Final

BASE PROSPECTUS SUPPLEMENT N°2 dated 16 May 2023

ING Belgium NV/SA

(Incorporated with limited liability in Belgium)

EUR 10,000,000,000

Residential Mortgage Pandbrieven Programme

This base prospectus supplement (the "**Supplement N°2**") constitutes a supplement for the purposes of Article 23 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"). The Supplement N°2 is supplemental to, forms part of, and must be read in conjunction with the base prospectus dated 8 November 2022 (the "**Base Prospectus**") and the first supplement to the Base Prospectus dated 14 February 2023 ("**Supplement N°1**") issued by ING Belgium NV/SA (the "**Issuer**", "**ING Belgium**" or "**ING**"), for the purpose of giving information with regard to the issue of Mortgage Pandbrieven under its EUR 10,000,000,000 Residential Mortgage Pandbrieven Programme during the period of twelve months after the date of the Base Prospectus. Terms defined in the Base Prospectus or in any document incorporated by reference in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement N°2.

This Supplement N°2 has been approved by the Belgian Financial Services and Markets Authority *(Autoriteit voor Financiële Diensten en Markten/Autorité des services et marches financiers)* (the "**FSMA**") on 16 May 2023 as competent authority under the Prospectus Regulation. This approval does not imply any appraisal of the appropriateness or the merits of any issue under the Programme, nor of the situation of the Issuer.

This Supplement N°2 will be published on www.ing.be.

The Issuer accepts responsibility for the information contained in this Supplement N°2 and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement N°2 is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Hans De Munck
Managing Director

Cédric Debegge
Managing Director

1. NEW INFORMATION

In order to ensure that the information contained in the Base Prospectus is up-to-date as required by the Prospectus Regulation, the following amendments are made:

I. In "PART 1 - RISK FACTORS RELATING TO THE ISSUER AND ITS OPERATIONS", subsection "1. Risks related to financial conditions, market environment and general economic trends", under the risk factor titled 'Interest rate volatility and other interest rate changes may adversely affect the Issuer's business, results and financial condition. [Global Criticality: High]', the fourth paragraph is replaced entirely as follows:

"Against the background of recent increased inflationary pressures, the ECB discontinued net asset purchases under its pandemic emergency purchase programme (PEPP) at the end of March 2022 (decision of 16 December 2021) and under its asset purchase programme (APP) as of 1 July 2022 (decision of 9 June 2022). Further, the ECB has decided to raise its key interest rates, most recently on 4 May 2023 with effect from 10 May 2023. Together these factors drove up longer term interest rates and steepened yield curves. Given this change in rate environment the Issuer has announced that as of 1 September 2022, it will no longer apply a negative interest rate to deposits of private individuals as well as most legal entities. Uncertainty remains about the evolution of interest rates driven by the ECB, since the inflationary context would call for higher interest rates, while the low growth of the economy (or even the recession) would rather require low interest rates."

II. In the "DESCRIPTION OF THE ISSUER" section, subsection "1.8 Statutory Auditors" on page 170, shall be replaced as follows:

"KPMG Bedrijfsrevisoren BV, member of the "*Institut des Réviseurs d'Entreprises*" in Belgium has audited the consolidated accounts for the financial years 2021 and 2022 (represented by Frans Simonetti, Partner) and has issued unqualified opinions on these financial statements. Such Auditors have not resigned, been removed nor failed to be re-appointed during the period covered by the historical financial information. Their reports are included in Annual Reports (*Documents Incorporated by Reference*)."

III. In the "DESCRIPTION OF THE ISSUER" section, subsection "2.6 Key figures of 2021" on page 181, shall be replaced as follows:

"2.6 Key figures of 2022

2022 was a year of transition for the Issuer in which the bank laid new building blocks to further roll out its Route24 strategy to make banking simple again. Despite the geopolitical context, the uncertainty over energy supplies and high inflation, the Issuer posted a pre-tax result excluding the exceptional items of EUR 835 million in 2022. First, the announced optimisation of the independent branch network gave rise to a provision of EUR 93 million in Q2. Secondly, the fast rising market rates led to the de-designation of a Fair Value hedge on saving accounts with, as a consequence, a EUR -288 million recognised in other income in Q3 and an additional loss of EUR 19 million in Q4. Alongside the expected benefit from rising interest rates, the upcoming years will show increases in income, for the same amount, spread out over time.

In October 2022, the European Central Bank (**ECB**) changed the terms of the unconditional interest related to the periods before and after the special interest periods. Interest rate before 24 June 2020 and from 23 June 2022 until 22 November 2022 is now based on the average deposit facility (**DF**) rate during the period between the draw down date until 22 November 2022. As ING participated in series 3, 4 and 7 of the third series of 'Targeted longer-term refinancing operations' or 'TLTROs' (**TLTRO III**), 3 different average DF rates apply to those and comprised -37 bps, -36 bps and -29 bps, respectively.

Under the revised terms of TLTRO III, interest rate after 22 November 2022 until maturity is now based on the average DF rate during that period instead of the average DF rate for the whole life of TLTRO III, as it was contemplated previously. The DF rate was at 150 bps between 22 November 2022 and 21 December 2022 and at 200 bps thereafter until the end of 2022. Interest income recognised in 2022 within 'Negative interest on liabilities' is based on the above updated terms of TLTROs.

Furthermore, the above change in terms caused the discontinuation of the fair value hedge accounting relationship on TLTRO III, impacting net interest income for a loss of EUR 115 million.

'Other income' includes EUR 66.5 million of gain booked by Soges-Fiducem SA/NV (**Soges**). Soges was a subsidiary of the Issuer that was active in issuing international depository receipts (**IDRs**), i.e. bearer securities/certificates, representing underlying registered shares, issued by foreign companies. Since the phasing out of bearer securities, enforced by the Belgian regulator in the Law of 14 December 2005, Soges has been preparing the liquidation of its activities, which finally resulted in the liquidation of Soges on 19 December 2022. The preparatory steps for the liquidation have resulted in the recognition of a EUR 66.5 million gain, and the sale of a remaining EUR 6.3 million debt to the Issuer. Soges and its sole shareholder being the Issuer have at all times respected all legal obligations and assumed their duty of care towards the ex-IDR holders.

Change in gross carrying amounts and loan loss provisions

In 2022, stage 3 gross carrying amount increased by EUR 55.6 million from EUR 3.14 billion on 31 December 2021 to EUR 3.19 billion. This is mainly caused by a transfer from stage 1 (EUR 376 million) and stage 2 (EUR 557 million) offset by ‘financial assets that have been derecognised’ and write-offs. Stage 3 provisions amount increased by EUR 13.5 million, reflecting a limited inflow of new defaults (e.g. large Pharma company) and an increase on existing defaulted files (among others due to a more conservative approach as result of the market outlook). Stage 2 gross carrying amount increased by EUR 4 billion from EUR 10.8 billion to EUR 14.9 billion, mainly caused by a transfer from stage 1 to stage 2. Backstop triggers have been changed to transfer to stage 2 loans where threefold increase in probability of default ('PD') is observed (quantitative assessment of significant increase in credit risk or 'SICR'). This only impacted a low default part of our portfolio and, in consequence, net impact on provisions is relatively modest. Stage 2 provisions amount increased by EUR 69.5 million, caused by the backstop trigger (see previous point) and our Russian exposures in Wholesale Banking. Regarding Russian corporates, all loans have been transferred to stage 2 due to current context. This was offset by transfers to stages 1 and 3.

These elements led to a profit before tax of EUR 454 million and a net result of EUR 331 million. With over EUR 3 billion in income, the bank maintains its commercial momentum. The expense base increased by 4%, which is well below the inflation and wage indexation rates.

The Issuer maintained its commercial momentum, showing EUR 3,033 million income in 2022, which is EUR 12 million higher compared to 2021. Interest income benefited from higher interest rates observed in the second half of 2022. Fee income remained at elevated levels, despite both bond and stock markets underperforming in 2022, weighing on fee income from investments.

Total expenses (excluding risk costs) increased by EUR 79 million. This 4% increase is well below the inflation and wage indexation rates, thanks to strict cost management and efficiency gains from Route24 initiatives. Risk costs ended at EUR 230 million, which is EUR 46 million higher compared to last year, mostly reflecting the additional provisioning for the bank's Russia-related exposure.

The loan portfolio increased by more than EUR 2 billion compared to the previous year. The growth was fueled by both business lending and mortgages. Customer deposits remained stable compared to 2021, as lower current account volumes were offset by higher inflow in savings products.

In 2022, the bank's capital and liquidity base remained strong. Solvency ratios are very solid with a Common Equity Tier 1 ratio of 17.5% and a Total Capital ratio of 22.6%. The Leverage ratio remains fairly stable at around 6%. Liquidity ratios are solid, allowing the bank to meet its short-term and long-term obligations."

IV. In the "DESCRIPTION OF THE ISSUER" section, subsection "4 RISK MANAGEMENT" on page 183, shall be replaced as follows:

"Information on Risk management can be found in the Issuer's Annual Report 2022 on page 57 onwards (see *Documents Incorporated by Reference).*"

V. In the "DESCRIPTION OF THE ISSUER" section, subsection "7.1 Members of the administrative, management and supervisory bodies" starting on page 183, the following amendments are made[1]:

• In relation to the composition of the Management of the Issuer (Board of Directors), the following persons are removed: Justyna Kesler and Gordana Hulina and the following persons are added: Michal Bolesławski and Sandra Simundza.

• In relation to the composition of the Management of the Issuer (Executive Committee), the following person is removed: Gordana Hulina and the following person is added: Sandra Simundza.

• In relation to the composition of the Management of the Issuer (Nomination Committee), the following person is removed: Pinar Abay and the following person is added: Hilde Laga.

• In relation to the composition of the Management of the Issuer (Remuneration Committee), the following person is removed: Pinar Abay and the following person is added: Hilde Laga.

VI. In the "DESCRIPTION OF THE ISSUER" section, subsection "7.1 Members of the administrative, management and supervisory bodies", heading "Corporate governance" on page 185, shall be replaced as follows:

"See 'Corporate governance' on page 46 onwards of the Issuer's Annual Report 2022 (see *Documents Incorporated by Reference).*"

VII. In the "DESCRIPTION OF THE ISSUER" section, subsection "8 POTENTIAL CONFLICTS OF INTEREST", on page 185, shall be replaced as follows:

"The Issuer confirms that, to the best of its knowledge, at the date of this Base Prospectus, there are no conflicts of interests, potential or not, between any duties to the Issuer of the persons referred to

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1 Any updates as to the composition of the Management are published on https://about.ing.be/en/ing-belgium/structure-organisation/board-of-directors.htm.

in the Issuer's Annual Report 2022 at pages 46 and 56 and their private interests and/or other duties (see *Documents Incorporated by Reference).*"

VIII. In the "DESCRIPTION OF THE ISSUER" section, subsection "10.5 Key figures" starting on page 186, shall be replaced as follows:

"10.5 Key figures

Highlights

In EUR millions	2022	2021
Profit before tax excluding exceptional items[2]	835	709
Profit before tax	454	709
Customer deposits	109,525	109,178
Customer loans	107,280	105,180
In %		
Common Equity Tier 1	17.5	16.9
Total capital ratio	22.6	21.7
Leverage ratio[3]	6.1	6.0

ING Belgium NV/SA – Consolidated assets

In EUR millions	2022	2021	%
Cash and balances with central banks	21,439	27,282	-21.42%
Amounts due from banks	3,596	6,156	-41.59%
Financial assets at fair value through profit and loss	18,396	6,920	+165.83%
Financial assets at fair value through other comprehensive income	3,737	4,442	-15.86%
Securities at amortised cost	9,545	10,017	-4.71%
Loans and advances to customers	107,282	105,180	+2.00%
Remaining assets	1,767	1,759	+0.48%
Total Consolidated assets	**165,762**	**161,756**	**+2.48%**

[2] The two exceptional items (EUR -93 million for the restructuring provision, EUR -288 million for the de-designation of the interest rate hedge on savings accounts) have been excluded

[3] Including the exemption for amounts held at central bank from our leverage ratio exposure amount.

ING Belgium NV/SA – Consolidated liabilities and Equity

In EUR millions	2022	2021	%
Deposits from banks	18,188	23,092	-21.2%
Customer deposits	109,525	109,178	+0.3%
Financial liabilities at fair value through profit and loss	17,778	8,205	+116.7%
Remaining liabilities	10,705	11,281	-5.1%
Shareholders' equity	9,566	10,000	-4.3%
Non-controlling interests	0	0	
Total consolidated liabilities and equity	**165,762**	**161,756**	**+2.5%**

ING Belgium NV/SA – Consolidated Income statement

In EUR millions	2022	2021	%
Financial and operational income/expenses	**2,745**	**3,021**	**-9.1%**
of which: net interest income	2,069	2,066	+0.2%
of which: commissions and fees	661	650	+1.8%
of which: other income	302	304	-0.7%
of which: exceptional item[4]	288	0	
Total expenses (-)	**2,291**	**2,073**	**+10.5%**
of which: addition to loan loss provision	230	184	+25.1%
of which: regulatory expenses	240	235	+1.9%
of which: staff expenses	928	916	+1.2%
of which: other operating expenses	801	737	+8.7%
of which: exceptional item[5]	93	0	
Result before tax excl. exceptional item	**835**	**948**	**-11.9%**
Result before tax incl. exceptional item	**454**	**948**	**-52.2%**
Taxation (-)	123	239	-48.4%
Net result	**331**	**709**	**-53.3%**
Non-controlling interests (-)	0	0	
Net result attributable to the equity holders of the parent	**331**	**709**	**-53.3%**

[4] The exceptional item is related to EUR -288 million for the de-designation of the interest rate hedge on savings accounts

[5] The exceptional item is related to EUR -93 million restructuring provision, mainly linked to the optimisation of the branch network

ING Belgium NV/SA – Ratios in respect of Regulatory Capital Requirements

Excluding the impact of the capital buffers, in 2022 the minimum Pillar I capital requirements were as follows:

• Common Equity Tier 1 ratio: 4.5%

• Tier 1 ratio: 6%

• Total Capital ratio: 8%.

In order to determine the overall Pillar I capital requirements as at 2022Q4, these ratios need to be augmented with the combined buffer requirements, i.e. for ING Belgium: 2.5% Capital Conservation Buffer, 1.5% (DSIB) systemic buffer and 0.09% counter-cyclical buffer, and 1.36% Sectoral Systemic risk buffer (SSyRB) replacing since May 2022 the macroprudential add-on for Belgian Residential Real Estate. This results in the following ratios:

• Core Tier 1 ratio: 9.96%

• Tier 1 ratio: 11.46%

• Total Capital ratio: 13.46%.

ING Belgium NV/SA – Total Capital Ratio (2022)

• Common Equity Tier 1 ratio: 17.46%[6]

• Tier 1 ratio: 20.01%

• Total capital ratio: 22.62%

• Leverage ratio: 6.1%[7]."

IX. "In the "DOCUMENTS INCORPORATED BY REFERENCE" section on page 91, paragraph I shall be replaced entirely as follows:

"I. The Issuer's annual report for the financial year ended 31 December 2021[8] (FY 2021) and the Issuer's annual report for the financial year ended 31 December 2022[9] (FY 2022 which includes the following information (without limitation):

	FY 2022	**FY 2021**
Documents		
comments on financial statements	12-14	18-20
consolidated statement of financial position	134	112
consolidated statement of profit and loss	135	113
consolidated statement of comprehensive income	136	114
consolidated statement of cash flows	139	117
consolidated statement of changes in equity	137	115

6 Versus an overall SREP requirement (MDA including buffer requirements) of 11.08%
7 Including the exemption for amounts held at central bank from our leverage ratio exposure amount
8 https://about.ing.be/About-ING/Press-room/Financial-results.htm
9 https://about.ing.be/About-ING/Press-room/Financial-results.htm

notes to the consolidated annual accounts	141-223	119-206
statutory auditor's report	231-238	206-215

* Page references are to the English language PDF version of the relevant incorporated documents.

Information contained in the Issuer's annual report for FY 2021 and FY 2022 which are incorporated by reference is included for information purposes only other than the information listed in the table above."

X. In the "GENERAL INFORMATION" section:

The references to "31 December 2020" on page 206 (under subheading "Documents Available") and on page 207 (under subheading "Statutory Auditors") shall be replaced by "31 December 2022".

2. GENERAL

Save as disclosed in this Supplement N°2, there has been no significant new factor, material mistake or inaccuracy since 14 February 2023, the date of the publication of Supplement N°1 to the Base Prospectus.

Copies of this Supplement N°2 will be available (i) without charge at the specified office of the Issuer and (ii) on the www.ing.be website.

To the extent that there is an inconsistency between (a) any statement in this Supplement N°2 and (b) any statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.