

Minutes
Annual General Meeting of ING Groep N.V.
Monday 13 May 2013, at 2.00 p.m.
Muziekgebouw aan 't IJ, Amsterdam

(These minutes reflect the business-related content of the meeting
and are a translation of the Dutch minutes, which shall prevail.)

Agenda

1. Opening remarks and announcements.
2.
 - A. Report of the Executive Board for 2012 (discussion item).
 - B. Report of the Supervisory Board for 2012 (discussion item).
 - C. Annual Accounts for 2012 (voting item).
 - D. Discontinuation of the Dutch translation of the Annual Report with effect from the 2013 Annual Report (discussion item).
3. Profit retention and distribution policy (discussion item).
4. Remuneration report (discussion item).
5. Corporate governance (discussion item).
6. Sustainability (discussion item).
7.
 - A. Discharge of the members of the Executive Board in respect of their duties performed during the year 2012 (voting item).
 - B. Discharge of the members of the Supervisory Board in respect of their duties performed during the year 2012 (voting item).
8. Appointment of the auditor (voting item).
9. Composition of the Executive Board:
 - A. Reappointment of Jan Hommen (voting item).
 - B. Reappointment of Patrick Flynn (voting item).
 - C. Appointment of Ralph Hamers (voting item).
10. Composition of the Supervisory Board:
 - A. Reappointment of Jeroen van der Veer (voting item).
 - B. Reappointment of Tineke Bahlmann (voting item).
 - C. Appointment of Carin Gorter (voting item).
 - D. Appointment of Hermann-Josef Lamberti (voting item).
 - E. Appointment of Isabel Martín Castellá (voting item).
11.
 - A. Authorisation to issue ordinary shares with or without pre-emptive rights (voting item).
 - B. Authorisation to issue ordinary shares with or without pre-emptive rights in connection with a merger, a takeover of a business or a company, or, if necessary in the opinion of the Executive Board and the Supervisory Board, for the safeguarding or conservation of the Company's capital position (voting item).
12.
 - A. Authorisation to acquire ordinary shares or depositary receipts for ordinary shares in the Company's own capital (voting item).
 - B. Authorisation to acquire ordinary shares or depositary receipts for ordinary shares in the Company's own capital in connection with a major capital restructuring (voting item).
13. Any other business and conclusion.

Present

- from the Supervisory Board: Messrs J. van der Veer (chairman) and P.A.F.W. Elverding (vice-chairman), Ms J.P. Bahlmann, Mr H.W. Breukink, Mr J.H. Holsboer, Mr P.C. Klaver, Mr J.C.L. Kuiper, Ms Y.C.M.T. van Rooy, Mr R.W.P. Reibestein, Mr L.A.P. Vandewalle and Mr L.J. de Waal;
- from the Executive Board: Messrs J.H.M. Hommen (chairman), P.G. Flynn and W.F. Nagel;
- the following company officials:
 - Mr J-W.G. Vink Company Secretary;
 - Ms L.G. van der Meij Secretary (minutes);
- Messrs M.A. van Loo and A.F.J. van Overmeire of Ernst & Young (external auditor);
- representatives of the Central Works Council;
- 7 shareholders and 311 depositary receipt holders.

The meeting was chaired by Mr J. van der Veer.

1. Opening remarks and announcements.

The **chairman** opened the meeting at 2.00 p.m. and welcomed everyone, the shareholders and depositary receipt holders of ING Groep N.V., the external auditors, the representatives of the Central Works Council and the members of the press. The Executive Board and the Supervisory Board were present on the platform. Directors of ING Bank and ING Insurance were present in the auditorium and could answer questions relating specifically to the bank or insurance business respectively. Mr Vink, the Company Secretary and head of Legal Affairs, was also present on the platform. As approved by the Annual General Meeting on 25 April 2006, the meeting would be broadcast on the ING internet site (www.ing.com).

The **chairman** stated that shareholders and depositary receipt holders had been notified of the meeting in conformity with the Company's articles of association and the law, enabling the meeting to pass legally-valid resolutions. He also stated that no shareholders or depositary receipt holders had submitted resolutions for discussion at the meeting. The chairman went on to announce that the issued capital of the Company consisted of 3,831,560,513 ordinary shares on the Record Date (15 April 2013). A total of 49,278,737 depositary receipts for ordinary shares were held by ING itself on the Record Date, and so no votes could be cast on them. Consequently, a total of 3,782,281,776 votes could be cast.

Later in the meeting, it was announced that seven shareholders (including the ING Trust Office) and 311 depositary receipt holders holding a total of 3,831,009,254 shares or depositary receipts for shares were present or represented at this meeting, permitting 3,781,730,517 votes to be cast. A total of 1,942,541,018 votes may be cast by means of proxy voting or by shareholders, excluding the ING Trust Office, and depositary receipt holders present or represented at the meeting, which was 51.36% of the total number of eligible voting ordinary shares.

The **chairman** then announced that the minutes of the General Meeting on 14 May 2012 had been adopted and signed by the chairman, the secretary and the designated depositary receipt holder and had been available on the ING Group website since 14 November 2012; they had also been available for inspection. The minutes of this meeting would be taken by Ms L.G.

van der Meij and the entire meeting was being recorded for the purposes of preparing the minutes.

In accordance with Article 32(3) of the articles of association, the **chairman** proposed to designate Mr W.G. Bogaard of Huizen, depositary receipt holder, to adopt and sign the minutes of the meeting along with the chairman and the secretary. Mr Bogaard had already declared his willingness to perform this duty. The meeting decided accordingly by acclamation.

2A. Report of the Executive Board for 2012 (discussion item).

2B. Report of the Supervisory Board for 2012 (discussion item).

After a short film *Orange Spirit* had been shown, Mr **Hommen** welcomed all those present and gave a presentation on ING.

ING wanted to align itself with customers who expect more from a bank in terms of simplicity and corporate responsibility. Retail customers want insight and oversight of their finances and future. They are keen on certainty and data security. Furthermore, flexibility is required in these difficult times; ING offers mobile banking to retail customers in many countries. The downside of this, however, is that services may be temporarily unavailable if there is an interruption. ING does all it can to avoid interruptions and tries to resolve them ever more quickly. The recent DDOS attack had not, however, breached the bank's systems or customer data in any way. Availability of mobile and internet services to retail customers via mijning.nl had been 99.3% on average in 2012 and the first months of 2013. The insurance business was also putting strong emphasis on good service to customers. ING wanted to be a preferred bank and so measured the extent to which customers recommended it to family and friends. This feedback was used to make improvements. Customers rated ING services in 2012 higher than in 2011. In fact, customer satisfaction with ING was the highest of all banks in eight countries, including the Netherlands, in 2012.

2012 was an important year. Strategy had been sharpened, both at the bank and in the insurance business and key milestones had been reached. Over EUR 10 billion had been paid to the Dutch state in connection with the core Tier-1 securities. In November 2012, ING and the Dutch state had reached agreement with the European Commission on changes to the 2009 restructuring plan, which had been drawn up in connection with the state aid received. These changes gave ING more time and flexibility to shape its future. 2012 had seen the announcement of the sale of a large part of the Asian insurance and asset management business and ING's remuneration policy had been renewed and tightened up. The progress that was made on the strategy provided a solid foundation for the future.

One of the main external environmental factors was increasing regulation. ING supported strengthening financial institutions and stabilising the financial system and generally agreed with the vast majority of the regulations. The timing of the measures and the way some rules interact could be better. Management on principles may be an alternative as more rules could hinder ING's role as a financier of the real economy. What was required was more capital at the banks, in business and with private individuals.

Mr **Hommen** explained the strategic measures that ING had implemented during 2012.

On 26 November 2012, total repayments and interest to the Dutch state had exceeded EUR 10 billion for the first time. There were not that many European banks that had actually repaid the support they received and certainly not with over EUR 3.5 billion in premiums and coupon payments. This was an average return to the taxpayer of 12.5% or more per year between October 2008 and May 2015. Everything will have been repaid by May 2015. ING was also paying the Dutch state some hundreds of millions of euros for guarantees on certain bonds that it had issued since January 2009. In addition ING had paid EUR 175 million in bank levies to the Dutch state in 2012 with possibly the same sum in 2013. In 2012, ING also paid EUR 55 million in bank levies in other countries. From 2015, ING would contribute to the annual deposit guarantee system, if it was introduced. And ING would pay about EUR 300 million in 2014 as a result of the nationalisation of SNS REAAL.

Since 2009, the Dutch state had borne a large proportion of the risks on the Alt-A portfolio in the United States and ING was paying a regular premium for this. Since December 2012, the Dutch state had been in a position to sell the Alt-A portfolio on the market at a profit. The Dutch state could earn between EUR 4 billion and EUR 4.5 billion on the support it gave ING. On top of this, ING would pay a further sum of almost EUR 0.5 billion in extra taxes.

Part of the revised restructuring plan is that over 50% of the Asian insurance and investment management activities must have been sold by the end of this year. The partial IPO of ING US at the beginning of this month was a necessary step for the American insurance company in 2013, although the market did not want to pay more than 50% of the book value at the moment. The proceeds of the partial IPO in the US could reduce ING's double leverage to about EUR 5 billion. The aim is to be ready for an IPO of the European insurance business during 2014, with over 50% of it having to be sold by the end of 2015. If this is achieved, the insurance business will be fully autonomous and the price leadership and acquisitions restrictions on ING will be lifted.

ING Bank's good financial position arose from the emphasis put on better financing, higher liquidity and an improved capital position in 2012. ING already met the Basel III ratios. Another significant point was that thanks to balance sheet optimisation, ING could offer more to its customers with a smaller balance sheet. Affected by the economic conditions, ING had had to take more than EUR 2 billion in risk costs in 2012. Steps had also been taken to reduce risk significantly. The risks in the Netherlands with respect to mortgages and loans to SMEs increased somewhat in 2012. The bank's risk profile had, however, been lower than that of many other banks for many years. ING's return on equity had been slightly higher than that of other banks since the second half of 2010 but was still too low to cover the cost of capital. A return on equity of between 10% and 13% was the ambition for 2015, partly by adjusting prices and from growth in the lending portfolio. The return on equity in the first quarter of 2013 was 9%.

Mr **Hommen** continued his presentation with the 2012 financial results of the group, bank and insurance operations. The poor state of the Eurozone economy meant that ING Group's net result fell from EUR 5.8 billion in 2011 to EUR 3.9 billion in 2012, partly due to lower interest income on savings. Rates paid on savings accounts were not proportionate to the low interest-rate climate. In the first quarter of 2013, ING Group recorded improved figures with the net result up 148% compared with the first quarter of 2012 to EUR 1.8 billion, including EUR 1 billion book profit on the sale of a number of business units in Asia. The underlying

result improved in part because of cost savings. The results of the banking operations in 2012 remained at about the same level as a year earlier. The result had fallen partly because of falling interest income and lower commission income in commercial banking, higher risk costs, the bank levy in the Netherlands, the cost of reducing risk in the bond portfolio in southern Europe and higher liquidity costs. The insurance business had managed to convert both the gross and underlying net results to positive figures. Income had fallen by EUR 2.4 billion but expenses were down by EUR 2.8 billion because the Asian insurance and investment management activities were recorded as discontinued operations for accounting purposes from 2012.

In 2012, the share price rose by about 25%. ING shares performed as well as the European bank index, climbing to EUR 7.44 on 31 January 2013. The confusion surrounding the nationalisation of SNS REAAL on 1 February caused ING shares to drop sharply to EUR 5.54 by the end of March. A recovery had now set in. ING now has to continue the divestment programme and the repayment to the Dutch state so that any doubt in this respect is dispelled as quickly as possible.

Mr **Hommen** argued that non-financial results, such as progress on sustainability, were also at the heart of the business at ING. He announced he would discuss this further in agenda item 6 and briefly addressed ING's significance for the Netherlands as well as the ING brand. ING has a strong brand awareness in all markets where it operates. The value of the ING brand was second of all Dutch brands and ING is in the top 100 globally.

Almost 25,000 ING employees live in the Netherlands and a third of ING's income comes from the Netherlands. A significant proportion of ING's 33 million bank customers and 28 million insurance customers are in the Netherlands. At the end of 2012, ING had EUR 144 billion of mortgage loans and EUR 77 billion of other lending outstanding in the Netherlands. 6% of the shareholders are Dutch. In a normal year, ING paid about EUR 2 billion directly or indirectly to the Dutch State. ING is important to Dutch business. Thanks to its size and expertise, ING is able to offer comprehensive services to large Dutch businesses. ING can also assist businesses in difficulties.

Mr **Hommen** summarised that ING had made progress on executing its strategy, despite challenging external circumstances. Major steps had been taken on customer focus and sustainability. The focus was still on capital, liquidity and financing and so ING had already been able to meet Basel III requirements in 2012. But there were still major points on the strategic agenda. After completing all disposals of the insurance and investment management businesses by 2015, a bank with a strong brand, high customer appreciation, competitive prices, renewed and appropriate service, a strong financial balance sheet and a relatively low risk profile would remain. Despite all the challenges, ING was working hard on playing its role as an important financial player for society to the best of its abilities. Finally, Mr **Hommen** expressed his great appreciation for the engagement and good work of ING's employees and his sincere gratitude for the confidence that the shareholders show in ING.

The **chairman** thanked Mr Hommen for his address and gave the meeting the opportunity to ask questions.

Mr **Keyner** of the Vereniging van Effectenbezitters and holding proxies on over 5.3 million shares complimented Mr **Hommen** and the Executive Board for their action on reducing the company's risk profile. Mr **Keyner** then asked for the absolute rating that customers gave ING's products and services and whether the shareholders could be confident that the ambition of 10%-13% return on equity in the long term was realistic given the target of a low risk profile.

Mr **Hommen** explained that customer-focused talks were held immediately after a customer transaction had taken place to get a rating on whether the customer would recommend ING to friends and family. Only scores of 8 and 9 counted as positive. ING especially had a positive score at ING Direct as this was a bank with very simple products that customers value highly. Although ING rated better than its competitors, it wanted a positive rating across the board. The ambition of 10%-13% return on equity was challenging; most banks were currently at about 4%-5%. ING's earnings model was based on granting loans. The economy was weak, there was little investment and so demand for loans was low. ING was working on a sustainable return that was in this bandwidth in the rather longer term.

Ms **Van Balen** (Milieudefensie (Friends of the Earth Netherlands)) explained that Milieudefensie had recently investigated a palm oil company, Wilmar International. Wilmar International had a track record as the least sustainable company in the world and had breached national environmental and land-rights laws in Uganda, Nigeria and Indonesia. ING's sustainability policy contained environmental and social rules on investments. Ms **Van Balen** asked how ING justified its links with Wilmar International and what steps it would take in this case to tackle the breaches of its own sustainability policy.

Mr **Hommen** responded that ING had a bank and an investment relationship with Wilmar. ING addressed the sustainability aspects through its voting rights on shares and dialog with Wilmar. Mr **Hommen** referred to the Annual Report for the sustainability aspects of ING. ING had passed the letter it had received from Milieudefensie to Wilmar. Once a reply was received, ING would contact Milieudefensie.

Mr **Blom** followed on with a question about the steps ING was taking with respect to investing in companies making arms and when ING could guarantee that there would be no further investment in arms suppliers. Mr **Hommen** stated that ING applied a restrictive policy in this area. Companies manufacturing controversial arms were excluded. ING required that financing of mixed companies making nuclear arms but also, for example, aircrafts was only applied to the parts that were not involved in nuclear arms production.

Mr **Spanjer** commented that ING was sponsor of the RTL Z stock market game with ING Sprinters and wondered why it had not sent an email asking whether people wanted to open an investment account with ING. BinckBank had done that. Mr **Hommen** thanked him for the suggestion and said he would look into it. Mr **Spanjer** also asked if ING would do anything in other countries with the TOM platform on which it was possible to buy and sell securities. Mr **Hommen** replied that this was a question for specialists more familiar with this.

Mr **Stevense** complimented ING on what it had achieved to date given all the new regulations and asked about the extent to which ING lobbied to stabilise regulation. Every citizen was entitled to a bank account but there were still plenty of people who were not on board,

especially in countries such as Bulgaria and Romania, where there were significant black economies. How was ING dealing with this? And how did ING regard European supervision? Mr **Stevense** also noted that Morgan Stanley, Goldman Sachs and Citigroup had advised ING to moderate the issue price for the IPO in the US. Those same banks then had the right to purchase shares at the issue price (greenshoe). What had these banks earned in total?

Mr **Hommen** explained that ING was regulated by the Netherlands Authority for the Financial Markets and DNB, the Dutch central bank. Clear European supervision would be good. Up to now, the Netherlands had stated that it did not want to take part in the financial transactions tax. The financial consequences would be very adverse for banks and businesses as every financial transaction, including ones to hedge financial risks, would be taxed. It would mean that financial transactions would fall sharply, and so banks and businesses would run large risks, or no more profits would be made because it would become too expensive. Opinions differed on how a European banking union should be structured. Everyone who opened a bank account had to identify himself and prove where he lived and where the funds were coming from. That could be an obstacle to opening a bank account.

The original issue price of the ING US shares, i.e. between US \$21 - \$24, was not tenable. A price of \$19.50 had proven to be a good choice as ING US now had mainly long-term investors and the share price had risen by 16%. ING had an interest in a rising price as it wanted to sell its remaining shares. ING had demanded a good fee of 3%-3.5% for advice from the advising banks. Normally this was about 6%-7%. To date the advising banks had not exercised the 'greenshoe', in other words the 15% for the advising banks was still available in the market to serve customers.

Ms **van Schaik** (European umbrella organisation for Milieudefensie) complimented ING on its policy on investing in forestry and agriculture companies, which covered all the main criteria, but there were still concerns on its implementation. The problems with Wilmar were not new and Ms **van Schaik** wondered how it was possible that ING financed this company, while it had such a poor track record. ING was in dialog with the company but what if this did not deliver a satisfactory result? Mr **Hommen** replied that if a problem arose ING asked for an explanation. If the explanation was inadequate, ING asked the company to make changes. It was given a certain period to do this. If it did not, ING could end the relationship. ING tried to implement its policy as well as possible. Mr **Hommen** asked Milieudefensie to provide him with any supplementary questions.

Mr **van den Bos** (Stede Broec) complimented Mr Timmermans as former CRO, the auditors and Mr Klaver, the chairman of the Risk Committee, on the improved risk profile for ING. The **chairman** thanked him.

Mr **Heinemann** (The Hague) asked if the EUR 1.3 billion penalty that the European Commission had imposed on ING had been repaid. ING had received state aid because of the Alt-A investments. These had in the end proven to be profitable for the government. Mr **Heinemann** asked if ING was still happy with the mandatory break-up of the bank and the insurance business. Mr **Hommen** explained that ING had a major interest in closing the European dossier as quickly as possible. This included repaying the Dutch state. Fortunately, the Dutch state could make a profit on the Alt-A portfolio. The EUR 1.3 billion penalty was paid on the basis of settling a given premium with the amounts paid. When asked,

Mr **Hommen** replied that ING would not receive back the penalty of EUR 1.3 billion and interest as ING had dropped its appeal as part of the changed restructuring agreement. Mr **Heinemann** concluded that the shareholders had been disadvantaged twice as a result. Mr **Hommen** agreed that this had been an additional cost for ING.

Mr **Heinemann** wondered why all banks had to contribute to the Dutch state's acquisition of SNS, while the mistakes in fact lay with the supervisory and executive directors of SNS. Mr **Hommen** explained that the Netherlands has a deposit guarantee scheme under which banks step in if a bank has problems. That was the case here but now in the form of a tax. Mr **Heinemann** asked if the banks could mount a joint protest against the bank levy. Mr **Hommen** confirmed that ING, along with other banks, was very active in this respect at both the Dutch and European levels.

Mr **Fehrenbach** (PGGM Investments) explained that he was speaking on behalf of Pensioenfondsen Zorg en Welzijn, Triodos Bank and others. He understood that there was currently a dispute between ING and the Ministry of Finance on running down the Alt-A portfolio and asked for further details. He also asked if ING would have any remaining obligations after May 2015, when the final tranche of the state support had been repaid, for example, based on the Alt-A portfolio.

Mr **Fehrenbach** praised ING's active participation in the Enhanced Disclosure Task Force and also the way in which ING had extensively addressed all the recommendations in the 2012 Annual Report. This could be a model for other financial institutions. ING had not been able to implement every recommendation this year and Mr **Fehrenbach** asked for this to be done next year. Mr **Flynn** explained in English that ING was an active member of the Enhanced Disclosure Task Force. ING had now implemented twenty-six of the thirty recommendations and expected to implement the others next year. Mr **Hommen** explained that the Alt-A was a portfolio of mortgages in America which could still run for about 20 years. ING was in talks with the government on how to proceed with this.

Mr **Hazewinkel** (ING Trust Office) joined the appreciation just expressed for the Executive Board and the performance in the past year. ING had made good progress on de-risking, optimising the balance sheet and the restructuring programme. Given all the circumstances, the ING Trust Office was satisfied with the new arrangements made with Brussels on progress on the restructuring. Mr **Hazewinkel** then asked if the Executive Board expected that core Tier-1 capital for large systemic banks, such as ING, would be increased in the future. Mr **Hazewinkel** also asked if the remaining divestment programme of the insurance business in the US, the reduction of the double leverage, the capital ratios and repayment of the Dutch state could be done. Finally, Mr **Hazewinkel** noted that ING Insurance Benelux was a major part of the insurance business to be divested. This business unit's underlying result had fallen sharply in 2012, from EUR 739 million to a loss of EUR 91 million. He wondered what the prospects were for the results of the insurance business.

Mr **Hommen** explained that ING met the Basel III requirements, namely 10% core Tier-1 capital. ING could still generate profits that could be added to that capital. As a result, ING was in a position to keep its capital up to mark until 2015. ING had also taken a number of measures last year, such as shrinking its balance sheet and limiting risks. Liquidity had also improved. This had strengthened the balance sheet for the future. ING had floated part of the

American insurance business for less than book value. A loss on the divestment process of ING US would not affect the balance sheet or equity of the bank. Nationale-Nederlanden was busy with an extensive programme making the company ready for an IPO. It included an investment programme, capital plan, cost reduction measures, analysis of the product portfolio and a better programme for hedging risks via transactions with derivatives. ING wanted this programme to create a stable business with a constant level of income, also allowing a dividend.

Mr **Hazewinkel** (ING Trust Office) asked when ING would have less than 50% in America and when that would be the case for the insurance business in Europe. Mr **Hommen** confirmed that the aim was to have sold more than 50% of the shares in the US insurance company during 2014 and that would be the case for the European insurance company in 2015.

Mr **Vreeken** (WeConnectYou) found Mr Hommen's presentation excellent. ING's credit rating had unfortunately been cut last year. Systemic banks in the Netherlands and elsewhere faced cyber-crime. More confidence and a positive mind-set were relevant for ING and Mr **Vreeken** made a number of suggestions on how ING could deal with this. Mr **Hommen** responded that these matters were not directly relevant to the annual meeting but could perhaps be discussed at a different level.

Mr **Tse** (Amsterdam) referred to page 20, third paragraph, which stated that ING was committed to ensuring that Nationale-Nederlanden reaches certain targets for mortgage production and consumer credit and that there was a maximum ratio for mortgage production at ING Bank in the Netherlands in relation to mortgage production of Nationale-Nederlanden Bank until year-end 2015. He wondered what the targets were, what the ratio was and what market share in mortgage production and consumer credit ING had to drop. Mr **Hommen** explained that there was a relationship between the number of mortgages that Nationale-Nederlanden Bank would sell and that ING could sell so that ING did not push Nationale-Nederlanden Bank out of the market. If Nationale-Nederlanden Bank did not achieve the desired figure, which was a market share of about 6%, it would receive more from ING. One of the European Commission's objectives was to launch a new competitor bank on the market. This was Nationale-Nederlanden Bank, which would supply the mortgage market with products and be a competitor of ING.

Mr **Swinkels** (Erp) thought it seemed as if ING was sponsoring the Dutch government with an interest rate of 12%. As a business, ING had a duty to create value for its shareholders. The shareholders had received a bill from the Dutch government. It was sad that the shareholders had already had to wait six years for a dividend and that this would probably continue to 2015 or 2016. ING had an active sponsorship policy and sponsored the Dutch national soccer team. Was ING conservative in its sponsorship policy and what was the budget for the coming year? Could ING as main sponsor invite the shareholders to a soccer match rather than pay a dividend? Mr **Hommen** did not believe that ING was sponsoring the government. There were, however, certain measures that the government could take that ING had to meet. ING was very limited in its sponsorship but did sponsor the Dutch soccer team. ING is also Orange, so that was appropriate. Perhaps ING could do something with soccer and shareholders although ING had no further special sponsorship contracts.

The **chairman** thanked all those present for the questions, closed agenda items 2A and 2B and moved to agenda item 2C, the resolution on the Annual Accounts.

2C. Annual Accounts for 2012 (voting item).

The **chairman** announced that the Executive Board had prepared the Annual Accounts in English on 18 March 2013. The Annual Accounts had been available as part of the Annual Report on the ING website since 28 March 2013 and had been available for inspection at the head office in Amsterdam. On the instructions of the General Meeting, by a resolution on 22 April 2008, the Annual Accounts had been examined by the auditor, who had issued an unqualified report on them. A signed copy of the Annual Accounts was available in the hall and the meeting would have the opportunity, through the chairman, to ask the auditor questions on his report. The Supervisory Board recommended the meeting to adopt the Annual Accounts. The auditor would give a brief explanation of how he had performed his work.

Mr **van Loo** thanked the chairman for this opportunity and explained that ING had given him written exemption from his duty of confidentiality for the purposes of this shareholders' meeting. Mr **van Loo** then briefly explained Ernst & Young's (E&Y's) work. E&Y had audited the parent company and consolidated annual accounts of ING Group and issued separate reports on the statutory financial statements and Financial Supervision Act returns of certain of ING's subsidiaries, the main ones being ING Bank and ING Insurance. As ING Group also has a listing in the United States, E&Y had issued a report on the effectiveness of the internal controls on financial reporting in the context of the Sarbanes-Oxley legislation. E&Y also reviewed the quarterly figures of ING Group and the half-year figures of ING Bank and ING Insurance and issued review reports on them. The audit approach at ING is top-down and risk-based, in line with Dutch, American and international auditing standards. The risk assessment and scoping were agreed with ING's Finance and internal audit departments. The audit plan was also discussed with the Executive Board and the Audit Committee. In the course of the year, E&Y had frequent contacts during the audit process with representatives of various departments at ING, members of the Executive Board and the Bank and Insurance Management Boards, members of the Audit Committee and the Risk Committee and other members of the Supervisory Board. The relationship with ING was transparent, critical and independent. E&Y regarded control consciousness at ING to be good.

Depending on the risk assessment and relative size of foreign group companies, E&Y decides where and to what extent they need to be audited. These audits are performed in accordance with detailed instructions drawn up by E&Y. The results of the local teams are reviewed by E&Y, discussed with that team and also with ING in the Netherlands. In addition, E&Y visits the main countries each year. The United States, Belgium, Germany, Turkey and Spain were visited for the 2012 audit. Areas of attention in the audit included goodwill, pensions, application of IAS19R, measurement of deferred taxes and fair values of investments. Specific areas of attention at the bank were also loan loss provisions and, in particular, commercial property financing and disclosures on risk management. For the insurance business, these were the technical provisions. Audit materiality was established from Dutch, American and international auditing standards. Based on the audit information received, the estimates and assumptions used in preparing the annual accounts were checked for reasonableness. As the Annual Accounts met IFRS, E&Y did not establish whether these

assumptions and estimates by management were conservative or aggressive.

As well as the auditor's reports, E&Y issued a management letter and an auditor's report. The management letter set out E&Y's findings and recommendations on the internal controls. E&Y was satisfied with follow-up by management. The auditor's report addressed various formal aspects of the audit, the continuity of electronic data processing, E&Y's independence, specific audit findings and audit differences. Both reports were discussed by the Supervisory Board, the Audit Committee and the Executive Board. E&Y was of the opinion that the Annual Accounts give a true and fair view of the financial position and the result for the past year. For this reason E&Y issued unqualified reports on the Annual Accounts of ING Group, Bank and Insurance. E&Y examined ING's comments in the Annual Report, including those relating to corporate governance, and did not note any material deficiencies or inconsistencies with the audited Annual Accounts.

The **chairman** called for questions on the Annual Accounts.

Mr **Keyner** (VEB) complimented Mr van Loo on his explanation and asked if the auditor had any indication of 'window dressing' and if ING was perhaps too reluctant to take write downs. Finally, Mr **Keyner** asked where E&Y's focus would be in 2013 compared with 2012.

Mr **van Loo** said that the areas for attention would not be different in 2013. E&Y issued a report on whether the Annual Accounts met IFRS and did not look at whether there had been window dressing. Mr **Flynn** added that financial reporting was the responsibility of the Executive Board. Aspects of interpretation were carefully weighed up and shared with the auditor. In general, the accounting standards were applied conservatively. On being asked, Mr **van Loo** repeated that ING's Annual Accounts complied with IFRS. Mr **Kuiper**, chairman of the Audit Committee, added that the Audit Committee had examined whether ING had acted in line with the modules used for write-downs and valuations. The Audit Committee had established from discussions with Risk Management, the Risk Committee and personal talks that the accounting standards were applied conservatively.

Mr **van den Bos** asked if significant issues had been raised in the management letter. Mr **van Loo** said that the management letter was between E&Y and ING. However, the shareholders knew that E&Y had issued an unqualified report on the Annual Accounts. The **chairman** explained that the management letter should be seen as a means of communication between ING and E&Y. In the end, the point was accountability via the annual accounts.

Mr **van Slakken** asked for an explanation on why ING wanted greater collateral from some companies while those companies had full order books. Mr **Hommen** explained that this was part of ING's credit policy. Loans had to be repaid and ING also had an obligation to the savers who entrusted their money to it. Given the economic situation in the Netherlands, ING had become more cautious. Mr **Hommen** suggested that if Mr **van Slakken** gave the names of the companies, ING could look at the matter.

Mr **Stevense** said that ING was offering custody (securities holding) services in seven, mainly eastern European, countries and asked for their financial results. He also asked if the decline in the intercompany relationships was in proportion to the contraction in the business or did inefficiency also play a role? Mr **Hommen** explained that ING offered custody services in

eastern Europe as sub-custodian. This service was in fact too small for ING and so was being transferred to a purchaser. ING received a sum for this that was dependent on the number of customers transferred. In respect of the intercompany relationships, Mr **Hommen** explained that ING had become two increasingly separate businesses that operated much more independently. There were fewer mutual services and less mutual financing. This had nothing to do with inefficiency.

Mr **van Ieping** commented that ING had cost him a lot of money and that Mr Hommen had still said nothing about the future of the euro and what this meant for ING. Mr **van Ieping** then referred to page 94 which stated that the cash flow was EUR 9 billion negative in 2012 and asked for a comment on ‘amounts due to banks not payable on demand’, which had moved from minus EUR 6 billion to minus EUR 26 billion, and on ‘trading liabilities’, which had moved from minus EUR 369 million to minus EUR 24 billion.

Mr **Hommen** argued that the euro was a very significant instrument and as such could be called a success, certainly with a view to the capital markets. The euro was, however, also a means of payment for which proper arrangements had not yet been made. ING had computed a number of scenarios, including abandonment of the euro. These showed that it would be better to retain the euro, but with more budgetary discipline in Europe. Mr **Flynn** said that the major items in the cash flow statement reflected the decline in professional interbank funding and the increase in savings. This was in line with ING’s strategy of strengthening its funding by reducing short-term professional funding and letting savings increase. Mr **van Ieping** concluded that in general it was worrying that the operating cash flow was over EUR 9 billion negative. Mr **Hommen** commented that a bank had a different type of cash flow from an industrial business. The two were very difficult to compare.

Mr **Veraert** (ING Trust Office) explained ING Trust Office’s role in the voting process at this General Meeting. 51.4% of the depositary receipt holders were participating in the voting process or had issued voting instructions. This was a new record. Almost 61% of those depositary receipt holders had issued instructions to the Trust Office to cast their votes. These were votes in favour, against and abstentions. ING Trust Office had input these votes in ING’s voting system shortly before the meeting. ING Trust Office also had a duty to vote for the remaining 48.6% of the depositary receipt holders to the extent that they had decided not to participate in the voting themselves. ING Trust Office’s primary duty was to cast its votes in the interests of the depositary receipt holders. These votes would be disclosed separately on the screen.

Following the electronic voting, the **chairman** announced that the Annual Accounts for 2012 had been adopted by 3,776,082,060 votes in favour, 474,093 votes against and 5,101,616 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,936,892,561 votes in favour, 474,093 votes against and 5,101,616 abstentions.

2 D. Discontinuation of the Dutch translation of the Annual Report with effect from the 2013 Annual Report (discussion item).

The **chairman** explained that the Annual Meeting in 2006 had resolved to make English the official language of the annual report. This decision was prompted by the fact that the annual

report had developed into an extensive reporting document based upon increasing international reporting requirements. In addition, the annual report had become a document primarily focusing on professional users, who mainly consider English as the generally accepted language of international accounting standards. As a courtesy to the Dutch-speaking investor base, ING had agreed to make a Dutch translation of the annual report available for the time being. During recent years, requests for the Dutch translation of the annual report had significantly declined. Therefore, ING intended to discontinue the Dutch translation of the annual report in its current form with effect from the 2013 Annual Report. From next year, ING would publish digital annual summaries in Dutch and English on the website, setting out the main details of the annual report for a wider public. This annual summary would be an extra edition of the quarterly on-line magazine ING World. This could be subscribed to.

Mr **Keyner** understood that ING wanted to focus on the international investor and in that context suggested also putting the abolition of depositary receipts on the agenda as that too was not appropriate to the international capital market. Abolition of depositary receipts would no longer require proxies and this would also save costs. Mr **Kemper** (Waddinxveen) supported Mr Keyner's proposal. Mr **ten Klooster** objected to the proposal to no longer issue a full Dutch report and asked for a slim report to be printed in Dutch, which would cost little. Mr **Stevense** (SRB) had understood that a slim Dutch report would be retained and that the thick report would be available digitally in English. He wondered why the thick report could not be published digitally in English and Dutch.

Mr **Hommen** explained that there were many costs involved with the publication of a printed Dutch translation of the annual report and that this was not efficient. The printed annual report would remain available in English. The aim was to issue only a Dutch summary of the annual report online. There would, therefore, no longer be a thick printed or digital annual report in Dutch. Other companies were doing this and there had been very few complaints. The **chairman** confirmed that more than just translation was involved. The Dutch annual report also had to be audited. All in all this was very expensive while there was very little demand for a Dutch report. Mr **Hommen** added that it involved 200 copies, largely for internal use.

Mr **van Riet** wanted to know what the printed English annual report costs. The annual report could better be published in Dutch as ING is a Dutch company. Mr **van Riet** said he would vote against if there was no printed Dutch abbreviated report. Mr **Heinemann** said that a digital Dutch annual report would also have to be checked by a range of people. It would be little trouble to print copies on demand for individual shareholders. The cost would be negligible for a company like ING.

Mr **Fehrenbach** remembered that there had been a great fuss about this topic in 2006. It had then been decided that ING would retain the Dutch annual report. ING could also have considered putting this issue on hold while there was still state aid, i.e. to May 2015. Furthermore at the time the VEB had made a proposal to submit any change in the form of the annual report to shareholders. Mr **Fehrenbach** asked why this had not been done. Mr **Vink** responded that, as noted in the minutes of 2006, it had been agreed to retain the Dutch version for the time being. The minutes did not state that ING would put discontinuing the Dutch version to the vote. At the time there had, however, been a vote on making the English version the official version of the annual report.

The **chairman** concluded that the discussion was about emotion versus efficiency. Demand for a Dutch annual report had fallen sharply. The Dutch annual report would no longer be published. A Dutch summary of the annual report would be available digitally. The **chairman** wanted to meet the shareholders' objections as far as possible and suggested that he and Mr Hommen would look at the possibility of making a printed Dutch summary of the annual report available on application. On the other hand, ING was under great pressure to cut costs as far as possible. The **chairman** asked those present to leave the issue to ING.

3. Profit retention and distribution policy (discussion item).

The **chairman** briefly explained the profit retention and distribution policy. Once ING Group resumed paying dividends, the policy of paying dividends related to the long-term underlying profit would be maintained. Dividends would only be proposed if the Executive Board, with the approval of the Supervisory Board, considered it appropriate. In view of the uncertain financial climate, increasing regulatory requirements on strengthening capital and ING's priority to repay the remaining outstanding core Tier-1 capital, no proposal would be made to pay a dividend for the financial year 2012.

Mr **van Schallenbeek** asked if ING might not be paying a dividend until about 2030, when the Dutch state had been fully repaid. Mr **Hommen** confirmed that dividends could be paid once ING had repaid the state aid. ING would repay the aid by 2015 at the latest. In this context, state aid was defined as the amounts that still have to be repaid from the EUR 10 billion. ING's state aid via the Alt-A portfolio had no effect on the dividend.

Mr **Spanjer** suggested a new form of dividend by giving the shareholders a ticket to the Rijksmuseum as ING is a sponsor. Mr **Kranenbrug** had great appreciation for what Mr Hommen had achieved in the past period and hoped that a dividend would again be paid out from 2015. He suggested that faithful shareholders and depositary receipt holders should be eligible for a sort of fidelity bonus with a reference date of, for example, the issue of 2009 and asked if Mr Hommen was prepared to investigate the possibilities of this. Mr **Hommen** replied that suggestions were always welcome.

4. Remuneration report (discussion item).

The **chairman** referred to the Annual Report, which incorporates the Remuneration Report and asked Mr Elverding, chairman of the Remuneration Committee, to comment on the Remuneration Report. Mr **Elverding** took the floor and explained the main points of the Remuneration Report. Referring to an earlier question from Mr **Swinkels** on ING's remuneration policy, Mr Elverding explained that it had been adopted in 2010 and amended slightly in 2011 in line with new regulations. ING's remuneration policy had applied in full in 2012. The Executive Board had not had a pay rise nor received any variable remuneration in 2012, as in the past four years.

Legislation prohibiting the payment of variable remuneration at financial institutions that receive state aid had come into force and stipulated that the Executive Board could not be granted variable remuneration while financial support from the Dutch state was outstanding. It also limited increases in fixed salaries. ING used the Eurostoxx 50 (fifty companies in the industrial and financial sectors comparable with ING) as a benchmark for the remuneration

system. Both the CEO and the CFO earned between 30% and 40% below the median against that benchmark. As announced in 2010, the variable remuneration of executives and senior management had again decreased as a percentage of total remuneration in 2012. There had also been a reduction in remuneration for executives and senior management. ING had, therefore, applied a very conservative policy on remuneration.

Mr **Fehrenbach** thanked Mr Elverding for his comments and subscribed to the need for mitigation and moderation in remuneration in the international financial sector, as set out in the Annual Report for 2012. This aim could conflict with ING's interests attracting and retaining qualified and specialised employees and managers. PGGM also saw a problem arising with the median of the benchmark. As shareholder, however, PGGM was calling quite explicitly for moderation as this was important for the financial sector as a whole and for public support. Mr **Elverding** emphasised the social and political wish for moderation but also market reality.

Mr **Keyner** said the VEB also supported a moderate remuneration policy. The core issue was what is a good banker worth. It may be EUR 1 million or EUR 1.5 million but not EUR 5 million or EUR 10 million. Mr **Keyner** wondered if ING had seen an exodus of talented senior bankers and from the layers below, given the conservative remuneration policy. The **chairman** gave the floor to Mr Hommen.

Mr **Hommen** explained that ING had not seen mass departures, but a number of important and talented employees had left. For example, eighteen key employees had left ING Investment Management for an American company that paid twice as much as ING. ING had been able to replace much of this group but had lost a number of mandates. Mr **Keyner** asked if under the future remuneration policy for the directors and lower management levels, managers or specialists could perhaps earn more than the CEO. Mr **Hommen** replied that that was already happening.

Mr **Elverding** said that the Annual Report also stated that there was a limit to the moderation that ING could apply compared with other financial institutions. People at ING were very loyal and committed to the company but a remuneration level of 30%-40% below the median was a risk in the long term. ING had to avoid that risk while at the same time trying to pursue a moderate policy.

As it was not possible to pay Mr Hommen a bonus, Mr **Vreeken** offered him a sculpture as a token of his appreciation. Mr **Heinemann** believed that the big disadvantage of the bonus policy was that it led to recklessness. If ING wanted to retain good people the bonuses could be held on a frozen account that the director concerned could only access on finally leaving the business.

Mr **Elverding** agreed that the high bonuses, of three or four times annual salary, which were customary in the past, had disadvantages but this was in the past. At ING there was currently no variable remuneration for the Executive Board and if the policy were to be applied, the members of the Executive Board would receive no more than one year's annual salary and much of the variable remuneration would be deferred and only paid in full after three years. Even after three years, there would still be the possibility of claw-back under which the variable remuneration could be reclaimed. Mr **Heinemann** asked if the claw-back regulations

had ever been applied in practice. Mr **Elverding** responded that the hold-back scheme had been applied internally.

5. Corporate governance (discussion item).

The **chairman** referred to the relevant section of the Annual Report and noted that the issue of depositary receipts for shares had been evaluated in 2010 by the Executive Board and the Supervisory Board. Based on that evaluation, the Executive Board and the Supervisory Board concluded that it would be premature to change or abandon depositary receipts in 2010 and that a decision on this should be made part of the reconsideration of the governance structure of ING Group after the restructuring and conclusion of the divestments approved during the extraordinary meeting in 2009. This conclusion was discussed during the General Meeting in 2010. Under the original agreement, the restructuring was to have been completed by the end of 2013, so that any reconsideration would be done in 2014. However, in November 2012 ING and the European Commission agreed on an amended restructuring plan, part of which was the extended deadline for the divestments. While it was still in the implementation phase of the amended restructuring plan, ING did not regard it as an opportune moment to reconsider its governance structure and depositary receipts.

Mr **Stevense** asked if the divestment of the bank and insurance business was still planned for 2015 or had been pushed back to 2018. Mr **Fehrenbach** said that the turnout was now well over 50%, which had often been put forward as an argument for moving to abandon depositary receipts. PGGM had, however, accepted linking the decision on abandonment to the restructuring of ING and, therefore, assumed that it would be an integral part of the restructuring. Mr **Fehrenbach** asked for more clarity on this point. After an absence of five years, Mr **Kemper** was surprised that depositary receipts had still not been abandoned and proposed that ING kept to 2014, or 2015 at the latest, for abandoning them. Mr **Keyner** commented that he had still not heard an argument for postponing the abandonment of depositary receipts by a further couple of years. Furthermore, it was likely that many foreign and large investors would like to see an end to depositary receipts.

Mr **Hommen** responded that there had been operational separation of the bank and insurance businesses since the end of 2010. Currently the separation was also being effected at the legal, managerial and accounting levels. ING expected that this would be completed in 2015. Corporate governance, including depositary receipts, could be considered from then on. The **chairman** agreed that ING had to complete the restructuring before it could put depositary receipts back on the agenda. This was in fact the philosophy in 2010.

Mr **Vink** added that there would be an international debate on corporate governance at financial institutions. This would look at the position of banks in terms of short and long-term interests and the position of customers compared with shareholders. ING wanted to await the outcome of this. This was also an argument for not putting depositary receipts on the agenda in 2014. Mr **Vink** continued that ING Trust Office held 60% of the proxies. Clearly depositary receipt holders saw ING Trust Office as an institution for casting their votes in this meeting if they were unable to be present themselves. Mr **Stevense** regarded this argument to be nonsense as companies which do not have depositary receipts got proxies in a different way.

The **chairman** concluded this agenda item with thanks and recognised that there were different views. The comments would be considered when the matter was discussed again in due course.

6. Sustainability (discussion item).

The **chairman** gave the floor to Mr Hommen. Mr **Hommen** referred to the Sustainability Report for 2012 which this year contained more extensive information on the way in which ING incorporated input from interested parties in its business performance. ING also presented a summary of ING's scores and positions in external sustainability surveys and its social and environmental policy applicable to the various economic sectors. The scope and the application of ING's policy on social and environmental risks had been expanded and developed further. There was also a list of activities that ING excluded from financing or investment based on its social and environmental policy as well as more information on corporate governance and compliance. ING had almost doubled the proportion of the assets allocated to sustainable objectives to EUR 5.7 billion.

ING had been appointed chairman of the Equator Principles Association Steering Committee for the period 2012-2013. ING Bank had introduced ING Procurement Sustainability Standards, based on the United Nations' Global Compact principles. In 2012, ING had once again been 100% climate neutral. The bank and insurance business had extended their partnership with UNICEF and thanks to it 92,469 children had enjoyed improved access to better education in 2012. ING's aim was to have reached one million children in 2015 through the partnership that exists since 2005..

At the end of 2012, 30.8% of the energy credit portfolio consisted of renewable energy projects. In 2011, this had been 29.8%. In the period 2006-2012, the percentage of energy projects related to coal had fallen from 63% to 15%. The turn-around was a result of greater investment in sustainable energy projects and changes in the risk policy.

Mr **Hommen** listed the ambitions for 2013 and 2016; further development of programmes focused on assisting customers to make the right financial choices, improving access to services, also for customers with physical challenges, developing a broader range of sustainable products and services, further reducing the impact on the environment, continuing to invest in the flexibility, engagement and professionalism of employees, investing in education so that ING could have given more than one million children access to education by 2015 and continuing to play a role in the social debate on the stability of the financial sector.

Ms **Hanekroot** (VBDO) complimented Mr Hommen on the policy and results achieved and then raised three matters. The first was the ESR, the Environmental and Social Risk framework. The Eerlijke Bankwijzer had made a number of critical remarks about the ESR framework. Ms **Hanekroot** asked if ING had noted the Eerlijke Bankwijzer report and what improvements it saw for the ESR framework to come out better in the Eerlijke Bankwijzer. The second question from VBDO was whether ING saw a link between sustainability and corporate social responsibility and its tax policy. ING had several offshore entities and, according to an investigation by De Volkskrant, seven 'nameplate' companies. This created the impression that tax policy and CSR policy at ING were not in line with each other. Ms **Hanekroot** asked for more insight into the tax policy and for a publication on it to be

made available in the future. Finally, an investigation by RepRisk entitled ‘The most controversial companies of 2012’ had been published on the internet. This included allegations that ING was involved in illegal transactions associated with the drugs trade, terrorism and countries under embargo. It was stated that ING had entered into a settlement of EUR 619 million in June 2012 for facilitating illegal transactions with Cuba and Iran. VBDO wanted to know if ING knew of these reports and what steps it would take.

Mr **Hommen** explained that the ESR framework had been significantly changed in 2012. The screening of customers had much improved and it was better updated locally. If ING’s criteria changed, the relationship with certain customers may change. The Eerlijke Bankwijzer had made a number of comments. ING’s tax rate as a group was between 28% and 29%. In a normal year, ING paid about EUR 2 billion in tax. It was possible that under double tax arrangements, ING was represented in tax havens but ING did not co-operate with tax avoidance. ING looked very carefully at biodiversity, focusing on areas where it had a footprint. It had been claimed that ING was active in land grabs. All examples listed by Oxfam had been examined and in no case was a party involved a customer of ING. ING had indeed paid the American government a fine of \$619 million in the previous year in connection with activities prior to 2007 concerning Cuba and other countries subject to an embargo imposed by the United States. ING had taken extensive measures to prevent this in future.

Ms **Hanekroot** (VBDO) repeated that these were all kinds of reports that to some extent damaged ING’s reputation in terms of sustainability and asked for a response. Mr **Hommen** said that it was exceptionally unpleasant. ING always sought contact with the publishers to promote correct reporting and did all it could to avoid such reputational issues. Unfortunately this was not always easy, certainly not with social media. Mr **Hommen** confirmed that ING had been in contact with the Eerlijke Bankwijzer to see how the criteria were compiled and what its sources of information were.

7A. Discharge of the members of the Executive Board in respect of their duties performed during the year 2012 (voting item).

The **chairman** moved to grant the members of the Executive Board discharge in respect of their duties performed in 2012 as set out in the Annual Accounts for 2012, the Report of the Executive Board, the Corporate Governance chapter, the chapter on Section 404 of the Sarbanes-Oxley Act, the Remuneration Report and the statements made during the meeting. The **chairman** observed that there were no questions on the proposal to grant the members of the Executive Board discharge.

Following the electronic voting, the **chairman** announced that the proposal to grant the members of the Executive Board discharge in respect of their duties performed in 2012 had been carried by 3,698,699,439 votes in favour, 57,240,896 votes against and 25,529,809 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,859,509,940 votes in favour, 57,240,896 votes against and 25,529,809 abstentions.

7B. Discharge of the members of the Supervisory Board in respect of their duties performed during the year 2012 (voting item).

The **chairman** asked if there were any questions on the proposal to grant the members of the Supervisory Board discharge in respect of the duties performed in 2012, as set out in the Annual Accounts for 2012, the Report of the Supervisory Board, the Corporate Governance chapter, the Remuneration Report and the statements made during the meeting.

Mr **Keyner** (VEB) asked if the chairman of the Supervisory Board could confirm that all members of the Supervisory Board understood ING's annual accounts; the supervisory directors had an essential role as a check on the executive. The **chairman** responded that irrespective of a supervisory director's background, an annual report and each quarterly report were a good test for every supervisory director whether he or she sufficiently understood the material as it was sometimes very complicated. The supervisory directors had attended many educational sessions and training courses and could also ask for individual assistance. Sometimes further questions arose after a subsequent period of three months. In the end it came down to a process with sufficient checks and balances, so that the Supervisory Board as a whole understood and could oversee the annual accounts. But many training sessions would still be needed in the future, partly because new rules were continually being introduced.

Mr **Keyner** believed that the standard was somewhat higher for the Audit Committee and asked what was done to test whether the knowledge of each individual member of the Audit Committee was at the right level, so that that supervisory director could properly perform his controlling function. Mr **Kuiper**, chairman of the Audit Committee, responded that there was no exam for sitting on the Audit Committee. The financial reports were the test. The members of the Audit Committee discussed those reports, and all disclosures and risk analyses, twice, with the auditor and the internal audit department. The Audit Committee believed that it could then form an opinion.

The **chairman** observed that there were no further questions and put the proposal to the vote. Following the electronic voting, the **chairman** announced that the proposal to grant the members of the Supervisory Board discharge in respect of their duties performed in 2012 had been carried by 3,682,795,517 votes in favour, 73,136,995 votes against and 25,538,433 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,843,606,018 votes in favour, 73,136,995 votes against and 25,538,433 abstentions.

8. Appointment of the auditor (voting item)

The **chairman** put forward the proposal for the extension of the appointment of Ernst & Young as the auditor of ING Group. The General Meeting in 2012 had approved the extension of Ernst & Young's appointment for the financial years 2012 and 2013. As a result of new Dutch legislation, ING must rotate external auditor by 1 January 2016. Ernst & Young's functioning in 2012 had been in accordance with the outcome of the evaluation of its functioning for the years 2008 to 2011, as discussed in the General Meeting in 2012. By extending Ernst & Young's appointment by two financial years, an orderly rotation of auditor from 1 January 2016 could be prepared. The Executive Board and the Audit Committee recommended extending Ernst & Young's appointment as auditor of ING Groep N.V. by two

years.

Mr **van den Bos** (Bovenkarspel) asked if ING was required to change in 2016. The **chairman** confirmed that this was the case. Mr **Vreeken** said that ING had got into difficulties in 2008 because no-one had foreseen what had gone wrong. Ernst & Young was the auditor at the time. The same process was in play at this moment in terms of cyber-crime. There were certain risks that neither the Supervisory Board nor the auditors had seen coming. The **chairman** responded that much had changed since 2008. ING now thought differently about certain risks than in 2008. The ‘unknown unknowns’ were the risks that could not be seen coming but this agenda item addressed the audit of the annual accounts.

The **chairman** observed that there were no further questions and put the proposal to the vote. Following the electronic voting, the **chairman** announced that the proposal in the notice of this meeting to extend Ernst & Young’s appointment as the company’s auditor for two financial years had been carried by 3,749,782,781 votes in favour, 26,571,902 votes against and 5,109,206 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,910,593,282 votes in favour, 26,571,902 votes against and 5,109,206 abstentions.

9. Composition of the Executive Board

The **chairman** put forward the composition of the Executive Board. Mr Hommen and Mr Flynn had been appointed by the AGM on 27 April 2009 for a period of four years. Their period of office expired at the end of this meeting. It was proposed to appoint Mr Hamers as a member of the Executive Board. The Supervisory Board had made binding nominations for the appointment and reappointments, in accordance with Article 19(2) of the articles of association. The Supervisory Board had prepared a profile for the new appointment which addressed management experience, experience in the private sector, experience of corporate governance, experience in dealing with social trends and political thinking outside the business and naturally affinity and experience with ING and ING’s culture. Diversity aspects had also been considered.

9A. Reappointment of Jan Hommen (voting item).

The **chairman** first put forward the reappointment of Mr Hommen. The proposed reappointment of Mr Hommen was based on the manner in which he had performed his duties as a member of the Executive Board and CEO during his current term of office. The proposed term of office was designed to facilitate a smooth transfer of the leadership of the business. The Supervisory Board recommended the reappointment of Mr Hommen as a member of the Executive Board from the end of this meeting for a period ending on 1 October 2013. The **chairman** called for questions; if necessary Mr Hommen would withdraw.

Following the electronic voting, the **chairman** announced that the proposal to reappoint Mr Hommen as a member of the Executive Board had been carried by 3,767,196,471 votes in favour, 515,770 votes against and 13,746,508 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,928,006,972 votes in favour, 515,770 votes against and 13,746,508 abstentions.

9B. Reappointment of Patrick Flynn (voting item).

The **chairman** put forward the reappointment of Mr Flynn as a member of the Executive Board for a period of four years to 2017. The proposed reappointment of Mr Flynn was based on his valued contribution as a member of the Executive Board and CFO during his present term of office. He has broad knowledge of and experience in auditing, treasury, and finance and control-related matters. The Supervisory Board recommended the General Meeting to reappoint Mr Flynn for a period of four years ending in 2017. The **chairman** called for questions; if necessary Mr Flynn would withdraw.

Following the electronic voting, the **chairman** announced that the proposal to reappoint Mr Flynn as a member of the Executive Board had been carried by 3,767,127,070 votes in favour, 509,088 votes against and 13,822,091 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,927,937,571 votes in favour, 509,088 votes against and 13,822,091 abstentions.

9C. Appointment of Ralph Hamers (voting item).

The **chairman** put forward the appointment of Mr Hamers. The appointment of Mr Hamers was based on his wealth of experience in Retail and Commercial banking, his excellent track record in risk management and his qualities in leading strategic change processes. The Supervisory Board recommended the General Meeting to appoint Mr Hamers as a member of the Executive Board from the end of this meeting for a period ending at the end of the annual General Meeting in 2017. The **chairman** called for questions; if necessary Mr Hamers would withdraw. Mr **Spanjer** asked about Mr Hamers' contract. Mr **Vink** replied that it was an engagement agreement in accordance with the Act on Management and Supervision (*Wet bestuur en toezicht*).

Following the electronic voting, the **chairman** announced that the proposal to appoint Mr Hamers as a member of the Executive Board had been carried by 3,767,106,631 votes in favour, 492,426 votes against and 13,861,594 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,927,917,132 votes in favour, 492,426 votes against and 13,861,594 abstentions.

The **chairman** directed a few remarks to Mr Hommen. In 2009, Mr Hommen had been prepared to take on the leadership of ING for four years. He had agreed to remain for a further five months. The Supervisory Board was very grateful for this decision, which assisted the smooth transfer. When Mr Hommen started as CEO, it was a huge challenge to guide ING through the crisis. It had not been clear at the time that the crisis would persist so long and in fact it was not yet over. Particularly important steps had been taken under his leadership; steps that were making the business stronger in an uncertain future. There was a clear course and many milestones for the restructuring had been achieved. A lot of work still has to be done, at both the bank and in the insurance business, but the business was on a strategic course and Mr Hommen had prepared the company for hand-over to Mr Hamers.

10. Composition of the Supervisory Board

The **chairman** put forward the composition of the Supervisory Board and explained that Mr de Waal, Ms Bahlmann and he would resign in accordance with the resignation schedule. Mr de Waal had announced that he did not wish to be reappointed. The Dutch state, which had nominated Ms Bahlmann and Mr Waal in the past, had announced that it would not exercise its right to nominate a second candidate for appointment to the Supervisory Board. Ms Bahlmann and Mr van der Veer were eligible for reappointment. Mr Klaver would resign as a member of the Supervisory Board at the end of this meeting as other commitments were increasingly demanding his time and attention. Mr van Keulen had decided to resign from the Supervisory Board at the end of this meeting for personal reasons and the desire to rebalance his priorities.

Three candidates were being proposed for the Supervisory Board. These nominations had been made on the basis of a profile, considering management experience, experience in corporate governance, experience in the private sector, experience in politics, the social environment and also affinity with banking or insurance and with ING and ING's culture. Diversity aspects had also been considered. The Supervisory Board had made binding nominations for all the appointments and reappointments, in accordance with Article 25(2) of the articles of association.

For his own reappointment the **chairman** handed the chair to the vice-chairman, Mr Elverding.

10A. Reappointment of Jeroen van der Veer

The **vice-chairman** put forward the reappointment of Mr van der Veer as a member of the Supervisory Board. The nomination by the Supervisory Board was based on his very broad experience in international trade and industry and his valued contribution as a member and chairman of the Supervisory Board of ING. The Supervisory Board recommended the General Meeting to reappoint Mr van der Veer as a member of the Supervisory Board from the end of the annual meeting. The **vice-chairman** called for questions; if necessary Mr van der Veer would withdraw.

Following the electronic voting, the **vice-chairman** announced that Mr J. van der Veer had been reappointed as a supervisory director by 3,707,118,344 votes in favour, 9,149,732 votes against and 65,189,931 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,867,928,845 votes in favour, 9,149,732 votes against and 65,189,931 abstentions.

The **vice-chairman** congratulated Mr van der Veer and passed the chair back to him.

10B. Reappointment of Tineke Bahlmann (voting item).

The **chairman** put forward the reappointment of Ms Bahlmann as a supervisory director. The nomination of Ms Bahlmann was based on her capacity as state-nominated member of the

Supervisory Board. The Supervisory Board recommended the General Meeting to reappoint Ms Bahlmann as a member of the Supervisory Board from the end of the annual meeting. The **chairman** called for questions; if necessary Ms Bahlmann would withdraw.

Following the electronic voting, the chairman announced that Ms J.P. Bahlmann had been reappointed as a supervisory director by 3,677,325,564 votes in favour, 98,939,997 votes against and 5,193,193 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,838,136,065 votes in favour, 98,939,997 votes against and 5,193,193 abstentions.

10C. Appointment of Carin Gorter (voting item).

The **chairman** put forward the appointment of Ms Gorter as supervisory director. The nomination of Ms Gorter was based on her experience in banking and thorough knowledge of risk, control, audit and compliance. She also had a large network in financial services and the academic world and was actively involved in societal matters. The Supervisory Board proposed appointing her from the end of this meeting. Her appointment had been approved by DNB, the Dutch central bank. The **chairman** called for questions; if necessary Ms Gorter would withdraw.

Mr **van den Bos** was pleased that one West Frisian, Mr Klaver, was being succeeded by another, Ms Gorter. Mr **Spanjer** asked about Ms Gorter's contract. Mr **Vink** explained that the Act on Management and Supervision did not include provisions on contracts for members of supervisory boards, who are appointed under company law and have no employment relationship with the company.

Following the electronic voting, the **chairman** announced that Ms C.W. Gorter had been appointed as a supervisory director by 3,759,820,365 votes in favour, 7,704,325 votes against and 13,919,695 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,920,630,866 votes in favour, 7,704,325 votes against and 13,919,695 abstentions.

10D. Appointment of Hermann-Josef Lamberti (voting item).

The **chairman** put forward the appointment of Mr Lamberti as a supervisory director. The nomination of Mr Lamberti was based on his successful international career in various industries and deep knowledge of international enterprises, financial services, human resources and IT. The Supervisory Board recommended appointing Mr Lamberti from the end of this meeting. His appointment had been approved by DNB, the Dutch central bank. The **chairman** called for questions; if necessary Mr Lamberti would withdraw.

Following the electronic voting, the **chairman** announced that Mr H.J.M. Lamberti had been appointed as a supervisory director by 3,759,830,099 votes in favour, 7,671,562 votes against and 13,947,017 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have

been carried by 1,920,640,600 votes in favour, 7,671,562 votes against and 13,947,017 abstentions.

10E. Appointment of Isabel Martín Castellá

The **chairman** put forward the appointment of Ms Martín Castellá as a supervisory director. The nomination of Ms Castellá was based on her twenty or more years of experience in economic and business issues in finance and banking, both at a national (Spanish) and international level, in the public and private sectors. The Supervisory Board recommended appointing Ms Martín Castellá from the end of this meeting. The appointment had been approved by DNB, the Dutch central bank. The **chairman** called for questions; if necessary Ms Castellá would withdraw.

Following the electronic voting, the **chairman** announced that Ms I. Martín Castellá had been appointed as a supervisory director by 3,755,856,466 votes in favour, 8,986,140 votes against and 13,895,981 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,916,666,967 votes in favour, 8,986,140 votes against and 13,895,981 abstentions.

Mr **Broenink** (Rotterdam) was pleased the new members gave the Supervisory Board a more international composition.

The **chairman** addressed Messrs Klaver, de Waal and van Keulen (who was not present). Mr Klaver was the longest serving member of the Supervisory Board and had always posed very constructive open questions which had hugely helped decision-making and insight during this difficult period. Mr de Waal has been nominated by the government as a supervisory director and had had to help guide ING, when remuneration was often emotionally discussed on the front pages. His contribution and expertise were much valued. He had greatly assisted in bringing a new balance not only to the remuneration dossier but also to other subjects. Unfortunately he was not available for reappointment, but his decision was understandable. Mr van Keulen was unfortunately not present. He had over a shorter period shared his knowledge of banking and insurance with ING. He had indicated that he wanted to depart early.

11A. Authorisation to issue ordinary shares with or without pre-emptive rights (voting item).

The **chairman** put forward the proposal to designate the Executive Board as the corporate body authorised, with the approval of the Supervisory Board, to adopt a resolution to issue ordinary shares, to grant the right to subscribe for such shares and to restrict or exclude pre-emptive rights of existing shareholders. This authorisation applied for a maximum of 380 million ordinary shares and for a period of eighteen months. The maximum number of ordinary shares that may be issued under the authorisation was equal to 10% of the issued share capital.

The authority could be applied to any purpose including capital strengthening, financing, mergers or takeovers and the settlement of share options or performance shares. The Supervisory Board had approved the proposal and the authorisation superseded earlier

authorisations granted by General Meetings.

Following the electronic voting, the **chairman** announced that the proposal in the notice of this meeting had been carried by 3,523,300,540 votes in favour, 252,444,971 votes against and 5,332,002 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,684,111,041 votes in favour, 252,444,971 votes against and 5,332,002 abstentions.

11B. Authorisation to issue ordinary shares with or without pre-emptive rights in connection with a merger, a takeover of a business or a company, or, if necessary in the opinion of the Executive Board and the Supervisory Board, for the safeguarding or conservation of the Company's capital position (voting item).

The **chairman** put forward the proposal to designate the Executive Board as the corporate body authorised, with the approval of the Supervisory Board, to adopt a resolution to issue ordinary shares in connection with a merger or a takeover of a business or a company, or to safeguard or conserve the company's capital position, to grant the right to subscribe for such shares and to restrict or exclude pre-emptive rights of existing shareholders. This authorisation applied for a maximum of 380 million ordinary shares and for a period of eighteen months unless extended. The maximum number of ordinary shares that may be issued under the authorisation was equal to 10% of the issued share capital. The authorisation could be used in addition to the authorisation under agenda item 11A in the event of a merger or takeover of a business or a company, or, if necessary in the opinion of the Executive Board and the Supervisory Board, to safeguard or conserve the company's capital position. The Supervisory Board had approved the proposal and the authorisation superseded earlier authorisations granted by General Meetings.

Following the electronic voting, the **chairman** announced that the proposal in the notice of this meeting had been carried by 3,486,149,970 votes in favour, 289,874,725 votes against and 5,052,042 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,646,960,471 votes in favour, 289,874,725 votes against and 5,052,042 abstentions.

12A. Authorisation to acquire ordinary shares or depositary receipts for ordinary shares in the Company's own capital (voting item).

The **chairman** put forward the proposal to authorise the Executive Board, with the approval of the Supervisory Board, to acquire in the name of ING Groep N.V. fully paid-up ordinary shares and depositary receipts for ordinary shares in ING Groep N.V. and referred to the proposal and notes as set out in the notice of the meeting. The authorisation applied for a maximum of 10% of the issued share capital and for a period of eighteen months. The purchase price should not be less than EUR 0.01 and not higher than the highest price at which the depositary receipts for the company's ordinary shares were traded on the Euronext Amsterdam by NYSE Euronext on the date on which the purchase contract was concluded or on the preceding day of stock-market trading. This authorisation would be used for trading and investment purposes in the normal course of the banking and insurance business.

Following the electronic voting, the **chairman** announced that the proposal in the notice of this meeting had been carried by 3,767,537,600 votes in favour, 8,444,055 votes against and 5,079,360 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,928,348,101 votes in favour, 8,444,055 votes against and 5,079,360 abstentions.

12B. Authorisation to acquire ordinary shares or depositary receipts for ordinary shares in the Company's own capital in connection with a major capital restructuring (voting item).

The **chairman** put forward the proposal to authorise the Executive Board, with the approval of the Supervisory Board, to acquire in the name of ING Groep N.V. fully paid-up ordinary shares and depositary receipts for ordinary shares in ING Groep N.V. in the event of a major capital restructuring of ING Groep N.V. The authorisation applied for a maximum of 20% of the issued share capital consisting of the maximum based on the authorisation pursuant to agenda item 12A, plus 10%, and for a period of eighteen months. The purchase price should not be less than EUR 0.01 and not higher than the highest price at which the depositary receipts for the company's ordinary shares were traded on the Euronext Amsterdam by NYSE Euronext on the date on which the purchase contract was concluded or on the preceding day of stock-market trading. The objective of the authorisation was to permit the company to acquire ordinary shares or depositary receipts for ordinary shares in connection with a major capital restructuring and so to respond quickly to developments on the financial markets.

Following the electronic voting, the **chairman** announced that the proposal in the notice of this meeting had been carried by 3,722,551,530 votes in favour, 53,404,868 votes against and 5,111,967 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,883,362,031 votes in favour, 53,404,868 votes against and 5,111,967 abstentions.

13. Any other business and conclusion.

The **chairman** moved to any other business.

Mr **Spanjer** asked about the tranches of shares in America that ING would place on the US market and the timetable. Mr **Hommen** explained that ING had already placed 25% this year and must place a further 25% in 2014. The number of tranches would depend on the market. Mr **Stevense** asked why the financial agenda did not extend beyond November 2013. The **chairman** said that this depended on how quickly the insurance business was hived off. If this was done very quickly a different schedule would be applicable.

Mr **Oldemeijer** found the valuation in the recent IPO in the United States very low and asked if the market value was indeed USD 2 billion. The **chairman** explained that 25% of the shares had been sold and that part had a market value of USD 1.3 billion. The total market value would then be USD 5.2 billion, which was still about half of the book value but in Europe insurance companies were often valued at 30% to 40% of book value. ING hoped that in time there would be a better market.

Mr **van Riel** asked how long the ‘greenshoe’ could be exercised and if the institutional investors who had bought shares were customers of the advising banks. Mr **Hommen** replied that the greenshoe applied for 30 days. 75% of the institutional investors were from America, about 20% were Asian and a very small percentage were European. The investors were mainly long-term investors. The large investors were customers of all the advising banks but also of other banks. Mr **van Riel** asked if the eighteen people who had left ING were working for the advising banks. Mr **Hommen** replied that this was not the case.

Mr **Stevense** believed that Ms Bahlmann had been proposed for reappointment by the Ministry of Finance. The **chairman** responded that the nomination was made by the Supervisory Board, but the Dutch state could make a proposal to the Supervisory Board to nominate a candidate. A **depository receipt holder** said that it was odd that Mr de Waal had been replaced, as he had been added to the Supervisory Board by the state. The Supervisory Board had now been increased by one member. The **chairman** replied that formally the Dutch state could have put a new name forward. Given all the uncertainty, and in view of the profile that DNB, the Dutch central bank expected for the overall Supervisory Board, the Supervisory Board thought it sensible to propose three people for new appointments rather than two.

Mr **van den Bos** complimented Mr van der Veer for the way he had chaired the meeting.

Mr **Groen** suggested combining certain matters at WestlandUtrecht Bank with Nationale-Nederlanden Bank to strengthen them both. Mr **Hommen** said that it was the intention to transfer part of the WestlandUtrecht Bank portfolio to Nationale-Nederlanden Bank. The part that was not transferred would go to ING.

Mr **Groen** asked if there was still a spin-off for the shareholders from the Nationale-Nederlanden IPO. Mr **Hommen** responded that this depended on the speed with which ING could reduce ING Group’s debt and the capital that Nationale-Nederlanden would need. A spin-off was a possibility but an IPO or a combination of the two was also possible. Mr **Groen** then suggested using electronic access badges for the AGM. Mr **Hommen** said he would look at this.

Mr **Swinkels** asked ING to use the spin-off in favour the current shareholders. Another issue that Mr **Swinkels** put forward was the composition of the Supervisory Board. If the spin-off took place, the size of ING would be manageable by the current Executive Board. There would, therefore, need to be a different remuneration structure. Mr **Hommen** understood the point and would consider the comment. The **chairman** added that if a smaller company arose, consideration could be given to forming a smaller Supervisory Board. In general, supervisory boards of banks or insurance companies would never be very small.

Mr **van Ekeren** had a question on American mortgages, being whether account had been taken of the debtor often not being liable for residual debt under American law, as was the case under Dutch law. Mr **Hommen** confirmed that America indeed had a very different legal system. Many mortgages in the Alt-A portfolio were being repaid, and many had been refinanced and so repaid early. The total outstanding amount had fallen significantly. The government could currently make a profit on this portfolio.

The **chairman** closed the meeting at 6.30 p.m. after thanking everyone for coming and for their contributions.

Amsterdam,

Amsterdam,

Huizen,

J. van der Veer
chairman

L.G. van der Meij,
secretary

W.G. Bogaard
depository receipt holder