

# Application of the Dutch Banking Code

by ING Bank N.V. (FY 2015)

2 March 2016

# Index

---

	<b>Introduction</b>	<b>3</b>
<b>1</b>	<b>Sound and ethical operation</b>	<b>4</b>
<b>2</b>	<b>Supervisory Board</b>	<b>15</b>
<b>3</b>	<b>Executive Board</b>	<b>18</b>
<b>4</b>	<b>Risk Policy</b>	<b>20</b>
<b>5</b>	<b>Audit</b>	<b>23</b>
<b>6</b>	<b>Remuneration Policy</b>	<b>24</b>

# Introduction

In September 2009, the Dutch Banking Association (NVB) published the Banking Code (*Code Banken*). This Banking Code laid out the principles for Dutch banks in terms of corporate governance, risk management, audit and remuneration. This Banking Code took effect on 1 January 2010 on a so-called '*comply or explain*' basis, and was drawn up in response to a report entitled '*Restoring Trust*' ('*Naar herstel van vertrouwen*'), published in April 2009 by the Advisory Committee on the Future of Banks (Adviescommissie Toekomst Banken) in the Netherlands.

Following the first Banking Code in 2010, the Committee Wijffels published a report in 2013 on the structure of Dutch banks ('*Naar een dienstbaar en stabiel bankwezen*'). The report paid great attention to the stability of the industry and the importance of competition and diversity in Dutch banking. In its report the Committee called on the banks to take additional steps towards regaining trust from customers and society as a whole by setting out the role they want to play in society in a social charter.

In response to this request, the NVB introduced a document called '*Future-oriented Banking*'. This document contains a Social Charter, the rules of conduct associated with the bankers' oath and an update of the Banking Code.

The update of the Banking Code takes into account the recommendations of the Banking Code Monitoring Commission, the aforementioned report of the Committee Wijffels and '*A new balance: Towards a service-oriented, stable and competitive banking sector*' – the vision of the NVB.

The updated Banking Code applies to all activities performed in or directed towards the Netherlands by banks that are established in the Netherlands and licensed by De Nederlandsche Bank (DNB; Dutch Central Bank) pursuant to Section 2:11 of the Financial Supervision Act (Wet op het financieel toezicht (Wft)). The Banking Code does not replace applicable legislation or regulatory requirements that will prevail above the Banking Code in case of a conflict.

The principles of the 'old' Banking Code which have now been incorporated into legislation and regulations are not repeated in the new Banking Code. ING will – evidently – continue to obey these national and international rules.

ING applies the Banking Code to all its subsidiaries with a Dutch banking license. Banks that are members of a group and subject to the Banking Code may apply parts of it at the level of the entity heading the group. The Management Board Banking has decided to apply the corporate governance principles of the Banking Code at the consolidated level, i.e. for the Management Board Banking and Supervisory Board of ING Bank N.V. The remuneration principles, insofar as they relate to executive remuneration, also apply to the members of the Executive Board of ING Groep N.V. Other principles are or will be implemented for all entities in the ING banking organisation for which ING has management control.

In this booklet ING Bank reports how the principles of the Banking Code are applied and – where applicable – explain why (part of) a principle is not complied with. In addition, this booklet will elaborate on the progress made in applying the principles and give certain specific examples how these principles are applied.

ING Bank strongly supports the principles of the Banking Code to regain trust, ensure stability and protect the interests of our stakeholders. Regaining trust requires a sustainable approach and continuous attention. Following the significant steps taken to comply with the principles of the Banking Code from 2010 onwards, ING has continued and improved its efforts over the financial year 2015. ING Bank recognizes that complying with these principles will be an on-going process.

# 1 Sound and ethical operation

Text Banking Code 2015	Implementation by ING
<p>To build and maintain its position as a stable and reliable partner, a bank must formulate its mission, strategy and objectives. These focus on the long term and are expressed in part in the bank's risk policy and the policy for sustainability and corporate social responsibility.</p>	<p>ING's purpose and strategy can be found on <a href="http://ing.com">ing.com</a>. ING's Think Forward strategy has been set by the board in 2014 and ING is currently in progress of implementing this strategy.</p> <p>We empower people and organisations to realise their own vision for a better future – however modest or grand. Our purpose therefore is: Empowering people to stay a step ahead in life and in business. We support our purpose with four transparent promises to our customer:</p> <ul style="list-style-type: none"><li>▪ We make banking clear and easy</li><li>▪ We are there for you anytime, anywhere</li><li>▪ We empower you to make smart financial decisions</li><li>▪ We will keep getting better</li></ul> <p>Our strategy aims to create a differentiating customer experience, enabled by simplifying and streamlining our organisation, further striving for operational excellence, enhancing the performance culture within our company and expanding our lending capabilities.</p> <p>The objectives are derived from the strategy and are set by the Management Board Banking for the long term and are continuously monitored and evaluated. ING's risk appetite is directly linked to ING's mission, strategy and objectives. The various risk policies of ING ensure adherence and monitoring of the risk appetite as set and periodically reviewed and updated by the board and as further cascaded throughout ING. A transformation calendar drives the transformation topics addressed by the board. The annual Mid-Term Plan (MTP) process, which incorporates plans for a three year period, is also driven by ING's Think Forward strategy. In addition to the MTP, countries have developed 2020 plans, to safeguard and foster longer term thinking and acting, beyond the current MTP period.</p> <p>In our experience financial services have an important role to play in creating a healthy and sustainable world, not just by trying to be more sustainable ourselves by reducing our direct footprint, but also in the choices we make in lending, investing and the services we offer to customers. Therefore, sustainability is integrated directly into the core of our business strategy.</p> <p>ING has a Sustainability Direction which can be found on <a href="http://ing.com">ing.com</a>.</p> <p>Our financing and investment policies, as well as our broader business ambitions, are structured around strongly embedded social, ethical and environmental criteria. An extensive environmental and social risk (ESR) policy framework is in place to guide our decisions for client engagement and assessing finance proposals across our global operations.</p>

A bank chooses its positioning such that its commercial interests and social role are extensions of each other. This is also expressed in the bank's governance structure and guides the implementation of its policy based on its mission, strategy and objectives.

Pursuant to the charter of the Management Board Banking, the Management Board Banking shall, in performing its duties, carefully consider and act in accordance with the interests of the bank and the business connected with it, taking into consideration the interests of all stakeholders of the bank. When considering these interests, the Management Board Banking shall take into account the continuity of the bank and the environment in society in which the bank operates.

In addition, our employees are expected to carefully weigh the interests of all the parties involved in and with the bank, namely those of the customers, the shareholders, the employees and the society in which the bank operates. This is a key element of the Banker's Oath that must be taken by our employees in the Netherlands. Furthermore, the Management Board Banking has launched the Orange Code in 2015. The ING Orange Code applies to all employees. The Orange Code is a new set of values, formerly the ING Business Principles, and behaviours which sets out our way of working.

Furthermore, proposals to the Management Board Banking must at least address two elements, i.e. (i) the impact the proposal may have on customers and other stakeholders, and (ii) the strategic fit. The impact the proposal may have on customers and other stakeholders must explain how the customer's interests have been taken into account in the consideration of all interests involved in the bank and clarifies what the estimated impact of a proposal will be. The strategic fit must explain how the proposal will help ING to deliver on its purpose *"Empowering people to stay a step ahead in life and in business"*.

The ultimate role of a financial institution is to support and stimulate economic, social and environmental progress leading to a better quality of life for people in society. This is what the value we create for, and with, our stakeholders should be about. This naturally fits with our purpose: *"empowering people to stay a step ahead in life and in business"*. In our annual report we describe how we believe we create value for different stakeholders. The importance of ING in society and the importance ING places on society as a stakeholder is also described in ING's Sustainability Direction. We work towards being perceived as a responsible bank that drives sustainable progress in society. This is also reflected in ING's governance of the Sustainability department which has a direct reporting line to the Vice-Chairman of the bank.

Stakeholder engagement has always been an important element of ING's overall strategy. We continuously listen to different constituencies, the most important of which are customers, employees, supervisors, shareholders, civil society organisations, government and citizens. We (pro)actively seek feedback from and – when requested – provide feedback to our stakeholders on different issues by engaging in constructive dialogues.

We use dialogue as a source for early warning signals and to understand concerns that might be present. This enables us to learn which issues are most important to our stakeholders

	<p>and how we can best align their interests with our business. We prefer to take an integrated approach towards stakeholder engagement. Rather than having one-off consultations around specific topics, we have an ongoing dialogue about our role in society, our products and services, our business performance and other issues.</p> <p>The results of our regular materiality assessment (based on a tool called 'The Materiality Assessment') guide us in our strategic decision-making, stakeholder engagement agenda and reporting framework. For the 2015 materiality assessment, ING reached out to senior management and six stakeholder groups (business and retail customers, investors, NGOs, regulators and employees) in five countries. In total, over 1,500 respondents from the Netherlands, Poland, Germany, Spain and Turkey provided us with insights into the issues that matter most to them. This resulted in the materiality matrix that is disclosed in ING's Annual Report and on ING's website.</p>
<p>The executive board and supervisory board are – with due regard for each other's duties and powers – responsible for setting up a sound governance structure and compliance with the governance principles.</p> <p>The members of these boards will set an example to all of the bank's employees and exhibit this in their day-to-day activities. The supervisory board will evaluate the way the members of the executive board are setting an example each year.</p>	<p>ING's Articles of Association, Charters, ING Group Decision Structure and Bank Governance Manual are aligned with relevant Dutch and international corporate governance standards. ING has an active dialogue with regulatory bodies, government representatives and peers on relevant developments with respect to corporate governance. Applicable rules and regulations that apply to ING can be found in ING's Policy House, an intranet-based publishing site for ING's Policies, Procedures, Guidelines, Minimum Standards and Charters serving as the single source of truth for all ING employees. An Internal Control Framework is in place to manage the process of head office standard setting and local implementation in line with the Think Forward strategy to support an efficient and effective control environment with appropriate approvals on new or updated external requirements.</p> <p>During various moments in the year, on an ad hoc or regular basis, the Management Board Banking and Supervisory Board reflect and report on governance related aspects and ING's compliance therewith. This is for example done during the periodic meetings between the Management Board Banking and the Supervisory Board and during the Annual General Meeting of Shareholders (AGM), supported by the information in ING's Annual Report.</p>
<p>The executive board and supervisory board are – with due regard for each other's duties and powers – responsible for developing, communicating and enforcing standards on integrity, morals and leadership in the bank.</p> <p>In addition, they ensure there are proper checks and balances and they safeguard a solid IT infrastructure that is vital for the functioning of the bank. Among other things, thorough checks and balances mean that the compliance function is also safeguarded within the executive board and supervisory board.</p>	<p>All Management Board Banking members have signed the Moral and Ethical Conduct statement. In addition, ING employees in the Netherlands and all members of the Management Board Banking as well as the Supervisory Board will have taken the Banker's Oath before the end of the first quarter of 2016.</p> <p>Our business centres around people and trust. Only by acting with professionalism and integrity we can maintain our stakeholders' confidence and preserve our company's reputation. In line therewith, the Management Board Banking launched the Orange Code in 2015. The ING Orange Code applies to all employees. The Orange Code is our new set of values, formerly the ING Business Principles, and behaviours which sets out our way of working.</p>

---

Everything ING does is built on a foundation of integrity and responsibility. Whatever business activity we are involved in, we stick to our values. We place integrity above all and insist on acting prudently and honestly.

ING has a whistleblower procedure in place. Any suspected breach of the ING values, ING behaviours or (local) Code of Conduct can be reported via this whistleblower procedure.

Awareness and expectations with regard to the ING values and ING behaviours are actively brought to the attention of employees by means of various communication channels and e-learning modules, among others via the so-called Promoting Integrity Programme. Various surveys are conducted to collect feedback and suggestions from ING's employees worldwide with regard to how engaged our employees are and how well we are running the business with respect to specific behaviours, activities and processes.

The ING Orange leadership profile is used globally as a basis for leadership development and translates the common leadership vision and language within ING: A strong leader is self-aware, sets clear direction, brings out the best in people and achieves sustainable results. Special training programmes support the development of ING's leaders.

#### **Safeguarding a solid IT infrastructure**

In addition, ING acknowledges the vital role that IT has in the functioning of the bank and that it is crucial in achieving the promises and enablers of our Think Forward strategy of creating a differentiating customer experience. Our Chief Operations Officer, who is also a member of the Management Board Banking, has the responsibility to ensure that IT is properly addressed and taken into account at board level and across the rest of the organisation.

ING is committed to delivering a solid IT infrastructure, meaning that the delivery of services and data to our stakeholders, in terms of confidentiality, integrity and availability of the data and services at reasonable costs, is well-maintained and constantly improved for future needs and developments of our customers and other stakeholders.

To achieve the aforementioned objectives, ING has put a governance (of people, processes and technologies) in place to continue and, if needed, improve our services. This covers for example processes for setting standards and policies, processes to maintain and change the IT infrastructure, processes for assessments by auditors (both internal and external) and processes to design for future needs.

The focus of 2015 has been on improving reliability, simplifying our IT landscape, automating our processes and strengthening our cybercrime resilience.

---

The executive board will promote responsible behaviour and a healthy culture both at the top of the bank and throughout its organisation. In this, it will consider the interests of the bank's customers and other stakeholders. The supervisory board supervises this.

ING reconfirmed its Think Forward Strategy in October 2015 as being the right road map for delivering on our ambitions and purpose: *"Empowering people to stay ahead in life and in business"*.

The Orange Code is our new set of values, formerly the ING Business Principles, and behaviours which sets out how we go about achieving this purpose. It is a declaration who we are. It describes what we can expect from each other when we turn up to work each day. A set of standards that we collectively value, strive to live up to, and invite others to measure us by.

The Orange Code is the sum of two parts: (i) ING Values, and (ii) ING Behaviours.

(i) **ING Values** – the non-negotiable promises we make to the world. The principles we stick to – no matter what:

▪ *Integrity above all*

ING's operations touch many lives: customers, employees, shareholders, suppliers and society at large. Each individual within these groups can, and should, expect us to act with integrity. Balancing the rights and interests of everyone involved is key to our ongoing viability. To act in ways that can stand the test of time; to live up to the values we hold as true. By being explicit about our values, we tell the world this is how you can expect us to behave.

▪ *We are honest:*

We carefully weigh the impact of our actions and make decisions that are considerate of all involved. We give honest, clear and frank advice to our customers.

We respect the law and the rules we set for ourselves. We expect our customers and suppliers to do the same.

We tell the truth. We are open, which means we are honest about what we do while balancing the interests of all involved.

▪ *We are prudent*

We deal with other people's money and financial information. Few things in life or business could be more important or more sensitive.

We put the customer's interests at the centre of all our activities. They can rightly expect their trust placed in us to be honoured, meaning we care and have the right competence to manage their assets, interests and information.

We manage financial risks carefully and take such risks only if these risks have been properly assessed.

▪ *We are responsible*

From the projects we finance to the lighting in our offices, we are mindful that every aspect of our business has social and environmental impact. We respect human rights and care for the environment, avoiding or managing impact. We engage with our customers to promote continuous improvement.



We encourage all forms of diversity, not just because it is the right thing to do, but because it is from different backgrounds and ways of thinking that new ideas spring forth.

We invest in our communities, support good causes, and encourage employees to participate in volunteer activities.

(ii) **ING Behaviours** – our way of being that makes us different from the rest. The commitments we make to each other and the standards by which we will measure each other's performance.

- *You take it on and make it happen*
- *You help others to be successful*
- *You are always a step ahead*

### **Customer Centricity**

In the Orange Code and Orange Promise Customer Centricity (in Dutch: 'Klantbelang Centraal') is embedded.

ING has adopted the ING Customer Golden Rules; five principles that ensure that ING consistently ensures Customer Centricity in product development and sales activities. The Customer Golden Rules are an integrated part of the Product Approval and Review Process.

Customer Centricity is monitored and findings are acted upon, for example regarding the complaints handling processes, the Net Promoter Score (this is a tool to measure customer satisfaction) and the Organizational Health Index Survey (within ING referred to as 'OHI').

ING's procedures concerning responsible behaviour and a healthy culture include:

- Roll out of the Orange Code Behaviours by means of amongst others a Performance Management System.
- PIP-modules (Promoting Integrity Program) for training integrity led behaviour by means of e-learning.
- The whistleblower process that enables reporting (anonymously) on integrity related issues next to normal reporting channels.
- The Conduct and ethics initiative within Bank Compliance Risk Management (BCRM) to develop measurements and tools to support the business and staff functions in further developing an integrity led culture.
  - For example: Conduct Risk Monitoring: a newly set up method by BCRM that monitors employee behaviours and conduct on the topics of communication, leadership, decision-making and enforcement.

In ING Bank Netherlands:

- The Dutch Banker's Oath has been rolled out:
  - The Banker's Oath was initiated by the Dutch banks and later regulated by law. In the Netherlands, in 2013, the directors of ING took the Banker's Oath, an example of setting the tone at the top.
  - Taking the Oath is part of the on-boarding process of new ING employees in the Netherlands.
  - By taking the Oath, employees promise amongst others that they will carefully consider the interests of our customers, our shareholders, the bank itself,

its employees and other stakeholders. In this balancing act, they will put the interests of the customers at the centre of their attention.

- The taking of the Oath is a meaningful ceremony and includes an e-learning module, a team challenge and dialogue session.
- The integration of the disciplinary procedure following the Oath into the ING General Code of Conduct Netherlands is published and employees are informed.
- A Banker's Oath Committee is established in the Netherlands to address dilemmas that employees may encounter in their daily work.
- The Ethics Centre of Expertise (ECE) facilitates dialogues, provide advice and documents decisions made on dilemmas and as such contributes to developing, defining and communicating integrity led behaviour by providing a moral compass for the organisation.
- In accordance with the Dutch collective labour agreement the ING Bank Netherlands' Supervisory Board will take a more active role in dilemma management to promote internal and external dialogues on ethical dilemmas.

Other relevant (recent) developments include:

- The New Way of Working: implementation of the Agile methodology within (a part of) the ING Bank Netherlands organisation. By introducing multidisciplinary teams with end-to-end responsibility, the time-to-market is shorter. This allows a much faster response on changing to meet customer needs.
- The Product Approval and Review Process (PARP) includes renewed Customer Golden Rules. The purpose of the PARP is to ensure compliancy with relevant laws, regulations and policies. Also, it ensures that the interests of the customer and other stakeholders are carefully considered, in which the customer is put at the centre in the development of products, services and customer communication. The Customer Golden Rules are formulated to trigger further analysis about products and services to ensure that they take into account the needs of our customers.
- The Omnichannel service: ING wants to provide the customer with uniform, expert information, independently of which channel is used or which advisor is involved. Omnichannel will be a service where the customers experience no difference between channels and can effortlessly switch between the channels without the loss of information. The Financially Fit Indicator (in Dutch '*Financiële Fit Wijzer*') is already an example of an Omnichannel tool.
  - The Financially Fit Indicator: ING wants to inspire its customers in getting started with their finances, and having their finances in order both now and in the future. The Financially Fit Indicator enables the financial experts of ING to provide improved advice to the customer and facilitate the customer with tooling to get financial insight within the 'My ING' environment.

	<p>The embedding of Customer Centricity (in Dutch 'Klantbelang Centraal' or 'KBC') throughout the ING Domestic Bank Netherlands organisation is being monitored by two instruments:</p> <ul style="list-style-type: none"> <li>▪ The KBC Monitor utilises existing projects and indicators regarding Customer Centricity to measure the process and level of Customer Centricity against pre-defined indicators. E.g., the embedment of KBC in HR appreciation or job descriptions, recognition of KBC in the Product Approval &amp; Review Process and the Enterprise Risk Management cycle, settlement of customer complaints and progress of projects with KBC impact. This measuring is performed twice a year and results in scores. These results are presented to the management team of the ING Domestic Bank Netherlands together with proposed spearheads for the coming period.</li> <li>▪ The KBC Self-analysis takes place once a year. This is a bottom-up self-assessment process where each department throughout the ING Bank Netherlands organization reflects on how they have adopted the KBC principles in their work. The results of these assessments are aggregated at management team level and a summary of findings is discussed with the management team of the ING Bank Netherlands together with the KBC Monitor results.</li> </ul>
<p>A bank's culture must also express the assumptions in the Social Charter of the Dutch Banking Association. These must be embedded in the bank's organisation and the bank will include them in its contact with its stakeholders. It will provide an insight into the way in which the bank deals with the assumptions in the Social Charter.</p>	<p>ING reconfirmed its Think Forward Strategy in October 2015 as being the right road map for delivering on our ambitions and purpose "<i>Empowering people to stay ahead in life and in business</i>". How ING goes about achieving this purpose is defined in the Orange Code.</p> <p>We support our purpose with four transparent promises, together our Orange Promise, to the customer:</p> <ul style="list-style-type: none"> <li>▪ We make banking clear and easy.</li> <li>▪ We are there for you anytime, anywhere.</li> <li>▪ We empower you to make smart financial decisions.</li> <li>▪ We will keep getting better.</li> </ul> <p><i>ING's Sustainability Direction:</i></p> <p>ING opines that financial services have an important role to play in creating a healthy and sustainable world, not just by trying to be more sustainable by reducing our direct footprint, but also in the choices we make in lending, investing and the services we offer to customers.</p> <p>Sustainability is therefore integrated directly into the core of our business strategy. We know that to be a good corporate citizen we need to help people stay a step ahead. We do this by:</p> <ul style="list-style-type: none"> <li>▪ Supporting and accelerating the financial empowerment of individuals.</li> <li>▪ Helping our corporate customers to transition their business towards increased sustainability.</li> </ul> <p>Hereto, we designed online platforms, blogs, dialogue sessions and functional tools to empower our customers when making financial plans and decisions.</p> <p><i>ING's role in society:</i></p> <p>ING wants to understand what issues are most important regarding our business activities and role in society. ING uses a tool called 'The Materiality Assessment' for determining which economic, social and environmental topics we should</p>

prioritise. The assessment consists of:

- Identifying the variety of issues that are currently important to ING and our stakeholders worldwide;
- Prioritising the issues in a Materiality Matrix, based on the issues that are most important to our stakeholders and the issues that could potentially impact our business most. Prioritization is done through a Materiality Survey sent to stakeholders worldwide;
- Reviewing what the issues with the highest materiality (on global and local level) tell us.

We use the highest priority material topics as content for the Integrated Report, as these are the topics that are the most important for our stakeholders and our business. Disclosure of materiality is also required by the reporting guidelines of the Global Reporting Initiative (GRI G4), International Integrated Reporting Council (IIRC) and an important factor that contributes to our rating in the Dow Jones Sustainability Indices (DJSI).

As a result of our efforts, ING is now one of the world's most sustainable listed banks. In 2015 ING was named the third best performing bank in a list of 409 banks by Sustainalytics, was one of the highest scoring banks in the Dow Jones Sustainability Index and received the highest score by CDP ('Carbon Disclosure Project') on actions and strategies to combat climate change.

In November, the CEO of ING Bank, together with other CEO's of Dutch Banks, signed the Climate Statement Dutch Banking Association (NVB). In addition, ING sold its first five-year EURO 500 million and three-year USD 800 million green bond, taking sustainability to the next level.

For more information on ING's global financing of sustainable projects, please see the applicable paragraph in the 2015 Annual Report.

In 2015 ING also launched the '30 Days keeping more money challenge' (in Dutch '30 Dagen Meer Geld Overhouden Challenge'). Consumers can download the application and make use of our online Repayment tool (in Dutch 'Afloswijzer'). Furthermore, ING provided 1,100 lessons on money matters at primary schools during the global money week.

ING's Green Bank provides loans for sustainable energy projects, for example wind turbines and sustainable construction projects. So far ING's Green Bank financed EURO 600 million in green projects.

Sustainable Finance originates, supports and promotes transactions throughout all wholesale banking disciplines which accelerate the transition to a sustainable economy. The team drives ING's business towards best-in-class clients and sustainable developments in all sectors including renewable energy, public transport, green buildings and (waste) water treatment.

Real Estate Finance Netherlands produced an app for its clients which contains details of thousands of properties in the Netherlands and details about CO<sup>2</sup> footprints and the way the buildings are heated and cooled. The client can add details of his/her own building. The app will find twenty

	<p>comparators and can come up with suggestions how to reduce the carbon footprint and how to save money. This helps the client, it improves the quality of our lending portfolio and it sends a strong signal to the market that ING is the place to go to when it comes to sustainability.</p>
<p>All employees will comply with the formal regulations and self-regulation that apply to them. The executive board and supervisory board are – with due regard for each other's duties and powers – responsible for this. The executive board is responsible for employees being and remaining familiar with all rules, values and standards applicable to the bank and will continue to pay attention to this. The supervisory board supervises this.</p>	<p>The ING Values and Behaviours are captured in the ING Orange Code. The Orange Code applies to all employees and has been endorsed by the Management Board Banking.</p> <p>The Orange Code is our set of values, formerly the ING Business Principles, and behaviours which sets out how we go about achieving our purpose of <i>“Empowering people to stay a step ahead in life and in business”</i>. It is a declaration who we are. It describes what we can expect from each other when we turn up to work each day. A set of standards that we collectively value, strive to live up to, and invite others to measure us by.</p> <p>Next to that, various initiatives further emphasise that every employee understands how their actions and behaviours can help earn and retain customer and stakeholder trust. More specifically:</p> <ul style="list-style-type: none"> <li>▪ ING employees in the Netherlands and all members of the Management Board Banking and the Supervisory Board will have taken the Banker's Oath before the end of the first quarter of 2016.</li> <li>▪ Applicable internal rules and standards that apply to ING can be found in ING's Policy House, an intranet-based publishing site for ING's Policies, Procedures, Guidelines, Minimum Standards and Charters serving as the single source of truth for all ING employees. An Internal Control Framework is in place to manage the process of head office standard setting and local implementation in line with the Think Forward strategy to support an efficient and effective control environment with appropriate approvals on new or updated external requirements.</li> <li>▪ By means of various communication channels and e-learning modules awareness, expectations and changes in internal rules and standards are being actively brought to employees' attention among others via e-learnings of the Promoting Integrity Programme. These e-learnings not only include aspects relating to content but also to Values and Behaviours.</li> </ul> <p>Every ING employee has a personal responsibility to be aware of the ING Values, ING Behaviours and (local) Code of Conduct. Employees may report a suspicion of (potential) breaches of the ING Values, ING Behaviours or (local) Code of Conduct through the ING whistleblower procedure, in addition to normal reporting lines.</p> <p><b>ING's three lines of defence model</b></p> <p>ING Bank's risk management framework is based on a <i>‘three lines of defence’</i> governance model, whereby each line has a specific role and defined responsibilities in such a way that the execution of tasks is separated from the control of the same tasks. At the same time they have to work closely together to identify, assess and mitigate risks. This governance framework ensures that risk is managed in line with the risk appetite as approved by the Management Board Banking and the Supervisory Board, and is cascaded</p>

	<p>throughout ING Bank.</p> <p>The commercial (including their operational) departments form the first line of defence having primary responsibility for the day-to-day risk management. They originate loans, deposits and other products within applicable frameworks and limits, they know our customers well and are well-positioned to act in both the customers' and ING's best interest.</p> <p>The second line of defence consists of oversight and risk management functions with a major role for the risk management organisation headed by the Chief Risk Officer (CRO), who is primarily responsible for risk management in the Management Board Banking. As a member of the Management Board Banking, the CRO ensures that risk management issues are heard and discussed at the highest level, thus establishing the appropriate tone at the top. The CRO steers a functional, independent risk organisation both at head-office and business-unit level, which supports the commercial departments in their decision-making, but which also has sufficient countervailing power to keep the risk profile within the set risk appetite.</p> <p>The internal audit function provides an on-going independent (i.e. outside of the risk organisation) and objective assessment of the effectiveness of internal controls of the first two lines, including financial and non-financial risk management and forms the third line of defence.</p>
--	--

## 2 Supervisory Board

Text Banking Code 2015	Implementation by ING
<p>The supervisory board will be composed in such a way that it is able to perform its tasks properly. It will form a risk committee and an audit committee.</p> <p>The members of the supervisory board will be prepared and able to make sufficient time available for their duties and exhibit effort and commitment. They will at the same time be critical and independent.</p>	<p>The Supervisory Board presently consists of eight members. The diversity in the composition of the Supervisory Board is among others reflected in, gender, age and professional background. The broad diversity in professional background of the members of the board ensures the complementary profile of the board. The Supervisory Board acts as a collegial body. While decisions are formally taken by majority, the board in principle acts on a consensus basis. As allowed by the Dutch Corporate Governance Code, all members of the Supervisory Board except one meet the independence criteria as laid down in that code. Each year the Supervisory Board performs a self-assessment, which addresses among others the composition of the Supervisory Board. Moreover, in the context of balancing all statutory requirements and the overall profile of the Supervisory Board, the Supervisory Board aims at adding again a female member.</p> <p>The Supervisory Board has drawn up a profile which includes the basic principles for its composition and competences. This profile is reviewed and updated when needed, taking into account relevant internal and external ING developments.</p> <p>The members of the Supervisory Board of ING are sufficiently available and accessible to fulfil their tasks. The availability of the members of the Supervisory Board is among others reflected in the attendance lists of the Supervisory Board meetings. In 2015 on average 98% of the Supervisory Board members were present in and participated at the Supervisory Board and committee meetings. The Supervisory Board has a permanent Audit Committee and a permanent Risk Committee. These committees at least convene prior to the publication of ING's (quarterly) results. Outside these meetings discussions take place through e-mail or by phone if and when needed. Also, individual Supervisory Board members visit the ING offices upon request or on their own initiative.</p> <p>The Supervisory Board members actively discuss, query and challenge proposals that are being put forward by the Management Board Banking. If and when needed the Supervisory Board members also ask for additional clarification or deep dives into certain topics.</p>
<p>Each member of the supervisory board will be aware of the social role of a bank and of the interests of the various stakeholders.</p>	<p>The bank's function in society and interests of all stakeholders are taken into account by the Supervisory Board when performing its duties. Each Supervisory Board member follows a tailor-made introduction programme after his/her appointment so as to become better acquainted with ING and his/her role as a Supervisory Board member. In addition, ING organises a regular Knowledge Day for Supervisory Board members to acquire additional in-depth knowledge regarding relevant developments for the bank and the financial sector, the duty of care towards the client,</p>

	<p>integrity, corporate governance, risk management and financial reporting. In 2015, the Chief Operating Officer's vision, cloud computing, IT stability, IT security and sustainability were among the topics discussed during the Knowledge Day. In addition, IFRS 9, dividend, regulatory and supervisory developments, corporate governance, the three lines of defence model as well as a business visit to ING US – where among others meetings with clients took place – have been part of the Permanent Education programme for the Supervisory Board.</p> <p>As a standard practice, proposals to the Supervisory Board must include at least the following two elements: (i) the impact the proposal may have on customers and other stakeholders, and (ii) the strategic fit. The impact the proposal may have on customers and other stakeholders must address how the customer's interests have been taken into account in the consideration of all interests involved in the company and clarify what the estimated impact of a proposal will be. The strategic fit must explain how the proposal will help ING to deliver on its purpose <i>"Empowering people to stay a step ahead in life and in business"</i>.</p>
<p>There are specific competence and experience requirements for members of the supervisory board's risk and audit committees. Members of the risk committee must have thorough knowledge of the financial aspects of risk management or the necessary experience to permit a thorough assessment of risks. Members of the audit committee must have thorough knowledge of financial reporting, internal control and audit or the necessary experience to permit thorough supervision of these subjects.</p>	<p>Both the members of the Audit Committee and the Risk Committee must jointly meet specific requirements regarding competence and experience which are laid down in the Charters of the Audit Committee and Risk Committee of the Supervisory Board.</p>
<p>The chairman of the supervisory board will organise a programme of lifelong learning for all members of the supervisory board with the aim of maintaining their expertise at the required level and improving it where necessary. The learning programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, IT infrastructure, risk management, financial reporting and audit. Every member of the supervisory board will take part in the programme and meet the requirements for lifelong learning. The assessment of the effectiveness of the programme of lifelong learning will be part of the annual evaluation performed by the supervisory board.</p>	<p>In order to maintain the expertise of the Supervisory Board and to improve their expertise where needed, a Permanent Education Programme for the Supervisory Board is in place. As part of the annual self-assessment, Supervisory Board members may request further training or education on specific topics which are implemented in the Permanent Education Programme.</p> <p>Each Supervisory Board member follows a tailor-made introduction programme after his/her appointment so as to become better acquainted with ING and his/her role as a Supervisory Board member. In addition, ING organises a regular Knowledge Day for Supervisory Board members to acquire additional in-depth knowledge regarding relevant developments for the bank and the financial sector, the duty of care towards the client, integrity, corporate governance, risk management and financial reporting. In 2015, the Chief Operating Officer's vision, cloud computing, IT stability, IT security and sustainability were among the topics discussed during the Knowledge Day. In addition, IFRS 9, dividend, regulatory and supervisory developments, corporate governance, the three lines of defence model as well as a business visit to ING US – where among others meetings with clients took place – have been part of the Permanent Education programme for the Supervisory Board.</p>



<p>In addition to the supervisory board's annual self-evaluation, the functioning of the supervisory board will be evaluated under independent supervision once every three years. The involvement of each member of the supervisory board, the culture within the supervisory board and the relationship between the supervisory board and the executive board will be part of this evaluation.</p>	<p>Annually, the functioning of the supervisory board is evaluated through a self-assessment process. Similar to last year, the 2015 self-assessment took place under supervision of an external independent party. The results of the annual assessment are first discussed between the chairman of the Supervisory Board and each of the members individually. The consolidated results are subsequently discussed collectively, during the regular Supervisory Board and Committee meetings. For 2015, a select group of regular Supervisory Board meeting attendees have also been invited to share their views on the Supervisory Board's composition, expertise and dynamics. Their feedback is summarised in a separate report for comparison and discussion purposes.</p>
<p>Each member of the supervisory board will receive appropriate compensation for the amount of time that he or she spends on supervisory board activities. This compensation will not depend on the bank's results.</p>	<p>The compensation of Supervisory Board members of ING does not depend on the bank's results. Supervisory Board members only receive fixed remuneration. In addition to the annual fixed remuneration, each member of the Supervisory Board also receives a fixed fee for committee membership and a fee for each meeting they attend.</p> <p>No variable remuneration is awarded to Supervisory Board members.</p> <p>More information on remuneration of the Supervisory Board is disclosed in the Remuneration Report of ING's Annual Report.</p>

### 3 Executive Board

Text Banking Code 2015	Implementation by ING
<p>The executive board will be composed in such a way that it is able to perform its tasks properly. Each member of the executive board will be aware of the social role of a bank and of the interests of the various stakeholders.</p>	<p>The Management Board Banking is composed in such a way that it is able to perform its tasks properly. Members of the Management Board Banking have various backgrounds and areas of expertise in e.g. banking, finance, risk and operations management. The Executive Board Profile (containing the requirements on the composition of the Management Board Banking) and the individual profiles of the board members can be found on the ING website. Board members are subject to a “fit and proper”-test by DNB and the ECB in order to ensure that the composition of the Management Board Banking is sufficiently fit and proper. The Management Board Banking recognizes the importance of diversity within the board and considers this as a clear priority (e.g. Encouragement of diversity through ING’s talent management programme). The Management Board Banking acts as a collective body and strives to take decisions on a consensus basis. On a regular basis the Supervisory Board evaluates the functioning of the individual members of the Management Board Banking.</p> <p>In ING’s Think Forward strategy, ING aims to create a differentiating customer experience, enabled by simplifying and streamlining our organisation, further striving for operational excellence. In performing its duties, the Management Board shall carefully consider and act in accordance with the interests of ING, taking into consideration the interests of all ING’s stakeholders. When considering these interests, the Management Board shall take into account the continuity of ING, the environment in society, in which ING operates, as well as applicable legislation, regulation and codes of conduct.</p>
<p>One member of the executive board will have the duty of preparing decision-making by the executive board on risk management. This member will be involved in good time in the preparation of decisions that are of material significance for the bank’s risk profile, especially where these decisions may result in a departure from the risk appetite approved by the supervisory board. This member may combine his or her function with other responsibilities, provided that he or she does not bear any individual commercial responsibility and operates independently from commercial areas.</p> <p>Risk management will also include a focus on the impact that systemic risk could have on the bank’s risk profile.</p>	<p>As of 2007 ING has appointed a Chief Risk Officer (CRO) to the Management Board Banking who bears primary overall responsibility for the Risk management function. The CRO is responsible for the management and control of risk on a consolidated level to ensure that ING’s Bank risk profile is consistent with its financial resources and risk appetite. The CRO is also responsible for establishing and maintaining a robust organisational basis for the management of risk throughout the entire organisation. The CRO in the Management Board Banking does not combine his role with any commercial focus areas.</p> <p>ING’s risk management framework is based on the ‘three lines of defence’ concept which ensures that risk is managed in line with the risk appetite as defined by the Management Board Banking (and ratified by the Supervisory Board) and is cascaded throughout ING Bank. The risk committees are part of the second line of defence. They act within the overall risk policy and delegated authorities granted by the Management Board Banking and have an advisory role to the CRO.</p>

	<p>The CRO is co-chairman of the Asset and Liability Committee (ALCO) of the bank. The ALCO determines the appetite for market and liquidity risks taken within Wholesale Banking and Retail Banking, and monitors if the actual risk profile is in line with this risk appetite. The CRO is also chairman of the CRO Staff and co-chairman of the Finance &amp; Risk Committee (F&amp;RC). The F&amp;RC is a platform for the CRO and the Chief Financial Officer (CFO), along with their respective direct reports, to discuss and decide on issues that relate to both the finance and risk domains. As part of all this, the CRO is closely involved in risk matters and decisions that may have a material impact on the bank. He is also a member of the Global Credit Committee Policy (GCCP), which discusses and approves policies, methodologies and procedures relating to credit, country and reputation risks within ING Bank and a member of the Global Credit Committee – Transaction Approval (GCCTA), which discusses and approves transactions that entail taking credit risk above a certain threshold.</p> <p>As an example of how ING's Risk management includes a focus on the interests of financial stability and on the impact that systemic risk could have on the risk profile of the bank, ING complements its regular standardized risk reporting with (ad hoc) stress tests. A stress test is an instrument to check whether a financial institution can withstand specific negative events or economic changes. More specifically, stress testing examines the effect of exceptional but plausible events on the capital and liquidity position of the financial institution and provides insight in which business lines and portfolios are vulnerable to which type of scenarios.</p> <p>Each year several stress tests are conducted, of which some are specified by regulators (e.g. the European Banking Association or the ECB) and others that are specified internally. The scope of the stress tests varies: sometimes the impact of the scenario is calculated for the bank as a whole, while in other cases the focus is on a specific country, asset class or risk type. Stress tests can represent various economic situations from mild recession to extreme shock.</p> <p>For further information on Risk Management, see the Chapters on Risk Management in the ING Annual Report.</p>
<p>The chairman of the executive board will organise a programme of lifelong learning for all members of the executive board with the aim of maintaining their expertise at the required level and improving it where necessary. The learning programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, risk management, financial reporting and audit. Every member of the executive board will take part in the programme and meet the requirements for lifelong learning.</p>	<p>A collective Permanent Education ("PE") Programme for the members of the Management Board Banking is in place. The PE Programme covers the following main themes (i) developments at the Bank and in the financial sector, (ii) corporate governance in general and in the financial sector, (iii) duty of care towards the client, (iv) integrity, (v) risk management, (vi) financial reporting, and (vii) audits. The programme is organised to provide collective Management Board Banking PE sessions at least on a quarterly basis. Thought leaders and experts are invited to educate on various topics. Topics that have been included in the 2015 collective sessions cover amongst others Corporate Governance, the Duty of Care Towards the Client, Integrity, Risk Management and Financial Reporting. In addition, the Management Board Banking has been updated on new market developments during board meetings at least once a month. Presentations on various content related topic also contribute to the Board's general education.</p>

## 4 Risk Policy

Text Banking Code 2015	Implementation by ING
<p>A bank's risk policy is characterized by a comprehensive approach, is transparent and has both a short- and long-term focus. The risk policy also takes reputational risks and non-financial risks into account.</p>	<p>ING has multiple risk policies in place ensuring a comprehensive approach towards risk management. Credit Risk policies are in place describing amongst others the credit risk appetite, concentration framework, single name and sector concentration risk. High level policies, concepts and assumptions behind methodologies used in the quantification of risk are presented and approved at the Global Credit Committee Policy (GCCP), chaired by the CRO, with a view towards consistency across all types of risks.</p> <p>The Credit Risk Appetite statements for the bank and countries, the governance structure for lower risk policy and transaction approval bodies as well as the delegated authority matrix (below the GCCTA) and the connected charters are approved by the GCCP, ensuring a comprehensive and consistent approach towards credit risk.</p> <p>Market risk policies describe amongst others the product approval process, funding and liquidity appetite and stress testing, funding planning and liquidity forecasting. The Asset &amp; Liability Committee (ALCO) Bank, which is chaired by the CRO and CFO, approves and implements amongst others the Bank interest rate framework, applicable product approval review processes and the funding &amp; liquidity risk management policies and standards. Model Validation risk policies describe the governance and standards for the validation of models in the different risk domains, and are approved by the CRO.</p> <p>Compliance risk is defined as the risk of impairment of ING Bank's integrity as a result of failure (or perceived failure) to comply with relevant laws, regulations, ING Bank policies and minimum standards and the ING Values as part of the Orange Code. We aim to effectively manage compliance risks that could expose ING Bank to reputational damage, fines, civil and criminal penalties, payment of damages, court orders and suspension or revocation of licenses that would adversely impact our customers, staff, shareholders and other stakeholders.</p> <p>The Compliance Risk Management function established a compliance control framework in which controls are defined based on laws, regulations and standards that are part of the internal control framework of ING Bank. To support management in mitigating compliance risks, the Compliance Risk Management function actively educates and supports the business in managing compliance risks related to e.g. money laundering, terrorist financing, sanction and export control compliance, conflicts of interests, mis-selling, corruption and protection of customers' interests.</p> <p>ING Bank categorises compliance risk into four conduct-related integrity risk areas:</p> <ul style="list-style-type: none"> <li>▪ <i>Client conduct related integrity risk</i> is the risk ING Bank is exposed to through our clients;</li> </ul>

- *Personal conduct related integrity risk* is the risk of compromising ING Bank through non-compliant employee behaviour, aiming to promote Individual integrity of all employees and to create an overall culture that is led by integrity;
- *Financial Services conduct related integrity risk* is the risk that business practices and systems compromise ING Bank as a participant in the financial services industry taking into account its high standards when carrying on business and striving to observe the letter as well as the spirit of the law; and
- *Organisational conduct related integrity risk*, is the risk of compromising ING Bank or its businesses through deficiencies in management, supervision and/or the effectiveness of governance structures.

In cases where an employee from ING Bank suspects a breach of external laws and regulations, internal policies and minimum standards and/or the ING Bank Orange Code he/she can report through the normal reporting lines or (anonymously) speak up in line with the whistleblower policy using the most appropriate channel, e.g. the (external) ethics line.

Main developments in 2015:

- *Compliance Conduct Risk Monitoring*  
The Compliance Risk Management function enhanced its control framework by assessing the working of soft controls in relation to compliance risks in addition to hard controls. The aim of conduct risk monitoring is to assess the risks that might influence the conduct and risk culture, promoting the individual integrity of all employees and enhancing the overall culture that is led by integrity.
- *Bribery and/or corruption risk*  
ING Bank further enhanced its statutory framework in respect of sound and ethical operations, designed to prevent bribery and/or corruption in whatever way, e.g. in the form of conflicts of interest. Bad press related to client related corruption is an intrinsic part of ING Bank's Customer Due Diligence/Know Your Customer process.
- *Regulator relationships*  
The Compliance Risk Management function continued its policy of investing in pro-active relationship building with regulators in the jurisdictions where ING Bank operates, by striving for an open two-way approach to communication and cooperation in identifying and mitigating compliance risks for ING Bank as well as seeking to contribute to the regulatory debate going forward.

The Non-Financial Risk (NFR) department encompasses the compliance risk and operational risk management functions. It ensures appropriate risk controls in these functional areas by implementing clear policies and minimum standards which are embedded in ING Bank business processes in all divisions. The necessary infrastructure is in place to enable management to track events and non-financial risk issues. A comprehensive system of internal controls creates an environment of continuous improvement in managing non-financial risk.

	<p>Non-Financial risks are also taken into account in separate policies on continuity risk, control risk, fraud risk, IT risk, personal and physical security risk, processing risk and unauthorised activity risk. The Bank Non-Financial Risk Committee initiates and approves the design, implementation, monitoring and improvement of the Risk Management Framework, and is chaired by the Vice-Chairman of the Management Board Banking. The Head of Non-Financial Risk and the Chief Compliance Officer are a member of this committee as well.</p> <p>In addition to the policies related to specific risk types, ING Bank also has policies in place to ensure a more holistic approach towards risk management. For example, the stress testing policy ensures that firm-wide stress tests are performed, taking into account the combined impact of a specific scenario for the different risk types and the inter-relations between these risk types.</p> <p>ING Bank takes both the short-term, medium-term and long-term perspective into account in its risk management framework. For the various risk types, many different risk metrics are used to ensure that the risk is evaluated for both the short and the longer term. Short term metrics such as Value-at-Risk and the Liquidity Coverage Ratio are complemented by multi-year stress tests and metrics for which the time horizon is indefinite.</p>
<p>A bank's executive board will be responsible for its risk policy and ensure proper risk management.</p> <p>The executive board will propose the risk appetite to the supervisory board for approval at least once a year. Any material changes to the risk appetite in the interim will also require the supervisory board's approval.</p>	<p>While the Management Board Banking has a collective responsibility to manage the company, one of the Management Board Banking members has been appointed CRO who is primarily responsible for risk management. Each year, the risk appetite is set by the Management Board Banking and submitted to the Supervisory Board for approval. Any material changes within this period are also set by the Management Board Banking and submitted to the Supervisory Board for approval. This principle has been reflected in the Charter of the Management Board Banking.</p>
<p>The supervisory board will supervise the risk policy pursued by the executive board. As part of its supervision, the supervisory board will discuss the bank's risk profile and assess at a strategic level whether capital allocation and liquidity requirements are generally in line with the approved risk appetite and whether operations in general are in line with the bank's risk appetite. In the performance of this supervisory role, the supervisory board will be advised by its risk committee.</p>	<p>On a quarterly basis, the Risk &amp; Capital Management Report is provided by the Management Board Banking to the Supervisory Board. This report provides a comparison of the actual risk profile (for solvency risk, liquidity risk, market risk, credit risk, non-financial risk and regulatory risk) versus the approved risk appetite and the actual capital and liquidity levels. This enables the Supervisory Board to discuss and assess whether the commercial activities of the bank are appropriate in the context of the risk appetite of the bank.</p> <p>Since August 2009, the Supervisory Board has a Risk Committee. Risk Committee meetings take place at least 4 times a year. The Risk committee prepares the discussion and the decision making by the Supervisory Board with respect to risk management. This principle has been reflected in the Charter of the Supervisory Board of ING Bank N.V.</p> <p>Each year, the risk appetite is set by the Management Board Banking and submitted to the Supervisory Board for approval. This principle has been reflected in the relevant Charters.</p>

## 5 Audit

Text Banking Code 2015	Implementation by ING
<p>A bank's executive board will ensure that a systematic audit is conducted of the management of the risks related to the bank's operations.</p>	<p>ING Bank has an internal audit department – Corporate Audit Services ('CAS') – that prepares an annual risk based audit plan. This audit plan is approved by the Management Board Banking and the Audit Committee of the Supervisory Board prior to finalisation. CAS reports on the progress of the audit planning realisation on periodical basis to the Management Board Banking and the Audit Committee.</p>
<p>To this end, a bank will have its own internal audit department with an independent position within the bank. The head of the internal audit department will report to the chairman of the executive board and also have a direct reporting line to the chairman of the supervisory board's audit committee.</p> <p>The internal audit department, external auditor and supervisory board's audit committee will consult periodically.</p>	<p>CAS is independently positioned within the ING Bank organisation. CAS staff reports to the General Manager of CAS. The General Manager CAS reports directly to the CEO of ING Bank and functionally to the Audit Committee of the Supervisory Board. CAS' independent position within ING Bank is periodically assessed as part of the external quality review performed by the Institute of Internal Auditors Netherlands (IIA), Nederlandse Beroepsorganisatie van Accountants (NBA) and NOREA (Dutch organisation for IT auditors).</p> <p>CAS periodically exchanges information with stakeholders like De Nederlandsche Bank (DNB; Dutch Central Bank) and the European Central Bank (ECB) as well as the external accountant in order to update its risk analysis and audit plan (at least quarterly).</p>
<p>The internal audit department will take the initiative in arranging talks with DNB (the Dutch central bank) and the external auditor at least once a year to discuss each other's risk analyses, findings and audit plans at an early stage.</p> <p>The bank's executive board and internal audit department will encourage these tripartite talks, aiming for a clear delineation of each other's duties and responsibilities.</p>	<p>CAS prepares and discusses its risk analysis and audit plan with the Management Board Banking, the Audit Committee of the Supervisory Board, the external auditor and with DNB. Subsequently, CAS periodically exchanges information with these stakeholders in order to update its risk analysis and audit plan (at least quarterly). Tripartite talks have not taken place in 2015 as a result of the recent transfer of supervisory responsibilities from DNB to ECB. Regular meetings with EY and separately with ECB/DNB have taken place during the year.</p>

## 6 Remuneration Policy

Text Banking Code 2015	Implementation by ING
<p>The bank will implement a detailed, restrained and long-term remuneration policy that is unambiguous and transparent and in line with national and international regulations.</p> <p>The remuneration policy will have a primarily long-term focus and be in line with the bank's risk policy. It will incorporate an internal and external balance of interests, taking into account the expectations of the various stakeholders and social acceptance. It will also take the relevant international context into account.</p>	<p>The remuneration policy of ING Bank strikes a balance between interests of its clients, employees, shareholders and society at large, and supports the long-term objectives of the company.</p> <p>The general principles underpinning ING's remuneration policy are as follows:</p> <ul style="list-style-type: none"> <li>▪ Create a balanced compensation mix</li> <li>▪ Reduce emphasis on variable remuneration in line with local practice and applicable remuneration regulations</li> <li>▪ Enhance long-term value creation</li> <li>▪ Align risk, performance and reward</li> <li>▪ Significantly focus on sustainable performance indicators aligned with our strategy</li> </ul> <p>In 2015 ING implemented the act on remuneration policies of financial institutions (Wbfo) in its Bank Remuneration Framework. As a result, variable remuneration has significantly decreased in the Netherlands.</p> <p>The variable remuneration is linked to clear targets of which a large part are non-financial, e.g. operational excellence, customer focus and top employer. Variable remuneration is based on at least 50% non-financial criteria.</p> <p>The variable remuneration policy of ING is compliant with the maximum ratios as determined by applicable remuneration regulations. Furthermore, ING has implemented the principles of the Banking Code in its global Bank Remuneration Framework and into specific policies for the Executive Board and Management Board Banking.</p> <p>The charters of the Executive Board, Management Board Banking and the Supervisory Board reflect that ING continues to be committed to ensure that the execution of the remuneration policy remains to be in line with the criteria set out in this principle.</p> <p>More details can be found in the Remuneration Report of ING's Annual Report.</p>



<p>The total income of a member of a bank's executive board will at the time it is set be below the median for comparable positions inside and outside the financial industry, taking into account the relevant international context.</p>	<p>The remuneration policy for the Executive Board and Management Board Banking is in line with the criteria described in this principle. The remuneration policy is benchmarked against the Eurostoxx 50, a peer group of major (financial and non-financial) European multinationals. Remuneration levels are determined below the median.</p> <p>The fixed remuneration of the members of the Executive Board was increased in 2015 to a level still below the median.</p> <p>The variable remuneration of the members of the Executive Board and Management Board Banking is set in accordance with the applicable remuneration regulations.</p> <p>For more information, see the Remuneration Report in ING's Annual Reports 2010 until 2015.</p>
<p>The variable remuneration of a member of the executive board will be set in accordance with national and international regulations.</p>	