,636	6,635	4,857	5,048
Mortgage backed securities (MBS)				0	0
Asset backed securities excluding MBS	1,227			0	0
Other corporate lending	37,707	196,248	217,070	43,907	42,891
Total domestic offices	208,562	377,815	407,756	229,057	252,031
By foreign offices:					
Loans guaranteed by public authorities	18,634	18,214	18,894	15,119	14,917
Loans secured by mortgages	191,744	179,938	161,007	147,763	152,369
Loans to or guaranteed by credit institutions	19,422	17,688	25,508	33,378	28,824
Other private lending	18,723	17,041	16,096	21,904	19,550
Asset backed securities excluding MBS	2,153	4,937	5,318	6,336	7,044
Other corporate lending	137,676	119,162	111,347	99,865	104,644
Total foreign offices	388,352	356,980	338,170	324,365	327,348
Total gross loans and advances to banks and customers	596,914	734,795	745,926	553,422	579,379

(1) ING has changed its accounting policy for the netting of cash pooling arrangements in the second quarter of 2016. In accordance with IFRS, the comparable amounts must be adjusted. The comparable amounts for 2015 and 2014 are adjusted in the above table.

Maturities and sensitivity of loans to changes in interest rates

The following table analyses loans and advances to banks and customers by time remaining until maturity at 31 December 2016.

	1 year or less	1 year to 5 years	After 5 years	Total
By domestic offices:				
Loans guaranteed by public authorities....................	3,134	2,647	21,965	27,746
Loans secured by mortgages	6,509	19,851	100,525	126,885
Loans to or guaranteed by credit institutions	9,022	1,115	484	10,621
Other private lending..	2,071	1,021	1,284	4,376
Mortgage backed securities (MBS)..........................				
Asset backed securities excluding MBS			1,227	1,227
Other corporate lending..	22,798	11,527	3,382	37,707
Total domestic offices...	**43,534**	**36,161**	**128,867**	**208,562**
By foreign offices:				
Loans guaranteed by public authorities....................	6,250	6,374	6,010	18,634
Loans secured by mortgages	19,671	51,501	120,572	191,744
Loans to or guaranteed by credit institutions	15,714	2,977	731	19,422
Other private lending..	7,045	8,834	2,844	18,723
Asset backed securities excluding MBS	1	51	2,101	2,153
Other corporate lending..	51,298	62,112	24,266	137,676
Total foreign offices..	**99,979**	**131,849**	**156,524**	**388,352**
Total gross loans and advances to banks and customers	**143,513**	**168,010**	**285,391**	**596,914**

The following table analyses loans and advances to banks and customers by interest rate sensitivity by maturity at 31 December 2016.

	1 year or less	Over 1 year	Total
	(EUR millions)		
Non-interest earning	4,261	2,038	6,299
Fixed interest rate	60,105	74,225	134,330
Semi-fixed interest rate(1)	11,349	195,649	206,998
Variable interest rate	67,798	181,489	249,287
Total	143,513	453,401	596,914

Note:

(1) Loans that have an interest rate that remains fixed for more than one year and which can then be changed are classified as "semi-fixed".

Loan concentration

The following industry concentrations were in excess of 10% of total loans at 31 December 2016:

	Total outstanding
Private Individuals	39.5%

Risk Elements

Loans Past Due 90 days and Still Accruing Interest

Loans past due 90 days and still accruing interest are loans that are contractually past due 90 days or more as to principal or interest on which ING Bank continues to recognise interest income on an accrual basis in accordance with IFRS-EU. Once a loan has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

As all loans continue to accrue interest under IFRS-EU, the non-accrual loan status is no longer used to identify ING Bank's risk elements. No loans are reported as non-accrual and there is an increase in the amount of loans reported as Loans past due 90 days and still accruing interest, compared to the prior years reported, due to the interest accrual on impaired loans. The following table sets forth the outstanding balance of the loans past due 90 days and still accruing interest and non-accrual loans for the years ended 31 December 2016, 2015, 2014, 2013 and 2012 under IFRS-EU (certain figures have been restated (please see page 55 in this Registration Document and Note 6 "Loans and advances to customers" to the consolidated financial statements of the Issuer for the year ended 31 December 2016 for more information)).

IFRS-EU	Year ended 31 December				
	2016	2015	2014	2013	2012
	(EUR millions)				
Loans past due 90 days and still accruing interest					
Domestic	5,292	7,523	8,714	8,088	6,367
Foreign	3,338	4,055	5,528	4,767	3,734
Total loans past due 90 days and still accruing interest	**8,630**	**11,578**	**14,242**	**12,855**	**10,101**

As at 31 December 2016, EUR 8,176 million of the loans past due 90 days and still accruing interest have a loan loss provision. Total loans with a loan loss provision, including those loans classified as past due

90 days and still accruing interest with a provision and troubled debt restructurings with a provision, amounts to EUR 13,133 million as at 31 December 2016.

Troubled Debt Restructurings

Troubled debt restructurings are loans that ING Bank has restructured due to deterioration in the borrower's financial position and in relation to which, for economic or legal reasons related to the borrower's deteriorated financial position, ING Bank has granted a concession to the borrower that ING Bank would not have otherwise granted.

The following table sets forth the outstanding balances of the troubled debt restructurings as at 31 December 2016, 2015, 2014, 2013 and 2012 under IFRS-EU.

IFRS-EU	Year ended 31 December				
	2016	2015	2014	2013	2012
	(EUR millions)				
Troubled debt restructurings:					
Domestic	325	86	112	813	781
Foreign	277	376	304	742	476
Total troubled debt restructurings	**602**	**462**	**416**	**1,555**	**1,257**

Interest Income on Troubled Debt Restructurings

The following table sets forth the gross interest income that would have been recorded during the year ended 31 December 2016 on troubled debt restructurings had such loans been current in accordance with their original contractual terms and interest income on such loans that was actually included in interest income during the year ended 31 December 2016.

	Year ended 31 December 2016		
	Domestic Offices	Foreign Offices	Total
	(EUR millions)		
Interest income that would have been recognised under the original contractual terms	0	1	1
Interest income recognised in the profit and loss account	0	1	1

Potential Problem Loans

Potential problem loans are loans that are not classified as loans past due 90 days and still accruing interest or troubled debt restructurings and amounted to EUR 6,304 million as at 31 December 2016. Of this total, EUR 2,734 million relates to domestic loans and EUR 3,571 million relates to foreign loans. These loans are considered potential problem loans as there is known information about possible credit problems causing ING Bank to have serious doubts as to the ability of the borrower to comply with the present loan repayment terms and which may result in classifying the loans as loans past due 90 days and still accruing interest or as troubled debt restructurings. Appropriate provisions, following ING Bank's credit risk rating system, have been established for these loans.

Cross-border outstandings

Cross-border outstandings are defined as loans (including accrued interest), acceptances, interest-earning deposits with other banks, other interest-earning investments and any other monetary assets that are denominated in euro or other non-local currency. To the extent that material local currency outstandings are not hedged or are not funded by local currency borrowings, such amounts are included in cross-border outstandings.

Commitments such as irrevocable letters of credit are not considered as cross border outstanding. Total outstandings are in line with Dutch Central Bank requirements. On 31 December 2016, there were no outstandings exceeding 1% of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

The following tables analyse cross-border outstandings as of the end of 31 December 2016, 2015 and 2014 stating the name of the country and the aggregate amount of cross-border outstandings to borrowers in each foreign country where such outstandings exceed 1% of total assets, by the following categories.

Year ended 31 December 2016

	Government & official institutions	Banks & other financial Institutions	Commercial & industrial	Other	Total	Cross-border Commitments
	(EUR millions)					
United Kingdom	3,962	7,871	12,665	2,309	26,808	17,624
United States	6,110	11,823	3,081	1,028	22,042	7,585
France	812	10,498	6,892	1,497	19,700	6,263
Germany	1,743	2,609	12,209	2,000	18,562	13,533
China	6,249	3,096	2,151	4,297	15,793	12,540
Turkey	1,149	6,226	1,562	4,892	13,829	464
Belgium	1,653	3,272	6,760	468	12,152	1,401
Switzerland	1,252	3,379	4,467	938	10,035	11,743
Canada	195	1,574	5,817	1,435	9,022	2,744

Year ended 31 December 2015

	Government & official institutions	Banks & other financial Institutions	Commercial & industrial	Other	Total	Cross-border Commitments

(EUR millions)

United Kingdom	3,524	10,220	4,434	1,153	19,331	6,768
United States	2,895	7,239	7,361	1,610	19,105	16,530
France	7,875	11,505	2,504	1,186	23,070	7,380
Germany	5,307	3,172	2,040	3,145	13,664	10,215
China	612	6,443	1,975	3,372	12,403	386
Turkey	1,873	3,564	5,329	1,202	11,968	1,627
Belgium	1,618	2,532	4,055	1,961	10,166	14,582
Switzerland	1,435	230	3,753	3,641	9,059	2,292
Canada	539	6,082	1,386	452	8,459	739

	Year ended 31 December 2014					
	Government & official institutions	Banks & other financial Institutions	Commercial & industrial	Other	Total	Cross-border Commitments
			(EUR millions)			
United Kingdom	481	10,575	4,730	1,012	16,798	5,159
United States	2,898	6,568	4,409	1,834	15,709	13,354
France	8,259	11,213	2,641	1,181	23,294	6,539
Germany	8,643	1,653	1,941	2,791	15,028	7,389
China	193	7,940	1,701	2,736	12,570	479

As of 31 December 2016 Switzerland, Singapore, Hong Kong, Canada, Japan, Austria, Spain and Poland has cross-border outstandings between 0.50% and 0.80% of total assets.

As of 31 December 2015 Luxembourg, Spain, Russia, japan, Italy, Singapore, Poland, Cayman Island and Austria has cross-border outstandings between 0.50% and 0.80% of total assets.

Summary of Loan Loss Experience

For further explanation on loan loss provision see section "Loan loss provisions" in Note 1 "Accounting policies" to the consolidated financial statements of the Issuer for the year ended 31 December 2016.

The application of the IFRS-EU methodology has reduced the amount of the unallocated provision for loan losses that ING Bank provided in prior years to adequately capture various subjective and judgmental aspects of the credit risk assessment which were not considered on an individual basis.

The following table presents the movements in allocation of the provision for loan losses on loans accounted for as loans and advances to banks and customers for 2016, 2015, 2014, 2013 and 2012 under IFRS-EU.

IFRS-EU	**Year ended 31 December**				
	2016	**2015**	**2014**	**2013**	**2012**
			(EUR millions)		
Balance on 1 January	5,786	5,995	6,154	5,505	4,950
Change in the composition of the Group			170	-20	-13
Charge-offs:					
Domestic:					
Loans guaranteed by public authorities	-207		–	–	–
Loans secured by mortgages	-323	-436	-435	-301	-144
Loans to or guaranteed by credit institutions			-12	-5	-5
Other private lending	-93	-121	-50	-34	-47
Other corporate lending	-234	-447	-483	-569	-601
Foreign:					
Loans guaranteed by public authorities					-18
Loans secured by mortgages	-129	-154	-90	-54	-64
Loans to or guaranteed by credit institutions				-3	
Other private lending	-233	-303	-124	-167	-133
Other corporate lending	-275	-257	-535	-476	-670
Total charge-offs	-1,494	-1,718	-1,729	-1,609	-1,682
Recoveries:					
Domestic:					
Loans guaranteed by public authorities					
Loans secured by mortgages	14	23	36	34	35
Loans to or guaranteed by credit institutions					
Other private lending	-210	16	13	7	12
Other corporate lending	6	-5	9	22	37
Foreign:					
Loans guaranteed by public authorities					
Loans secured by mortgages	3	4	6	4	1
Loans to or guaranteed by credit institutions					
Other private lending	8	37	31	31	30
Other corporate lending	273	16	9	18	27
Total recoveries	94	91	104	116	142
Net charge-offs	-1,400	-1,627	-1,625	-1,493	-1,540
Additions and other adjustments (included in value Adjustments to receivables of the Banking operations)	922	1,418	1,636	2,162	2,108
Balance on 31 December	**5,308**	**5,786**	**5,995**	**6,154**	**5,505**
Ratio of net charge-offs to average loans and advances to banks and customers	0.23%	0.28%	0.29%	0.26%	0.25%

Additions to the provision for loan losses presented in the table above were influenced by developments in general economic conditions as well as certain individual exposures.

The following table shows the allocation of the provision for loan losses on loans accounted for as loans and advances to banks and customers for 2016, 2015, 2014, 2013 and 2012 under IFRS-EU.

IFRS-EU	**Year ended 31 December**									
	2016		**2015**		**2014**		**2013**		**2012**	
	(EUR millions)	*(%)*[(1)]	*(EUR millions)*	*(%)*[(1)]	*(EUR millions)*	*(%)*[(1)]	*(EUR millions)*	*(%)*[(1)]	*(EUR millions)*	*(%)*[(1)]
Domestic:										
Loans guaranteed by public authorities..........................		4.65	0	5.29	0	4.73	0	5.26	0	6.20
Loans secured by mortgages	550	21.26	819	21.97	1,069	24.72	1,265	25.21	878	26.55
Loans to or guaranteed by credit institutions.........................	2	1.78	0	2.05	0	2.11	0	2.11	0	2.94
Other private lending	122	0.73	177	0.89	169	0.87	139	0.88	144	0.87
Other corporate lending	1,738	6.32	1,904	7.32	1,820	7.08	1,566	7.93	1,423	7.62
Total domestic....................	**2,412**	**34.73**	**2,900**	**37.52**	**3,058**	**39.51**	**2,970**	**41.38**	**2,445**	**44.18**
Foreign:										
Loans guaranteed by public authorities..........................	7	3.12	2	3.19	2	3.37	2	2.73	2	2.57
Loans secured by mortgages	638	32.12	717	30.03	793	26.67	631	26.70	710	26.28
Loans to or guaranteed by credit institutions.........................	12	3.25	15	3.09	8	4.67	21	6.03	30	4.56
Other private lending	620	3.14	712	2.98	701	4.20	672	3.96	650	3.37
Mortgage backed securities	2	0.36	2	0.86	2	0.95	142	1.14	76	1.22
Other corporate lending	1,617	23.06	1,438	22.32	1,431	20.63	1,716	18.05	1,592	17.82
Total foreign.......................	2,896	65.06	2.886	62.48	2,937	60.49	3,184	58.61	3,060	55.82
Total	**5,308**	**100.00**	**5,786**	**100.00**	**5,995**	**100.00**	**6,154**	**100.00**	**5,505**	**100.00**

Note:

The percentages represent the loans in each category as a percentage of the total loan portfolio for loans and advances to banks and customers.

Deposits

The aggregate average balance of all the Group's interest-bearing deposits (from banks and customer accounts) increased by 2.6% to EUR 549,194 million in 2016, compared to 2015 (EUR 535,372 million). Interest rates paid reflect market conditions. The effect on net interest income depends upon competitive pricing and the level of interest income that can be generated through the use of funds. Deposits by banks are primarily time deposits, the majority of which are raised by the Group's Amsterdam based money market operations in the world's major financial markets. Certificates of deposit represent 18.2% of the category 'Debt securities' (20.9% at the end of 2015). These instruments are issued as part of liquidity management with maturities generally of less than three months. The following table includes the average deposit balance by category of deposit and the related average rate.

	2016		2015		2014	
	Average deposit	Average rate	Average deposit	Average rate	Average deposit	Average rate
	(EUR millions)	*%*	*(EUR millions)*	*%*	*(EUR millions)*	*%*
Deposits by banks						
In domestic offices:						
Demand – non-interest bearing	4		2,143		2,452	–
– interest bearing	1,415	2.3	739	2.8	675	1.5
Time	13,601	0.1	11,344	0.1	3,300	0.7
Other	55	5.1	135	1.0	2,436	0.7
Total domestic offices	15,075		14,361		8,863	–
In foreign offices						
Demand – non-interest bearing	5		1,347		1,698	–
– interest bearing	5,025	1.0	5,556	0.9	4,205	1.2
Time	12,704	1.8	12,616	2.0	9,486	2.9
Other	2,835	1.3	3,799	2.0	6,278	0.7
Total foreign offices	20,569		23,318		21,667	–
Total deposits by banks	**35,644**		**37,679**		**30,530**	**–**
Customer accounts						
In domestic offices:						
Demand – non-interest bearing	297		1,204		683	–
– interest bearing	52,494	0.2	46,348	0.2	44,756	0.3
Savings	92,508	0.5	90,067	0.8	87,951	1.1
Time	17,244	1.2	27,710	0.8	31,267	1.0
Other	335	6.0	409	4.2	878	2.3
Total domestic offices	162,878		165,738		165,535	–
In foreign offices:						
Demand – non-interest bearing	432		3,411		4,094	–
– interest bearing	77,172	0.1	68,190	0.3	59,506	0.3
Savings	255,825	0.7	248,768	0.9	238,933	1.3
Time	16,305	2.4	18,452	2.6	18,687	3.0
Other	1,676	0.5	1,270	0.6	878	1.3
Total foreign offices	351,410		340,091		322,098	–
Total customer accounts	**514,288**		**505,829**		**487,633**	**–**

(1) ING has changed its accounting policy for the netting of cash pooling arrangements in the second quarter of 2016. In accordance with IFRS, the comparable amounts must be adjusted. The comparable amounts are adjusted in the ING 2016 Annual Accounts. In the above

table however, the year-end 2015 and 2014 cash pool balances in Customer deposits are still presented on a net basis in order to provide consistent information to its users.

	2016		2015		2014	
	Average deposit	**Average rate**	**Average deposit**	**Average rate**	**Average deposit**	**Average rate**
	(EUR millions)	*%*	*(EUR millions)*	*%*	*(EUR millions)*	*%*
Debt securities						
In domestic offices:						
Debentures	68,326	2.3	76,026	2.4	71,821	2.6
Certificates of deposit	9,857	0.5	13,909	0.4	15,660	0.4
Other	0	0.0		0.0	773	0.0
Total domestic offices	78,183		89,935	–	88,254	–
In foreign offices:						
Debentures	6,986	2.7	7,051	3.7	7,954	3.7
Certificates of deposit	8,001	0.9	9,512	1.2	10,601	1.2
Other	5,026	2.6	5,401	3.0	5,486	3.3
Total foreign offices	20,013		21,964	–	24,041	–
Total debt securities	**98,196**		**111,899**	–	**112,295**	**–**

For the years ended 31 December 2016, 2015 and 2014, the aggregate amount of deposits by foreign depositors in domestic offices was EUR 46,587 million, EUR 46,778 million and EUR 47,019 million, respectively.

On 31 December 2016, the maturity of domestic time certificates of deposit and other time deposits exceeding EUR 20,000 was:

	Time certificates of deposit		**Other time deposits**	
	(EUR millions)	*%*	*(EUR millions)*	*%*
3 months or less	1,639	24.8	8,602	67.3
6 months or less but over 3 months	4,191	63.4	3,122	24.4
12 months or less but over 6 months	781	11.8	774	6.1
Over 12 months	0	0.0	284	2.2
Total	6,611	100.0	12,782	100.0

The following table shows the amount outstanding for time certificates of deposit and other time deposits exceeding EUR 20,000 issued by foreign offices at 31 December 2016.

	(EUR millions)
Time certificates of deposit	6,416
Other time deposits	31,949
Total	**38,365**

Short-term Borrowings

Short-term borrowings are borrowings with an original maturity of one year or less. Commercial paper and securities sold under repurchase agreements are the only significant categories of short-term borrowings within ING Bank's banking operations.

The following table sets forth certain information relating to the categories of ING Bank's short-term borrowings.

IFRS-EU	**Year ended 31 December**		
	2016	**2015**	**2014**
	(EUR millions, except % data)		
Commercial paper:			
Balance at the end of the year	13,920	11,361	11,868
Monthly average balance outstanding during the year	17,089	14,124	15,368
Maximum balance outstanding at any period end during the year	24,205	16,585	17,670
Weighted average interest rate during the year	0.73%	0.30%	0.28%
Weighted average interest rate on balance at the end of the year	0.89%	0.37%	0.37%
Securities sold under repurchase agreements:			
Balance at the end of the year	37,613	39,920	39,441
Monthly average balance outstanding during the year	56,803	47,802	45,029
Maximum balance outstanding at any period end during the year	68,527	55,212	56,658
Weighted average interest rate during the year	0.23%	0.25%	0.39%
Weighted average interest rate on balance at the end of the year	0.35%	0.30%	0.45%

GENERAL INFORMATION

1. The section entitled "General Information – Significant or Material Adverse Change" of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

"**Significant or Material Adverse Change**

At the date hereof, there has been no significant change in the financial or trading position of the Issuer and its consolidated subsidiaries since 31 March 2017.

At the date hereof, there has been no material adverse change in the prospects of the Issuer since 31 December 2016."

2. The last sentence of the second paragraph of the section entitled "General Information – Litigation" of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

"While a provision has been recorded, the review of such issues is ongoing."

3. The third paragraph of the section entitled "General Information – Litigation" of the Programme Information dated 29 March 2017 shall be deleted and restated as follows:

"Proceedings in which ING is involved include complaints and lawsuits concerning the performance of certain interest sensitive products that were sold by a former subsidiary of ING in Mexico. A provision has been taken in the past."

4. The following new sentence shall be inserted before the last sentence of the fourth paragraph of the section entitled "General Information – Litigation" of the Programme Information dated 29 March 2017:

"In April 2017, the New York District Court issued an oral ruling dismissing all claims. The court granted leave to plaintiffs to amend their complaint."

5. The following new sentence shall be inserted before the last sentence of the ninth paragraph of the section entitled "General Information – Litigation" of the Programme Information dated 29 March 2017:

"In April 2017, ING has informed the majority of the relevant clients whether they are in scope of the recovery framework, and thus eligible for compensation, or not."