

Information about ING Belgium's conflict of interest policy

1. Aim

As a global service - provider, ING Belgium (hereinafter ING) must take all reasonable measures intended to detect and appropriately manage conflicts of interest which may arise and prejudice the interests of one or more customers.

This aim of this information is to describe to customers the requirements imposed upon ING and the measures and procedures implemented within ING designed to detect and manage conflicts of interest appropriately.

2. Definition and scope of conflicts of interest

A conflict of interest is a conflict which may arise in the areas of our activities when we offer our customers services for which ING or one or more customers have conflicting interests which may prejudice one or more customers.

This type of conflict may arise between:

- ING's interests (including its de facto managers, its employees, its associate agents, or any person associated directly or indirectly with ING within a relationship of control) and the interests of a customer or a group of customers;
- the interests of a customer or of a group of customers, on the one hand and the interests of another customer and of another group of customers on the other;
- Some of these conflicts may arise simply because ING is involved in a wide range of commercial activities, whether these are investments, savings, insurance, loans and payments and accounts.

3. Possible conflicts of interest and some examples

We have identified below a certain number of conflicts of interest which may arise at ING in connection with its commercial activity. The purpose of this identification is to take the necessary measures to prevent them and to manage them effectively. Conflicts of interest are identified taking into account the various roles and activities within ING:

ING's interests

- ING's role as a credit institution in general
- ING's role as a trader
- ING's role as an investor
- ING's role as a subscriber
- ING's role as a manager
- ING's role as an advisor
- ING's role as an insurance broker
- ING's role as a decision-maker on loans
- ING's role as a card issuer
- ING's role as a lender or provider of other financial products
- ING's role as party carrying out financial transactions requested by the Customers
- ING's role in the carrying out of independent financial research (investment research)
- ING's interest in doing new commercial business
- ING's interest in maintaining good relations with existing Clientele

Customers' interests

- The interest of the Customer placing instructions for investment in financial products
- The interest of the customer as trader in transferable securities/products
- The interest of the Customer as borrower or beneficiary of financial facilities
- The interest of the Customer as beneficiary of investment advice
- The interest of the Customer as buyer of insurance, insured or beneficiary of an insurance policy
- The interest of the Customer as use of services/facilities provided by IN

The interests of the employees concerned

- The employee's interest in carrying out their tasks/doing their job
- The employee's interest in developing their business
- The employee's interest in developing additional business
- The employee's interest in receiving or giving gifts
- The employee's interest in being granted financial benefits by customers, in the context of donations and inheritance
- The employee's interest in reaching their targets
- The employee's interest in improving their professional status, salary and any bonuses
- The employee's interest in the result of their own investments
- The employee's interest in developing business/external business

Open list of scenarios in which, in the absence of any appropriate prevention measures, a conflict of interest may, in theory, arise

- the Bank might attempt to make an unlawful financial and/or excessive gain or prevent a financial loss at the customer's expense;
- the Bank might have an interest in the result of a service provided to the customer or of a transaction completed on the latter's behalf, which is different to the customer's interest ;
- the Bank might be encouraged, for financial or other reasons, to favour the interests of another customer or of a group of customers over the interests of the customer concerned;
- the Bank might have an interest in the result of an insurance brokerage service provided to the Customer or of a transaction completed on the latter's behalf, which is different to the Customer's interest ;
- the Bank might have the same professional activity as the customer;
- the Bank has confidential or privileged information which it might use for purposes other than those for which it was obtained or in its own interest, to the detriment of its customers or third parties;
- the Bank, one of its employees or delegated agents might receive from a person other than the customer a benefit in connection with the service provided to the customer, in the form of money, goods or services;
- One of the bank's employees or delegated agents might received financial benefits from a customer in the context of inheritance or donations as a result of the trust built up between the bank's employees or its delegated agents and their customers .
- when the bank supplies investment research regarding a company or a group for which it might also provide investment advice services;
- conflicts of interest which may be linked to interaction between the various companies within the group;
- etc.

4. What measures does ING take to manage conflicts of interest?

ING ensures that its customers' interests remain the focus of its attention.

ING has taken measures to manage each type of conflict which has been identified in order to avoid any negative consequences of conflicts of interest situations for the customer. These measures have been adapted to the nature of potential problems. For each specific conflict of interest, one or more, where necessary, of the following solutions is proposed:

1. Policy of independence

ING has opted for a policy which provides for the autonomous functioning of its various departments and entities, and of its staff, in respect of the interests of its clientele: work regulations, code of conduct, staff training, wage policy aimed at independence of its employees, segmentation of information between various sectors of business (Chinese walls), disclosure of confidential information according to genuine needs, policy on gifts and invitations, rules seeking to define inheritance benefits or gifts which the bank's employees or delegated agents might obtain, policy regarding transactions on financial instruments which some members of staff likely to hold confidential information complete on their own behalf, policy on additional jobs done by certain members of its staff and its register of external positions revised annually, payment of benefits which ING, in the context of its service-provision, grants to or receives from third parties; pay, commission or non-financial benefits (more details in Article 6 of Appendix 2 to the Special Rules for Transactions on Financial Instruments and Savings and Investment Insurance), etc;

2. Procedures concerning conflicts of interest

Various procedures allowing the identification and treatment of conflicts of interest have been set in place within ING by the Compliance Department.

On an annual basis, ING updates the list of potential conflicts of interest and situations which give rise or may give rise to a conflict of interest comprising a marked risk of prejudicing the interests of one or more customers.

ING also checks the effectiveness of the measures and procedures introduced to mitigate the risk of potential conflicts of interest and adapts them according to changes in the legislative framework and in its activities.

3. Recognition and disclosure of conflicts of interest

The bank's employees and delegated agents must pay particular attention to potential or established conflicts of interest in which they may be involved or of which they become aware.

If it is apparent from a situation that ING has interests in a specific transaction which prove or might prove disproportionate to the interests of another customer, there is a risk of established or potential conflict of interest. When the conflict of interest situation cannot be resolved by the procedures set in place, the customer concerned is advised that the measures in place are not sufficient to manage the conflict of interest. A description of the conflict of interest, the risk for the customer and the measures to be set in place to mitigate the risk of conflict of interest concerned is then sent to the customer so that they are able to receive all required information and thus make a decision in full knowledge of the facts.

If the conflict cannot be resolved by mitigation measures, the customer is advised that the bank is facing a legal or regulatory obstacle requiring it to decline the transaction.

4. Recording of Conflicts of Interest

Established conflicts of interest are regarded as incidents. They are therefore recorded in the register of conflicts of interest for analysis with a view to learning lessons, whether or not they have any financial consequences. Where applicable, the procedures will be adapted with a view to improving control of the risk.

5. Final information

Our conflict of interest policy is revised annually by the Compliance Department and any substantial change is notified to the customer on our website.

The customer concerned may contact their branch or account manager if they require more detailed information about our conflict of interest policy.

In the event of a complaint, the customer can contact ING, Complaint Management, Cours Saint Michel, 60, B-1040 Brussels or send an e-mail to: plaintes@ing.be. If the customer is not satisfied with the processing of their complaint, and is an individual acting for private purposes, they may contact the financial conflict ombudsman at North Gate II, Avenue Roi Albert II 8, B-1000 Brussels. E-mail: ombudsman@ombudsfin.be. (www.ombudsfin.be).