

Remuneration report

This chapter sets out the ING remuneration policy and provides information on the remuneration levels of the Executive Board and the Supervisory Board for 2015.

Remuneration policy ING

ING is a European bank with a global presence. Its more than 54,000 employees are serving 34 million customers across the more than 40 countries in which ING operates. At least 70% of ING's employees work outside the Netherlands, approximately 70% of total income is earned outside of the Netherlands and more than 95% of the investor base is non-Dutch. This forms the backdrop against which ING needs to set its remuneration policy and practices for its Executive and Supervisory Board.

The primary objective of the remuneration policy is to enable ING to retain and recruit qualified and expert leaders, senior staff and other highly professional employees. The remuneration policy forms an integral part of ING's strategy and risk profile and maintains a sustainable balance between short-term and long-term value creation, building on ING's long-term responsibility towards clients, employees, society, providers of capital and other stakeholders.

In determining compensation of ING's leadership, a variety of factors are taken into consideration, such as the complexity of functions, the scope of responsibilities, the international character of the group, the alignment of risks and rewards, national and international legislation, the discussion in society about remuneration and the long-term objectives of ING and its stakeholders. These factors differ for each role, line of business and country. At the same time, national and international standards regarding responsible and sound remuneration have been continuously changing over the past years. As far as possible for a global financial institution of its size, ING takes into account all of the different standards applied within similar financial institutions in the various countries in which it operates.

Legal and regulatory developments in 2015

New Dutch legislation, the Dutch Act on Remuneration Policies of Financial Undertakings (Wet beloningsbeleid financiële ondernemingen, or Wbfo), was enacted with effect from 7 February 2015. The new legislation's provisions include caps on variable remuneration applicable to all staff globally. ING has taken all necessary measures to implement the legislation's requirements in its remuneration policies. Furthermore, new legislation has become effective as of 1 January 2015, pursuant to which pension premiums on salaries in excess of EUR 100,000 are no longer exempt or deductible from (wage) tax.

Remuneration policy for the Executive Board

The current remuneration policy for the Executive Board was adopted by the Annual General Meeting (AGM) on 27 April 2010. Amendments to this policy were adopted by the AGM on 9 May 2011 in response to new regulatory requirements, on 12 May 2014 with respect to pensions for the Executive Board and on 11 May 2015 in order to lower the maximum variable remuneration and to specify that variable remuneration for the Executive Board be paid fully in shares.

The Executive Board remuneration policy provides that remuneration of Executive Board members consists of a combination of fixed compensation (base salary) and variable remuneration (together "total direct compensation"), pension arrangements and benefits as described below.

Total direct compensation

The Executive Board remuneration policy aims to deliver total direct compensation slightly below the median of comparable positions in the chosen peer group (consisting of financial and non-financial companies) and provides for a balanced mix of fixed and variable remuneration. Total compensation will be determined in line with the relevant market environment and will be reviewed from time-to-time by the Supervisory Board. ING's Executive Board remuneration policy is in accordance with applicable laws and regulations, including the Wbfo, the Dutch Banking Code and the Dutch Corporate Governance Code.

Based on the above policy, total direct compensation is benchmarked against a peer group of companies that, in the opinion of the Supervisory Board, are comparable with ING in terms of size and scope. The Supervisory Board has determined that based on a combination of factors including international scope, complexity, revenue, assets and market capitalisation the companies in the Euro Stoxx 50 index are the appropriate peer group for ING. These are 50 companies, including ING, in a range of financial and non-financial industries from 12 countries within the eurozone, mainly operating in an international context.

Reduced emphasis on variable remuneration

Variable remuneration for the members of the Executive Board will not exceed 20% of base salary at the time of allocation. The policy provides for an at-target variable remuneration of 16% of base salary if performance criteria are met, paid fully in shares. Hence there is no cash bonus. If performance criteria are exceeded, the variable component can be increased by the Supervisory Board from target to maximum, but may not exceed 20% of base salary at the time of allocation. If performance is below target, the variable component will be decreased, potentially down to zero.

Increased focus on risk and non-financial performance

Variable remuneration is linked to performance and takes into consideration individual, business line and company performance criteria. The performance targets used for the allocation of variable remuneration are annually predetermined by the Supervisory Board.

Performance will be assessed on the basis of financial and non-financial targets, with variable remuneration being based for at least 50% on non-financial targets. Non-financial targets include f.i. economic, environmental, customer satisfaction and social criteria.

Performance measurement accounts for risk requirements, costs of capital and liquidity and timing of earnings.

Increased emphasis on long-term value creation

The Executive Board remuneration policy combines the short- and long-term variable components into one structure. This structure aims to support both long-term value creation and short-term company objectives. The emphasis on long-term performance indicators within the variable component of the compensation package is increased by means of deferral, retention, holdback and clawback mechanisms.

In line with applicable regulations, a maximum of 40% of total variable remuneration is awarded “upfront” in the year following the performance year. The remaining part of the total variable remuneration (a minimum of 60%), is deferred. It is subject to a tiered vesting on the first, second and third anniversary of the grant date (one-third per annum). The entire long-term component is subject to an ex-post performance assessment by the Supervisory Board. The ex-post performance assessment cannot lead to an upward adjustment of the deferred variable remuneration.

Both the upfront part of the variable remuneration and all deferred parts are fully awarded in shares. A retention period of five years from the date of grant applies to all share awards granted to Executive Board members in their capacity as Board member. However, they are allowed to sell part of their shares on the date of vesting to pay tax on the vested share award.

Pensions Executive Board members

In the AGM of 12 May 2014, it was decided that members of the Executive Board appointed after 1 January 2015 will be given the option to join the Dutch Collective Defined Contribution Pension Plan based on a fixed premium methodology or to receive a savings allowance. Members of the Executive Board appointed before 1 January 2015 were given the same option as from 1 July 2014. In addition, individual Executive Board members participating in the pension plan that existed before the introduction of the 2010 Dutch defined benefit plan, (approved by the 2006 AGM), were given the choice to keep their existing pension arrangement. Members of the Executive Board will be required to pay

a contribution to their pension premium in line with the contributions under ING's Collective Labour Agreement (CLA) in the Netherlands.

As of 1 January 2015, all members of the Executive Board are participating in the Collective Defined Contribution (CDC) pension plan. Following the introduction of the new legislation, pursuant to which pension premiums on salaries in excess of EUR 100,000 are no longer exempt or deductible from wage tax, the Executive Board members are compensated for the resulting loss of pension accrual by means of a savings allowance to be annually determined (see Benefits on page 96).

Benefits

Executive Board members are eligible for additional benefits (e.g. the use of company cars, contributions to company savings plans and, if applicable, expatriate allowances). Executive Board members are eligible for banking and insurance services from ING in the ordinary course of their business and on the same terms as apply to other employees of ING in the Netherlands. In addition, tax and financial planning services will be provided to ensure compliance with the relevant legislative requirements.

Tenure

Members of the Executive Board who were appointed prior to 2013 have an employment agreement with ING Groep N.V.. Members who have been appointed as of 2013 have a commission contract. The employment agreement and the commission contract for Executive Board members provide for an appointment for a period of four years and allow reappointment by the Annual General Meeting of Shareholders (AGM). In the case of an involuntary exit, Executive Board members are eligible for an exit-arrangement limited to a maximum of one year base salary.

Supervisory Board discretion to review the policy and the remuneration paid

Within the Executive Board remuneration policy as adopted by the AGM and as described here, the Supervisory Board annually determines the actual remuneration for the Executive Board members based on the advice given by the Supervisory Board Remuneration Committee.

It is the responsibility of ING's Supervisory Board to take into account the interests of all stakeholders, including shareholders and employees, as well as business continuity and sustainable growth, when determining the Executive Board's remuneration.

The legal and regulatory environment is still undergoing changes and this may result in further impact on ING. In order to ensure that ING can adapt to these uncertain factors, the Supervisory Board will re-evaluate the Executive Board remuneration policy as and when required.

Other items for Supervisory Board discretion: holdback, clawback and adjustments

The Supervisory Board has the authority to impose holdback and/or clawback on variable remuneration awarded to a member of the Executive Board based on reasons that apply to all staff within ING (including inaccurate data and/or behaviour that led to significant harm to ING). The Supervisory Board also has the authority to adjust variable remuneration if application of the predetermined performance criteria results in undesired outcomes. The Supervisory Board has decision making authority in situations not addressed in the policy.

Special employment conditions

Special employment conditions, such as commitments made to secure the recruitment of new executives, may be used in exceptional circumstances subject to approval by the Supervisory Board.

2015 Remuneration Executive Board

The Executive Board remuneration for 2015 is in accordance with the Executive Board remuneration policy, with the exception of the alignment to the benchmark. The policy as approved by the AGM, specifies that total direct compensation should be slightly below the median of comparable positions in the chosen peer group. However, the actual total direct compensation for the Executive Board is significantly below the median.

2015 Executive Board base salary

In 2015 the Supervisory Board assessed that applying the 20% bonus cap as stated in the Wbfo to the then applicable Executive Board remuneration policy would further increase the pay gap with the median total direct compensation in ING's peer group. To partly mitigate this increased gap, the Supervisory Board decided to increase the base salary of all Executive Board members in 2015, whilst reducing the bonus cap from 100% to 20%.

2015 Performance Indicators Executive Board

As indicated in the remuneration policy, the performance of the Executive Board will be assessed based on financial and non-financial indicators. For 2015, performance indicators applied included the following.

Performance Indicators

Non-financial performance indicators:

- Ensuring Think Forward Strategy is fully embedded in key financial and people processes of the bank
- Establishing the foundation of a high performance culture through developing a new, standardised global performance management approach and the implementation of the Orange Code
- Delivering multiple, innovative products to create a differentiating customer experience
- Growing the number of primary retail customers
- Strengthening lending capabilities in C&G countries
- Enhancing Finance and Risk capabilities and optimising organisation
- Divestment of Voya and deconsolidation of NN Group

Financial performance indicators:

- Underlying net result bank
- Underlying return on IFRS equity ING Bank
- Common equity Core Tier 1 ratio ING Bank
- Underlying cost/income ratio

2015 Executive Board performance evaluation

ING's Think Forward strategy is on track as evidenced by the achievements in 2015. Financial performance across Retail and Wholesale Banking improved considerably and ING is able to achieve or exceed the (financial) ambitions it has formulated in the areas of return on equity, Core Tier 1 ratio, cost/income ratio and the number of primary customer relationships. In addition to this, ING's performance in 2015 in non-financial areas such as strategy implementation, capability development, innovation and sustainability is helping ING to create the conditions for future, long-term success of ING. Finally, ING has achieved the number one Net Promotor Score in seven retail countries, demonstrating our customer servicing approach is appreciated. At the same time, ING is being recognised for its innovation as evidenced by the awards it has won in several countries for being the most innovative bank.

On the next page, a table is included highlighting key achievements, collectively accomplished by the Executive Board in 2015 in the areas mentioned, against both the overall ambitions of ING and the specific performance targets agreed with the Supervisory Board at the beginning of 2015.

Strategy Implementation	<ul style="list-style-type: none"> Completed a full review of underlying trends, which have led to the Think Forward strategy, and reconfirmed the overall direction, whilst identifying new priorities for innovation and operations. Divested Voya and significantly reduced ING's stake in NN Group, thereby ensuring ING edges closer to completing its restructuring process. Strengthened the role of sustainable finance as part of the Think Forward strategy. Ensured the Think Forward strategy was properly translated for the various business lines and in particular for the Wholesale Bank. The Think Forward strategy simulation was rolled out to senior management.
Capability development	<ul style="list-style-type: none"> Launched the Orange Code and the requisite behaviours and rolled out to all staff. In addition fully embedded these in the performance management process of all Identified Staff. A new performance management programme called Step Up has been developed and is currently being implemented at the MBB-1 and -2 levels as well as in Spain, Belgium and Financial Markets, ahead of a global roll-out in 2017; this will lay the foundation for a high performance culture. Further investments have been made in leadership development through the development of our Leadership that Matters program, ready for roll-out in 2016. A Strategic Recruitment Plan was approved to ensure ING's Employer Brand is fully aligned with its commercial brand whilst enhancing the standards used in employee selection. Enhanced overall organisation of the Finance and Risk functions in part through targeted rotations and international assignments throughout the network. Strengthened lending capabilities in C&G countries, enabling diversification of loan portfolios.
Innovation	<ul style="list-style-type: none"> Introduced TWYP (The Way You Pay), a pan-European peer-to-peer payment app, jointly developed by three countries. A payment solution called Payconiq was developed and piloted in Belgium, to leverage pending regulations (PSD II). Launched a pilot for instant lending for small business loans in Spain in partnership with Kabbage, with plans for further roll-out in other countries. A Digital Financial Advisor, co-developed by three countries to help savings customers assess whether or not they need to shift to investment products.
Sustainability	<ul style="list-style-type: none"> EUR 23.8 bln in sustainable transitions financed. First ever, EUR 1 bln green bond issue launched with proceeds going to projects in renewable energy, green buildings and water/energy efficiency. Discontinued financing of new coal exploration and are actively reducing existing coal financing.
One Bank (Financial) Performance	<ul style="list-style-type: none"> Number of new retail customers up by 1.4 mln with the number of primary relationships up by almost 7% to 8.9 mln. Underlying net profit of ING Bank is EUR 4,219 mln, up 23.2% from 2014, driven by higher interest results and lower risk costs, despite higher regulatory cost. ING Bank Return on equity has grown to a healthy 10.8%, up from 9.9% in 2014. CET1 ratio of ING Group and ING Bank has increased to 12.7% and 11.6% respectively. Cost/Income ratio improving to 55.9% from 58.7% in 2014. Core lending growth of EUR 21.7 bln; customer deposits increasing by EUR 25.1 bln.

2015 Executive Board variable remuneration

The performance of the Executive Board is evaluated against financial and non-financial performance indicators. Variable remuneration in 2015 of the CFO and CRO was based for 75% on non-financial performance indicators. The variable remuneration in 2015 for the CEO was based for 55% on non-financial performance indicators. As evidenced by the table above the collective performance of the Executive Board members was broadly on-target. There were minor differences in achievement of personal targets, this explains why variable remuneration for the CEO was set at 18% for the CFO at 13% and for the CRO at 16%.

The table below shows the remuneration awarded to the individual members of the Executive Board with respect to the performance years 2015, 2014 and 2013.

Total direct compensation of the individual members of the Executive Board						
	2015		2014		2013	
amounts in thousands of euros	amount	number of shares	amount	number of shares	amount	number of shares
Ralph Hamers ¹						
Base salary	1,630		1,270		794	
Variable remuneration in cash	-		-		-	
Variable remuneration in shares ²	293	28,404	-	-	-	-
Patrick Flynn						
Base salary	1,180		772		750	
Variable remuneration in cash	-		-		-	
Variable remuneration in shares ²	153	14,850	-	-	-	-
Wilfred Nagel						
Base salary	1,180		772		750	
Variable remuneration in cash	-		-		-	
Variable remuneration in shares ²	189	18,278	-	-	-	-

1 Ralph Hamers was appointed to the Executive Board on 13 May 2013. The amounts for him reflect compensation earned in the capacity as an Executive Board member. Thus the figure for 2013 reflects a partial year as an Executive Board member and CEO.

2 The number of shares is based on the average ING stock price on the day on which the 2015 year-end results were published. The shares will be awarded in May.

In 2015 no holdback or clawback was applied to paid or vested variable remuneration of any of the Executive Board members. The total direct compensation of former members of the Executive Board amounted to nil for 2015, nil for 2014 and EUR 1,015,000 for 2013.

Pension costs

In 2015, members of the Executive Board participated in the Collective Defined Contribution (CDC) pension plan as part of the Executive Board remuneration policy. In 2013 and 2014 the Executive Board participated in the Dutch Defined Contribution Pension Plan. The disclosed costs under this heading has gone down as a result of the loss of pension accrual for salary above EUR 100,000. Same as other employees in the Netherlands, the Executive Board members are compensated for this loss by means of a savings allowance (see Benefits on page 96).

The table below shows the pension costs of the individual members of the Executive Board in 2015, 2014 and 2013.

Pension costs of the individual members of the Executive Board			
in thousands of euros	2015	2014	2013
Ralph Hamers ¹	25	230	161
Patrick Flynn	25	159	178
Wilfred Nagel	25	187	210

1 Ralph Hamers was appointed to the Executive Board on 13 May 2013. The 2013 pension costs for him reflect the partial year as an Executive Board member.

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Benefits

The individual members of the Executive Board receive other emoluments apart from the compensation and pension benefit. These other emoluments include f.i. savings allowances for the loss of pension benefits for salary above EUR 100,000, employer contributions to savings schemes, reimbursement of cost related to home/work commuting and cost associated with housing (for expats). The significant increase in 2015 has two main reasons. The first one is the introduction of savings allowances introduced to compensate for the loss of pension accrual for salary above EUR 100,000. This savings allowance is an average flat rate contribution for all employees in the Netherlands, annually determined on the basis of the actual CDC pension premium. The level of the CDC pension premium is highly dependent on the actual interest rate and can, therefore, go up or down in future years. The second one is that 2015 base salaries for the Executive Board, and thus the basis for pension accrual, increased compared to 2014.

The other emoluments amounted in 2015, 2014 and 2013 to the following costs.

Other emoluments			
in thousands of euros	2015	2014	2013
Ralph Hamers ¹	473	45	29
Patrick Flynn	433	178	181
Wilfred Nagel	322	34	25

1 Ralph Hamers was appointed to the Executive Board on 13 May 2013. The 2013 emoluments for him reflect the partial year as an Executive Board member.

Long-term incentives awarded in previous years

In 2015 no long-term incentives were awarded to the Executive Board members.

Options held by the members of the Executive Board							
number of options	Outstanding as at 31 December 2014	Exercised in 2015	Waived or expired in 2015	Outstanding as at 31 December 2015	Exercise price in euros	Vesting date	Expiry date
Ralph Hamers	11,460	0	11,460	0	€17.88	30 Mar 2008	30 Mar 2015
	8,504	0	0	8,504	€25.16	23 Mar 2009	23 Mar 2016
	14,889	0	0	14,889	€24.72	22 Mar 2010	22 Mar 2017
	16,957	0	0	16,957	€16.66	13 Mar 2011	13 Mar 2018
	19,985	0	0	19,985	€2.90	19 Mar 2012	19 Mar 2019
	22,124	0	0	22,124	€7.35	17 Mar 2013	17 Mar 2020
Patrick Flynn		0	0	0			
Wilfred Nagel	8,595	0	8,595	0	€17.88	30 Mar 2008	30 Mar 2015
	11,721	0	0	11,721	€25.16	23 Mar 2009	23 Mar 2016
	9,530	0	0	9,530	€24.72	22 Mar 2010	22 Mar 2017
	12,436	0	0	12,436	€16.66	13 Mar 2011	13 Mar 2018
	12,490	12,490	0	0	€2.90	19 Mar 2012	19 Mar 2019
	16,815	16,815	0	0	€7.35	17 Mar 2013	17 Mar 2020

The long-term incentive plan (LTIP) in place at ING until 2010 included share options and performance shares. The ING share options have a total term of 10 years and a vesting period of three years, after which they can be exercised during the remaining seven years.

The table below contains information on the outstanding options and the movements during the financial year of options held by the members of the Executive Board as of 31 December 2015, which were all awarded to these board members in roles within ING prior to their appointment to the Executive Board.

Deferred shares are shares conditionally granted, with the final shares awarded in three years (tiered) of which the ultimate value of each deferred share will be based on ING Group's share price on the vesting date.

A retention period of five years from the grant date applies to all share and option awards granted to Executive Board members. During this five-year period, the Executive Board members are only allowed to sell part of their shares on the date of vesting to pay tax on the vested amount of the award.

Remuneration report – continued

For the Executive Board members the following shares vested during 2015:

Shares vested for the Executive Board during 2015

	Shares	Granting date	Vesting date	Number of shares granted	Number of shares vested	Vesting price
Ralph Hamers ¹	LSPP Upfront share units ²	27 Mar 2014	27 Mar 2015	3,729	3,729	€ 13.50
	LSPP Deferred share units	27 Mar 2013	27 Mar 2015	3,441	3,441	€ 13.50
	LSPP Deferred share units	28 Mar 2012	28 Mar 2015	3,511	3,511	€ 13.46
Patrick Flynn	-	-	-	-	-	-
Wilfred Nagel ³	LSPP Deferred shares	28 Mar 2012	28 Mar 2015	3,399	3,399	€ 13.46
	Deferred shares	15 May 2013	15 May 2015	2,489	2,489	€ 14.57
	Deferred shares	16 May 2012	16 May 2015	1,759	1,759	€ 14.50

1 Shares granted to Ralph Hamers in March 2013 and 2014 were awarded for his performance in position previous to his appointment to the Executive Board.

2 Upfront or deferred share units of Ralph Hamers are cash settled instruments of which the ultimate value will be based on ING Group's share price at the vesting date.

3 Shares granted to Wilfred Nagel in 2012 and 2013 were awarded for his performance in positions previous to his appointment to the Executive Board.

Loans and advances to Executive Board members

The table below presents the loans and advances provided to Executive Board members and outstanding on 31 December 2015, 2014 and 2013.

Loans and advances to the individual members of the Executive Board

	2015			2014			2013		
amounts in thousands of euros	Amount outstanding 31 December	Average interest rate	Repay-ments 31 December	Amount outstanding 31 December	Average interest rate	Repay-ments 31 December	Amount outstanding 31 December	Average interest rate	Repay-ments
Ralph Hamers ¹	2,499	2.5%	0	2,499	2.5%	98	2,597	2.4%	500
Patrick Flynn	0	0	0	0	0	0	0	0	0
Wilfred Nagel	500	2.0%	0	500	2.2%	250	750	3.0%	0

1 Ralph Hamers was appointed to the Executive Board on 13 May 2013. The figures reflect the loans and advances received before his appointment to the Executive Board.

ING shares held by Executive Board members

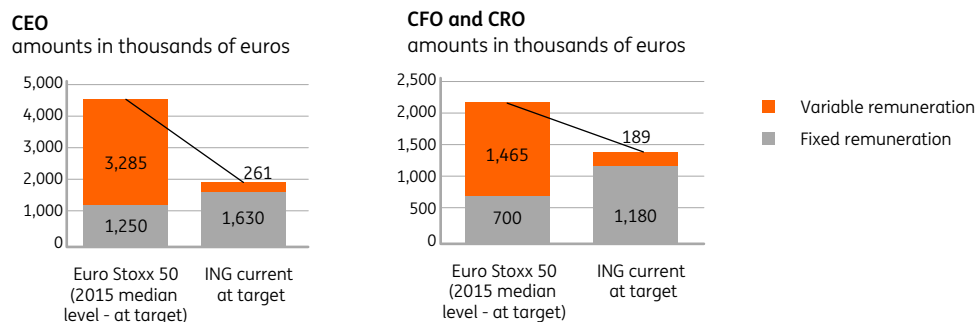
Executive Board members are permitted to hold ING shares as a long-term investment. The table below shows an overview of the shares held by members of the Executive Board at 31 December 2015, 2014 and 2013.

ING shares held by the members of the Executive Board

number of shares	2015	2014	2013
Ralph Hamers	44,182	44,182	38,497
Patrick Flynn	85,084	85,084	85,084
Wilfred Nagel	115,707	81,285	70,027

2016 Remuneration Executive Board

In the below diagrams, the median 2015 total (at target) remuneration is shown for the CEO and other Executive Board positions in the Euro Stoxx 50.



Current remuneration levels of the ING Executive Board are still below the median of the Euro Stoxx 50 benchmark, and in the case of the CEO position, even significantly below. This remains a concern. In order to ensure continued delivery on customer promises, strategic priorities and key financial and non-financial targets, ING needs to be able to attract the best (international) talent for its Executive Board.

It is ING's aim to further reduce the gap between the total direct compensation of ING's Executive Board and the median of the Euro Stoxx 50 peer group over time. In determining executive remuneration, the ING Supervisory Board is aware of the public debate surrounding this topic and strives to balance all stakeholder interests.

In this context, the Supervisory Board has decided to slightly increase the total (at target) remuneration of all Executive Board members by 2% with effect from 1 January 2016.

The Supervisory Board will continue to monitor the development of international remuneration policies and the benchmarks and will continue to support the Executive Board remuneration policy of compensating slightly below the median of the Euro Stoxx 50 benchmark. As such annual reviews will be held and trends will be looked at.

Remuneration Supervisory Board

Current Supervisory Board Remuneration policy

The annual remuneration of the Supervisory Board members as adopted by the General Meetings in 2006 and 2008 amounts to: chairman EUR 75,000, vice-chairman EUR 65,000, other members EUR 45,000. In addition to the remuneration, each member receives an expense allowance. For the chairman and vice-chairman the annual amount is EUR 6,810. For the other members the amount is EUR 2,270.

The remuneration for the membership of committees is as follows: chairman of the Audit Committee EUR 8,000, members of the Audit Committee EUR 6,000, chairmen of other Supervisory Board committees EUR 7,500 and members of other Supervisory Board committees EUR 5,000. In addition to the fixed remuneration, committee members receive a fee for each meeting they attend. For the Audit Committee chairman this fee is EUR 2,000 per meeting and for its members EUR 1,500. For the chairmen and members of other committees the attendance fee amounts to EUR 450 per meeting.

Supervisory Board members receive an additional fee of EUR 2,000 per attended Supervisory Board or committee meeting in the event the meeting is held outside the country of residence of the Supervisory Board member, or an additional amount of EUR 7,500 per attended Supervisory Board or committee meeting if intercontinental travel is required for attending the meeting.

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2015 Remuneration Supervisory Board

The table below shows the remuneration, including expense allowances and attendance fees per Supervisory Board member.

2015 Remuneration Supervisory Board ¹						
amounts in thousands of euros	2015		2014		2013	
	Remuneration	VAT	Remuneration	VAT	Remuneration	VAT
Jeroen van der Veer	122	26	118	25	114	24
Henk Breukink	83	17	76	16	72	15
Joost Kuiper	81	17	93	19	75	16
Mariana Gheorghe ²	40					
Robert Reibestein	76	16	78	16	66	14
Carin Gorter ³	51	11	73	16	42	9
Herman-Josef Lamberti	111		81		46	
Isabel Martin Castella	92		87		48	
Eric Boyer de la Giroday	92		53			

1 As per 1 January 2013 new VAT legislation was implemented based on which the Dutch Supervisory Board members qualify as VAT taxable persons and are obliged to charge 21% VAT to ING on their remuneration.

2 Mariana Gheorghe is a member of the Supervisory Board as of May 2015. The remuneration figures for 2015 reflect a partial year as a member of the Supervisory Board.

3 Carin Gorter stepped down in September 2015. The remuneration figures for 2015 reflect a partial year as a member of the Supervisory Board.

Compensation of former members of the Supervisory Board who are not included in the above table amounted to nil in 2015, EUR 220,000 in 2014 and EUR 90,000 in 2013.

Loans and advances to Supervisory Board members

Supervisory Board members may obtain banking and insurance services from ING Group subsidiaries in the ordinary course of their business and on terms that are customary in the sector. The Supervisory Board members do not receive privileged financial services. Currently there are no loans and advances outstanding to Supervisory Board members.

ING shares and options held by Supervisory Board members

Supervisory Board members are permitted to hold ING shares as a long-term investment. The table below shows the holdings by members of the Supervisory Board at 31 December 2015, 2014 and 2013.

ING shares held by the members of the Supervisory Board			
number of shares	2015	2014	2013
Jeroen van der Veer	119,469	119,469	119,469
Hermann-Josef Lamberti ¹	5,700	5,700	5,700
Eric Boyer de la Giroday ²	47,565	43,094	

1 Hermann-Josef Lamberti is a member of the Supervisory Board as of May 2013

2 Eric Boyer de la Giroday is a member of the Supervisory Board as of May 2014.

The following table contains information on the options outstanding by, and awards vested for, the members of the Supervisory Board.

Stock options on ING Groep N.V. shares held by members of the Supervisory Board at 31 December 2015						
	Outstanding as at 31 December 2015	Expired in 2015	Outstanding as at 31 December 2014	Expired in 2014	Outstanding as at 31 December 2013	Expired in 2013
Eric Boyer de la Giroday ¹	319,848	69,542	389,390	23,181		
Shares vested for members of the Supervisory Board in 2015						
	Performance or deferred shares	Granting date	Vesting date	Nr. Of shares granted	Nr. of shares vested	Vesting price
Eric Boyer de la Giroday ²	Deferred shares	16 May 2012	16 May 2015	8,832	8,832	€ 14.50

1 Eric Boyer de la Giroday is a member of the Supervisory Board as of May 2014.

2 Shares granted to Eric Boyer de la Giroday in May 2012 were awarded for his performance in position previous to his appointment to the Supervisory Board.

Proposal adjustment Supervisory Board remuneration policy

The current remuneration policy of the Supervisory Board was adopted by the General Meeting in 2008. Since then, as a result of the changed economic conditions and increased regulation, the level of responsibility, the frequency and intensity of Supervisory Board meetings and meetings of Supervisory Board committees and the involvement of Supervisory Board members outside formal meetings have significantly increased.

As announced in the 2014 Annual Report, the remuneration policy and the respective levels for Supervisory Board members were reviewed in 2015. The starting points for the review were the following:

- Move to a simpler and more transparent structure
- Bring remuneration levels more in line with peers and with levels adequate to attract qualified (international) Supervisory Board members
- Further align remuneration with increased responsibilities and time spent

As part of the review, the remuneration levels of the members of the Supervisory Board were benchmarked against relevant peer groups, including companies in the Euro Stoxx 50 with a two-tier board structure. This exercise showed that the current compensation levels of the members of the Supervisory Board are below median level of the reviewed peer groups. In line with ING's actual experience over the past years, the gap between this market level and ING's current Supervisory Board remuneration level has a negative influence on the ability of ING to attract candidates for the Supervisory Board with an appropriate level of experience, capability, competence and affinity, also in the context of increased regulatory scrutiny of Supervisory Board nominees. The Supervisory Board is appreciative of the negative feelings in society regarding any increase in remuneration but needs to strike a balance between the interests of various stakeholders.

As a consequence, the following amendments to the 2008 Supervisory Board remuneration policy are proposed:

amounts in euros	Current 2008 Policy	Proposed 2016 Policy
Annual remuneration		
Chairman Supervisory Board	75,000	125,000
Vice Chairman Supervisory Board	65,000	95,000
Supervisory Board Member	45,000	70,000
Committee fees (annual amounts)		
Chairman Audit Committee	8,000	20,000
Member Audit Committee	6,000	10,000
Chairman Corporate Governance Committee	7,500	7,500
Member Corporate Governance Committee	5,000	5,000
Chairman Other Committee	7,500	20,000
Member Other Committee	5,000	10,000
Attendance fees (per meeting)		
Attendance fee Audit Committee Chairman	2,000	0
Attendance fee Audit Committee members	1,500	0
Attendance fee other Committee Chairman	450	0
Attendance fee other Committee members	450	0
Attendance fee outside country of residence	2,000	2,000
Attendance fee outside continent of residence	7,500	7,500
Expense allowances (annual amounts)		
Fixed expense allowance Chairman and Vice-chairman	6,810	0
Fixed expense allowance Supervisory Board member	2,270	0

In addition, members of the Supervisory Board will be reimbursed for travel and business expenses.

These proposed amendments to the current remuneration policy for the Supervisory Board will be put forward for adoption by the ING Shareholders at the 2016 AGM. If adopted, the amended policy will become effective as per 1 January 2016.

Remuneration policy for all staff

As far as possible for a global financial institution of its size, ING aims to take account of all the differences and standards applied within similar financial institutions in the various countries in which it operates. The remuneration policies applicable to all staff are in line with the general principles of the remuneration structure for the Executive Board, taking into account international and local legislation and practices. Remuneration levels are determined taking into consideration a variety of factors including relevant market practices, the regulatory environment and the international context in which ING operates.

Focus on long-term value creation and non-financial performance

Variable remuneration is linked to long-term value creation and performance. It is based on individual, business line and company performance criteria. ING's performance management process is reflected in remuneration to prevent reward for failure and ensure that we are fully focused on the long term profitability of the organisation.

Essentially, it endorses a pay-for-performance culture. Performance is assessed against financial and non-financial indicators. Non-financial indicators aim to further improve sustainable business practices and include for example customer satisfaction, workforce diversity, stakeholder engagement and sustainable business practices. Any variable remuneration is based for at least 50% on non-financial performance.

Regulatory requirements variable remuneration

ING is compliant with the regulatory requirements relating to the pay-out of variable remuneration for different categories of staff. A distinction is made between Identified Staff (selected on the basis of the Regulatory Technical Standards issued by the EBA) and non-Identified Staff. For Identified Staff a maximum of 60% of total variable remuneration is awarded upfront. The remaining part of the total variable remuneration (a minimum of 40%) is deferred. It is subject to a tiered vesting schedule over a period of three years. Both the upfront part and the deferred part are delivered at a maximum of 50% in cash and a minimum of 50% in shares (or other equity-linked instruments). For non-Identified Staff the variable remuneration is paid fully upfront and entirely in cash. If the variable remuneration exceeds EUR 100,000 a deferral plan in shares is applicable. ING applies maximum ratios of variable remuneration in relation to fixed remuneration for different categories of staff in line with CRD IV and the Wbfo.

Risk mitigating measures

ING applies measures to mitigate risk relating to remuneration. ING's remuneration policy ensures that incentives provided by the remuneration system take into consideration risk, capital, liquidity and the likelihood and timing of earnings. Measures include an ex-ante and ex-post assessment of variable remuneration prior to award respectively vesting.

The ex-ante assessment process aims to check, verify and consider the full range of any current and potential future risks. As part of this process, ING takes into account the company performance at bank level, business line performance and individual performance and applies a solvency test. A set of risk requirements is agreed for all Identified Staff holding risk taker roles. These risk requirements set the minimum standard to be obtained during the performance year. Deviation therefrom may lead to full or partial reduction of variable remuneration via a so called risk modifier.

The ex-post assessment process aims to perform an analysis, including as to whether the outcomes of the initial ex ante risk assessment process were correct. This is an explicit risk alignment measure for ING to adjust any variable remuneration downwards, e.g. by applying a holdback of any unpaid or unvested variable remuneration.

Compensation packages related to control functions (such as risk management functions) are structured such that they provide for a reduced emphasis on variable remuneration. To ensure the autonomy of the individual, financial performance metrics are dependent on objectives determined at the divisional level (i.e. not at the level of the relevant business). In addition, performance assessments are not only determined by business management, but also by the functional line.

2015 Remuneration all staff

The total amount of variable remuneration awarded to employees over 2015 was EUR 364 million. This includes both discretionary variable remuneration as well as collective variable remuneration such as profit sharing arrangements resulting from collective labour agreements negotiated with relevant unions. In 2015 there were 24 employees, working in the Corporate Staff, Wholesale Banking and Retail Banking business lines, to whom total annual remuneration (incl. employer pension contributions) of EUR 1 million or more was awarded. Most of these employees work outside the Netherlands.