



ING Financial Economic Crime Statement – October 2020

I. Introduction

At ING, we are committed to conducting business with the highest level of integrity, and strict compliance with all applicable laws, regulations and standards in each of the markets and jurisdictions in which we operate.

As a global financial institution, ING is at risk of being used to launder proceeds of crime, to finance terrorism and/or to be involved in transactions related to sanctioned persons, entities and/or countries as well as trade controlled exports and proliferation financing. ING defines these as Financial Economic Crime (FEC) risks.

II. The ING Know Your Customer (KYC) Policy

The ING KYC Policy stipulates the requirements that all ING entities must adhere to, ensuring ING is to the best of its ability safeguarded against involvement in criminal activity, and to participate in international efforts to combat money laundering and the funding of terrorist and/or (other) criminal activities.

The ING KYC Policy incorporates requirements and recommendations derived from:

- The EU Directives and Regulations in the area of prevention of money laundering and terrorist financing
- The Dutch Money Laundering and Terrorist Financing Prevention Act (Wwft) and Sanctions Act 1977 (Sw)
- The 40 FATF Recommendations
- The Wolfsberg Principles
- The Basel Committee on Banking Supervision Guidelines (BCBS)
- The Bank Secrecy Act, as amended by Title III of the USA PATRIOT Act
- EU, US and UN sanctions laws and regulations
- Industry and market standards.

III. Scope and applicability

The ING KYC Policy is mandatory and applies to all ING entities (i.e. all branches and majority-owned subsidiaries of ING Group N.V. (including ING Bank N.V.)), their corporate functions and their branches, including outsourcing partners to whom ING entities have sourced their KYC related responsibilities.

ING entities must implement appropriate local procedures that will enable them to comply with ING's KYC Policy as well as with local laws and regulations. Where local laws and regulations are more stringent, the local laws and regulations are applied. Likewise, the ING KYC Policy prevails when the standards therein are stricter than stipulated in local laws and regulations and if not specifically forbidden (for example because of data privacy or bank secrecy).

IV. FEC risk control areas and key controls

The FEC requirements in the ING KYC Policy cover risk control areas related to:

- Anti-Money Laundering (AML)
- Combat Terrorist Financing (CTF)
- Sanctions
- Export Trade Controls
- Non-Proliferation Financing.

For the purpose of fighting financial economic crime, the ING KYC Policy distinguishes, but is not limited to, the following pillars: (1) Customer Due Diligence (CDD) measures including a risk assessment, commensurate with the risks identified, (2) transaction monitoring to identify, assess and report suspicious activities, (3) screening for compliance with applicable Dutch, EU, US and UN sanctions programs, (4) training and awareness, and (5) record retention.

Key controls related to the above-mentioned pillars are included in ING's FEC control framework. Its effectiveness is tested and reviewed periodically.

ING continuously works to improve and enhance compliance risk management. These efforts were stepped up in 2018 following ING's settlement with the Dutch authorities after an investigation found serious shortcomings in the execution of customer due diligence and transaction monitoring requirements.

More information on ING's progress in improving its KYC and AML measures can be found here: <https://www.ing.com/About-us/Compliance/KYC-and-anti-money-laundering-measures.htm>.

V. ING's designation of specific countries as Ultra High Risk (UHRCs)

As a result of frequent evaluation of all business activities from an economic, strategic and risk perspective, ING continues to believe that doing business involving certain countries should be discontinued. In that respect, ING has a policy not to enter into new relationships with customers from these countries and processes remain in place to discontinue existing relationships involving these countries. At present, these countries are Cuba, Iran, North Korea, Sudan and Syria.

ING will continue to closely monitor the developments with respect to specific countries and will revisit the current policies and procedures if and when appropriate.