

About this report

Our stakeholders want to assess our ability to create and sustain value in the short, medium and long term. To do that, they need both financial and non-financial information. We believe that integrated reporting is a better way to meet the requirements and interests of all our stakeholders.

Our approach to integrated reporting


In our view a balanced integrated report contains information both on our economic performance and on the impact of our organisation on society and the environment. By disclosing and explaining our financial and non-financial results, strategy, governance, external developments and the risks and opportunities we face, we aim to enable our stakeholders to assess how we create value and how we earn our income. Our ambition is to further integrate financial and non-financial information and advance towards concise and connected reporting, focusing on material data points.

How we defined content for this report and materiality

In drawing up content for this report we have taken into account the topics that can have a material impact on our business and society as well as risks and opportunities, applicable regulation and trends.

The boundaries of our economic, environmental and social impact differ. As a financial institution, we have a direct impact through our own operations and processes, but our impact in the value chain is more significant, through credit, loans and investments. In ING's Sustainability Reporting Protocol, we describe the impact per material topic, by stakeholder group. Additionally, we report our impact on the society through our value creation model on pages 26 and 27.

We are continually listening to key constituencies, and as material topics change we adapt our reporting to fit developing stakeholder expectations. As part of our materiality analysis, we have consulted key stakeholder groups – retail and business clients, investors, employees, academia, civil society organisations, and supervisors – via a structured stakeholder dialogue. Our materiality assessment guides our reporting with the aim of providing a more balanced and complete picture of our performance over the reporting year. The report including materiality disclosure is reviewed by the Executive Board.

 Read more in the “The world around us” chapter.

Audiences

This report is intended to serve the information needs of key stakeholder groups that affect, and are affected by our business: customers, employees, share- and bondholders, supervisors, regulators, civil society organisations, citizens and society at large. However, the information needs of stakeholders differ. Therefore we

also publish a concise and accessible online overview of our results in 2016 on ING.com. This aims to share our key figures and impacts with customers and society in a clear and easy way.



For a concise and accessible overview of ING's 2016 results, see www.ing.com/2016ar.

Sustainability rating agencies and analysts can find the content they need for an in-depth analysis of our performance on sustainability in this report and the accompanying Non-financial Appendix.

Reporting guidelines

ING's integrated report, including the Non-financial Appendix, is prepared in accordance with “the GRI Standards: Comprehensive option” and Dutch Accounting Standard 400. The content and quality criteria specified by the standards (for example: sustainability context, stakeholder inclusiveness, materiality, completeness, balance, comparability, accuracy and reliability) are integral to our reporting process. The Framework of the International Integrated Reporting Council served as a reference in drawing up the content for this report, particularly for our value creation model.

Data compilation and boundaries

All financial data in this integrated report is extracted or derived from, and in line with, our annual accounts. The non-financial performance data published in this report covers five topics: sustainable business, customers, HR, environment and community investment. We extract or derive data on sustainability-related business activities, customers and HR from our regular business systems, in line with the data in our annual accounts. Data on environment and community investment is gathered through an online data management system. The centralised data processing team at ING Group is assisted by an independent external agency that helps to validate and process the large amount of environmental data gathered from our operations worldwide.

Scope and boundaries

Through our materiality assessment we ensure that all material economic, social and environmental topics are addressed in this report. The report covers the period 1 January to 31 December 2016 and is published on 16 March 2017. The data and content in the integrated report and Non-financial appendix aim to provide a concise, accurate and balanced account of ING's economic, social and environmental performance in 2016. Depending on the topic, our approach and performance are explained either in text, by referring to our policies or by providing data and progress on targets.




More information on the non-financial data, the scope and data collection process of the different performance indicators can be found in detail in the non-financial data reporting protocol at www.ing.com/16ar5.


Assurance

We value the accuracy and reliability of all information and data in this report, both financial and non-financial. Therefore assurance for this integrated report, including the accompanying Non-financial Appendix, is provided by KPMG Accountants N.V. (KPMG).


KPMG has reviewed and provided a limited level of assurance on the non-financial information of the report of the executive board and the non-financial appendix for the year 2016 as defined in the table on pages 15 to 18. The topics with asterisk (*) in this table are out of the assurance scope.

 See the assurance report of the independent auditor on page 68. The chapters "Risk and capital management" and "Remuneration report" are an integral part of the audited consolidated annual accounts.

KPMG audited the financial statements 2016 of ING Group.

 See the independent auditor's report on page 337.

Furthermore, KPMG audited ING Group's internal control over financial reporting as of 31 December 2016, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria).

 See the report of the independent registered public accounting firm on page 96.

Future-oriented statements

In this integrated annual report we also look forward and share our vision, ambitions, strategy, opinion and plans for the future. These forward-looking statements can be recognised by terms such as:

- expect
- anticipate
- intend
- plan
- believe
- seek
- see
- will
- would
- target
- forecast
- of the opinion
- or similar terms.

These forward-looking statements are based on management's current beliefs and assumptions about future activities and are subject to uncertainties. Therefore our assurance provider cannot assure these statements.

Feedback

This integrated report aims to give all our stakeholders a balanced and complete overview of our activities and ability to create and sustain value. We welcome stakeholder reactions and views. Please send us your feedback via communication@ing.com.

Report of the Executive Board

The Corporate Governance section starting on page 77 is incorporated by reference in this Report of the Executive Board.

Amsterdam, 13 March 2017

The Executive Board