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## MINUTES

### Annual General Meeting of Shareholders of ING Groep N.V. Tuesday, 24 April 2007, 10.30 a.m., Theater Fabriek Amsterdam in Amsterdam

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

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### Present

- Supervisory Board: Messrs Cor Herkströter (chairman) and Eric Bourdais de Charbonnière (vice-chairman), Ms. Luella Gross Goldberg, as well as Messrs Paul van der Heijden, Claus Dieter Hoffmann, Jan Hommen, Piet Klaver, Wim Kok, Godfried van der Lugt and Karel Vuursteen;
- Executive Board: Messrs Michel Tilmant (chairman), Cees Maas (vice-chairman and chief financial officer), Eric Boyer de la Giroday, Dick Harryvan, Eli Leenaars, Tom McInerney, Hans van der Noordaa and Jacques de Vaucleroy;
- 8 shareholders and 441 holders of depositary receipts;
- external auditors: Messrs Jan Nooitgedagt (Ernst & Young) and Brendan Nelson (KPMG);
- representatives of the Central Works Council;
- the following company officials:
 

Mr. Frank Koster	Corporate Communications & Affairs
Mr. Hans van Barneveld	Group Finance & Control
Mr. Jan-Willem Vink	Company Secretary
Henk Sniijders	Secretary (minutes)

The meeting was chaired by Mr. Cor Herkströter.

### **1. Opening remarks and announcements.**

The chairman opened the meeting at 10.30 a.m. and welcomed all the shareholders and holders of depositary receipts of ING Groep N.V., the external auditors, the representatives of the Central Works Council and the members of the press. As well as all members of the Executive Board and all members of the Supervisory Board, Mr. Jan-Willem Vink, the Company Secretary and General Manager Corporate Legal, Compliance & Security was also present. He will lead the voting.

The meeting would be conducted in Dutch, but Messrs Tilmant, Boyer and McInerney would be speaking in English. Everyone had a headset to follow the meeting entirely in Dutch or English. As approved in the Annual General Meeting of Shareholders on 25 April 2006, the meeting would be broadcast via the ING internet site ([www.ing.com](http://www.ing.com)).

The chairman stated that shareholders and holders of depositary receipts had been notified of the meeting in conformity with the Articles of Association and the law, enabling the meeting to pass legally-valid resolutions. He also observed that no shareholders or holders of depositary receipts had submitted resolutions for discussion at the meeting. The chairman then went on to announce that the issued capital of the company consisted of 2,210,540,716 ordinary shares and 63,029,411 preference A shares on the record date. A total of 55,190,500 depositary receipts for ordinary shares were held by ING itself on the record date, so that no votes could be cast on these. Consequently, a total of 2,470,497,271 votes could be cast.

ING considers it very important that as many shareholders and holders of depositary receipts as possible exercise their voting rights by attending or being represented at the meeting, or by voting remotely by means of proxy voting. Holders of depositary receipts in the Netherlands, the United States and the United Kingdom and institutional investors around the world were

able to use proxy voting. Last year, 37% of the holders of depositary receipts had voted by proxy and, with the exception of the ING Trust Office, 2% had been present at the Annual General Meeting of Shareholders itself, so that in total more than 39% of the number of the holders of outstanding shares and depositary receipts themselves voted. This year, the holders of depositary receipts and shareholders representing a total of 42% of the number of outstanding shares had given an advance voting instruction and, furthermore, more than 1% of the capital had registered to attend the meeting.

Later in the meeting, it was announced that eight shareholders (including the ING Trust Office) and 441 depositary receipt holders, holding 2,209,960,933 ordinary shares or depositary receipts for ordinary shares and 63,027,041 preference A shares or depositary receipts for preference A shares, were present or represented at this meeting, permitting 2,469,905,638 votes to be cast. Votes for a total of 791,500,393 ordinary shares 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 is 37% of the total number of outstanding shares. This is thus the first year in which the condition is met to abandon depositary receipts if at least 35% of the votes are cast by holders of ordinary shares and depositary receipts for ordinary shares in at least three successive years.

The chairman then noted that the minutes of the Annual General Meeting of Shareholders of 25 April 2006 had been adopted and signed by himself, the secretary and Mr. R.E. Kamp, the designated holder of shares and depositary receipts. The adopted minutes had been available on the ING Group website since 31 October 2006 and had also been available for inspection and were available at the entrance of the hall. The minutes of this meeting would be taken by Mr. Henk Snijders and the entire meeting was being recorded on tape for the purposes of preparing the minutes.

In accordance with Article 32, paragraph 3, of the Articles of Association, a shareholder or holder of depositary receipts would be designated to sign the minutes of the meeting along with the chairman and the secretary. The chairman proposed to designate Mr. R.E. Gerriesen of Kudelstaart, depositary receipt holder, who had already declared his willingness to perform this duty. The meeting decided accordingly by acclamation.

Mr. de Vries of the Dutch Retail Investors' Association (VEB) asks why the webcast of the meeting can only be followed with an English-language voice-over. Mr. Tilmant confirms that the live webcast is only available in English for technical reasons. (Note: following the live broadcast, the webcast of the meeting can be seen again in the archive of previous meetings on [www.ing.com](http://www.ing.com) in its entirety and per agenda item, both in English and in Dutch.)

## **2A. Report of the Executive Board for 2006 (discussion item).**

Mr. Tilmant gave a presentation about the development of ING in 2006 entitled "Building on the momentum of profitable growth". In 2006, ING has shown a splendid earnings performance, which demonstrates that the active portfolio management and the attention for sound business operations, directed towards profitability and growth, are bearing fruit. For the future, ING is aiming for further profitable growth. ING wants to help its customers in their financial choices for the future and there is thus a strong focus on capital accumulation

products. These include products for saving, life insurance, investment funds, mortgages, pensions, real estate and private banking. ING's business model is directed towards profitable growth, based on a strong distribution capacity, strongly performing products and leading brands.

The results of the past years show a continuous growth of the underlying net profit since 2003. ING thus proves its profit-earning capacity. Within the reference group of 20 financial institutions, ING's total shareholder return was the second highest in the period from 2004 to 2006 with an overall return of 109%. The share price trend was good in comparison with the AEX index and the Dow Jones index. The dividend continually rose during the past few years by 10% and in 2006 by even 12%.

The Executive Board is conscious that the good results of the past few years are also due to the favourable economic climate. The provision for loan losses is historically low. On the other hand, the interest rate environment is unfavourable. Apart from the economic cycle, the growth of the net profit has mainly been realised with the core activities and a renewed balance in the portfolio of companies, by means of better capital allocation, the growth of the turnover, operational improvements and risk management. The success of the company is based on four pillars: the portfolio management, talent management, managing value creation and the orientation towards good performance. Mr. Tilmant discussed each of these pillars in greater depth.

With respect to the portfolio management, ING is endeavouring to develop a balanced strategy in the field of profitability and growth at three levels. The first level concerns the growth of the established companies, in particular wholesale banking, retail banking in the Benelux countries and insurance activities in the mature markets. This yields cash flows that ING can reinvest. The second level is the growth pillars: ING Direct, life insurance in emerging markets and pensions. This is thus the major strength of ING, also through the introduction of a number of new products that have produced growth, including mortgages, single-premium variable annuities and private banking. Capital is released in established companies and that is partly invested in the growth pillars. The third level that contributes to growth and profitability is the investment in future growth markets. ING invests a lot in India, in China, in Romania and, in the future, also in Russia. With this strategy it is also imperative to realise a shift of capital to more profitable companies, which is an important point of attention in ING's strategy.

Talent management is a key element in the strategy since the employees are crucial in ING's services. ING is one of the best employers in the Netherlands. ING Direct is regarded as a top enterprise in the US. In Germany and the United Kingdom, ING Direct scores very highly as an attractive employer. Employee satisfaction is measured annually and shows an upward trend. A lot of attention is paid to the quality of the top-200 managers where leadership characteristics are concerned. Special attention is also paid to the core values of ING when doing business. ING also wants to stimulate the diversity among its employees. ING has won the Diversity Award from the Confederation of Netherlands Industry and Employers (VNO-NCW). In 2006, ING was chosen as one of the best working places for Latinos in the United States. The ING Business School also contributes to the development of the employees. In

2006, 135 young talented ING employees from all over the world assembled in Amsterdam to get to know ING better.

The third pillar under the ING policy is the attention paid to key performance indicators (KPIs) and thus the managing for value creation. The cost discipline has been greatly improved during the past few years. The growth of the activities was accompanied by improved cost control, which has partly led to the better results.

The fourth pillar is the attention paid to good performance and the attention for growth of the activities. During the past three years, Insurance Europe showed an annual growth of 20% in the underlying profit before tax. ING is still the largest insurer in the Netherlands. Nationale-Nederlanden has developed during the past few years into a much more efficient company with improved customer satisfaction. ING is also market leader in life insurance and pensions in Central Europe. Central Europe is now a growth market. In Latin America the growth was 12%. ING ranks among the leading asset managers and insurers in the United States, ING is the largest non-life insurer in Canada and ING is one of the five leading financial institutions in Mexico. Insurance Asia/Pacific showed 14% growth. ING is now the second largest life insurance company in Asia and ranks third in asset management in Japan. ING thus shows strong growth. In the field of property, ING Real Estate is the number one in the world. ING is the number two wholesale bank in Belgium, number two in the Benelux and ING ranks among the top five in cash management. Retail Banking has shown spectacular growth of 29% in the underlying profit before tax. ING ranks among the top three banks in the Netherlands; ING is the number 4 retail bank in Belgium and the fourth bank in Poland and is now also very active in China and Romania. ING Direct showed a 28% growth in profits and is now the number one direct bank in the world with approximately 17.5 million customers.

Mr. Tilmant then gave a number of examples of successful business formulas. Postbank is a traditional bank that has developed to become the leading internet bank in the Netherlands. The Postbank site is the fourth most visited internet site; at the end of 2006, 2.7 million customers made use of Mijn Postbank.nl. The internet turnover rose by 30% in 2006 and thus accounted for half of the total turnover. The Postbank Shop formula will be introduced in a number of important cities. The loyalty programme – interest points – surpasses all expectations.

ING Real Estate is another example. It is the world's largest real estate investment manager. The underlying profit before tax rose in 2006 by 81% to €31 million. The assets under management increased by 29.8% to €90.7 billion, in part due to the acquisition of the Summit Real Estate Investment Trust in Canada. ING is in the unique position of being able to offer its real estate products all over the world through the funds of ING Real Estate. New offices have been established in Stockholm, Tokyo and Los Angeles.

In 2007, ING Direct will have existed for ten years. Following the start ten years ago in Canada, ING Direct is now the leading direct bank worldwide with 17.5 million customers and is market leader in every country where it is active. The underlying profit before tax rose in 2006 by 16.2% to €17 million, while the funds entrusted increased from €186 billion to €195.9 billion.

The American insurance activities have fantastic possibilities in the world's largest capital market, with abundant opportunities to capitalise on the needs of the baby-boomers. In 2006, US Wealth Management realised an underlying growth before tax in the case of investment products and annuities of 23.8% to €74 million. ING won the bid to manage the pensions for the city of San Jose, which involves €500 million.

South Korea is another success story for ING. The underlying profit before tax increased in 2006 by 44.6% to €63 million. ING has established a network of agents, makes increasing use of direct sales channels and has a strong strategic alliance with Kookmin Bank, which contributes to the growth of ING's market share. New initiatives were developed, including the introduction of variable investment products based on the experiences in the United States. Investment funds will also be launched on the market in cooperation with other parties.

Romania, India and China are important growth markets. In Romania, ING has itself established a bank, which now has 300,000 retail customers and a 5% market share in deposits. In India, the agents' network increased in size by 40% in 2006. At the moment, there are 26,000 tied agents. In China, many banking and insurance activities are effected via the Bank of Beijing.

ING's business philosophy focuses on helping customers with their financial choices for the future. People are living longer and becoming more prosperous. In many countries, a new middle class is emerging. Customers want good service 24 hours a day, 7 days a week. They want reliability and straightforward products. ING's mission is to offer the customers trendsetting services during the making of their financial choices. This is all the more important now people are becoming older on average.

ING is well positioned to accelerate the growth thanks to the strong distribution capacity, the strongly performing products and the leading brand. ING is one of the nine financial institutions in the worldwide top 100 of leading brands. ING has a strong distribution capacity, which varies from its own advisors and internet to sale via third parties. ING has considerable expertise worldwide in the various distribution channels. Retail Banking has multi-channel bank networks, branch networks, a lot of expertise in the Benelux countries, in Poland, in India and also in Romania and has between 15 and 17 million customers. ING is the largest direct bank. ING has many agents all over the world, more than 68,000 own advisors, 9,000 ING advisors in the US alone and 11 million customers via the agents' network. But ING also makes use of third parties in order to sell the products. ING works worldwide with 200,000 securities brokers and with bank partners in the US and Europe. It is essential that ING uses different channels in order to optimally gear its products to the wishes of customers.

ING wants to bring strongly performing products onto the market by means of a leading range of products, supported by a strong risk function. ING focuses on capital accumulation, investment management, lending and effective risk management. In the US, the mortgage lending by ING Direct is a great success.

ING is one of the nine financial institutions in the league table of the 100 leading brands. Of the nine financial institutions, three – Citibank, HSBC and ING – are active in the retail field.

ING is therefore in a good position to develop its brand still further. The first ING worldwide marketing campaign was recently launched. The sponsoring of Formula One plays an important role in this: it is the best way of increasing the brand awareness worldwide.

To round off, Mr. Tilmant said that his presentation aimed to show how ING is focused on profitable growth. It is essential to help the customers with their financial choices. In the future, ING wants to put even more emphasis on wealth accumulation: saving, life insurance, investment funds, mortgages, pensions, real estate and private banking. ING has created the conditions for profitable growth: a strong distribution capacity, strongly performing products and a leading brand.

The chairman gave the meeting the opportunity to ask questions.

Mr. de Vries from the Dutch Investors' Association (VEB) congratulated ING on its excellent results. He also commented that the 109% total shareholder return is measured over a period of three years, while all other key figures cover a period of five years. If that had been done for the shareholder return, the result would have been entirely different. The current price of about €33.00 is still a long way from the all-time high of €43.97 in 2001. He also commented that ING is still the only company in the AEX that is still sticking to depositary receipts. Unilever now intends to do away with depositary receipts. He hoped that ING was now also ready to get rid of depositary receipts. With regard to ING Direct he understood to conclude that there was a slowdown in the growth of the number of customers during the quarters in 2006. He wondered whether this is a structural trend and what is being done to avert the trend. In addition, ING Direct's risk-adjusted return on capital (RAROC) has decreased substantially. The question is whether this will recover. For ING as a whole, the growth in income has been mediocre during the past five years: from €70 billion to €73 billion. The question is what the ambition is for the coming years. He also asked why ING initially looked at ABN Amro as an acquisition option, but ultimately decided not to compete for ABN Amro. Mr. de Vries also observed that the banking activities now contribute to approximately 50% of the profit. His question was whether a desired target has thus been reached. It had also been written in the press that ING has an amount of €20 billion available for acquisitions. The allocation of such an amount would considerably increase the debt position, to even more than 50%, while the ratio was now less than 10%.

With respect to the growth of customers, Mr. Harryvan explained that, for 2007 as well, growth in the number of customers by approximately three million was expected. The first quarter is traditionally always the quarter with the strongest growth. This is much less the case in the fourth quarter. Moreover, the sale of Degussa had an oppressive effect. The decrease in the growth of the number of customers is also associated with the fact that the relationship between growth on the savings side and the mortgage side has shifted slightly. Given the flat or even inverse yield curve, the development of the mortgage business is of major strategic significance. If the yield curve again becomes slightly steeper in the future, more emphasis can again be placed on savings. The intention is also to increase the range of products in phases. The vision for the future is for ING Direct to become "the world's most preferred consumer bank". This ambition implies that ING Direct will have to provide for the main financial requirements of customers, thus payment products, investment funds, securities broking and consumer credit, as well as savings and mortgages. The RAROC is a short-term

indicator. ING Direct continually seeks a balance between a satisfactory increase in the profit and the investment in new growth opportunities. In the short term, investment has a negative influence on the profit growth.

With respect to the income development, Mr. Tilmant explained that strong growth does not mean that the profit grows correspondingly. In this light, the turnover growth is not a primary criterion for the growth targets. The amount quoted for acquisitions was referred to in an interview with the VEB magazine and was subsequently quoted out of context in the newspapers. ING strives primarily for autonomous growth, as has become clear during the past few years. In order to realise growth, ING prefers to invest in autonomous growth than in expensive acquisitions. At the same time, ING sees a number of relatively small acquisition opportunities. These are examined seriously if they contribute further to the return on activities. It was also indicated in the interview that ING keeps its eye on the market for larger acquisition opportunities. There is no necessity for this at the moment; the autonomous growth is sufficient to offer the shareholders profitable growth.

With regard to ABN Amro, Mr. Tilmant explained that the price of ABN Amro was so low in the fourth quarter of 2006 that the bank could become susceptible to a takeover. As the largest financial institution in the Netherlands, ING owes it to itself to consider this option. With the assistance of Goldman Sachs and JP Morgan, an analysis was made of ABN Amro as a takeover option. The final conclusion was to forego such an option. At the time, it was a logical decision. In view of the further developments, the Executive Board still considers this to be the right decision. ING can for the time being still realise sufficient autonomous growth and in that light a major acquisition is not a compelling option. With respect to the ratio between banking and insurance, there is no 50/50 target. ING focuses on activities that can contribute to value creation for the shareholder and to helping customers with their wealth accumulation. In view of the diversity of sales channels, it is increasingly less relevant to split the activities into banking and insurance although this distinction remains legally unavoidable. In reply to the question by Mr. de Vries whether the rejection of the ABN Amro option also means that ING does not want to get involved in the consolidation process that is currently going on, Mr. Tilmant amplified that it was not self-evident that there was a consolidation process going on in Europe. A number of companies are interested in entering into a transaction with ABN Amro. This is not to say that this is the start of a further consolidation process. That remained to be seen.

Mr. Fehrenbach stated that he was speaking on behalf of a number of institutional investors (pension funds), including PGGM, ABP, Robeco, Bedrijfspensioenfondsvoor de Landbouw and Pensioenfondsvoor Horeca en Catering. These are all participants in Eumedion, a platform that is dedicated to proper corporate governance, but he indicated that he was speaking on behalf of the institutional investors referred to as shareholders of ING. He referred to the Eumedion spearheads letter that was published at the end of 2006. In it, a number of recommendations were made for this annual general meeting season. He paid ING a great compliment for its detailed response to the letter in question. It was commendable that ING complied with virtually all the recommendations, particularly those with respect to the organisation of the annual general meeting of shareholders – the first spearhead. ING had, for example, given shareholders the opportunity to ask questions in advance via the ING website. The second spearhead concerns the recommendation about the structure of the directors'

remuneration. Where ING is concerned, it is striking that the remuneration structure still provides for a bonus for performance under the median. This is contrary to the recommendations. With respect to the remuneration reference group, Mr. Fehrenbach commented that both Ahold and KPN are part of this, while these companies have specific and generous terms and conditions of employment for the CEO. In addition, the granting of share options besides the granting of performance shares is not entirely in keeping with the recommendations. In this context, his question was whether ING would hold its remuneration structure up to the light again in order to bring it more into line with the recommendations by Eumedion. With respect to share ownership, he commented that recommendation 15 states that no more than three years after a director takes office he should in any case hold shares in the company to the extent that the interests of the director and those of the shareholders are at least in line with one another. Looking at ING, the shares held by the members of the Executive Board was far less than the desired number. The request was to examine the situation again. The reverse is the case with the Supervisory Board. A few members are close to the maximum provided for in the recommendation. The request was to pay more attention to the share ownership by both members of the Executive Board and the Supervisory Board in the light of the recommendation. ING Trust Office is also a point of concern. The institutional investors are proponents of abandoning depositary receipts for shares as soon as possible, also in view of the increasing number of shareholders and depositary receipt holders voting for themselves.

With regard to the remuneration policy, the chairman explained that the current remuneration structure had been introduced in 2004 and adopted by the Annual General Meeting of Shareholders and is applicable to a much larger group of managers than just the members of the Executive Board. This structure has enabled ING to slowly but surely increase the remuneration level to the median. At the time it was decided not to make up the arrears that existed at the end of 2003 in one step. The remuneration of the Executive Board was then 40% under the median of the companies that ING compares itself with. The raising of the remuneration was performed in three steps, the final one being in 2006. ING now has an appropriate structure. This structure does not have to be fixed for ever, but the Supervisory Board is satisfied with the current situation for the time being. Mr. Tilmant added that the remuneration structure also applies to the top-200 ING managers. There is one consistent policy for the entire enterprise. This structure is also satisfactory where the balance between the remuneration in cash for the short term and the remuneration for the long term in the form of options and shares is concerned. It is vitally important that short-term performance is rewarded and that at the same time managers are stimulated to work on the long-term development of the company. The aim is to maintain the remuneration for good performance within the company at the median level. At the same time, Mr. Tilmant indicated that one of the major challenges for ING as international company is to attract talent. There is a lot of talent but also a very competitive market. ING must keep pace with the competition in order to remain an attractive employer.

With regard to the ING Trust Office, the chairman commented that the conditions for abandoning depositary receipts are clear. The Executive Board and the Supervisory Board intend to dissolve the ING Trust Office and abandon the issue of depositary receipts for shares as soon as the number of votes on ordinary shares and depositary receipts for ordinary shares, including the powers of attorney during the Annual General Meeting of Shareholders, is at

least 35% of the votes that can be cast for three successive years. ING is making every effort to reach this 35% and this has thus been achieved for the first time this year. Mr. Veraart from the ING Trust Office stated that the continued existence of the ING Trust Office was naturally a subject that receives continuous attention. The Board of the ING Trust Office follows the developments in the field of corporate governance. The Board continues to question the objective, reason and continued existence of the ING Trust Office. The positioning followed is outlined in the Annual Report. At the moment, there is no reason to deviate from this. Where voting statements are concerned, Mr. Veraart explained that the ING Trust Office in any case gives a voting statement when the votes of the ING Trust Office are decisive for the result of the vote.

Mr. Vanrijkel said that he is a retired employee of ING Belgium. In Belgium, shareholders must pay withholding tax twice on the cash dividend on ING shares. He asked ING to make an effort to prevent ING dividend being subjected to two withholding tax levies. He also stated that the income of Mr. Tilmant in 2006 was €5.3 million, five times more than that of his predecessor, Mr. Kist, who earned slightly more than €1 million in 2002. The other Executive Board members also see a tremendous increase in their salary. This is in strong contrast with the ordinary employees. He also commented that the 2006 Annual Report states that a group of 7,000 employees of the 120,000 employees acquire stock options, which in Mr. Vanrijkel's opinion is a very small group. Most European banks have much more generous systems for all employees. Mr. Vanrijkel quoted from a table of the 50 largest European banks, determined on the basis of market value, and the extent to which employees have shares in their own company. ING is very low in this list. Share ownership should be stimulated much more. Mr. Tilmant answered that he did not know this list. He promised to respond in writing when he is better able to judge the list. In general, ING strives to make the terms and conditions of employment of its staff as attractive as possible. The terms and conditions of employment may differ per country. The group of 7,000 employees concerns the top senior managers of ING who, like the members of the Executive Board, are eligible for both options and performance shares. Option rights are granted annually to a much larger group of employees, including all those in the Netherlands and large groups of employees outside the Netherlands. ING has raised the matter of the double withholding tax that is levied in Belgium with the government, but there is as yet no indication of any change to this.

Mr. Ayodeji referred to the autonomous growth as advocated by ING. He wondered exactly where this comes from, whether it is not at the expense of the customers by, for example, paying no interest on bank accounts or by not paying out on pension insurance. He also asked about the provisions for pension insurance claims. Mr. Tilmant explained that the banking and insurance system is designed to help customers to secure their financial future. In the case of life insurance there are certain accompanying levels of provisions, which must be higher if the policyholders live longer on average. This is one of the principles for calculating the premium. No money is withheld from the policyholders. On the banking side, it is about attracting and investing funds, with the bank creating a certain interest margin to be able to cover the risks. The customers are not disadvantaged here either. The payment of interest may vary according to the nature of the products. ING strives to offer the best to customers and has to do this in view of the very competitive market in which financial services providers operate. With respect to the pension insurance as provided by Nationale-Nederlanden, Mr.

Tilmant explained that no provisions were made for possible claims because Nationale-Nederlanden is convinced that the product contains no inaccuracies.

Mr. Geenen referred to the very low provision for loan losses of €14 million in 2006. He wondered whether this was not too low to build up reserves for the future. Referring to an earlier comment by Mr. de Vries about the shareholder return during the past three years, Mr. Geenen commented that it would be fair to also at least show the price movements over longer periods, including the share price performance since the merger in 1991. Mr. Tilmant replied that it can in general be stated that ING has performed fantastically since the merger in 1991. The net profit has multiplied and that also applies to the price. (Note: the ING share price performance can be followed daily on the website, also over a one-year and ten-year period.) With respect to the provision for loan losses, Mr. Maas explained that the low amount on the one hand reflects the quality of the portfolio, but on the other hand the question is justified whether the additions are sufficient for less favourable times. According to the new accounting standards, IFRS, it is however no longer permitted to make more provisions than necessary in accordance with objective criteria. That was possible in the past as a form of prudent bookkeeping.

Ms. van Haastrecht referred to the corporate responsibility report that frequently mentioned 'society'. She wondered how broadly ING employs this term in its pursuit of corporate social responsibility. It should mean more than just aspiring to CO<sub>2</sub>-neutral operations. Her question was what else ING is doing in the environmental field. With regard to Postbank, she asked how the services had developed during the past few years in comparison with, for example, ING Direct. If the costs are reduced still further, this will at a given moment be at the expense of the services, for example the number of bank statements that a customer receives each year. As a result, customers without internet have poorer insight into their account balance. She also asked about how active ING Bank is in Russia. Mr. Tilmant replied that ING certainly has a wider view of society. ING examines the various issues that are important for its customers and for the ING employees. ING takes up positions in these, with not all subjects being very closely related to the activities of a financial institution. The role of a financial institution with respect to climate change is limited in comparison with other branches of industry. Nevertheless, ING gives a signal by striving for CO<sub>2</sub>-neutral operations. Other issues, such as the weapons industry and human rights are also important. With regard to Postbank, Mr. Leenaars confirms that it is a bank for large sections of the population. Postbank has more than 7 million customers. Of these, 2.7 million customers do their banking via internet (Mijn Postbank.nl). It also appears that this group is a reasonable cross-section of the customer base, including many old people as well. For those who have no access to internet, the services will also remain easily accessible at low cost via other channels. Mr. Boyer de la Giroday explained that the banking activities in Russia are very limited.

Mr. de Boer expressed his appreciation for the very good results of ING during the past few years. He is very happy with his ING depositary receipts and does not want them to be abandoned. They offer good protection. He also stated that the chairman could be stricter about the speaking time allotted to those asking questions and the number of questions that they ask.

Mr. van Heekeren referred to the graph of the geographical distribution of the ING depositary receipts. In Anglo-Saxon annual reports he regularly sees a summary of the distribution of the

number of shares among shareholders. It then often appears that approximately 5% to 15% of the shareholders own approximately 80% to 90% of the shares and about 100,000 or more small shareholders own the rest. He would also like to see such a summary in the ING Annual Report. In this context, he suggested that institutional investors should be registered with the ING Trust Office as holders of depositary receipts for shares. Registration would then be a condition for being able to cast a vote. This provides better insight into who the shareholders are. His final suggestion was for ING to make out a case for the abolition of dividend tax. More dividend could then be paid, with the tax authorities indirectly benefiting via the yield tax. Mr. Maas replied that ING did not have any insight into the number of shareholders. The listed depositary receipts for shares are made out to bearer, while Anglo-Saxon companies often have registered shareholders. ING relies upon the information from depositary banks. It is possible that specialised agencies in the world could make an estimate. He promised that would examine whether some insight can be gained into the distribution of the depositary receipts among numbers of depositary receipt holders, but it will in any case never be possible for these figures to be exact. Mr. van Heekeren commented further on this that Necigef, the Dutch central institute for giro transferred securities, could provide insight into the Dutch situation. With respect to the registration, Mr. Maas stated that there is a duty of notification under Dutch law if one has an interest of 5% or more. These shareholders are named in the Annual Report. More far-reaching registration could reduce the marketability of the shares and would in any case increase the costs for the shareholders. For these reasons, he did not think the idea was feasible. Dividend tax is a subject for the Minister of Finance. It is not expected that the Minister will be receptive to the suggestion to abolish dividend tax.

## **2B. Report of the Supervisory Board for 2006 (discussion item).**

The chairman noted that there are no questions about the Report of the Supervisory Board.

## **2C. Annual Accounts for 2006 (voting item).**

The chairman noted that the annual accounts, dated 12 March 2007, have been prepared in the English language by the Executive Board. As part of the Annual Report, the annual accounts had been available since 20 March 2007 on the ING website, are available for inspection at the head office in Amsterdam as stated in the notice of the meeting, and are available free of charge to shareholders and holders of depositary receipts. The Dutch version of the Annual Report had been available on the ING website since 27 March. On the instructions of the General Meeting of Shareholders (resolution of 27 April 2004), the annual accounts had been examined by the auditor, who had issued an unqualified report that can be found on page 218 of the Annual Report. 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 about the auditor's report. The Supervisory Board recommended the meeting to adopt the annual accounts. The chairman gave the meeting the opportunity to ask questions.

In answer to a question by Mr. de Vries (VEB), Mr. Harryvan confirmed that the number of customers of ING Direct had increased on balance by 2.8 million in 2006. This also takes account of the sale of Degussa Bank. In 2006, 2.95 million new customers were added, but the net growth was 141,000 lower, 2.8 million thus, due to the sale of Degussa Bank. Mr.

Harryvan confirmed that a comparable growth in the number of customers was being aimed for in 2007.

With respect to Nationale-Nederlanden, Mr. de Vries reads in the Annual Report that the life production has fallen in the Netherlands by 21%. He inquired about the causes of this, as well as about the satisfaction of the Executive Board with the performance of Nationale-Nederlanden and the ICT at NN. Mr. de Vaucleroy replied that NN was busy with a transformation programme, which was partly designed to increase customer satisfaction, to improve the internal organisation and to bring the IT function up to a higher level. This should lead to stronger commercial growth. Customer satisfaction had once again been improved in 2006. A lot of improvement was also visible in the company's administrative and technological organisation. The priority for the coming years is to make headway in the commercial field as well.

Where the remuneration of the directors was concerned, Mr. de Vries noted that Messrs Hubbell and Rinnooy Kan were members of the Executive Board until 25 April 2006 while their basic income in 2006 was more than half of their basic income in 2005. The chairman explained that both directors had indeed retired at the Annual General Meeting of Shareholders of April 2006 but that their contract of employment continued longer into 2006.

In this connection Mr. de Vries asked whether Mr. Rinnooy Kan was forced to leave or not. The chairman replied that Mr. Rinnooy Kan left because he had the opportunity to become chairman of the Social and Economic Council (Sociaal-Economische Raad). In reply, Mr. de Vries asked why an extra pension contribution of approximately €1.8 million was made to Mr. Rinnooy Kan. Mr. Vink explained that Mr. Rinnooy Kan had opted for payment of his accrued pension rights. By virtue of the applicable pension scheme, he is then entitled to accrue further pension rights. This means that the company has fulfilled its obligations applying to the additional payment of pension contribution by virtue of the pension scheme. Mr. de Vries asked whether the contracts of employment of all members of the Executive Board state that they are entitled to pension contributions until the age of 65, irrespective of whether they are still working for the company. Mr. Vink explained that the pension scheme of Stichting ING Pensioenfonds was applied in this case and that this is not included in the contract of employment. Mr. de Vries wondered whether such an obligation on the grounds of the pension scheme should have found expression in previous financial statements. Mr. Vink explained that Mr. Rinnooy Kan himself had opted for the early payment of accrued pension rights at the time of his departure. His decision meant that the company is obliged to form an additional provision for the years in which a pension contribution would still have to be paid. If he had remained in employment, this pension contribution would have been paid during the years of his employment that still remained. He had now opted for earlier payment of the accrued pension rights. The pension contribution for his old age pension would be paid until the retirement age. Mr. de Vries wondered whether these were incontrovertible rights without any gesture from ING upon his departure. Mr. Vink confirmed that there was absolutely no gesture from ING in this extra pension contribution, but that it purely related to the implementation of the pension scheme applying at that moment.

Mr. de Vries wondered why a member of the Executive Board is still entitled to a long-term bonus in the year of departure which, although paid in cash and not in performance shares or options, is no longer related to the underlying reason for a long-term bonus to perform well in

the coming years. Mr. Vink explained that the departing Executive Board members only receive the long-term bonus for 2005 in cash, the year in which they have still worked for ING for the full year. Normally speaking, this bonus is paid in performance shares and options. The payment in cash is the standard policy, also for managers under the Executive Board who leave ING. Mr. Rinnooy Kan was thus treated no differently from other directors or senior managers in this kind of situation.

There being no further questions, the proposal to adopt the annual accounts was put to the vote by the chairman. After the electronic voting, the chairman stated that the annual accounts for 2006 had been adopted by 2,432,067,552 votes in favour, 613,874 votes against and 37,224,212 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,040,272,797 votes in favour, 613,874 votes against and 37,224,212 abstentions.

Mr. de Vries also asked for an indication of the number of votes cast via proxy voting and how many powers of attorney had been entrusted to the Executive Board and Supervisory Board to vote at their own discretion. The chairman answered that no powers of attorney had been given to the Executive Board and Supervisory Board. With regard to the powers of attorney given to the ING Trust Office, he handed over to Mr. Veraart, chairman of the Board of the ING Trust Office. Mr. Veraart reported that he did not have a specified summary of the powers of attorney on hand. He noted that the Board of the ING Trust Office is pleased that it is now clear from the outcome of the voting what the result would have been if there had not been an ING Trust Office, thus meeting the requests made during the previous Annual General Meeting of Shareholders.

### **3A. Profit retention and distribution policy (discussion item).**

The chairman handed over to Mr. Maas for a brief explanation of the profit retention and distribution policy. Mr. Maas referred to the change of the dividend policy in February 2005 because of the introduction of IFRS. Under IFRS the net profit is more sensitive to fluctuations because more balance sheet items have to be carried at fair value, with changes in the fair value of some balance sheet items having to be accounted for via the income statement. These are usually balance sheet items that do not generate any flow of funds. For this reason, the policy to distribute a fixed percentage of the profit as dividend had been abandoned. It appears from the contacts with investors that a stable dividend that gradually increases over the years in conjunction with the earnings performance is greatly appreciated. The new policy has thus been specified. The dividend will be paid entirely in cash, with the guiding principle being that it will increase over the years, in principle in line with the underlying increase in profit. This policy means that in a year in which the net profit unexpectedly falls, but this fall in profit is not structural, the dividend will at least remain the same and will possibly increase in line with the underlying development of the net profit. ING pays dividend twice a year, an interim dividend after the half-year figures and a final dividend after the full-year figures. The interim dividend is always equal to half of the total dividend for the previous year.

Mr. de Vries (VEB) commented that he had understood from Mr. Tilmant's presentation that the aim is to increase the dividend payment by 10% a year, while the dividend for 2006 was 12% higher than the dividend for 2005 and thus higher than the 10% target. He would like to receive confirmation of this. He also stated that ING's dividend policy bears witness to a fairly narrow vision of the capital flows between company and shareholder. He would also like to see consideration being given to share repurchasing in the future. His question is whether ING intends to repurchase shares on a larger scale than has been the case up until now to cover option programmes. The available capital is deployed as efficiently as possible for autonomous growth and acquisitions. If capital is not required for one of these two purposes, then ING is in principle not against repurchasing its own shares, as already announced previously in a press release. With respect to the dividend, the main aim is to let it increase on the basis of the underlying earnings performance. This is the existing policy and there is no intention of making any changes.

Mr. Heinemann asked why the optional dividend had been scrapped since stock dividend is fiscally more attractive for Dutch shareholders. Mr. Maas explained that the problem is that with optional dividend custodian banks choose stock dividend by default if customers do not explicitly indicate that they want the dividend in cash. This leads to a dilution of the earnings per share. Since the change in the tax system, there is hardly any tax disadvantage with cash dividend for Dutch shareholders. There is now only a disadvantage for a small group of foreign shareholders, in particular in Belgium. The vast majority of the shareholders prefer cash dividend. Therefore, the optional dividend had been changed to cash dividend. Mr. Heinemann commented that conversion of the cash dividend into depositary receipts for shares is accompanied by purchasing costs. He continues to prefer optional dividend for that reason too. Mr. Velzeboer added that cash dividend also leads to the money no longer being invested in ING. He therefore also argues for optional dividend in combination with the repurchase of own shares if that fits in with the capital management. Finally, Mr. Maas stated that ING's experience is that pension funds, for example, have a strong preference for cash dividend, also because it creates the flow of funds for the payment of pensions.

### **3B. Dividend for 2006 (decision item).**

Mr. Maas explained that the proposal is to pay a dividend for 2006 of €1.32 per ordinary share or depositary receipt for share, entirely in cash. After deduction of the interim dividend of €0.59, this means a final dividend of €0.73 per ordinary share or depositary receipt for ordinary share. This is an increase of 12% compared to the total dividend for 2005. The dividend would be paid on 3 May 2007. The chairman observed that there were no further questions on this subject. He declared that the net profit for 2006 was €7,692 million. Of this, €2,865 million is at the disposal of the Annual General Meeting of Shareholders. The Supervisory Board recommended that the dividend proposal as expressed by Mr. Maas be adopted.

There being no further questions, the dividend proposal was put to the vote by the chairman. After the electronic voting, the chairman stated that the dividend for 2006 had been adopted by 2,467,511,333 votes in favour, 93,118 votes against and 2,301,187 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary

receipt holders were ignored, the proposal would have been adopted with 1,075,716,578 votes in favour, 93,118 votes against and 2,301,187 abstentions.

#### **4A. Remuneration report (discussion item).**

The chairman raised the subject of the Remuneration report that is included in the Annual Report (pages 74 to 86). The development of the option holdings of the members of the Executive Board is shown on page 84. It is erroneously stated that 18,000 of Mr. Verkoren's options are waived or expired; these 18,000 options were actually exercised in 2006.

The chairman then briefly explained the remuneration policy. It was established in 2003 that the remuneration of the Executive Board was far less than at a group of comparable companies. This prompted a change in the amount and the structure of the remuneration. The aim has also been to create a structure that applies to a larger group of managers within ING. The new structure was presented to the 2004 General Meeting of Shareholders, which adopted the new remuneration policy. Before 2004 there was already a system consisting of three components: fixed remuneration, variable short-term remuneration and variable long-term remuneration. The new structure aims to create an even distribution between the fixed remuneration and the variable short-term and long-term bonus, to be realized within a period of three years. 2004 was the first year of the new structure and the 1/3 – 1/3 – 1/3 distribution was achieved in 2006. This is the distribution that would arise if the objectives were exactly achieved. If the targets are not achieved or are exceeded – and the latter has been the case at ING – then the variable remuneration is correspondingly lower or higher. If the targets are exceeded, the upper limit of each of the variable components is set at 200% of the fixed remuneration. Looking back, it can be ascertained that it is a well-balanced system. It contributes to the attraction and retention of talent.

The chairman dealt separately with the pension scheme for the Executive Board. The 2006 Annual General Meeting of Shareholders adopted its amendment. In terms of costs, the amended pension scheme is the same as the scheme that ING previously had. The major difference between the present and the previous scheme is that ING had a 'defined benefit' system in the past. This system has been replaced by a 'defined contribution' system. This means that ING no longer guarantees a certain pension level, but makes a particular fixed contribution for the members of the Executive Board, which at the moment leads to a retirement benefit that is almost entirely consistent with the system that applied previously. At the moment, the scheme is neutral on both the cost and benefit side. This new scheme does not apply to two members of the Executive Board. On the one hand, this concerns Tom McInerney, to whom a US scheme applies, and on the other hand Cees Maas, because he was born before 1 January 1950. The Dutch legislation stipulates that the old scheme applies to all those born before 1 January 1950. The new system is also explained in the Annual Report.

Mr. Leenaers, speaking on behalf of Dutch Investors' Association (VEB), commented that the criteria for the short-term bonus are defined in terms of quality, but that the specific quantitative targets are not made known. He would like to know what the targets are for the net profit, the operating costs and the return on economic capital in order to receive a 100% short-term bonus and by which percentage each of the three targets has been exceeded. He also referred to the performance shares and the position of ING within the reference group for

the determination of the amount of the long-term bonus. ING performs very well within this, coming second, but the system also has a bonus level if ING scores below average, which the VEB considers to be unjust. Only above-average performance should be rewarded with a bonus. Mr. Leenaers also touched on the exit scheme in the case of involuntary departure. The VEB considers that it is still unsatisfactory. The VEB would like to hear how ING deals with the exit scheme in relation to the Dutch Corporate Governance Code, the Tabaksblat code. The VEB also wondered why ING pays options and performance shares to departing directors in cash, while these are instruments to stimulate long-term involvement.

The chairman explained that the specific targets are not published because they are price sensitive and competition sensitive. The external auditor tests the extent to which the targets are achieved and whether the system is correctly applied. The Supervisory Board also tests the extent to which the targets are achieved, partly also in terms of quality. The Supervisory Board is satisfied with this system. The fact that the bonuses have increased substantially this year is partly due to the earnings performance. This was exceptionally high and this leads to a high bonus. It is also important that the bonuses are subject to an upper limit. Responding to this, Mr. Leenaers (VEB) stated that it would nevertheless be desirable to subsequently have insight into the targets and the extent to which these were exceeded. The chairman repeated that the criteria are not publicised for the above-mentioned reasons. The auditor has reviewed the correct application of the system. Mr. Leenaers (VEB) also asked how the quality criteria are assessed. The chairman replied that these criteria differ per member of the Executive Board and are connected to their area of responsibility. The external auditor had also examined the realisation of these criteria.

With respect to the payment of a long-term cash bonus upon departure of a member of the Executive Board, the chairman explained that is part of the system. The moment of departure is the logical moment to make payable the value of the long-term bonus. The options and performance shares are also a reward for the performance in the previous period and it is thus fair to pay this in cash when the contract of employment terminates. Mr. Tilmant added to this that the policy is partly defined in this way following earlier criticism by the VEB about the granting of options to a departing member of the Executive Board a few years ago.

Mr. Geenen commented that he doesn't really have any objections to the remuneration policy at ING, but that it is extremely important to very clearly explain the criteria to the shareholders. The explanation cannot, however, be checked by the shareholders while considerable amounts are involved. He urges a higher basic salary and lower bonuses. ING must avoid excessive remuneration levels and certainly not follow the developments at some other companies where extremely high amounts are paid, also upon the departure of directors. The chairman replied that ING has therefore chosen a clear remuneration structure. There is thus no question of arbitrariness. Mr. Geenen commented that the net earnings per share had increased by 8% at ING, while the short-term bonuses had increased by approximately 50%, which creates a disproportionate impression. This demands better insight than is provided at present. The chairman explained that this test is performed by the external auditor. The fact that the increase in the bonuses is stronger than the increase in the profit is related to the catching-up effect. This effect will be less in future years.

Ms. van der Stichele from SOMO (Centre for Research on Multinational Corporations) asked which qualitative criteria are employed for long-term bonuses and also whether any criteria are specified in the field of corporate social responsibility. It would be good if very specific quantitative targets were formulated in that field, referring to the targets that ING had included in its own corporate responsibility report. In essence, the question is to what extent ING seeks to make a connection between remuneration, bonuses and corporate social responsibility. Mr. Tilmant replied that the Executive Board as a whole had formulated clear objectives in the field of corporate social responsibility. These also apply to the top management under the Executive Board, partly with respect to the application of ING's business principles. These have become part of the objectives of the top-200 managers. In general, ING strives to be in line with the expectations in the market with respect to corporate responsibility, taking the interests of all stakeholders into account.

Mr. van Weperen from the VBDO (Association of Investors for Sustainable Development) stated that the Association also believed that the remuneration of company directors should also be judged in terms of the company's sustainability performance. From a sustainability study initiated by VBDO and Hay Group and performed by DHV it appears that a number of companies in the Netherlands have already made a connection between the remuneration of the top management and the employee and customer satisfaction, something that could also be implemented at ING. Another criterion, although perhaps slightly less relevant for ING, is for example the CO<sub>2</sub> emissions. The question is therefore whether ING is also planning to implement sustainability criteria in the longer term in the remuneration structure for the top management. The chairman replied that such criteria are already included in the ING Business Principles, which apply to all managers and employees. Mr. Tilmant also refers to the satisfaction surveys among employees, which also cover the business principles. The results of customer satisfaction surveys also contribute to the improved performance of the business units and corporate responsibility.

Ms. van Haastrecht referred to the passage on page 75 of the Annual Report which states that stock options can be exercised as long as the option holder is still employed by ING or has retired. The question is then whether it is correct that Mr. Rinnooy Kan still holds options that he can exercise in the coming years, as appears from the summary on page 84. On this point, Mr. Vink explained that options remain in force if one resigns from employment after the vesting period of three years. If one resigns from employment before the end of this three-year period, then they expire. The chairman promised that he would reconsider the wording referred to in the Annual Report.

Referring to the objective that ING is striving for total remuneration at the median level of the reference group, Ms. van Haastrecht asked how the median has developed within the reference group during the past few years. The chairman replied that there is an annual review to determine how the ING remuneration compares with that at the reference companies. The aim is still to remunerate at the median level. During the past few years, there has been an explicit catching-up operation and ING now actually does remunerate at approximately the intended median level.

Ms. van Haastrecht also asked why some members of the Executive Board have options with an exercise price in dollars and others in euros. Her question was how the exercise price came about. The chairman explained that the exercise price in euros or dollars is connected to the contract of employment of the relevant members. The exercise price is the price on the day on which the options are granted. In this sense, it is a 'granting price' against which it may also be exercised during the term to expiry. If the price rises, the options acquire value; if the price falls then the options have no value.

Mr. Elzinga urged the members of the Executive Board to intervene where necessary in the remuneration developments at other companies insofar as they have a seat on the supervisory board. Mr. Maas explained that ING's policy is that members of the Executive Board do not hold any supervisory directorships. There is one exception in the case of positions that were already filled before joining the Executive Board. And there are a few supervisory directorships that are officially connected to the ING shareholding, such as with the FMO.

Mr. Folkersma expressed his compliments for the performance put up by ING and for the dividend. He did, however, make a general comment about the level of the remuneration. At ING too the salary of the members of the Executive Board are many times higher than the country's Prime Minister, whose responsibilities are so much wider. The chairman explained that it is important for ING to remunerate in line with the market. That is the primary gauge for the remuneration levels. It is important in order to being in the right quality of people and to be able to retain them. If ING was not successful in attracting the high-quality people, the performance could not be as good as it now is. ING pays well, but does not rank among the financial institutions worldwide with the highest remuneration.

Mr. Heinemann commented that this is also a development of the past 15 to 20 years. About 40 years ago, the salary of the members of the Executive Board was about 20 times the salary of the average employee. That difference is today not 20 times but 100 times and there is an increasing tendency. Because the salaries are public knowledge, all companies look at what the competition is paying. This leads to an upward spiral. He wondered where this will end.

Mr. Geenen commented that it is not always good to follow what others do, also where remuneration levels are concerned. He would like to hear Mr. Kok's opinion on this subject. In this connection he also asked why Mr. McInerney receives many more options than the other members of the Executive Board. With regard to the latter point, the chairman explained that Mr. McInerney already had an existing remuneration package, geared to the US market, and that this was respected when he joined the Executive Board. If necessary, it would be possible to talk with Mr. Kok after the meeting. For this meeting it is important that the remuneration policy is supported by all members of the Supervisory Board.

Mr. Veerman commented further with a reference to the Eumedion recommendations that, in his opinion, the discussion would be much less emotionally charged if better insight was provided, if necessary later on, into the specific objectives that determine the level of the variable remuneration. What also applies here is that the long-term bonus is conditionally awarded with respect to the performance shares because the final award depends upon the position in the reference group after three years. On this point too it appears that ING does not entirely follow the Eumedion recommendations.

**4B. Maximum number of stock options and performance shares to be granted to members of the Executive Board for 2006 (decision item).**

The chairman explained that the meeting would be asked to approve the number of stock options and the maximum number of performance shares and conditional shares that can be granted to the members of the Executive Board for 2006, as specified in the agenda. In 2004, when the remuneration policy was approved, it was promised that approval would be requested from the Annual General Meeting of Shareholders for this element.

Mr. Fehrenbach commented that in this connection he would like to hear what the policy is with respect to the share ownership of the Executive Board and the Supervisory Board. The institutional investors that he represents would like to see that this reaches a particular minimum level for the members of the Executive Board within three years. The institutions would prefer the shareholdings of the Supervisory Board not to be too large. The chairman explained that the long-term bonus will lead to a gradual increase in the shareholdings of the members of the Executive Board.

The chairman put to the vote the proposal to A) grant 485,058 stock options in form of the rights to acquire ordinary shares or depositary receipts for ordinary shares to the combined members of the Executive Board for 2006, B) grant a maximum of 202,960 performance shares in the form of ordinary shares or depositary receipts for ordinary shares to the combined members of the Executive Board for 2006, and grant Mr. McNerney 37,633 conditional shares in the form of ordinary shares or depositary receipts for ordinary shares for 2006 in addition to the stock options and performance shares ensuing for him from parts A and B.

After the electronic voting, the chairman stated that the proposals had been adopted by 2,421,890,011 votes in favour, 21,286,718 votes against and 26,728,909 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,030,095,256 votes in favour, 21,286,718 votes against and 26,728,909 abstentions.

**5A. Corporate governance (discussion item).**

The chairman explained that ING strives for a transparent corporate governance structure with a good system of checks and balances. The structure must do justice to the interests of all stakeholders. During the past few years, ING has made an effort to increase the transparency and the participation and influence of shareholders and depositary receipt holders. The new corporate governance structure and the way in which ING has implemented the Dutch Corporate Governance Code, the Tabaksblat code, were approved by the Annual General Meeting of Shareholders in April 2005.

Mr. Vink provided a summary of the improvements in ING's corporate governance that had been implemented since 2005.

The record date for the Annual General Meeting of Shareholders has been advanced from seven days before the AGM to 30 days before the AGM. The numbers of shares or depositary receipts for shares that are held on that date determine the number of votes that can be cast at the Annual General Meeting of Shareholders. This is in fact a technical change, which assists institutional investors in particular to be better prepared for the exercise of their voting right.

In addition, a proposal is awaiting approval to amend the article of association to facilitate remote electronic voting during the Annual General Meeting of Shareholders in the future, in order to further increase the participation of shareholders and depositary receipt holders in the decision-making at this meeting. It is obviously important that a good technical infrastructure is available for this. At the moment, there is still no proven technology to facilitate real-time voting during an Annual General Meeting of Shareholders. Depending upon the technical possibilities, the feasibility of electronic voting will be investigated during the 2008 Annual General Meeting of Shareholders. A trial will possibly take place, but no decision about this has yet been made. It is vital that the system complies with the necessary security requirements and that the identity of the shareholders and depositary receipt holders can be properly determined.

In addition, this year it is possible for the first time to ask questions about the Annual General Meeting of Shareholders agenda items via the ING website. A small number of about ten questions had been received. The questions are published and answered on the website. Also in this way – in addition to the quarterly publication of ING Shareholder – ING wants to further improve the dialogue with shareholders and depositary receipt holders.

Mr. Vink also referred to the 2006 Annual Report, which for the first time contains a SOX 404 statement relating to the internal control of the financial reporting. The Annual Report also includes a number of new reports that are required because of European regulations.

With respect to the application of the Dutch Corporate Governance Code (Tabaksblat code) by ING – as approved at the 2005 Annual General Meeting of Shareholders – ING has published an updated version on its website. The changes that have taken place during the past year are mainly of a technical nature, such as changes in the Executive Board. The Annual Report also includes all points on which ING deviates from the Code. Previously only the most important points were mentioned.

Mr. Leenaers stated that the Dutch Investors' Association (VEB) is still staunchly opposed to the depositary receipts for ING shares. The ING Trust Office still exerts considerable dominance on the voting during the Annual General Meeting of Shareholders. The fact that the outcome of the voting would be no different without the votes of the ING Trust Office is for the Dutch Investors' Association precisely a reason for dissolving the ING Trust Office, certainly if at this meeting already more than 35% of the ordinary shares and depositary receipts for ordinary shares would be voted on by their holders. He added that the ING Trust Office does not adhere to the Dutch Corporate Governance Code and does not have the confidence of its depositary receipt holders. A meeting of the holders of depositary receipts has never been organised. The actual providers of capital have thus been unable to speak out against the ING Trust Office about the agenda items of the Annual General Meeting of Shareholders. Furthermore, the object clause of the ING Trust Office is not in accordance

with the Code, because it not only promotes the interests of the depositary receipt holders, but even those of the company and the companies associated with it and all those involved. In the opinion of the VEB, the latter is more a duty of the Supervisory Board than of a trust office. The criterion is that at least 35% of the ordinary shares and depositary receipts for ordinary shares must be voted on by their holders themselves before consideration is given to abandoning depositary receipts. This 35% is an arbitrary limit. Mr. Leenaers wanted to know why this 35% had been decided upon and why it is necessary to wait until 2010 before the actual providers of capital can exercise influence. The question was why ING does not follow the example of other large Dutch companies that have recently decided to abandon depositary receipts, such as Numico and Wolters Kluwer.

The chairman pointed out that depositary receipt holders at ING have already had the right to vote for a number of years, so the existence of depositary receipts for shares does not prevent those present from voting. A clear criterion had been formulated such that consideration would be given to abandoning depositary receipts if 35% or more of the ordinary shares and depositary receipts for ordinary shares is represented at the meeting during three successive years. The main reason is that ING wants to prevent a chance minority present at a meeting from taking decisions. The percentage of 35% had been chosen in this light. This percentage is arbitrary to a certain extent, but there is no reason to depart from it now. In view of the fact that the minority present during the past few years has never voted differently than with the inclusion of the votes of the ING Trust Office, is the reason for Mr. Leenaers (VEB) to already put forward a motion on the agenda of the 2008 Annual General Meeting of Shareholders to abandon the depositary receipts and the ING Trust Office. The chairman once again emphasised that there is no reason to depart from the principle that the percentage of 35% must be reached for three successive years. In this connection, Mr. Heinemann suggested that the attendance percentage can also be increased by the means of a better spread of the shareholders' meetings of the various listed companies. The chairman replied that it was attempts were already made as much as possible to prevent shareholders' meetings from taking place at the same time. Furthermore, it is still possible to vote without being present at a meeting by granting power of attorney or by means of proxy voting. In the future, electronic voting during the meeting may possibly also be added.

Mr. Fehrenbach contended that he also had a number of powers of attorney, particularly also because institutional investors cannot attend all meetings. He very much appreciates the fact that ING has corporate governance as a fixed item on the agenda. This in any case enables him to speak on the subject. He urged other listed companies to follow this example. He had already previously stated that the institutional investors on behalf of whom he speaks are also in favour of abandoning depositary receipts.

Mr. Fehrenbach expressed his compliments for the very detailed update of ING's implementation of the Dutch Corporate Governance Code, the Tabaksblad code, as published on the ING website. The changes made since the deviations from the code had been approved in 2005 are explained on 49 pages. ING continues to deviate on a number of points. He had already made comments about this in the past, but it is in any case a good thing that the deviations are clearly visible.

Mr. Fehrenbach stated that ING had for the first time been successful this year with more than 35% of the holders of ordinary shares and holders of depositary receipts for ordinary shares themselves voting. He asked what efforts ING was making to increase this percentage still further. Mr. Vink explained that ING participates in the Shareholder Communication Channel ([www.communicatiekanaal.nl](http://www.communicatiekanaal.nl)) through which many proxy votes are received. ING also makes use of a US agency in order to induce as many institutional investors as possible to vote via proxy voting or during the Annual General Meeting of Shareholders. The result is that during the past few years the percentage of voters has increased every year. It remains to be seen to what extent this percentage will be increased further during the Annual General Meeting of Shareholders with electronic voting.

#### **5B. Amendment of the Articles of Association (voting item).**

The chairman referred to the text of the proposal to amend the Articles of association with the accompanying explanation and to the information in the notice of the meeting. ING wants to amend the Articles of Association in order to facilitate remote electronic voting and electronic participation in the shareholders' meetings and perform electronic convocation of shareholders. On 1 January 2007, new legislation came into force that should promote the use of electronic means of communication for decision-making in legal entities. ING proposes to amend the Articles of Association accordingly. With respect to the convocation of the shareholders' meetings, it is proposed to only make it possible to inform shareholders via the website of ING Group. With respect to the participation in the shareholders' meetings and the exercise of voting rights, it is proposed that the Executive Board may determine whether shareholders and holders of depositary receipts for shares may participate in the Annual General Meeting of Shareholders by means of electronic means of communication and that ING will initially focus on electronic voting and not on electronic participation in the discussion, since that is particularly complicated. With respect to electronic voting, the intention is to establish a limited trial in 2008 given the limited technical possibilities for realisation up until now.

Mr. Leenaers (VEB) pointed out that where the convocation of the shareholders' meetings was concerned, companies are for the time being still bound by the regulations of Euronext, which still require that companies publish notices of meetings in newspapers. Furthermore, limiting the convocation to the website alone does not contribute to a good turnout. The chairman explained that the aim of the proposal is to make it possible to only announce the Annual General Meeting of Shareholders electronically via the website, but the intention is certainly to also continue publishing the convocation in newspapers in the coming years.

After the chairman had established that there were no further questions, he announced:

- that the proposal of the Executive Board to amend the Articles of Association was approved by the Supervisory Board;
- that the agenda item to amend the Articles of Association was stated in the notice of this meeting;
- that the verbatim text of the proposal has been available since 20 March 2007 on the internet and for inspection at the office of the company for shareholders and holders of depositary receipts for shares until after the meeting is concluded and that a copy is available there;

- that, since more than two-thirds of the issued capital is represented, this meeting can pass legally-valid resolutions to amend the articles of association, as long as two-thirds of the number of votes is cast in favour of the proposal.

He then put to the vote the proposal to:

- a. amend the Articles of Association of the company in accordance with the proposal prepared by Allen & Overy LLP, dated 16 February 2007.
- b. authorise each member of the Executive Board and each of Messrs. J-W.G. Vink, C. Blokbergen and H.J. Bruisten with the power of substitution to execute the notarial deed of amendment of the Articles of Association and furthermore to do everything that might be necessary or desirable in connection herewith, including the power to make such additions to or amendments in the draft deed as may appear to be necessary in order to obtain the required 'nihil obstat' from the Minister of Justice.

The chairman stated that the Annual General Meeting of Shareholders had adopted this proposal with 2,463,813,599 votes in favour, 572,682 votes against and 5,519,357 abstentions. Excluding the ING Trust Office, the outcome of the vote was: 1,072,018,844 votes in favour, 572,682 votes against and 5,519,357 abstentions.

## **6. Corporate responsibility (discussion item).**

As an introduction, Mr. Tilmant said that corporate responsibility would be discussed for the first time as a separate agenda item. In this way, the Executive Board wishes to emphasise the importance of the subject. ING aims to make a profit while observing its business principles. This also involves continuous dialogue with the various stakeholders. The feedback from this should contribute to the decision-making with respect to corporate responsibility. ING's 2006 Corporate Responsibility Report consists of two parts: an overall summary that contains the most important themes and a performance report that provides detailed information about ING's activities in the field of corporate responsibility.

Mr. Tilmant mentioned a number of important subjects from 2006. ING committed to the United Nations Global Compact relating to attention for human rights, environmental care and ethical business practices. In 2006, ING compensated a major part of the CO<sub>2</sub> emissions caused by its activities. ING aims to become fully carbon neutral in 2007 by replanting tropical rainforest. ING signed up in 2006 to the revised Equator Principles that contain criteria for socially responsible bank project financing. In the area of asset management, investment opportunities are screened for ethical quality in order to achieve the maximum sustainable level of asset management. ING is already one of the forerunners in sustainable asset management. ING also shares its knowledge with clients in emerging markets and, for example, co-sponsors research conducted by the World Bank and the OECD in the field of sustainable pension systems.

ING also contributes to development initiatives. ING Chances for Children is a programme that aims to provide children in Brazil, Ethiopia and India with access to primary education in cooperation with UNICEF. One of the elements is a very successful back-to-school campaign in India. The ultimate goal is to provide 115,000 children with access to primary education,

the same number as ING employees. ING is also active in microfinance in cooperation with Oikocredit.

Mr. van Weperen commented that the Dutch Association of Investors for Sustainable Development (VDBO) has given its members sustainable voting advice for the past three years. The standpoint of the VDBO is that an executive board cannot be discharged from liability if there are structural abuses in the company's activities in the economic, social and/or environmental field. The VDBO has understanding for ING's point of view that it is not an option to exclude all companies that do business to a greater or lesser extent in a dictatorship like Burma. The VDBO does, however, expect that companies employ a very strict best-in-class approach. Such an approach is lacking at Total. The question is whether ING has invested in a best-in-class approach where this kind of company is concerned and, if so, why is a company like Total then nevertheless financed?

With respect to asset management, Mr. van Weperen referred to the €95 billion in assets that ING manages for its own account. In the sustainability report, ING indicates that it regards it as a duty to invest this in a responsible manner. The VDBO is pleased that ING revised its policy in 2006 and has got out of companies that are engaged in the manufacture and trade in controversial weapons. The VDBO is also happy to read in the sustainability report that ING made use of its voting right more often in 2006 and reported on its voting record more often. Based on a small study of the voting behaviour of major Dutch institutional investors with regard to sustainability resolutions in the US, it was clear, however, that out of 88 cases ING had not voted in 60 of them, voted against on 22 occasions and only voted in favour 6 times. The question is why ING voted so little on sustainability resolutions and whether the record will be improved in 2007?

With respect to the voting policy, Mr. Tilmant commented that ING takes the effects of business activities on the environment and society as a whole into account. This policy dates back to 2004, and ING started to make more active use of its voting right in 2005. A start was then also made with reporting the voting behaviour. Increasing use was made of the voting right in 2006. Sustainability resolutions are also voted on more often. Whether ING votes in favour or against such resolutions depends upon the specific subject. With regard to Burma, Mr. Tilmant stressed that ING does not finance any activities in that country. However, ING does not preclude the financing of companies that are active in Burma and comparable dictatorships. In the case of Total, it appears that its activities in Burma are very limited. ING does not finance the activities of Total in Burma, but there is no reason to no longer finance Total's activities elsewhere.

Mr. Nielsen from Friends of the Earth Netherlands (Milieudefensie) expressed his appreciation for ING's efforts in the environmental field, evidenced by its membership of the Global Round Table on Climate Change and the intention to be completely climate neutral in 2007. Friends of the Earth Netherlands is, however, of the opinion that there should also be a greater focus on the environment in the core activities. Mr. Nielsen wanted to hear how ING deals with the issue of climate change in this wider context. Mr. Tilmant replied that attention is also paid to the CO<sub>2</sub> issue in ING's services. Already there is, for example, Eco Car Lease, a product where ING offers an incentive to customers to lease cars that are friendlier to the climate than others. In this way, there will be ever more possibilities for including

environmental aspects in the services. In this context, Mr. Nielsen also mentioned the example of Bank of America, which pays explicit attention to the effects of its main activities on climate and has established quantifiable targets to reduce these effects. Fortis and Rabobank have also announced that they will examine their activities and their investment portfolio in this way. Mr. Tilmant replied that ING had already indicated that it is climate neutral where its own activities are concerned. Consideration will be given to what else can be done.

Ms. van der Stichele from the Centre for Research on Multinational Corporations (SOMO) thanked ING for putting corporate social responsibility on the agenda and called on ING to further refine its objectives in this field and if possible quantify them. She also pointed to the importance of companies being transparent about their lobbying activities and asked whether ING wants to be transparent in that respect and about the underlying objectives. She also asked why ING has trust activities in countries that are deemed by the OECD to be tax paradises, such as Jersey, Aruba and the Bermuda Islands. Mr. Tilmant replied that ING had already succeeded in quantifying many of its objectives. This approach will certainly be continued. With regard to lobbying, he stated that ING aims to promote its interests without becoming political. ING participates in various international institutions in order to draw attention to social issues, such as climate change and the role of financial institutions including ING. Where the trust activities are concerned, he stated that the tax culture differs considerably between countries. ING is present in countries where it can be of service to its customers. In this connection, he stated that the trust activities were no longer part of the core activities and that it had previously been announced that ING Trust would be sold.

#### **7A. Discharge of the Executive Board in respect of the duties performed during the year 2006 (decision item).**

The chairman observed that there were no questions about the proposal to discharge the members of the Executive Board in respect of their duties performed in 2006 set out in the annual accounts for 2006, the report of the Executive Board, the Corporate governance chapter, the chapter on section 404 of the Sarbanes-Oxley Act and the statements made in the meeting.

After the electronic voting, the chairman stated that the proposal was adopted by 2,453,868,547 votes in favour, 7,209,591 votes against and 8,827,500 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,062,073,792 votes in favour, 7,209,591 votes against and 8,827,500 abstentions.

#### **7B. Discharge of the Supervisory Board in respect of the duties performed during the year 2006 (decision item).**

The chairman observed that there were no questions about the proposal to discharge the members of the Supervisory Board in respect of their duties performed in 2006 set out in the annual accounts for 2006, the report of the Supervisory Board, the Corporate governance chapter, the Remuneration report and the statements made in the meeting.

After the electronic voting, the chairman stated that the proposal was adopted by 2,453,295,948 votes in favour, 7,788,515 votes against and 8,821,175 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,061,501,193 votes in favour, 7,788,515 votes against and 8,821,175 abstentions.

## **8. Proposed change of audit structure (discussion item).**

The chairman explained the proposed change of the audit structure. ING has two auditors, one for ING Group and ING Insurance, i.e. Ernst & Young Accountants, and one for ING Bank, i.e. KPMG Accountants. Later in 2007, the activities of both auditors will be evaluated, this partly serving as the basis for a proposal to be put before the Annual General Meeting of Shareholders in 2008 to appoint one audit firm for the whole of ING. The Executive Board and the Supervisory Board believe that this is more efficient. Both Ernst & Young and KPMG will be given the opportunity to issue a proposal for the audit of the annual accounts of ING Group and its subsidiaries from 2008. It has consciously been decided to invite only Ernst & Young and KPMG to compete for the position of sole auditor of ING because they both know the company well and can thus guarantee continuity in the audit.

Ms. van Haastrecht asked whether European regulations did not stipulate that a public tender should take place. Mr. Vink explained that this only applies to (semi-) government bodies.

## **9. Composition of the Executive Board**

The chairman explained that Mr. Maas would retire after this Annual General Meeting of Shareholders as he had reached the age limit of 60 years. Mr. Maas had combined the positions of Chief Financial Officer and Chief Risk Officer up until now. The Supervisory Board thinks that it would be wiser to split these two positions. In accordance with Article 19, paragraph 2, of the Articles of Association, the Supervisory Board proposes to appoint two new members. These are binding nominations. The information on the candidates were set out on page 6 of the notice of the meeting.

### **9A. Composition of the Executive Board – Appointment of Mr. John Hele (decision item).**

The chairman proposed the appointment of Mr. John Hele as member of the Executive Board with effect from 24 April 2007. He will assume the position of Chief Financial Officer.

After the electronic voting, the chairman stated that the proposal for the appointment of Mr. Hele was adopted by 2,456,488,874 votes in favour, 1,808,992 votes against and 11,607,772 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,064,694,119 votes in favour, 1,808,992 votes against and 11,607,772 abstentions.

**9B. Composition of the Executive Board – Appointment of Mr. Koos Timmermans (decision item).**

The chairman proposed the appointment of Mr. Koos Timmermans as member of the Executive Board with effect from 24 April 2007. He will assume the position of Chief Risk Officer.

After the electronic voting, the chairman stated that the proposal for the appointment of Mr. Timmermans was adopted by 2,456,377,039 votes in favour, 1,783,054 votes against and 11,745,545 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,064,582,284 votes in favour, 1,783,054 votes against and 11,745,545 abstentions.

**10. Composition of the Supervisory Board.**

With respect to the composition of the Supervisory Board, the chairman stated that Messrs Claus Dieter Hoffmann and Wim Kok would retire and be reappointed by rotation at this meeting. Both were eligible for reappointment. Mr. Paul van der Heijden would step down as he had reached the third and last term of four years. Three new members will be proposed for appointment. The Supervisory Board had made binding nominations on these reappointments and appointments in accordance with Article 25, paragraph 2 of the Articles of Association. Information about the candidates for appointment and reappointment were set down on pages 6 to 8 of the notice of the meeting.

The chairman thanked Mr. van der Heijden for his contributions to the Supervisory Board during a period of 12 years, his words being supported by applause from the hall.

At the 2008 Annual General Meeting of Shareholders, Mr. Eric Bourdais de Charbonnière will be eligible for reappointment. Ms. Luella Goldberg, Mr. Wim Kok and the chairman himself, Mr. Cor Herkströter, will retire at the 2008 Annual General Meeting of Shareholders and are not eligible for reappointment.

**10A. Composition of the Supervisory Board – Reappointment of Mr. Claus Dieter Hoffmann (voting item).**

The chairman moved to the reappointment of Mr. Claus Dieter Hoffmann as a member of the Supervisory Board.

After the electronic voting, the chairman stated that the proposal for the reappointment of Mr. Hoffmann as a member of the Supervisory Board was adopted by 2,454,027,669 votes in favour, 4,355,649 votes against and 11,522,320 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,062,232,914 votes in favour, 4,355,649 votes against and 11,522,320 abstentions.

**10B. Composition of the Supervisory Board – Reappointment of Mr. Wim Kok (voting item).**

The chairman moved to the reappointment of Mr. Wim Kok as a member of the Supervisory Board.

Mr. Leenaers from the Dutch Investors' Association (VEB) commented that he would like to hear from Mr. Kok himself what his attitude was about the development of the remuneration discussions and whether in his option a maximum percentage increase should be set for the highest remuneration. Mr. Kok stated that the chairman of the Supervisory Board had expressed the opinion of the entire Supervisory Board when the subject of remuneration was dealt with earlier in the meeting. With respect to the increase in the remuneration for his own supervisory directorships, Mr. Kok stated that this was always related to the increased responsibilities of supervisory directors.

After the electronic voting, the chairman stated that the proposal for the reappointment of Mr. Kok as a member of the Supervisory Board was adopted by 2,454,021,380 votes in favour, 7,403,578 votes against and 11,480,680 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,059,226,625 votes in favour, 7,403,578 votes against and 11,480,680 abstentions.

In this connection, Mr. Folkersma commented that he would also appreciate the outcome of the voting being expressed as a percentage. The chairman promised to find out whether this is feasible and useful.

**10C. Composition of the Supervisory Board – Appointment of Mr. Henk Breukink (voting item).**

The chairman moved to the appointment of Mr. Henk Breukink as a member of the Supervisory Board with effect from 24 April 2007.

After the electronic voting, the chairman stated that the proposal for the appointment of Mr. Breukink as a member of the Supervisory Board with effect from 24 April 2007 was adopted by 2,457,182,889 votes in favour, 1,052,775 votes against and 11,669,974 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,065,388,134 votes in favour, 1,052,775 votes against and 11,669,974 abstentions.

**10D. Composition of the Supervisory Board – Appointment of Mr. Peter Elverding (voting item).**

The chairman moved to the appointment of Mr. Peter Elverding as a member of the Supervisory Board with effect from 1 August 2007.

After the electronic voting, the chairman stated that the proposal for the appointment of Mr. Elverding as a member of the Supervisory Board with effect from 1 August 2007 was adopted by 2,457,249,941 votes in favour, 1,079,243 votes against and 11,576,454 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,065,455,186 votes in favour, 1,079,243 votes against and 11,576,454 abstentions.

**10E. Composition of the Supervisory Board – Appointment of Mr. Piet Hoogendoorn (voting item).**

The chairman moved to the appointment of Mr. Piet Hoogendoorn as a member of the Supervisory Board with effect from 1 June 2007.

After the electronic voting, the chairman stated that the proposal for the appointment of Mr. Hoogendoorn as a member of the Supervisory Board with effect from 1 June 2007 was adopted by 2,431,033,790 votes in favour, 12,780,071 votes against and 26,091,777 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,039,239,036 votes in favour, 12,780,071 votes against and 26,091,777 abstentions.

**11A. Authorisation to issue ordinary shares with or without preferential rights (decision item).**

The chairman moved to the proposal to appoint the Executive Board as the corporate body will be authorised, upon approval of the Supervisory Board, to issue ordinary shares, to grant the right to take up ordinary shares and to restrict or exclude preferential rights of existing shareholders.

Mr. Veraart from the ING Trust Office commented that this had always been a controversial subject, particularly for US shareholders. This also appeared from the powers of attorney and proxies that the ING Trust Office had received. The proposal lacks an explicit explanation although the Dutch Corporate Governance Code, the Tabaksblat code, specifically asks for this. The request is for the explanation of this proposal to be provided in more detail in the future, as also promised by ING in its own application of the Dutch Corporate Governance Code. Mr. Vink said that he took this call to heart.

The chairman then put the proposal to the vote to appoint the Executive Board as the corporate body that will be authorised, upon approval of the Supervisory Board, to issue ordinary shares, to grant the right to take up such shares and to restrict or exclude preferential rights of the holders of these shares. This authority applies to the period ending on 24 October 2008 (subject to extension by the Annual General Meeting of Shareholders):

- (I) for a total of 220,000,000 ordinary shares, plus
- (II) for a total of 220,000,000 ordinary shares, only if these shares are issued in connection with the take-over of a business or company.

After the electronic voting, the chairman stated that the proposal was adopted by 2,296,383,578 votes in favour, 168,141,229 votes against and 5,380,831 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 904,578,823 votes in favour, 168,141,229 votes against and 5,380,831 abstentions.

**11B. Authorisation to issue preference B shares with or without preferential rights (decision item).**

The chairman moved to the proposal to appoint the Executive Board as the body authorised, subject to the approval of the Supervisory Board, to decide on issuing preference B shares and granting rights to take up preference B shares.

The chairman then put the proposal to the vote to appoint the Executive Board as the corporate body that will be authorised, upon approval of the Supervisory Board, to issue preference B shares and to grant the right to take up such shares with or without preferential rights of existing shareholders. The authority applies until 24 October 2008 (subject to extension by the Annual General Meeting of Shareholders) for 10,000,000 preference B shares with a nominal value of EUR 0.24 each, provided these are issued for a price per share that is not below the highest price per depositary receipt for an ordinary share, listed on the Euronext Amsterdam Stock Exchange, on the date preceding the date on which the issue of preference B shares of the relevant series is announced. This authorisation will only be used if and when ING Groep N.V. is obliged to convert the ING Perpetuals III into shares pursuant to the conditions of the ING Perpetuals III.

After the electronic voting, the chairman stated that the proposal was adopted by 2,389,762,796 votes in favour, 75,949,477 votes against and 4,193,365 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 997,958,041 votes in favour, 75,949,477 votes against and 4,193,365 abstentions.

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

The chairman moved the proposal to authorise the Executive Board to acquire ordinary shares and depositary receipts for ordinary shares in ING Groep N.V.

There being no further questions, the chairman put the proposal to the vote to authorise the Executive Board for a period ending on 24 October 2008, to acquire in the name of the company fully paid-up ordinary shares in the capital of the company or depositary receipts for such shares. This authorisation is subject to the maximum set by the law and by the Articles of Association and applies for each manner of acquisition of ownership for which the law requires an authorisation like the present one. The purchase price per share shall not be less than one eurocent and not higher than the highest price at which the depositary receipts for the company's ordinary shares are traded on the Euronext Amsterdam Stock Market on the date on which the purchase contract is concluded or the preceding day on which this stock market is open.

After the electronic voting, the chairman stated that the proposal was adopted by 2,466,551,178 votes in favour, 707,502 votes against and 2,646,958 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,074,746,423 votes in favour, 707,502 votes against and 2,646,958 abstentions.

**12B. Authorisation to acquire preference A shares or depositary receipts for preference A shares in the company's own capital (decision item).**

The chairman moved the proposal to authorise the Executive Board to acquire preference A shares and depositary receipts for preference A shares in ING Groep N.V.

Mr. Fehrenbach explained that the institutional investors that he represents would vote in favour of this proposal. The institutions prefer there to be a proportional relationship between the capital contribution and the voting rights that are associated with a share: the principle of 'one share, one vote'. The cancellation of these preference shares contributes to this. The question is whether ING will also make use of this right in the coming year. The question is also whether these will immediately be cancelled after the acquisition of the preference shares in the company's own capital. The maximum of the purchase price (130% of the latest share price) appears to be rather high, which requires further substantiation. Mr. Maas replied that preference A shares were already being acquired when offered. ING is in agreement with the principle of equal voting rights on the various kinds of shares. In the current situation, more voting rights are associated with the preference A shares of ING and that is also the reason for acquiring them. The level of the trading in the preference shares is extremely low, which leads to the market value being under the economic value in the light of the interest rate level. For this reason, the margin requested is 30% above the market value. The acquired preference shares are then also immediately cancelled. The reason that ING itself does not proceed with the cancellation of this preference shares is that a number of parties use them to achieve a 5% interest and thus create an equity holding tax exemption. A legislative proposal is currently being prepared that will introduce a proportional voting right. If this proposal becomes law, ING will cancel the preference shares.

There being no further questions, the chairman put the proposal to the vote to authorise the Executive Board for a period ending on 24 October 2008, to acquire in the name of the company fully paid-up preference A shares in the capital of the company or depositary receipts for such shares. This authorisation is subject to the maximum set by the law and by the Articles of Association and applies for each manner of acquisition of ownership for which the law requires an authorisation like the present one. The purchase price per share shall not be less than one eurocent and not higher than 130 per cent of the amount, including share premium, that is paid on such a share, or 130 per cent of the highest price at which the depositary receipts for the company's preference A shares are traded on the Euronext Amsterdam Stock Market on the date on which the purchase contract is concluded or the preceding day on which this stock market is open.

After the electronic voting, the chairman stated that the proposal was adopted by 2,414,504,897 votes in favour, 52,407,407 votes against and 2,993,334 abstentions. If the

votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,022,700,142 votes in favour, 52,407,407 votes against and 2,993,334 abstentions.

### **13. Cancellation of preference A shares (depository receipts of) which are held by ING Groep N.V. (decision item).**

The chairman stated that with reference to agenda item 12B the proposal is for the ongoing cancellation of preference shares or depository receipts for them held or acquired by ING Groep NV.

There being no further questions, the chairman put the proposal to the vote to cancel all such preference A shares (1) as the company may own on 24 April 2007 or may acquire subsequently in the period until 24 October 2008, or (2) for which the company owns the depository receipts on 24 April 2007 or may acquire the depository receipts subsequently in the period until 24 October 2008. The above-mentioned cancellation will be effected repeatedly, each time the company holds preference A shares or depository receipts thereof, and will each time become effective on the date on which all of the following conditions are met: 1. the Executive Board has indicated in a board resolution which preference A shares will be cancelled and such resolution was filed together with this present resolution with the Commercial Register; 2. the preference A shares to be cancelled or the depository receipts for such shares are continued to be held by the company on the effective date of the cancellation; 3. the requirements of section 100, paragraph 5 of Book 2 of the Dutch Civil Code have been met.

After the electronic voting, the chairman stated that the proposal was adopted by 2,466,238,263 votes in favour, 523,226 votes against and 3,144,149 abstentions. If the votes of the ING Trust Office for which it had not received voting instructions from depositary receipt holders were ignored, the proposal would have been adopted with 1,074,433,508 votes in favour, 523,226 votes against and 3,144,149 abstentions.

### **14. Any other business and conclusion.**

The chairman moved to any other business.

Mr. Heinemann commented that the possible merger between ABN Amro and Barclays could possibly lead to the loss of a lot of jobs and a shift of work to low-wage countries, which should contribute to a stronger competitive position. This will also compel other banks, including ING, to achieve more efficient operations. This development made lead to uncertainty and demotivation among employees. His question was how ING would deal with this. Mr. Tilmant replied that it was not yet certain how the discussions between ABN Amro and Barclays would develop. ING will certainly be alert to the consequences of the competitive relationships and respond where necessary. On the other hand, it is also the case that new relationships in the market always create new opportunities.

Mr. Folkersma complimented Mr. Tilmant for the way in which he manages ING. He would also appreciate it if he could also address the meeting in Dutch in the future, also because Dutch was one of the official languages in Belgium.

There being no further questions, the chairman dwelt briefly upon the departure of Mr. Maas. He thanked him for his fantastic contribution to ING and the effort shown during the 15 years that he had been associated with ING. The meeting supported the compliments with applause.

The chairman closed the meeting at approximately 4.30 p.m. after thanking everyone for their presence and contributions.

Amsterdam,

Amsterdam,

Kudelstaart,

C.A.J. Herkströter

H.L.M. Snijders

R.E. Gerriesen

Note: the Dutch text of these minutes prevails over the English translation in matters of interpretation.
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