

# Overview of costs and charges on financial instruments

# Introduction

Dear customer,

With this document we will give you an insight in the costs and charges related to transactions and services on financial instruments at ING Belgium.

We will work with examples in order to illustrate the full view on costs from buying a product, keeping it on a securities account to selling it. To do so, costs and charges are split into different categories: upfront costs, ongoing or recurring costs and exit costs. In our simulations, we will also assume the investor is submitted to the personal income tax in Belgium.

The examples are based on several hypothesis and are a non-exhaustive list of the possible transactions on financial instruments present in an investment portfolio.

For more details on all possible costs, please refer to the document [‘Charges applied to the main securities transactions’](#).

## List of examples

The examples you will find in this document are:

1. Securities Account: opening a securities account
2. Mutual Funds: buy and sell a fund
3. Star Fund
  - 3.1. Buy Star Fund
  - 3.2. Sell Star Fund
4. Focus Plan
5. Structured Notes
  - 5.1. Subscribe to a Structured Notes
  - 5.2. Selling a Structured Notes
6. Bonds: buy and sell a bond
7. Shares: buy and sell a share

# Examples of cost calculations

## Example 1 : Securities Account opening

We assume there will be assets on the securities account immediately after opening (percentage based on an investment of 10.000 euro). The costs for a securities account are fixed yearly costs.

Service costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
Costs and associated charges charged by the adviser or other parties for the investment service(s) and/or ancillary services	-	-	12.00	0.12%	-	-
Third party payments (inducements) received by the investment firm on the product concerned	-	-	-	-	-	-
Taxes	-	-	2.52	0.03%	-	-
Instrument costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
All costs and associated charges associated with the financial instruments	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
<b>Aggregated overall costs and charges (products and services)</b>	-	-	<b>14.52</b>	<b>0.15%</b>	-	-

<sup>1</sup> on a 12 months detention period in portfolio

## Example 2 : funds

Funds offered by ING Belgium contains a selection of Funds from our preferred partners Amundi, Axa Investment Management, BlackRock, Franklin Templeton, NN Investment Partners.

Buying (subscribe) a fund and sell it after 3 years: subscribe to a mixed fund of capitalization (Balanced asset allocation) of 10.000€ value. The Fund is detained minimum 3 years in portfolio and pays no dividend.

Assumptions (buy order)			Assumptions (sell order)		
Nominal value (€) / %	10,000 €	100%	Amount in portfolio after 3 years	11,500 €	
Entrance fee	300 €	3.00%	Stock Exchange Tax	151.80 €	1.32%
Amount paid (€)	10,300 €		Withholding Tax (default rule) <sup>2</sup>	450.00 €	30.00%
Ongoing charges (annual) including:	135.00 €	1.35%			
- management fee	120.00 €	1.20%			
- distribution fee (calculated on management fee) <sup>1</sup>	72.00 €	60%			

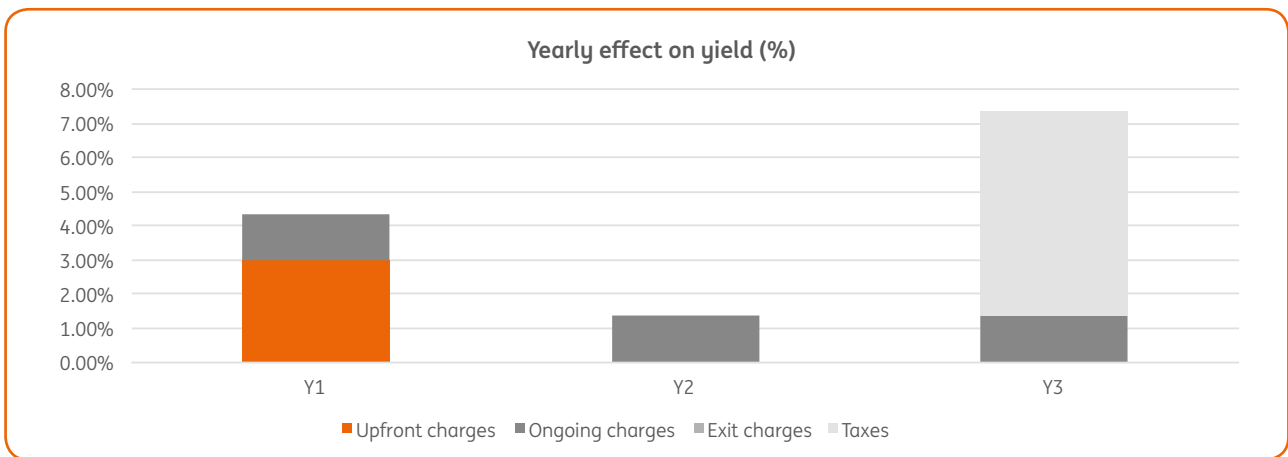
Service costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
Costs and associated charges charged by the adviser or other parties for the investment service(s) and/or ancillary services	-	-	-	-	-	-
Third party payments (inducements) received by the investment firm on the product concerned	-	-	72.00	0.72%	-	-
Taxes	-	-	-	-	-	-
Instrument costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
All costs and associated charges associated with the financial instruments	300.00	3.00%	135.00	1.35%	-	-
Taxes	-	-	-	-	151.80	1.52%
					450.00	4.50%
<b>Aggregated overall costs and charges (products and services)</b>	<b>300.00</b>	<b>3.00%</b>	<b>135.00</b>	<b>1.35%</b>	<b>601.80</b>	<b>6.02%</b>

<sup>1</sup> on a 12 months detention period in portfolio

NAV = Net Asset Value = price of the fund, calculated on a regular basis (daily, weekly, ...)

No custody fee on ING products (including funds of preferred partners)

<sup>2</sup> Usually, we rely on the TIS bis ("Taxable Income per share") or the percentage invested in debt ("asset test") in order to calculate the withholding tax on the sale of a fund. If this information is not available for ING Belgium, we apply a default rule as in this example.



All fees and taxes are calculated based on a nominal amount of 10,000 € (representing the number of parts x the net asset value [NAV])

**Upfront charges: 300 €**

- 300 € entrance fee (3% x 10,000 €)

**Ongoing yearly charges: 135 €**

- 135 € yearly ongoing charges (1.35% x Net asset value (NAV) x number of parts), including 120 € of management fee (1.20% x NAV x number of parts)
- 72 € of distribution fee based on the management fee (60% x 120 €)

**Exit charges: 601.80 €**

- 151.80 € Stock Exchange Tax (1,32% x 11,500 €)
- 450.00€ Withholding Tax (30% x [11,500 € - 10,000 €]) (default rule)<sup>2</sup>

**Impact on return :**

Amount invested if no charges at all	10,000.00 €
Amount paid all costs and charges included	10,300.00 €
What you would get back if no charges at all	11,500.00 €
What you would get back all costs and charges deducted	10,898.20 €

The performance achieved after 3 years is 15%. This represents an annualized rate of return of **4.76%**. All costs and charges included, the actual rate of return achieved is **3.74%**. After taxes, the actual rate of return is **1.90%**.

The document '[Charges applied to the main securities transactions](#)' contains a full overview of all possible costs.

## Example 3 : Pension plan (Star Fund)

### 3.1 Buying a Star Fund [yearly maximum inlay of 960 €]

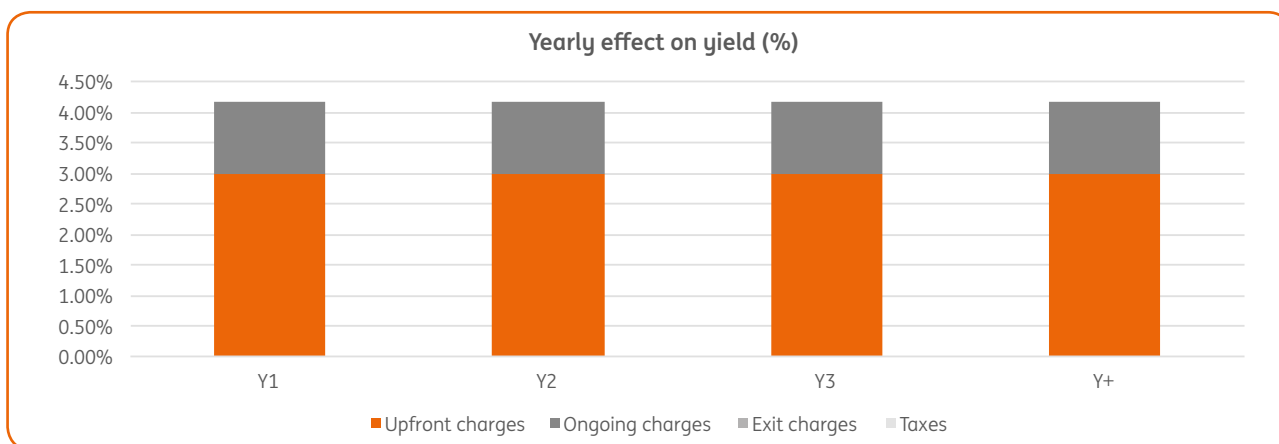
#### Assumptions (subscription order)

Nominal value (€) / %	960 €	-
Entrance fee	3.00%	28.80 €
Ongoing charges (annual) including:	1.18%	11.33 €
- management fee	0.90%	8.64 €
- distribution fee (calculated on management fee) <sup>1</sup>	65%	5.62 €

Service costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
Costs and associated charges charged by the adviser or other parties for the investment service(s) and/or ancillary services	-	-	-	-	-	-
Third party payments (inducements) received by the investment firm on the product concerned	-	-	5.62	0.59%	-	-
Taxes	-	-	-	-	-	-
Instrument costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
All costs and associated charges associated with the financial instruments	28.80	3.00%	11.33	1.18%	-	-
Taxes	-	-	-	-	-	-
<b>Aggregated overall costs and charges (products and services)</b>	<b>28.80</b>	<b>3.00%</b>	<b>11.33</b>	<b>1.18%</b>	<b>-</b>	<b>-</b>

<sup>1</sup> on a 12 months detention period in portfolio

NAV = Net Asset Value = price of the fund, calculated on a regular basis (daily, weekly, ...)



Percentage based on the yearly maximum subscription

**Upfront charges: 28.80 €**

- 28.80 € entrance fee (3% x 960 €)

**Ongoing yearly charges: 11.33 €**

- 11.33 € yearly ongoing charges (1.18% x Net asset value (NAV) x number of parts), including 8.64 € of management fee (0.90% x NAV x number of parts)
- 5.62 € of distribution fee based on the management fee (65% x 8.64 €)

**Exit charges: No exit fees**

- No exit fees in this specific example

The document '[Charges applied to the main securities transactions](#)' contains a full overview of all possible costs.

### 3.2. Selling a Star Fund

As this process is submitted to too many variables, it is not possible to explain this in a simple, representative model. We invite you to [make an appointment](#) in a branch to have a simulation done.

#### Example 4 : Investment Plan (Focus Plan)

The cost and charges build up for Focus Plan is comparable to the example 2 for funds (P.4).

## Example 5 : Structured notes

### 5.1. Subscribe to a structured notes

Subscribe to a new structured notes of capitalization (no coupon payment) on the primary market (issue price is fixed and determined in advance) and keeping the product on a securities account until maturity.

Assumption: the product has a maturity of 5 years. The performance at maturity is 10%.

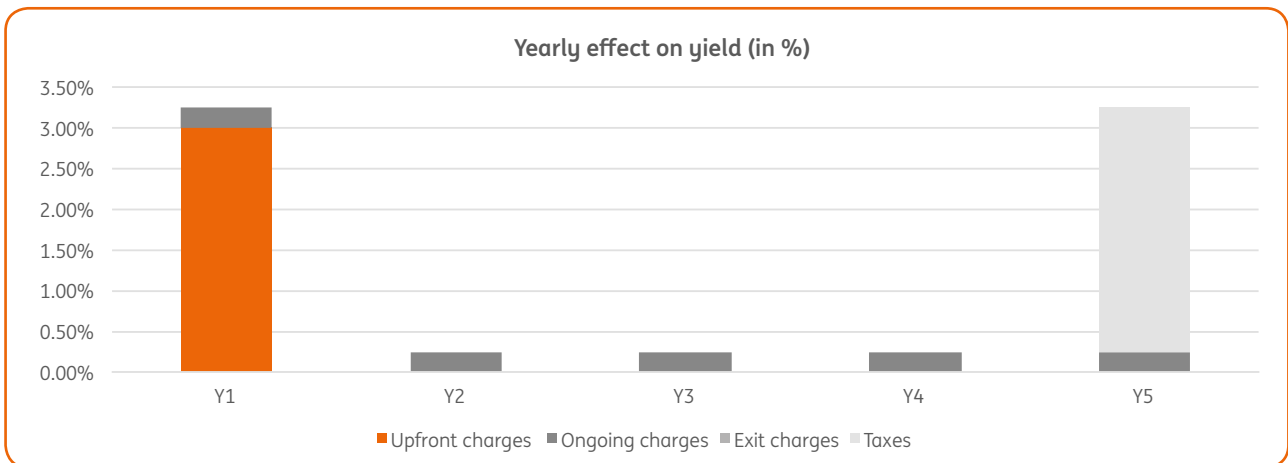
Assumptions		
Nominal amount (€)	10,000 €	
Issue price (%)	102%	
Entrance fee	2.00%	200 €
Amount to pay (€)	10,200 €	
Distribution fee (%)	0.25%	25.00 €
Structuration fee (%)	1.00%	100 €
Withholding tax	30%	300.00 € (private individual resident in Belgium)
<b>Reimbursement at maturity</b>	<b>11,000 €</b>	
Performance at maturity	100% of Nominal Value + performance of the underlying asset (assumption : +10% or 1000 €)	

Service costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
Costs and associated charges charged by the adviser or other parties for the investment service(s) and/or ancillary services	-	-	-	-	-	-
Third party payments (inducements) received by the investment firm on the product concerned	-	-	25.00	0.25%	-	-
Taxes	-	-	-	-	-	-
Instrument costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
All costs and associated charges associated with the financial instruments	300.00	3.00%	-	-	-	-
Taxes					300.00	3.00%
<b>Aggregated overall costs and charges (products and services)</b>	<b>300.00</b>	<b>3.00%</b>	<b>25.00</b>	<b>0.25%</b>	<b>300.00</b>	<b>3.00%</b>

<sup>1</sup> on a 12 months detention period

No custody fee on ING products





All fees and taxes are calculated based on a nominal amount of 10,000 €

**Upfront charges: 300 €**

- 200 € entrance fee (2% x 10,000 €) included into the subscription price
- 100 € structuration fee (1% x 10,000 €) included into the subscription price

**Ongoing yearly charges: 25 €**

- 25 € distribution fee paid on the nominal amount (0.25% x 10,000 €)

**Exit charges: 300 €**

- 300 € withholding tax paid on the performance at maturity (30% x 1,000 €)

**Impact on return :**

Amount invested if no charges at all	10,000.00 €
Amount paid all costs and charges included	10,200.00 €
What you would get back if no charges at all	11,000.00 €
What you would get back all costs and charges deducted	10,700.00 €

The performance of the product achieved at maturity is 10%. This represents an annualized rate of return of **1.92%**. All costs and charges included, the actual rate of return achieved is **1.52%**. After taxes, the actual rate of return is **0.96%**.

The document '[Charges applied to the main securities transactions](#)' contains a full overview of all possible costs.

## 5.2. Selling a structured notes

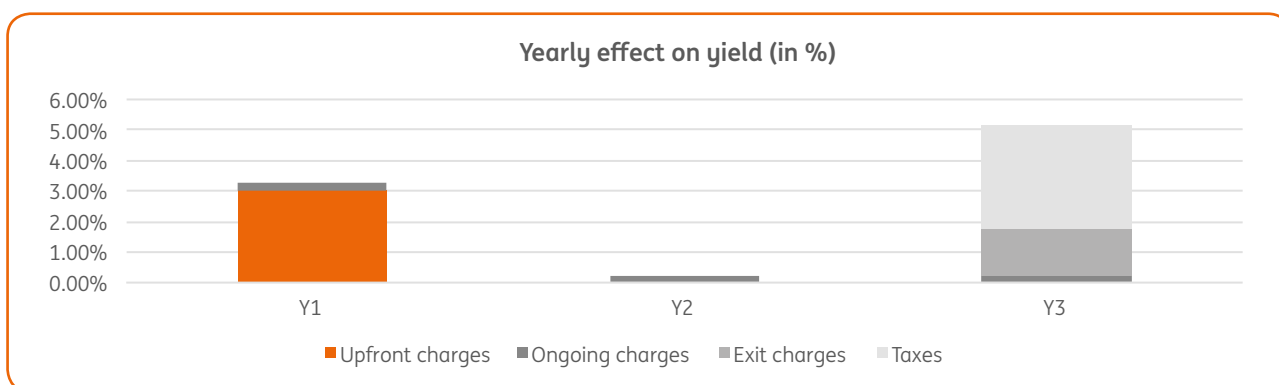
Subscribe to a capitalization structured notes and sell the product on the secondary market after 3 years in portfolio.

Assumptions		
Nominal amount (€)	10,000 €	
Issue price (%)	102.00%	
Entrance fee (%)	2.00%	200 €
Sell price (%)	110.00%	
Amount sold (€)	11,000 €	
Distribution fee (%)	0.25%	25.00 €
Structuration fee (%)	1.00%	100 €
Market spread (included in the sell price)	1.00%	100 €
Brokerage Fee	0.50%	55.00 €
Stock Exchange Tax	0.35%	38.50 €
Withholding tax	30%	300.00 €

Service costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
Costs and associated charges charged by the adviser or other parties for the investment service(s) and/or ancillary services	-	-	-	-	55.00	0.55%
Third party payments (inducements) received by the investment firm on the product concerned	-	-	25.00	0.25%	-	-
Taxes	-	-	-	-	-	-
<b>Instrument costs, charges and taxes</b>	<b>Upfront charges</b>		<b>Ongoing yearly charges<sup>1</sup></b>		<b>Exit charges</b>	
	€	%	€	%	€	%
All costs and associated charges associated with the financial instruments	300.00	3.00%	-	-	-	-
Taxes	-	-	-	-	300.00	3.00%
					38.50	0.30%
<b>Aggregated overall costs and charges (products and services)</b>	<b>300.00</b>	<b>3.00%</b>	<b>25.00</b>	<b>0.25%</b>	<b>493.50</b>	<b>4.94%</b>

<sup>1</sup> on a 12 months detention period

No custody fee on ING products



All fees and taxes are calculated based on a nominal amount of 10,000 €

#### Upfront costs: 300 €

- 200 € entrance fee (2% x 10,000 €) included into the subscription price
- 100 € structuration fee (1% x 10,000 €) included into the subscription price

#### Ongoing yearly costs: 25 €

- 25 € distribution fee paid on the nominal amount (0,25% x 10,000 €)

#### Exit costs: 493.50 €

- 100 € margin included into the sell price;
- 55 € Brokerage fee (0.50% x 11,000 €);
- 300 € withholding tax paid on the difference between the sell amount and the nominal amount (30% X [11,000 €-10,000 €]);
- 38.50 € Stock Exchange Taxes (0.35% x 11,000 €).

#### Impact on return :

Amount invested if no charges at all	10,000 €
Amount paid all costs and charges included	10,200 €
What you would get back if no charges at all	11,000 €
What you would get back all costs and charges deducted	10,506.50 €

The performance achieved after 3 years is 10% . This represents an annualized rate of return of **3.23%**. All costs and charges included, the actual rate of return achieved is **2.55%**. After taxes, the actual rate of return is **0.99%**.

The document '[Charges applied to the main securities transactions](#)' contains a full overview of all possible costs.

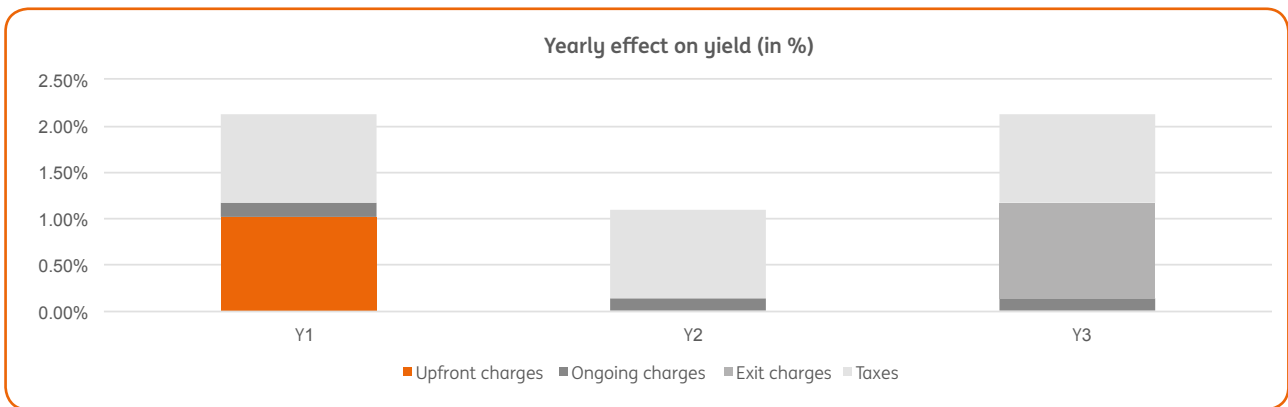
## Example 6 : Bonds

Buying a Belgian bond (code ISIN = BE) on the secondary market and selling it after 3 years (on the coupon date).

Assumptions (buy order)			Assumptions (sell order)		
Nominal value (€)	10,000.00 €		Nominal value (€)	10,000.00 €	
Price	104.65%		Price	106.25%	
Margin	0.50%	50.00 €	Amount to pay	10,625.01 €	
Amount to pay	10,465.01 €		Margin	0.50%	50.00 €
Interest rate (coupon in %)	2.75%	275.00 €	Brokerage	0.50%	53.13 €
Stock exchange tax	0.12%	12.56 €	Stock exchange tax	0.12%	12.75 €
Brokerage	0.50%	52.33 €	Withholding tax on coupon payments	30.00%	82.50 €
			Custody fee	0.15%	15.00 €

Service costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
Costs and associated charges charged by the adviser or other parties for the investment service(s) and/or ancillary services	52.33	0.52%	15.00	0.15%	53.13	0.53%
	50.00	0.50%			50.00	0.50%
Third party payments (inducements) received by the investment firm on the product concerned	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Instrument costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
All costs and associated charges associated with the financial instruments	-	-	-	-	-	-
Taxes	12.56	0.12%	82.50	0.83%	12.75	0.10%
<b>Aggregated overall costs and charges (products and services)</b>	<b>114.89</b>	<b>1.15%</b>	<b>97.50</b>	<b>0.98%</b>	<b>115.88</b>	<b>1.16%</b>

<sup>1</sup> on a 12 months detention period



All fees and charges are calculated based on the nominal amount of 10.000€

**Upfront charges: 114.89 €**

- 12.56 € Stock exchange tax (0.12% x 10,465.01 €)
- 52.33 € Brokerage fee (0.50% x 10,465.01 €)
- 50.00 € Margin (0.50% x 10,000 €)

**Ongoing yearly charges: 97.50 €**

- 15 € Custody fee (0.15% x 10,000 €)
- 82.50 € Withholding tax (30% x [10,000 € x 2.75%]) at coupon payment date

**Exit charges: 115.88 €**

- 12.75 € Stock exchange tax (0.12% x 10,625.01 €)
- 53.13 € Brokerage fee (0.50% x 10,625.01 €)
- 50.00 € Margin (0.50% x 10,000 €)

**Impact on return :**

Amount invested if no charges at all	10,415.01 €
Amount paid all costs and charges included	10,526.75 €
What you would get back if no charges at all	10,675.01 €
What you would get back all costs and charges deducted	10,612.25 €

Without fees and taxes, after 3 years, the annualized rate of return would be of **3.54%** (including gross coupon paid). After costs and charges, the annual rate of return achieved is **2.88%** (excluding taxes). After taxes, the annual rate of return would be **1.99%**.

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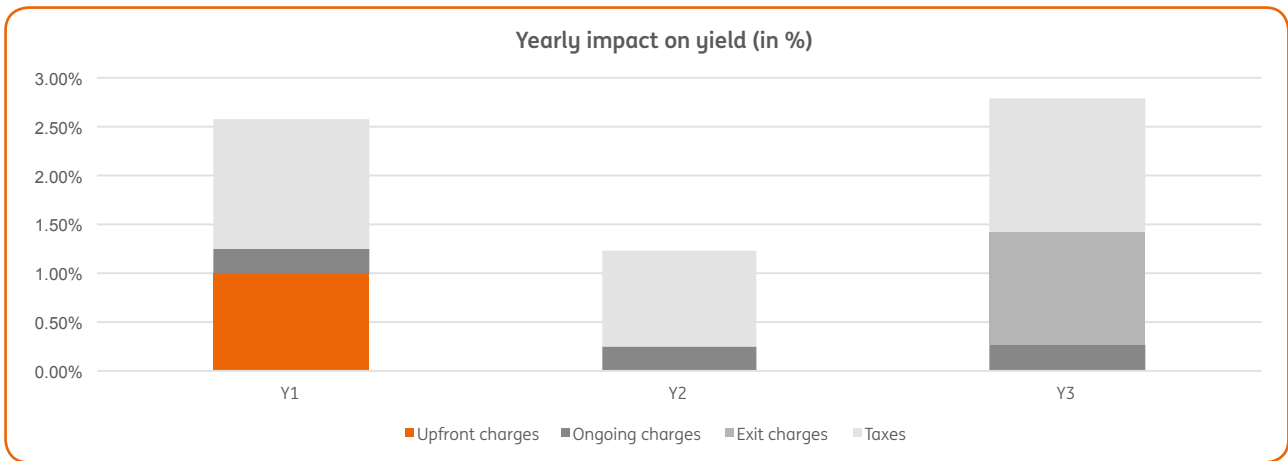
## Example 7 : Shares

Buying Belgian shares in an ING branch (on Euronext Brussels) and selling them 3 years later (via ING Branch).

Assumptions (buy order)			Assumptions (sell order)		
Number of shares	100		Number of shares	100	
Price	108 €		Price	125 €	
Price x quantity (€)	10,800 €		Price x quantity (€)	12,500 €	
Brokerage	1.00%	108.00 €	Performance (at sell date)	15.74%	
Stock Exchange Tax	0.35%	37.80 €	Stock Exchange Tax	0.35%	43.75 €
			Brokerage	1.00%	125.00 €
			Custody fee	0.24%	27.84 €
			Average yearly price	116 €	
			Yearly dividend per share	3.50 €	
			Withholding Tax on dividend per share	30%	1.05 €

Service costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
Costs and associated charges charged by the adviser or other parties for the investment service(s) and/or ancillary services	108.00	1.00%	27.84	0.22%	-	-
Third party payments (inducements) received by the investment firm on the product concerned	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Instrument costs, charges and taxes	Upfront charges		Ongoing yearly charges <sup>1</sup>		Exit charges	
	€	%	€	%	€	%
All costs and associated charges associated with the financial instruments	-	-	-	-	125.00	1.16%
Taxes	37.80	0.35%	105.00	0.84%	43.75	0.41%
<b>Aggregated overall costs and charges (products and services)</b>	<b>145.80</b>	<b>1.35%</b>	<b>132.84</b>	<b>1.06%</b>	<b>168.75</b>	<b>1.56%</b>

<sup>1</sup> on a 12 months detention period



All fees and charges are calculated based on the amount invested in shares (price x quantity), in this case 10.800€

**Upfront charges: 145.80 €**

- 37.80 € Stock exchange tax (0.35% x 10,800 €)
- 108 € brokerage fee (1.00% x 10,800 €)

**Ongoing yearly charges: 132.84 €**

- 27.84 € custody fee (0.24% x number of shares x average yearly price)
- 105 € Withholding taxes (30% x 3.50 € of dividend per share paid)

**Exit charges: 168.75 €**

- 43.75 € Stock exchange tax (0.35% x 12,500 €)
- 125 € brokerage fee (1.00% x 12,500 €)

**Impact on return :**

Amount invested if no charges at all	10,800.00 €
Amount invested all costs and charges included	10,937.16 €
What you would get back if no charges at all	12,500.00 €
What you would get back all costs and charges deducted	12,331.25 €

The performance achieved would have been 15.74% after 3 years (an annualized rate of return of **8.29%** included the payment of yearly gross dividend). After costs and charges, the annual rate of return achieved is **7.29%**. After taxes, the annual rate of return would be **6.31%**.

The document '[Charges applied to the main securities transactions](#)' contains a full overview of all possible costs.

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