

Remuneration report

ING's remuneration policy forms an integral part of our strategy, performance culture and risk management framework. Its objective is to enable ING to retain and recruit expert leaders, senior staff and other highly qualified employees to ensure we meet our responsibilities towards stakeholders, now and in the future.

When looking at remuneration, our starting point is our position as a global financial institution in a rapidly changing marketplace.

ING is a global financial institution with a strong European base. Its more than 54,000 employees offer retail and wholesale banking services to customers in more than 40 countries. More than 70% of ING's employees work outside of the Netherlands, approximately 70% of total income is earned outside of the Netherlands and more than 95% of the investor base is non-Dutch.

Remuneration policy ING

ING's global remuneration policy complies with relevant international and local legislation and regulations. In determining compensation of ING's staff, we consider a variety of factors, including but not limited to:

- The complexity of work
- The scope of responsibilities
- The geographical location
- Risk alignment
- The (inter)national legal and regulatory landscape
- Perception in society
- Long-term objectives of ING and its stakeholders

These factors differ for each role, line of business and country.

Performance Management

There is a strong link between our remuneration approach and performance management. We have a comprehensive performance management process in place that aligns individual performance objectives to the strategy of ING and its annual priorities in order to build a sustainable and successful business for all our stakeholders.

Performance is assessed against financial and non-financial indicators. The targets that are individually determined should represent a balanced range of measures that support long-term sustainable performance of the organisation and should take full consideration of areas such as:

- Customer satisfaction, retention and growth
- Corporate social responsibility and sustainability
- Employee engagement, development and productivity
- Market share, growth rates, financial return and value creation
- Operational effectiveness and efficiency
- Compliance with risk management policies and all other internal policies and external legislation

The outcome of the performance assessment is linked to remuneration consequences such as moderate adjustments to fixed salary or variable remuneration awards (if appropriate).

Total direct compensation

ING aims to provide total direct compensation levels which, on average, are at the median of the markets in which we operate, benchmarked against relevant peer groups.

ING believes that in principle fixed remuneration should be considered sufficient to compensate employees for their daily work. For some positions limited variable remuneration opportunities apply.

Variable remuneration, where applicable, is primarily focused on long-term value creation and based on individual, business line and bank-wide performance criteria.

In line with the Capital Requirements Directive (CRD IV) and the Dutch Act on Remuneration Policies of Financial Undertakings (Wet belongingsbeleid financiële ondernemingen, or WBFO), any variable remuneration is based for at least 50% on non-financial performance and subject to maximum ratios of variable remuneration in relation to fixed remuneration for different categories of staff.

For Identified Staff (i.e. staff that are considered to have a material impact on the risk profile of ING, as selected on the basis of the Regulatory Technical Standards developed by the European Banking Authority,) a maximum of 60% of total variable remuneration is awarded upfront. The remaining part of the total variable remuneration (a minimum of 40%) is deferred. It is subject to a tiered vesting schedule over a period of three years. Both the upfront part and the deferred part are delivered at a maximum of 50% in cash and a minimum of 50% in shares (or other equity-linked instruments).

Shareholders' mandate

Under the WBFO, financial institutions are permitted to set a variable remuneration cap higher than 100% of fixed remuneration for staff outside the European Economic Area (EEA), provided that the higher cap is approved by their shareholders. In 2015, approval was given by the Annual General Meeting to increase the cap up to 200% in performance years 2014 to 2016 for no more than 1% of ING's staff globally.

Considering ING's international footprint and in order to maintain its competitive position, the Executive Board and the Supervisory Board wish to continue the possibility to apply increased caps outside the EEA.

In the Annual General Meeting on 8 May 2017 the shareholders will be asked to issue a new mandate to subsidiaries of ING, to increase the maximum percentage of variable remuneration compared to fixed remuneration from 100% up to 200%. The mandate will be requested for a period of five performance years,

starting in 2017, and can only be applied to staff outside the EEA working in the Corporate Staff, Wholesale Banking and Retail Banking business lines. The total number of staff that may be awarded more than 100% variable remuneration will constitute no more than 1% of the global ING staff base. The increased caps will not limit the ability of ING to strengthen its capital base.

Risk mitigating measures

Our remuneration policy takes into consideration risk, capital, liquidity and the likelihood and timing of earnings. Based on applicable remuneration regulations, specific risk adjustment mechanisms must be applied in the pay-out process of variable remuneration. To this end, ING operates a so called pre-award and post-award assessment process when determining any variable remuneration.

The pre-award risk assessment process aims to consider the full range of any current and potential future risks. As part of this process, ING takes into account both company, business line and individual performance. In addition, it applies a solvency test and a RoE test. Risk requirements are set for all Identified Staff holding risk taker roles, setting the minimum standard to be reached during the performance year. Deviation from this may lead to full or partial reduction of variable remuneration via a so called risk modifier.

The post-award assessment process includes an analysis as to whether the outcomes of the initial pre-award risk assessment process were correct, providing ING with a mechanism to adjust any variable remuneration downwards. ING can apply holdback up to 100% of the awarded and unvested deferred variable remuneration, or clawback up to 100% of the paid and/or vested variable remuneration from any (current or ex-) staff member. Any decision to apply holdback or clawback is at the discretion of the ING Supervisory Board.

To ensure the autonomy of staff in control functions (such as risk management functions), financial performance metrics are dependent on objectives determined at the next higher organisational level (i.e. not at the level of the business they directly control) and the functional line is in the lead for the performance assessment.

2016 Remuneration

The total amount of variable remuneration awarded to all employees over 2016 was EUR 386 million, compared to total staff expenses of EUR 5,039 million. Variable remuneration includes both individual and collective variable remuneration, such as profit-sharing arrangements agreed with relevant trade unions.

In 2016, there were 17 employees, working in the Corporate Staff, Wholesale Banking and Retail Banking business lines, to whom total annual remuneration (fixed and variable remuneration including employer pension contributions) of EUR 1 million or more was awarded. The majority of these employees (excluding the Executive Board) work outside the Netherlands.

Remuneration policy for the Executive Board

The Executive Board remuneration policy is in line with the remuneration principles that apply to all staff, consisting of a combination of fixed and variable remuneration (together "total direct compensation"), including pension arrangements and benefits as described below.

The performance targets for the Executive Board are pre-determined annually by the Supervisory Board to support delivery of the ING strategy.

The current remuneration policy for the Executive Board was adopted by the Annual General Meeting (AGM) on 27 April 2010. Amendments to this policy were adopted by subsequent AGMs:

- On 9 May 2011 in response to new regulatory requirements.
- On 12 May 2014 with respect to pensions.
- On 11 May 2015 in order to lower the maximum variable remuneration in line with legal requirements and specify that variable remuneration be paid fully in shares.

Total direct compensation

The Executive Board remuneration policy aims to award total direct compensation slightly below the median of comparable positions in the chosen peer group.

Bearing in mind international scope, complexity, revenue, assets and market capitalisation, the companies in the Euro Stoxx 50 index are the appropriate peer group for ING. The index comprises 50 companies, including ING, in a range of financial and non-financial industries from 12 countries within the Eurozone, mainly operating in an international context. Total direct compensation is determined in line with the relevant international market environment and reviewed periodically by the Supervisory Board. ING's Executive Board remuneration policy is compliant with applicable laws and regulations, including the WBFO, the Dutch Banking Code and the Dutch Corporate Governance Code.

Variable remuneration

In line with legal requirements, variable remuneration for the members of the Executive Board is limited to a maximum of 20% of base salary at the time of award. It is based for at least 50% on non-financial performance criteria and fully paid out in shares. We do not pay variable remuneration in cash.

The policy provides for an at-target variable remuneration of 16% of base salary if performance criteria are met. If performance criteria are exceeded, the variable component can be increased by the Supervisory Board from target to maximum, but may not exceed 20% of base salary at the time of award. If performance is below target, the variable component will be decreased, potentially down to zero.

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

In line with applicable regulations, a maximum of 40% of total variable remuneration is awarded “upfront” in the year following the performance year. The remaining part of the total variable remuneration (a minimum of 60%), is deferred. It is subject to a tiered vesting on the first, second and third anniversary of the grant date (one-third per annum).

The entire variable remuneration is subject to post-award assessment by the Supervisory Board. The post-award assessment cannot lead to an upward adjustment of the deferred variable remuneration.

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

Pension

As of 1 January 2015, all members of the Executive Board participate in the Collective Defined Contribution (CDC) pension plan with respect to their salary up to a certain amount. As of 1 January 2016 this amount was set at EUR 101,519 per year. As is the case with all employees who earn a salary above that amount per year, the Executive Board members are compensated for the lack of pension accrual by means of a savings allowance to be annually determined (see further details on page 101).

Benefits

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

Tenure

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

Supervisory Board discretion to review the policy and the remuneration paid

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

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

The legal, regulatory and market environment is continuously changing and this may further impact ING. In order to ensure that ING can adapt to these dynamic and uncertain factors, the Supervisory Board will continue to re-evaluate the Executive Board remuneration policy as and when required.

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

Special employment conditions

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

2016 Remuneration Executive Board

The Executive Board remuneration for 2016 is in accordance with the Executive Board remuneration policy, with the exception of the alignment to the benchmark. The policy as approved by the AGM, specifies that total direct compensation should be slightly below the median of comparable positions in the Euro Stoxx 50 peer group. However, - as the tables show on page 103 - the actual total direct compensation for the Executive Board, particularly for the CEO, is significantly below the median.

2016 Executive Board base salary

In 2016, the Supervisory Board slightly increased the total (at target) remuneration of all Executive Board members by 2% with effect from 1 January 2016. Please see the first table on page 102 for more information.

2016 Performance indicators Executive Board

As indicated in the remuneration policy, the performance of the Executive Board is assessed based on financial and non-financial indicators. For 2016, performance indicators applied included the following:

Performance indicators

Non-financial performance indicators

- Think Forward Strategy: improving customer experience and enabling commercial growth
- Strengthening ING's high performance culture through the Step Up Performance Management and Think Forward Leadership programmes
- Delivering multiple, innovative products to create a differentiating customer experience
- Growing the number of primary retail customers
- Enhancing Finance and Risk capabilities and optimising their organisation
- Driving digital transformation to improve customer experience and realise further efficiency gains
- Increasing sustainable transitions financing, strengthening environmental and social risk management and increasing empowerment scores (i.e. number of people who feel empowered by ING)

Financial performance indicators

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

2016 Executive Board performance evaluation

On the next page, a table is included highlighting key achievements collectively accomplished by the Executive Board in 2016 in the areas of strategy implementation, capability development, innovation, sustainability and ING's (financial) performance. The table includes both financial and non-financial achievements against the overall ambitions of ING and the specific performance indicators agreed with the Supervisory Board at the beginning of 2016.

Key achievements

Strategy implementation	<ul style="list-style-type: none"> ▪ Accelerated the Think Forward strategy to further improve the customer experience, further grow the number of primary customers and lending and increase efficiency. ▪ Launched four major programmes to drive digital transformation (i.e. Orange Bridge, Model Bank, Welcome and WB TOM), while converging towards a global scalable banking platform. ▪ Adopted One Way of Working to increase management understanding of the integrated network and realise delayering throughout the organisation. ▪ Ranked number one in Net Promoter Scores relative to competitors in 7 of 13 retail markets.
Capability development	<ul style="list-style-type: none"> ▪ Invested in capability building of senior leaders at Management Board level and two hierarchical levels below, as well as all employees in Spain and senior managers in Belgium, ahead of a global roll-out in 2017 of the Step Up Performance Management programme. ▪ Developed the Think Forward Leadership Programme to support ING's leaders in executing the Think Forward strategy in a manner desired by ING, with roll out planned to all leaders and managers around the world. ▪ Enhanced overall organisation of the Finance and Risk functions in part through progress on the target operating model projects for risk and finance and through leadership planning combined with management delayering.
Innovation	<ul style="list-style-type: none"> ▪ Introduced insightful financial tools that make banking easier and more accessible for customers, including: <ul style="list-style-type: none"> ▪ Mobile payments via Payconiq: just under 16,000 activated merchants. ▪ ING Direct Spain's service Twyp Cash to withdraw money via smartphone: over 200,000 registered users in Spain. ▪ Instant Lending: Consumer loan production in Romania increased by 70% since 2015; Digital loan production in Poland increased by 45%. ▪ Moje ING in Poland for managing personal finances: in 2016 the number of users increased fourfold compared to 2015. ▪ Improved ING's innovation capabilities through partnering with more than 65 fintechs and ongoing internal efforts such as training more than 2,000 professionals in ING's own innovation methodology called PACE.
Sustainability	<ul style="list-style-type: none"> ▪ Sustainable transitions financed increased to EUR 34.3 billion (2020 ambition: EUR 35 billion of sustainable transitions). ▪ Financially empowered 23.9 million people (2020 ambition: to make 25 million people feel financially empowered). ▪ Demonstrated excellent performance on sustainability in the ratings (e.g. ranked as number one Sustainable Bank out of 395 publicly listed banks by sustainability research leader Sustainalytics and scored 90 out of 100 in the Dow Jones Sustainability Indexes compared to an average industry score of 61).
ING's (financial) performance	<ul style="list-style-type: none"> ▪ Increased number of new retail customers by 1.4 million to 35.8 million; number of primary relationships up by 0.7 million to 9.7 million. ▪ Grew core lending by EUR 34.8 billion (6.5%); increased customer deposits by EUR 28.5 billion (5.6%). ▪ Achieved underlying net profit of ING Bank of EUR 4,976 million, up 17.9% from 2015. ▪ Realised underlying return on equity for ING Bank of 11.6% for 2016, up from 10.8% in 2015. ▪ Increased CET1 ratio of ING Group and ING Bank to 14.2% and 12.6% respectively. ▪ Underlying operating expenses (excluding regulatory costs) were stable at EUR 8.6 billion. ▪ Improved underlying cost/income ratio to 54.2% from 55.9% in 2015.

2016 Executive Board variable remuneration

The performance of the Executive Board is evaluated against financial and non-financial performance indicators. Variable remuneration in 2016 of the CFO and CRO was based for more than 75% on non-financial performance indicators. The variable remuneration in 2016 for the CEO was based for more than 50% on non-financial performance indicators. As evidenced by the table on the previous page, the collective performance of the Executive Board members was broadly ahead of target. There were minor differences in achievement of personal targets, this explains why variable remuneration for the CEO was set at 19%, for the CFO at 18% and for the CRO at 18%.

The table below shows the remuneration awarded to the individual members of the Executive Board with respect to the performance years 2016, 2015 and 2014.

Total direct compensation of the individual members of the Executive Board						
amounts in thousands of euros	2016		2015		2014	
	amount	number of shares	amount	number of shares	amount	number of shares
Ralph Hamers						
Base salary	1,663		1,630		1,270	-
Variable remuneration (fully in shares) ¹	316	23,092	293	28,404	-	-
Patrick Flynn						
Base salary	1,204		1,180		772	
Variable remuneration (fully in shares) ¹	217	15,838	153	14,850	-	-
Wilfred Nagel						
Base salary	1,204		1,180		772	
Variable remuneration (fully in shares) ¹	217	15,838	189	18,278	-	-

¹ The number of shares is based on the average ING stock price on the day on which the 2016 year-end results were published. The shares will be awarded in May 2017.

In 2016, no holdback or clawback was applied to paid, unvested or vested variable remuneration of any of the Executive Board members. The total direct compensation of former members of the Executive Board amounted to nil for 2016, nil for 2015 and nil for 2014.

Pension costs

In 2015 and 2016, members of the Executive Board participated in the Collective Defined Contribution (CDC) pension plan as part of the Executive Board remuneration policy. In 2014 the Executive Board participated in the Dutch Defined Contribution Pension Plan.

The table below shows the pension costs of the individual members of the Executive Board in 2016, 2015 and 2014.

Pension costs of the individual members of the Executive Board			
amounts in thousands of euros	2016 ²	2015 ¹	2014
Ralph Hamers	26	25	230
Patrick Flynn	26	25	159
Wilfred Nagel	26	25	187

¹ As from 1 January 2015 pension accrual only applies to salary up to an amount of EUR 100,000.

² As from 1 January 2016, this amount increased to EUR 101,519.

Benefits

The individual members of the Executive Board receive other emoluments, including savings allowances for the loss of pension benefits for salary above EUR 101,519, employer contributions to savings schemes, reimbursement of costs related to home/work commuting, costs associated with company cars and housing (for expats).

The other emoluments amounted in 2016, 2015 and 2014 to the following costs:

Other emoluments			
amounts in thousands of euros	2016	2015 ¹	2014
Ralph Hamers	553	473	45
Patrick Flynn	403	433	178
Wilfred Nagel	370	322	34

¹ The significant increase in 2015 results from the introduction of savings allowances to compensate for the loss of pension accrual for salary above EUR 100,000 and the increase in base salaries in that year.

Long-term incentives awarded in previous years

In 2016, no long-term incentives (other than the shares disclosed in the first table on page 102), were awarded to the Executive Board members.

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

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

Employee stock options

The table below contains information on the outstanding employee stock options and the movements during the financial year of employee stock options held by the members of the Executive Board as of 31 December 2016, which were all awarded to these board members in roles within ING prior to their appointment to the Executive Board.

Options held by the members of the Executive Board

Number of options	Outstanding as at 31 December 2015	Exercised in 2016	Waived or expired in 2016	Outstanding as at 31 December 2016	Grant price in euros	Vesting date	Expiry date
Ralph Hamers	8,504	0	8,504	0	€ 25.16	23 Mar 2009	23 Mar 2016
	14,889	0	0	14,889	€ 24.72	22 Mar 2010	22 Mar 2017
	16,957	0	0	16,957	€ 16.66	13 Mar 2011	13 Mar 2018
	19,985	0	0	19,985	€ 2.90	19 Mar 2012	19 Mar 2019
	22,124	0	0	22,124	€ 7.35	17 Mar 2013	17 Mar 2020
Patrick Flynn	0	0	0		-	-	-
Wilfred Nagel	11,721	0	11,721	0	€ 25.16	23 Mar 2009	23 Mar 2016
	9,530	0	0	9,530	€ 24.72	22 Mar 2010	22 Mar 2017
	12,436	0	0	12,436	€ 16.66	13 Mar 2011	13 Mar 2018

Shares

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

For the Executive Board members the following shares vested during 2016:

Shares vested for the Executive Board during 2016

	Shares	Granting date	Vesting date	Nr. of shares granted	Nr. of shares vested	Vesting price
Ralph Hamers ¹	LSPP Deferred share units ²	27 March 2014	27 March 2016	828	828	€ 10.95
	LSPP Deferred share units ²	27 March 2013	27 March 2016	3,441	3,441	€ 10.95
	LSPP Deferred share units ²	28 March 2012	28 March 2016	3,512	3,512	€ 10.95
	LSPP Upfront shares	11 May 2016	11 May 2016	11,362	11,362	€ 10.39
Patrick Flynn	LSPP Upfront shares	11 May 2016	11 May 2016	5,940	5,940	€ 10.39
Wilfred Nagel	LSPP Deferred shares ³	15 May 2013	15 May 2016	2,489	2,489	€ 10.30
	LSPP Upfront shares	11 May 2016	11 May 2016	7,311	7,311	€ 10.39

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

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

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

Loans and advances to Executive Board members

The table below presents the loans and advances provided to Executive Board members and outstanding on 31 December 2016, 2015 and 2014.

Loans and advances to individual members of the Executive Board

amounts in
thousands
of euros

	2016			2015			2014		
	Amount outstanding 31 December	Average interest rate	Repay- ments	Amount outstanding 31 December	Average interest rate	Repay- ments	Amount outstanding 31 December	Average interest rate	Repay- ments
Ralph Hamers	2,499	2.6%	0	2,499	2.5%	0	2,499	2.5%	98
Patrick Flynn	0	0	0	0	0	0	0	0	0
Wilfred Nagel	350	2.6%	150	500	2.0%	0	500	2.2%	250

ING shares held by Executive Board members

Executive Board members are encouraged to hold ING shares as a long-term investment to maintain alignment with ING. The table below shows an overview of the shares held by members of the Executive Board at 31 December 2016, 2015 and 2014.

ING shares held by members of the Executive Board

number of shares

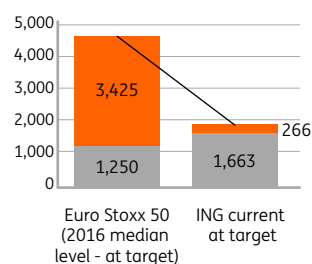
	2016	2015	2014
Ralph Hamers	50,216	44,182	44,182
Patrick Flynn	89,134	85,084	85,084
Wilfred Nagel	122,334	115,707	81,285

2017 Remuneration Executive Board

In the diagrams below, the median 2016 total (at target) remuneration is shown for the CEO and other Executive Board positions in the Euro Stoxx 50.

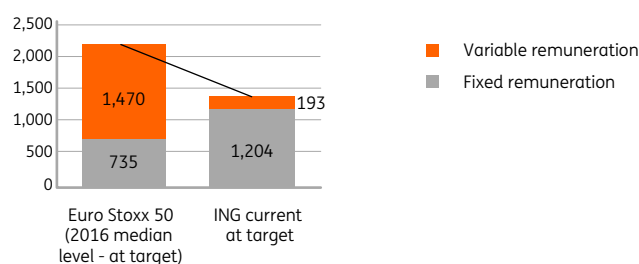
CEO

amounts in thousands of euros



CFO and CRO

amounts in thousands of euros



Current remuneration levels of the ING Executive Board are below the median of the Euro Stoxx 50 benchmark, and in the case of the CEO position, even significantly below. This remains a concern. ING needs to be able to attract and retain the best (international) talent for its Executive Board. It is ING's aim to further reduce the gap between the total direct compensation of ING's Executive Board and the median of the Euro Stoxx 50 peer group over time. In determining executive remuneration, the ING Supervisory Board is aware of the public debate surrounding this topic and strives to balance all stakeholder interests.

In this context, the Supervisory Board has decided to slightly increase the total (at target) remuneration of the CEO by 3% with effect from 1 January 2017. The remuneration of the other Executive Board members will remain the same.

In accordance with guidelines issued by the European Banking Authority (EBA), the variable remuneration of the members of the Executive Board will, as from 2017, be subject to tiered vesting over a period of five years. This will be applied for the first time in 2018 with regard to variable remuneration earned for the performance year 2017.

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

Remuneration Supervisory Board

Supervisory Board remuneration policy

On 25 April 2016, the AGM approved a new remuneration policy for the Supervisory Board. The policy aims to:

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

The current Supervisory Board remuneration structure is set out in the below table:

Supervisory Board remuneration structure

Amounts in thousands of euros

Annual remuneration	
Chairman Supervisory Board	125
Vice Chairman Supervisory Board	95
Supervisory Board Member	70
Committee fees (annual amounts)	
Chairman Committee (excluding Corporate Governance Committee)	20
Member Committee (excluding Corporate Governance Committee)	10
Chairman Corporate Governance Committee	7,5
Member Corporate Governance Committee	5
Attendance fees (per meeting)	
Attendance fee outside country of residence	2
Attendance fee outside continent of residence	7,5

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

2016 Remuneration Supervisory Board

The table below shows the remuneration, including attendance per Supervisory Board member.

2016 Remuneration Supervisory Board

amounts in thousands of euros	2016		2015		2014	
	Remuneration	VAT ¹	Remuneration	VAT	Remuneration	VAT
Jeroen van der Veer	178	37	122	26	118	25
Henk Breukink	115	24	83	17	76	16
Joost Kuiper ²	30	6	81	17	93	19
Mariana Gheorghe ³	98		40			
Robert Reibestein	114	24	76	16	78	16
Hermann-Josef Lamberti	149		111		81	
Isabel Martín Castellá	114		92		87	
Eric Boyer de la Giroday	114		92		53	
Ann Sherry ⁴	85					

1 As of 2013, the remuneration of members of the Supervisory Board living in the Netherlands is subject to VAT.

2 Joost Kuiper left the Supervisory Board as of 25 April 2016. The remuneration figures for 2016 reflect a partial year as a member of the Supervisory Board.

3 Mariana Gheorghe is a member of the Supervisory Board as of 11 May 2015. The remuneration figures for 2015 reflect a partial year as a member of the Supervisory Board.

4 Ann Sherry is a member of the Supervisory Board as of 25 April 2016. The remuneration figures for 2016 reflect a partial year as a member of the Supervisory Board.

Compensation of former members of the Supervisory Board who are not included in the table above amounted to nil in 2016, 62,000 in 2015 and EUR 309,000 in 2014.

Loans and advances to Supervisory Board members

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

ING shares and employee stock options held by Supervisory Board members

Supervisory Board members are permitted to hold ING shares as a long-term investment. The table below shows the holdings by members of the Supervisory Board at 31 December 2016, 2015 and 2014.

ING shares held by the members of the Supervisory Board

number of shares	2016	2015	2014
Jeroen van der Veer	119,469	119,469	119,469
Hermann-Josef Lamberti	5,700	5,700	5,700
Eric Boyer de la Giroday	47,565	47,565	43,094

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

Employee stock options on ING Groep N.V. shares held by members of the Supervisory Board at 31 December 2016

	Outstanding as at 31 December 2016	Expired in 2016	Outstanding as at 31 December 2015	Expired in 2015	Outstanding as at 31 December 2014	Expired in 2014
number of stock options						
Eric Boyer de la Giroday	226,864	92,984	319,848	69,542	389,390	23,181