Minutes
Annual General Meeting of ING Groep N.V.
Monday, 12 May 2014, at 2.00 pm
Muziekgebouw aan 't IJ, Amsterdam

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

Agenda

1. Opening remarks and announcements.
2. A. Report of the Executive Board for 2013 (discussion item).
   B. Report of the Supervisory Board for 2013 (discussion item).
   C. Remuneration report (discussion item).
   D. Amendment to the remuneration policy (voting item).
   E. Annual Accounts for 2013 (voting item).
3. Profit retention and distribution policy (discussion item).
4. A. Corporate governance (discussion item).
   B. Increase of the issued share capital and amendment to the Articles of Association (voting item).
   C. Decrease of the issued share capital and amendment to the Articles of Association (voting item).
   D. Amendment to the Articles of Association with respect to the representing authority (voting item).
5. Sustainability (discussion item).
6. A. Discharge of the members of the Executive Board in respect of their duties performed during the year 2013 (voting item).
   B. Discharge of the members of the Supervisory Board in respect of their duties performed during the year 2013 (voting item).
7. Composition of the Supervisory Board: Appointment of Eric Boyer de la Giroday (voting item).
8. A. Authorisation to issue ordinary shares with or without pre-emptive rights (voting item).
   B. Authorisation to issue ordinary shares with or without pre-emptive rights in connection with a merger, a takeover of a business or a company, or, if necessary in the opinion of the Executive Board and the Supervisory Board, for the safeguarding or conservation of the company's capital position (voting item).
9. A. Authorisation to acquire ordinary shares or depositary receipts for ordinary shares in the company's own capital (voting item).
   B. Authorisation to acquire ordinary shares or depositary receipts for ordinary shares in the company's own capital in connection with a major capital restructuring (voting item).
10. Any other business and conclusion.

<u>Present</u>

- From the Supervisory Board: Mr J. van der Veer (chairman), Mr P.A.F.W. Elverding (vice-chairman), Ms J.P. Bahlmann, Mr H.W. Breukink, Ms I.M. Castellá, Ms C.W. Gorter, Mr J.H. Holsboer, Mr J.C.L. Kuiper, Mr R.W.P. Reibestein, Ms Y.C.M.T. van Rooy and Mr L.A.P. Vandewalle.
- From the Executive Board: Mr R.A.J.G. Hamers (chairman), Mr P.G. Flynn and Mr W.F. Nagel.

- The following company officials:
  Mr J.W.G. Vink Company Secretary
  Ms L.G. van der Meij Secretary (minutes).
- The auditors: Mr M.A. van Loo and Mr A.F.J. van Overmeire of EY.
- Representatives of the Central Works Council.
- 8 shareholders and 203 depositary receipt holders.

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

1. Opening remarks and announcements

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

The **chairman** stated that shareholders and depositary receipt holders had been notified of the meeting in conformity with the company's Articles of Association and the law, enabling the meeting to pass legally-valid resolutions. He also stated that no shareholders or depositary receipt holders had submitted resolutions for discussion at the meeting. The chairman went on to announce that the issued capital of the company consisted of 3.8 billion ordinary shares on the Record Date (14 April 2014). A total of 26.5 million depositary receipts for ordinary shares were held by ING itself on the Record Date, and no votes could be cast on its underlying ordinary shares.

Later in the meeting, it was announced that eight shareholders (including the ING Trust Office) and 203 depositary receipt holders holding a total of 3,855,616,883 shares or depositary receipts for shares were present or represented at this meeting, permitting 3,829,044,230 votes to be cast. A total of 2,074,765,127 votes may be cast by means of proxy voting or by shareholders, excluding the ING Trust Office, and depositary receipt holders present or represented at the meeting, which was 54.18% of the total number of eligible voting ordinary shares. An electronic voting platform had been introduced ahead of the meeting to support ING's wish to encourage the participation of depositary receipt holders in decision-making. Almost all registrations and voting instructions had been received via the EVO platform, being almost 97% of the total capital registered.

The **chairman** then announced that the minutes of the General Meeting on 13 May 2013 had been adopted and signed by the chairman, the secretary and the designated depositary receipt holder and had been available on the ING Group website since 13 November 2013; they had also been available for inspection. The minutes of this meeting would be taken by Ms L.G. van der Meij and the entire meeting was being recorded for the purposes of preparing the minutes.

In accordance with Article 32.3 of the Articles of Association, the **chairman** proposed to designate Ms T. Gennisse-de Bloeme of Dordrecht, depositary receipt holder, to adopt and sign the minutes of the meeting along with the chairman and the secretary. Ms Gennisse had already declared her willingness to perform this duty. The meeting decided accordingly by acclamation.

2.A Report of the Executive Board for 2013 (discussion item)
2.B Report of the Supervisory Board for 2013 (discussion item)

The **chairman** referred to pages 12 to 61 of the Annual Report and gave the floor to the CEO, Mr **Hamers**, who welcomed all those present, thanked them for their interest in ING and announced that he would give a brief commentary on the financial and non-financial performance in 2013, the state of the restructuring and how the insurance company and the bank would move forward.

Customers are the starting point of everything ING does. All customers deserve good service from ING. ING measures this using the Net Promoter Score, which indicates how satisfied customers are and gives feedback on what ING can improve. ING was number one or two in the NPS rankings in the countries where it operates as a general bank. ING had also received a number of awards from independent institutions in the past year. NN had, for example, won the *Gouden Oor* for the quality of its complaints resolution and *The Banker* had declared ING Bank to be the best bank in the Netherlands, the best bank in Belgium and also the best bank in Western Europe. The strength of the brand was a significant factor in customers choosing ING. The value of the ING brand is still high. ING also measures how far non-customers are attracted to ING. In Spain almost 40%, and in Germany about 26%, of non-ING customers would consider becoming ING customers. This shows the vitality of the ING brand.

Success with customers is reflected in the financial results. ING Group’s result before taxation rose from EUR 3.7 billion to EUR 4.4 billion in 2013. As ING faced slightly increased risk costs in the past year, the banking operation’s result before taxation rose from EUR 3.5 billion to EUR 4.3 billion. It had been announced last year that the insurance results would henceforth be reported as operating result from ongoing business, partly to distinguish the ongoing activities from, for example, the Japanese Closed-Block VA portion. The operating result on insurance business rose between 6% and 7% during the past year. The results and sales figures of the Dutch Life and Non-Life business in particular were good in the first quarter. ING’s share price rose as a result of the sound financial results, outperforming the market overall from the end of the first quarter. ING shares rose by 43% over the full year.

The restructuring of banking and insurance had been substantially completed. The American insurance activities were placed on the market in May 2013 and ING currently held a stake of 43% in that business. All the Asian insurance and investment management activities had been sold during the year. Agreement had been reached with the European Commission on including the activities in Japan in the separation of the insurance business in Europe, bringing the divestment of the insurance business in Europe forward from 2018 to 2016. The base scenario is for an IPO for the European insurance business. The stake in the South American activities had been reduced further to 10% in SulAmérica. All these changes mean that the double leverage (debt at Group level) had been reduced further and is now more than adequately covered by the market value of the different business activities.

Significant progress had also been made on another part of the restructuring of ING. Firstly, the unwinding of the Illiquid Assets Back-Up Facility had been agreed with the Ministry of Finance. In addition, ING had now made EUR 12.5 billion of repayments and interest to the Dutch State on the EUR 10 billion of capital support it had provided. One remaining payment of some EUR 1 billion was planned for May 2015. All the bonds guaranteed by the State have matured. It is very important to ING that it repays the taxpayer as quickly as possible.

An insurance company, NN, and a bank, ING Bank, will emerge from ING. NN and NN Group would form a predominantly European insurance and investment management company. A new brand name and logo were introduced for NN during the past year and its management and capital structures had been revised. Its legal name had been changed and EUR 1 billion in subordinated debt had been successfully issued during 2014. Various professional investors have already committed EUR 1.3 billion for future holdings in NN Group. ING Group recently announced an additional capital injection into NN Group's financial structure to fund the base scenario for the IPO. After the IPO, NN Group will still be a Dutch company with strong European market positions, a diversified mix of activities and attractive activities in Japan.

Mr **Hamers** showed a short film on the future shape of ING bank and then continued his presentation. The banking industry was currently going through a period of unprecedented change. Society was very slowly regaining its trust in the financial world and the banks. Banks were facing ever higher costs as a result of stricter regulation and computerisation, and this was leading to consolidation. Changes in customer behaviour and technology were the main trends serving as input for strategic development.

ING had a unique starting position with an effective business model, an exceptional level of service and significant growth potential. It had a good mix of mature market-leading businesses in the Netherlands, Belgium and Luxembourg, with activities in Germany/Austria, Spain, Italy, France and Australia (challengers) and growth markets (Poland, Turkey and Romania). The international Commercial Banking network offered support to customers in forty countries.

ING had asked its customers and employees what ING Bank's identity should be if it was to remain successful in the future. This showed that the aim of ING was to empower customers to arrange their own affairs in order to stay a step ahead in life and business. This aim also encompasses customers' demands for even clearer and easier banking, including mobile access to ING anywhere and at any time, and ING having the right advice and information to allow customers to make their own decisions. The final customer demand was that ING should work every day to improve the customer experience. If ING can continue to differentiate itself in the customer experience, it will be able to continue growing and the financial results will improve.

With this starting point, income is expected to grow more quickly in the challenger and growth markets, where costs will also grow. In environments where ING is already market leader, income will certainly grow a little, but costs will also have to be monitored closely. ING wants to keep costs flat in mature markets up to 2015, aiming for a Core Tier-1 capital ratio of at least 10% and leverage of approximately 4%. The cost/income ratio will fall from the current 56%-57% to 50%-53% and the return on equity will be between 10% and 13%. ING is aiming to have generated capital at the end of each year and to make a minimum dividend pay-out of 40%. In addition, part of the capital will be used to improve the Core Tier 1 ratio. ING also wants to grow its balance sheet so that it can support the economy and its customers better.

The conclusion for 2013 is that ING has become more sustainable and simpler, focusing on its core businesses of insurance and banking and with a stronger capital structure. As a result of the restructuring, ING was closer to becoming a pure bank. A major step will be divestment of the European insurance business. The bank's strategy is to serve customers as well as possible, and indirectly this would also make a positive contribution to all its other stakeholders.

The **chairman** thanked Mr **Hamers** for his presentation and offered the meeting the opportunity to ask questions. Firstly, Mr **Vink** responded to an earlier comment by Mr **Swinkels** on the minutes. Mr **Vink** explained that the minutes summarise the discussion. Any comment received on the minutes is checked, if necessary by listening to the recording, to discover if something had actually been omitted or reflected incorrectly. This had been done in this case and the conclusion was that the minutes properly reflected what had been said. The draft minutes had been shared with Mr **Bogaard**. The suggestion to share the comments on the minutes with the person who prepared them was a good one. Mr **Swinkels** wished to restate in the meeting that the financial sector was the cornerstone of his securities portfolio and that ING had been responsible for a loss of €500,000 on his investment portfolio while the State had earned a return of 12% on the support it had provided. Mr Swinkels thought it important to share this with the directors and supervisory directors. Shareholders and depositary receipt holders should also be entitled to vote on the directors' remuneration. Mr Swinkels warned that remuneration and bonuses were out of step with public support and should be moderated.

Mr **Spanjer** (Amsterdam) noted that this would be the last Shareholders' meeting of ING as a bank and insurance company and asked if ING's depositary receipt structure would now be ended and how the capital would be apportioned between the bank and the insurance company. Mr **Spanjer** also asked if there were computer breakdowns at ING sites abroad. Mr **Hamers** described how, in the past, interaction with customers had been through a branch. This had been followed by the call centre and then the internet. This was a fully-automated environment but one in which customers still had contact with the bank once a week. There was now a mobile environment in which customers had contact with the bank five or six times a day. This demanded a completely different approach to processes, products and the IT environment. As a result, ING sometimes had problems with the stability of certain parts of its IT systems in the Netherlands. In addition, it was no surprise that cyber-criminals looked towards the Netherlands as it was the leader in the use of internet banking. Finally, the IT systems of ING Bank and Postbank in the Netherlands were still interfaced. ING was now taking steps towards new IT systems in that environment. This 'legacy' did not exist in many other countries where ING was a 'young' bank. In respect of the future of ING and the way the insurance and banking parts would be separated, the base scenario was for the European insurance business to have its own market listing. All options on whether the sale would be continued or whether part would be sold by a ‘spin-off’ after the IPO were open.

Mr **Buhlmann** asked what would happen after the restructuring process, what ING Bank’s growth strategy would be and what the golden rule for ING shareholders would be. As the cost/income ratio was not yet low enough, the profit could be improved by a higher interest margin. There had been a huge write down of the insurance business in Japan and ING Bank had paid the insurance company about EUR 800 million during the year, so what conditions would the divestment of the insurance company have to meet? Mr **Buhlmann** also asked if ING Trust Office was still necessary for the future. In addition, he thanked ING’s employees.

Mr **Hamers** explained that ING saw sufficient scope for growth. By differentiating its service in the ‘challenger’ countries (Spain, Germany, Italy and France), ING’s market share was increasing in a market that was not in itself growing. To make this growth sustainable, the strategy was focused on the primary banking relationship with customers. It also had activities in markets (Poland, Turkey and Romania) which themselves were expanding sufficiently to allow growth and to achieve 3% to 4% balance sheet growth in the period to 2017. The main ‘golden rule’ for the shareholder was for ING to be as transparent and comprehensible as possible for everyone. ING also had to be complete but transparency could decline precisely because of completeness. ING hugely appreciated the support of shareholders in recent years and was aiming to return as quickly as possible to a position where it could pay dividends. ING had already stated that, while the restructuring was ongoing, the construction with the ING Trust Office would remain in place. Once the restructuring had been completed, ING would consider the future of that structure.

Mr **Flynn** explained that the financial targets had been announced: ING wanted to increase its interest margin further to 150 basis points and to keep the cost/income ratio flat at between 50% and 53%. It was expected that this ratio would improve as a result of growth and an increase in revenues. ING was aiming for a return on equity of some 10%-13%, based on a sound capital ratio, currently 10%. The final repayment to the Dutch State was planned for May 2015. After that, ING wanted to pay dividends again, as soon as it became practicable and reasonable. The steps taken in respect of Japan had been necessary to mark the Japanese Closed-Block VA business to market. As a result of these steps, the financial situation for the business in Japan would be stable. A future increase in interest rates would in due course benefit the interest margin.

Mr **Keyner** (Vereniging van Effectenbezitters) complimented the board of ING for its work in the past few years. The divestments had been a huge achievement, repayment of the State was almost complete and, finally, the IPO of Nationale-Nederlanden was pending. Mr **Keyner** commented that the new bank strategy displayed little ambition and he wondered if ING was perhaps constrained by its own IT systems, branches and internal structure from taking the steps that might be possible. For example, the ambition for the cost/income ratio should be 40% or 45% within three or four years rather than 50% to 53%. Mr **Keyner** called on the board to apply the mentality of the past few years to the future and not to be afraid of competition from companies such as Google.

Mr **Hamers** believed that ING could be proud of the speed with which it had grown in very many different areas. But that speed had to be in balance with the speed with which capital could be built up. The obligations on capital and liquidity ratios dampen some growth but ING also wanted to ensure that the financial industry was more healthy in future. The role of bank branches in the future could not be underestimated. The branches would still be selling value-added products for a long time. The model that ING uses in Spain and Italy of internet and mobile with a very limited number of branches was converging with the Dutch and Belgian model of full-service branches with more 'direct first'. ING could of course also benefit if it regarded companies such as Google as competitors and so it was working on the fastest possible adoption of new technologies and a position of 'chief innovation officer' would be created to keep in close touch with the technology. Finally, ING had been analysing its customer data for many years. Interaction with customers was increasingly digital, offering new opportunities including protecting customers against cyber-crime and fraud. ING was currently talking to various lobbying groups, consumer organisations and some customers to find out if there was interest in continuing a pilot for using customer data for commercial offers by third parties.

Mr **van den Bos** (Bovenkarspel) complimented Mr Hamers on his presentation and thought it was pretty smart that ING had managed to sell all the business units at such good prices. Risk and capital management were also much improved.

Mr **van de Brand** commented that a *third* credit crisis had to be prevented. Furthermore, the software in many companies was a patchwork from the 1960s, 70s and 80s, which explained the breakdowns. Mr **Hamers** replied that the lessons from the crisis in the early 1980s had certainly not been forgotten. The integration of the ING Bank and Postbank IT systems was very complicated but almost nothing had gone wrong during the migration of customers. ING was now busy moving to a new IT environment but, at the same time, customers were setting ever higher standards.

Mr **Vreeken** (WeConnectYou) said he was delighted with Mr Hamers appointment as CEO, in particular because of his communications skills. He explained how he expected that Mr Hamers could make a major contribution to delivering 3% sustainable economic growth in the Netherlands and how ING could generate 7% extra profit annually. ING had been 'the most sustainable bank in the world' in 2011 and Mr **Vreeken** explained how it could regain that position. Mr **Hamers** responded that ING first had to sort out ongoing matters and that a degree of humility was called for. ING was making considerable progress on sustainability. It was important for customers to see that ING was taking this very seriously but it could not become the sole reason why customers chose ING.

Mr **Stevense** (SRB) asked why NN was receiving a capital injection of EUR 850 million on its IPO, why the American insurance subsidiary Voya had been written down by EUR 2 billion while its share price had risen sharply and why a non-recurring pension charge of EUR 1 billion had been recognised. Mr **Stevense** referred to the leverage ratio of 4% and wondered if there was still scope to develop initiatives now that ING was subject to a raft of rules from several governments.

Mr **Flynn** replied that the capital injection of EUR 850 million for NN was the outcome of long negotiations with the regulator to create a good capital structure for NN, with solvency of 250% for the Life business and almost EUR 1 billion in cash. With this strong capital structure, NN Group could prepare for the IPO. The stake in Voya had been reduced to 43% and so it had then been deconsolidated. The difference between the market value and carrying amount had to be recognised in the profit and loss account in accordance with the accounting rules. This was a non-recurring item. As a result of the negotiations, the pension fund had become financially independent. ING had paid it, EUR 1 billion, in the first quarter of 2014. For the future this meant that both ING Bank and ING Insurance would have defined contribution pension schemes which involved much less risk for ING. Mr **Hamers** added that within the current regulations in Europe the plan was to grow between 3% and 4% per year. There were certain limitations and for that reason ING supported the aim of a European banking union with a 'level playing field'.

Mr **van der Helm** (VBDO) had four questions. He referred to three investigations into letter-box companies and offshore entities that highlighted ING and asked if Mr Hamers had been in contact with the investigators and what the results of those conversations had been. The second question was whether a sustainable tax policy or tax in general was part of the 'environmental and social risk framework' that ING applied when looking at large corporate customers. The third question was when would ING start reporting on a country-by-country basis in accordance with the Capital Requirements Directive. Finally Mr **van der Helm** asked if ING concurred with the 'good tax governance principles' launched a few weeks earlier by the VBDO with Oracle and PricewaterhouseCoopers. Mr **Flynn** replied that he was not sure which entities were being referred to. The **chairman** said that ING did not actively co-operate with tax avoidance. He suggested that as the point of his first question was not clear, Mr van der Helm should clarify it after the meeting. Mr **Flynn** added that ING complied with all its legal reporting requirements.

Mr **Heinemann** (The Hague) believed that ING had not been properly treated by the European Commission. ING had received EUR 10 billion from the government on which the State had charged 12.5% interest and furthermore had earned EUR 400 million on the Alt-A bonds. In addition, the European Commission in Brussels had imposed a further penalty of EUR 1.3 billion. This had considerably disadvantaged the shareholders. ING had appealed in the European Court of Justice in Luxembourg and had won the case. It now turned out that a compromise had been reached with the European Commission. The question was why a compromise had to be agreed after winning a case. Mr **Hamers** explained that there had been no better options at the time of the EUR 10 billion support operation and the Alt-A transaction with the State for getting ING as a company into calmer waters. That applied to the business, to the shareholders, to the customers and to the employees. On that basis, ING was still very grateful for the government support. Views differed on the measures that the European Commission then imposed on ING. In the end, ING believed that they had to be accepted and implemented. The European Commission had wanted to appeal against the ruling by the European Court of Justice but this would have delayed the restructuring process so much that the company's future and the value for the shareholders would have been endangered. Consequently, ING had concluded that it was better to continue with the restructuring programme. The penalty had been paid as part of the return on the capital support operation.

The **chairman** emphasised that the Executive Board and Supervisory Board had discussed at length whether better alternatives were available. Fortunately ING was now in good shape.

Mr **Hazewinkel** (ING Trust Office) complimented the board and the Supervisory Board on the results achieved in the past year. Very significant steps had been taken on restructuring and capital and risk management. The strategy was now clear, with sufficiently ambitious aims. During the past year, however, equity had declined by some EUR 6.5 billion despite the profit of EUR 3 billion, while further restructuring measures had been implemented and the double leverage ratio had fallen further. Mr **Hazewinkel** asked if ING's capital structure already met the Basel I figure of 8% and how the ECB Asset Quality Review lined up with ING's own assessments. Finally, Mr **Hazewinkel** called for a comment on the Japanese Closed-Block variable annuities. There was now a 'confidence level' of 50%, while it had been 72% in the previous year when it had been stated that the reserves were so sufficient that there was scope for a downward shock of 25%. Now, at 50%, there was a further charge of EUR 575 million.

Mr **Nagel** commented that the 8% MREL did indeed appear to be the ambition level in Europe but that the decision had not yet been taken. ING had a ratio of some 12% according to the balance sheet for the first quarter and so it was well above the 8%. It was still too early to say anything about the results of the ECB Asset Quality Review. The results of the AQR would be used to adjust the bank's starting position, its balance sheet at the end of the past year, if necessary. A stress test was also being applied. The stress test for the Dutch portfolio was unlikely to give a worse result than the most recent DNB stress test, but the different stress scenarios would on balance be somewhat more severe for the international portion of the portfolio. Nothing could yet be said about the outcome until the results of the AQR itself were known. Mr **Flynn** explained that the Japanese Closed-Block VA had now been fully marked to market and the reserves had improved considerably with the write off of debt. ING did not expect its reserve situation would deteriorate.

Ms **van Haastrecht** (Apeldoorn) thanked Mr Hamers for his presentation and asked if savings from inheritances held on bank accounts in the end transferred to the State and did not remain with the bank. Secondly, Ms **van Haastrecht** asked if some of the growth of 1,000 customers per day in Germany was dormant customers living elsewhere in Europe and whether agreements with staff on loans and mortgages would be continued if they were made redundant by ING. Finally, Ms **van Haastrecht** asked if the current ING shareholders would receive shares in NN as dividend. Mr **Hamers** replied that part of the savings of older customers would indeed go in tax and another part would go to their heirs. ING customer numbers were growing in almost every country and it was aiming for an increase in the number of primary relationships in certain countries. However regrettable, new services in a new environment and the demands of customers were often associated with changes in processes and so partly with lower number of staff. ING had good redundancy plans which focused on moving 'from work to work', including new work for those employees within ING so that it could retain their knowledge, skill and experience as long as possible. Between 30% and 40% found a new job outside ING. No decisions had yet been taken on how far ING would sell the other NN shares after the IPO in the coming years or whether they would be distributed directly in a spin-off.

Mr **Fehrenbach** (PGGM Investments) explained that he was speaking on behalf of Pensioenfonds Zorg en Welzijn, Menzis and Triodos Bank and asked about the consequences for ING of DNB's supplementary requirements for capital buffers on top of the requirements under the European Capital Requirements Directive. Strengthening and reporting on the integrity of financial information was very important. Consequently, PGGM valued ING's active participation in the EDTF, the Enhanced Disclosure Task Force. ING did not yet meet all the recommendations: what were the bottlenecks in this area? Mr **Hamers** explained that the DNB requirements concerned the SRB, the 'Systemic Risk Buffer', that DNB had set at 3% for ING, giving a minimum Core Tier 1 ratio of 10%. ING met this and furthermore it was aiming for a figure of at least 11%. The Netherlands was in the lead in this in Europe. As ING was competing with other European banks who may have to hold a lower buffer, this led to unfair competition. Mr **Flynn** added that ING had taken part in the EDTF from the start as it was a proponent of greater transparency.

Mr **van Kessel** complimented Mr Hamers on the way he had made his comments and wondered if it had been necessary for the shareholders to be victims of the restructuring of ING. They had not been sufficiently involved in significant decisions. It was uncertain whether ING would return to being a sound, stable and well-oiled organisation. The older shareholders and holders of ING depositary receipts were counting on a supplement to their pensions. As the shareholders had not received any revenue on their invested capital for all those years, the question was what compensation ING proposed. Mr **Hamers** appreciated Mr van Kessel's concerns, but ING was in the final stage of the restructuring and wanted to repay the government as quickly as possible so it could move to paying dividends, with the aim of this being 40% of the profit. Hopefully the share price would, therefore, continue to rise.

Mr **Tse** (Amsterdam) asked if Mr Hamers could put a percentage on the reliability of internet banking and about the prospects for WestlandUtrecht Hypotheekbank. He also asked about the benefits and disadvantages of the base scenario, the NN Group IPO and the alternative, a separation and spin-off. Finally, Mr **Tse** asked for comments on the wording in a ING poster 'checking is good, trust is better'. Mr **Hamers** explained that the reliability of internet banking would be 99.9%, as it was monitored 24 hours a day, 7 days a week. Nevertheless, if a breakdown occurred just when a lot of people wanted to use the internet, that was not good enough. WestlandUtrecht was not generating new business. A large part of its portfolio was being transferred to NN Bank on the interest renewal date. The remainder would be taken over by ING Bank. The base scenario for NN is that it would be put on the market. It was not yet clear whether there would be a spin-off. In general, shareholders were appreciative of the way in which ING had organised the sale of Voya, first with an IPO and then, depending on market conditions, subsequent sales at the right times. The comment on checking versus trust was about balance, but, in the end, trust was always better.

Mr **de Jong** wondered if every ING customer had received the new uniform security rules under which ING would not accept liability and the customer would have to pay EUR 150. Secondly Mr **de Jong** was surprised that there were so many incorrect direct debits. Mr **Hamers** was not aware of these specific security rules but ING did all it could to ensure that firstly internet banking was always available and secondly that it was very secure. Security was always a shared responsibility. Viruses could enter a customer's computer if it had not been properly protected.

Mr **Vreeken** (WeConnectYou) commented that in his opinion ING had been penalised disproportionately by Brussels and made suggestions for a solution. The **chairman** replied that over the years ING had stated in all its publications that it would co-operate with all regulators, using new regulation from Brussels and by reinforcing its capital buffers, to create a financial system that could withstand such a new crisis. The future would show if this would be the case.

Mr **Swinkels** (Erp) referred to the coming separation of NN. Currently there were investors for EUR 1.3 billion in NN. Mr **Swinkels** wanted to know if this EUR 1.3 billion would go to the NN organisation or to ING and also if the proceeds from the IPO would go to NN or ING. Mr **Swinkels** also wanted to know what ING's strategy focused on: A solid bank, a growth target or a dividend distribution? Mr **Hamers** replied that the proceeds from the IPO, including the EUR 1.3 billion, would go to ING Group. The bank's ability to generate funds was such that ING saw opportunities to combine reinforcing capital, growing the balance sheet and dividend distribution.

A **depositary receipt holder** complained that ING had supplied its branches with cash so badly in December that accountholders could not withdraw large sums. The money was the property of the accountholder, who received almost no interest on it and could then not access it. Furthermore, the bank's account managers did not sufficiently explain the risks in bank accounts to accountholders. Mr **Hamers** said he would find out about the cash withdrawals and explained that ING still offered advice through 270 branches and 550 service points throughout the Netherlands, staffed by well-trained bankers.

2.C Remuneration report (discussion item)

2.D Amendment to the remuneration policy (voting item)

The **chairman** referred to the Remuneration Report on pages 81 to 87 of the Annual Report and asked Mr Elverding, chairman of the Remuneration Committee, to comment on it. Mr **Elverding** took the floor and explained the main points of the Remuneration Report. The remuneration policy had applied without change in the past year and, as in previous years, the Executive Board had not had a pay rise or received any variable remuneration. Mr Hamers, as successor to Mr Hommen, had a slightly lower basic salary, but this was in line with the policy.

Mr **Elverding** also explained the proposal on page 3 of the notice of the meeting to amend the pension policy as part of the remuneration policy. The pension scheme for the Executive Board was based on a defined contribution. The introduction of a collective defined contribution pension scheme based on a fixed premium methodology for employees in the Netherlands from January 2014 and a number of changes in pension legislation had prompted a review of the current pension arrangements of members of the Executive Board. The Supervisory Board concluded that members of the Executive Board should be able to choose a pension scheme that best fitted their personal situation. The proposal was for them to be given the choice to join the collective pension scheme for all employees in the Netherlands or to receive a pension allowance. This would not lead to a higher employer's contribution to the pension than in the past; the premium paid by ING was the same. Current members of the

Executive Board could continue their existing pension arrangements. The **chairman** gave the meeting the opportunity to ask questions on agenda items 2.C and 2.D.

Mr **van der Helm** (VBDO) referred to indicators listed in the Annual Report (page 81) for setting the variable remuneration, being improved leadership capabilities, improved sustainable business practices and improving and reinforcing the culture of transparency, honesty, integrity and societal awareness. He asked how these aims were measured, what the concrete targets for the directors would be if variable remuneration was paid, and if these targets should be linked to the long-term targets for ING as a whole to be more measurable. Mr **Elverding** explained that concrete SMART targets had been drawn up based on the core concepts on page 81, which applied both now and if variable remuneration were to be paid. The Sustainability Report also listed long-term figures and targets in addition to specific indicators.

Mr **Fehrenbach** (PGGM Investments) asked if the Remuneration Committee had discussed the situation after repayment of the state support when ING would again be free to set its own remuneration policy, and if there would be a specific proposal to amend the remuneration policy for approval by the shareholders' meeting. Mr **Fehrenbach** emphasised that PGGM was calling for the continuation of a very moderate remuneration policy at ING. Mr **Elverding** replied that the 2010 shareholders' meeting had approved a remuneration policy with an amendment in 2011. Variable remuneration was part of that remuneration policy but pay rises and variable remuneration had not been on the agenda in recent years. Once the debt to the State had been repaid, the Supervisory Board would re-evaluate the remuneration policy. Any changes would be submitted to the shareholders' meeting. The Remuneration Committee would discuss this in the course of this year. Consequently, if legislation capping bonuses to 20% came into force in the Netherlands, this would of course be taken into account in the remuneration policy. Mr **van der Helm** commented that the final repayment was foreseen for just after next year's Shareholders' meeting and called for an amended remuneration policy to be on the agenda for the Shareholders' meeting next year.

Mr **Swinkels** (Erp) asked if the flexibility in the pension scheme only applied to members of the Executive Board or to the entire ING organisation. Mr **Elverding** explained that there were different pension schemes in different countries. A collective pension scheme based on a fixed premium methodology had applied for all ING employees in the Netherlands since 1 January 2014. ING's Executive Board's composition is of an international body. So that the members of the Executive Board could make best use of the contribution that ING pays, they could opt for an allowance that they could spend in the best way for themselves. It was expected that pension allowances would become increasingly common in the Netherlands, taking the place of specific instruments for pensions. Mr **Swinkels** concluded that an exception was being made for the members of the Executive Board and felt that all levels of ING's management and employees should participate in a pension scheme in the same way.

Mr **Vreeken** (WeConnectYou) believed that the Annual Report should list benchmarks for directors' remuneration in order to give insight into the relationship of directors' remuneration at ING against comparable companies. Mr **Elverding** replied that the remuneration policy used the EuroStoxx50 as a benchmark. In recent years, partly because no variable remuneration had been paid, the actual payment to ING's directors was well below the median. Mr **Spanjer** (Amsterdam) asked if the Remuneration Committee had already drawn up a remuneration policy for NN. Mr **Elverding** confirmed that this was in the prospectus. Mr **Folkertsma** (The Hague) thought it more important to attract the best directors than for ING to be too conservative and pay low levels of remuneration. Mr **Folkertsma** wondered if ING could attract the best directors.

The **chairman** thank contributors for their comments and moved to the vote on item 2.D.

Following the electronic voting, the **chairman** announced that the amendment to the remuneration policy had been carried by 3,808,751,985 votes in favour, 8,007,030 votes against and 12,115,454 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 2,054,472,882 votes in favour, 8,007,030 votes against and 12,115,454 abstentions.

2.E Annual Accounts for 2013 (voting item)

The **chairman** announced that the Executive Board had prepared the Annual Accounts, presented on pages 89 to 355 of the Annual Report, in English on 17 March 2014. The Annual Accounts had been available as part of the Annual Report on the ING website since 28 March 2013 and had been available for inspection at the head office in Amsterdam. On the instructions of the General Meeting, by a resolution on 14 May 2012, the Annual Accounts had been examined by the auditor, who had issued an unqualified report on them as presented on page 354 of the Annual Report. A signed copy of the Annual Accounts was available in the hall and the meeting would have the opportunity, through the chairman, to ask the auditor questions on his report. The Supervisory Board recommended the General Meeting to adopt the Annual Accounts. The auditor would give a brief explanation of how he had performed his work.

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

Depending on the risk assessment and relative size of foreign group companies, EY decided where and to what extent they needed to be audited. These audits were performed in accordance with detailed instructions drawn up by EY. The results of the local teams were reviewed by EY, discussed with that team and also with ING in the Netherlands. In addition, EY visited the main countries each year. Belgium, Germany, Italy, the United Kingdom and the United States were visited for the 2013 audit. Specific areas of attention at the bank included divestments, restructuring, pensions, measurement of deferred taxes and fair values of investments, IT environment and the going concern. Particular areas of attention at the bank were lending provisions, in particular with respect to commercial property, and disclosures on risk management, such as solvency and liquidity. At insurance they were the underwriting provisions and possible liability for unit-linked products.

The professional body of accountants in the Netherlands was running a pilot with a new auditor’s report that gives more detailed information on the audit. EY had also run some pilots to build up experience with this new style of auditor’s report. EY had discussed this new-style report with the Executive Board, the Supervisory Board and the Audit Committee. Once it was made mandatory (probably for the audit year 2014) it would also be used at ING.

The principal aim of the audit is to establish that the Annual Accounts give a true and fair view. This means that they must have been prepared according to applicable standards, IFRS and Part 9 of Book 2 of the Netherlands Civil Code and not contain any material errors. EY regards an error as material if it would affect decisions made by a reader of the Annual Accounts. Materiality for the audit was set using international auditing standards. The materiality level for the 2013 audit of the ING Group consolidated Annual Accounts was EUR 200 million. Some items had a different level of materiality. All unadjusted differences established by EY exceeding EUR 10 million were reported to the Audit Committee and the Supervisory Board.

As well as the auditor’s reports, EY issued a management letter and an audit report. The management letter set out EY’s findings and recommendations on the internal controls. EY was satisfied with follow-up by management. The audit report addressed various formal aspects of the audit, the continuity of electronic data processing, EY’s independence, specific audit findings and audit differences. Both reports were discussed by the Supervisory Board, the Audit Committee and the Executive Board.

EY was of the opinion that the Annual Accounts gave a true and fair view of the financial position and the result for the past year. For this reason, EY had issued unqualified reports on the Annual Accounts of ING Group, Bank and Insurance. EY examined ING’s comments in the Annual Report, including those relating to corporate governance, and did not note any material deficiencies or inconsistencies with the audited Annual Accounts. EY also established that the information required by law was included in the Annual Accounts, as stated in the auditor’s report.

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

Mr **Keyner** (VEB) commented that a significant write-down had been recognised on the sale of the American insurance subsidiary and asked EY if there were other items in the balance sheet whose market value was much lower than their carrying amount. Secondly, Mr **Keyner** asked if the EUR 1 billion set aside for possible liabilities to buy out the separate pension fund was not excessive. The third question related to the sale of the Alt-A portfolio which in the end would deliver a gain of EUR 1.4 billion. Mr **Keyner** did not understand why ING then had to pay almost EUR 400 million for the sale, which was expected to be much better and more favourable than ever. Mr **Fehrenbach** (PGGM Investments) asked why ING had not yet participated in the pilot on a more extensive company-specific auditor's report.

Mr **van Iepen** (Amsterdam) commented that Mr Hamers had thanked the Dutch taxpayer but not the depositary receipt holders who had agreed to an issue and ensured that ING could continue to exist. Mr **van Iepen** then asked about the position of the insurance business in Belgium and for comments on the EUR 669 million of costs relating to the Closed-Block VA on page 46 and the cash flow statements on page 94.

Mr **Swinkels** (Erp) asked for the term 'equity' to be explained in the Annual Report. Ms **van Haastrecht** (Apeldoorn) asked about whether there had been contact with the Audit Committee in the case of differences of EUR 10 million in the figures and what the consequence had been. Ms **van Haastrecht** also wanted to know how the ING art collection was valued and where it was recorded in the books. Mr **Spanjer** (Amsterdam) asked if EY had advised on the IT systems at ING and its comments on the number of computers still running on XP. Mr **Stevense** (SRB) added that he would like to know more of what EY had said on this in the management letter.

A **depositary receipt holder** argued that the Annual Accounts had no value as an unhedged loan at the bank could not be converted into a hedged loan and called on the meeting not to adopt the Annual Accounts or to grant discharge.

The **chairman** gave the floor to the auditor.

Mr **van Loo** (EY) addressed the questions. The loss that had arisen at Voya had been treated in line with accounting standards. When there was a deconsolidation, the loss was recorded in the profit and loss account. Part of the loss had previously been recognised through equity. Mr **Keyner** wondered why ING had not recorded the write-down earlier. Mr **van Loo** replied that application of IFRS and the accounting rules would prevent that. Mr **Keyner** understood that an auditor opted to measure Voya according to the rules but called on the auditor to comment on this in specific situations. Mr **van Loo** confirmed that previous quarterly reports and annual accounts included disclosures that had referred to the specific situation at Voya.

Mr **van Loo** explained that EY had decided not to include ING in the pilot with the new auditor's report as the listing in America involved many formal requirements. Mr **Flynn** added that ING was monitoring developments in this area closely but had decided not to participate in the pilot. Mr **van Loo** continued that the definition of 'equity' was the difference between the assets and the liabilities. This was explained on page 46. EY assessed issues with IT systems if they could interfere with the preparation of reliable Annual Accounts. The law stated that EY was not permitted to offer consultancy to ING, therefore including on the IT systems, in addition to auditing the annual accounts.

Mr **Flynn** pointed out that equity was explained on page 140 and subsequent pages and elsewhere in the Annual Report. The EUR 395 million paid to the State was the final tranche of EUR 1.3 billion that the European Commission required ING to make as an extra payment to the Dutch State. The final question concerned the Closed-Block VA (CBVA) in Japan. Firstly, the Deferred Acquisition Costs in Japan had been written off when Japan became a separate segment in the Annual Accounts. In addition, CBVA had been converted to mark-to-market at the start of this year. Both steps led to the write down of CBVA. ING Group's consolidated cash flow from operating activities comprised a positive operating cash flow for the bank and a negative operating cash flow for the insurance company. The operating cash flow for the insurance company arose mainly from benefits paid from the underwriting provisions exceeding the additions, in particular in the Life business activities in the Netherlands. This reduction reflected a decline in the investment portfolio, which resulted in a positive cash flow from investing activities. A further highlight in the operating cash flow was the fall in amounts due to banks. As a result of a large inflow of savings at the bank, other sources of funding, including drawing funds from other banks, had been called on less.

The pension agreement had been entered into in January 2014 and so was not included in this Annual Report. ING had a very complex pension fund with cross-guarantees. Partly given the NN IPO, Solvency II and the new Basel III regulations, it might have been necessary for ING to have had to inject capital in the pension fund. ING also had to pay indexation to the fund. For all these reasons, ING wanted to resolve this situation and it was a good agreement for both the pension fund and ING, allowing the pension fund to now decide its own fate. This had a price that ING had announced on 10 January.

Mr **Hamers** thanked the shareholders and depositary receipt holders for their support of ING. ING was very grateful for this. ING wanted to repay the State support as quickly as possible so that dividends could again be paid. In Belgium, ING was tenth in Life and twelfth in Non-Life. The art collection was revalued each year but it was not a large amount and not recognised explicitly in the books. Almost all of the office environment had migrated from XP and migration from XP had been planned for all other applications.

Following the electronic voting, the **chairman** announced that the Annual Accounts for 2013 had been adopted by 3,809,303,389 votes in favour, 8,143,471 votes against and 11,403,194 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 2,055,024,286 votes in favour, 8,143,471 votes against and 11,403,194 abstentions.

3. Profit retention and distribution policy (discussion item)

The **chairman** briefly explained the profit retention and distribution policy. Once ING Group resumed paying dividends, the policy of paying dividends related to the long-term underlying profit would be maintained. Dividends would only be proposed if the Executive Board, with the approval of the Supervisory Board, considered it appropriate and regulatory requirements were met. In view of the uncertain financial climate, increasing regulatory requirements on strengthening capital and ING's priority to repay the remaining outstanding Core Tier 1 capital, no proposal would be made to pay a dividend for the financial year 2013. No dividends could be distributed until the state support had been repaid.

Mr **Keyner** (VEB) commented that many investors were looking forward to the dividend and asked for a pragmatic dividend policy. If ING succeeded in making a 10%-13% return on equity, it could be more beneficial for existing shareholders to pay out slightly less dividend. On the other hand, ING had sufficient capital and it would be sensible to pay much more dividend to investors. Mr **Stevense** (SRB) believed that a company's entire profit should go to the shareholders and asked why 40% to 50% had to remain in the business. The **chairman** suggested that ING would explain the dividend payment in future dividend proposals. Mr **Kranenburg** (Reeuwijk) recalled that last year he had asked if ING would consider paying a bonus to long-term shareholders. He had sent his suggestion on this to Mr Hommen and Mr Hamers. Mr **Vreeken** (WeConnectYou) concurred with the previous speaker, as a loyalty dividend could be easily made with the assistance of the government.

Mr **Vink** was grateful for the suggestions. It was an agreeable proposal to pay a bonus to certain groups of shareholders. ING had looked at this. In the past, DSM had also considered paying a loyalty dividend. The political debate on the shape of loyalty dividends was ongoing. The minister had promised to return to this in a year. ING continued to monitor the developments. The **chairman** concluded that it was not possible for the time being.

4.A Corporate governance (discussion item)

The **chairman** referred to the corporate governance section on pages 62 to 73 of the Annual Report. Certain corporate governance arrangements between ING and the Dutch State no longer applied as a result of the end of the Illiquid Assets Back-up Facility and the repayment of over 75% of the remaining outstanding Core Tier 1 securities. These arrangements included the right of the Dutch State to nominate two candidates with special voting rights as members of the Supervisory Board.

Mr **Fehrenbach** (PGGM Investments) argued that the debate on the depositary receipt structure was also part of this agenda item. The depositary receipt structure should be ended after the restructuring. The **chairman** confirmed that this view was known. Mr **Stevense** (SRB) assumed that the depositary receipt structure would end as only shares were being referred to in the context of the NN Group IPO. The **chairman** pointed out that there was a difference between the depositary receipts of ING Group and the divestment of ING Group, being NN Group . The prospectus to be published for NN Group described its governance. As explained in the past, the subject of the depositary receipt structure would be on the agenda once the restructuring of ING had been completed. Mr **van den Bos** (Stede Broec) again asked whether shares or depositary receipts would be issued in the NN Group IPO. The **chairman** referred to the prospectus to be published. Mr **Vink** added that the agreement with 'anchor investors' referred to shares but this said nothing about the question of whether the listing would be in shares or depositary receipts. Mr **Keyner** (VEB) asked for this subject to be placed on the agenda of the General Meeting and for the depositary receipt holders to be able to vote on it. The **chairman** replied that the debate had to be held first. He concluded this agenda item with thanks.

4.B Increase of the issued share capital and amendment to the Articles of Association (voting item)

The **chairman** referred to the proposal and explanatory notes on pages 3 and 4 of the notice of the meeting and the draft of the deed of amendment of the Articles of Association and also announced that ING was working towards complete separation of its banking, insurance and investment management activities. Currently, ING was preparing for the separation of its remaining European insurance and investment management business and ING Life Japan. The activities of this business were performed by subsidiaries of NN Group, itself a wholly-owned subsidiary of ING Group. No final decision had yet been taken on the method of divestment of NN Group. Assuming market conditions were favourable, execution of the base case – an IPO – was anticipated for 2014. If an IPO were to take place, the Executive Board could decide to separate all or part of the remaining stake in NN Group by means of a repayment of capital in kind, a spin-off. The proposals in agenda items 4.B and 4.C aimed to facilitate such a possible spin-off without the need to call an extraordinary shareholders' meeting.

In order to ensure that enough share capital was available to make such a distribution, the share premium reserve for Dutch tax purposes (*fiscaal erkende agioreserve*) would, if and when the choice for a spin-off was made, be converted into share capital (agenda item 4.B). Subsequently, the company's share capital would be reduced by the same amount, comprising the economic value of the shares of NN Group which are distributed to the company's shareholders and the remainder, which would be added back to the share premium reserve (agenda item 4.C).

It should be emphasised that implementation of each of the resolutions of the General Meeting under agenda items 4.B and 4.C was conditional upon a decision of the Executive Board, approved by the Supervisory Board. The Executive Board would take such a decision only if an IPO had already taken place and if it actually decided to dispose of all or part of its remaining stake in NN Group by means of a spin-off.

The **chairman** called for questions.

Mr **Fehrenbach** (PGGM Investments) argued that specific questions on the IPO had to wait until the prospectus had been published as a number of significant elements in it were of importance in assessing whether it was wise to decide at this time to grant the directors the authority they were requesting. It was expected that the current shareholders of ING Group would benefit most from a maximum spin-off of NN Group, but at the time that the IPO took place and not, as is now proposed, afterwards. The first question, therefore, was when any spin-off would take place.

It was not yet clear where an IPO would take place. The inclusion of the shares/depositary receipts in a customary index was still a question as was whether shares or depositary receipts would, in the end, be listed. This would to a large extent determine the view of the shareholders' meeting. The main question was whether the Executive Board would go for a maximum IPO or for a maximum spin-off. Granting this authority to the directors in advance was currently a balance of interests, set against the fact that the depositary receipt holders did not yet have proper information to be able to determine their viewpoint. This consideration meant that PGGM would vote against, although a spin-off could in principle be of great benefit to existing shareholders, even in the light of the absence of any dividend distribution in recent years. Mr **Fehrenbach** called on the board to provide greater clarity on what would be done with the proceeds of the IPO and believed that ING should have waited until a concrete proposal could be made. There was no time pressure at the moment.

Mr **Veraart** (ING Trust Office) emphasised that depositary receipt holders had repeatedly asked how large the spin-off would be, including at the meeting of depositary receipt holders, and they were urging the largest possible spin-off. This had been taken into account in preparing for this meeting and the voting on items 4.B and 4.C. The question was, however, how any spin-off could be effected by the directors. 54% of the depositary receipt holders were voting in this meeting, two-thirds of whom had issued voting instructions to ING Trust Office to vote in favour. The proxy advisory bureaus were unanimous in their preference to vote in favour of this proposal. ING Trust Office, therefore, believed that it would be good for the directors of ING to have this ability. This was in the interests of the depositary receipt holders.

Mr **Vink** asked for understanding that unfortunately ING could not answer questions on NN Group or the prospectus at the moment, as nothing could be said on the issue of shares in an IPO that could be connected to that IPO. Investors may not receive partial information before the prospectus was published. Information had to be based on the prospectus to protect the investors. It should, however, be remembered that subsequent issues might take place and that a spin-off might not be used after the IPO. The decision on a spin-off and the size of the IPO had, therefore, not yet taken place. Mr **Hamers** was not convinced that a spin-off would always be better for the shareholders. ING was looking for the greatest flexibility to maximise shareholder value but still had to repay part of the state support and reduce a large part of the double leverage at group level, and this could affect shareholder value. ING was, therefore, asking for the ability to make a spin-off but in any event had not yet decided that a spin-off would take place.

Mr **Swinkels** (Erp) commented that the NN IPO appeared to be coming at well below net asset value and the depositary receipt holders had been waiting six years for a dividend. ING's strategy was focused on growth in equity; consequently, there was doubt about whether ING would pay a reasonable dividend. Ms **van Haastrecht** (Apeldoorn) did not understand that a spin-off would benefit the shareholders from a tax viewpoint as more than 50% of the shareholders came from the US and asked for a comment.

Mr **Vink** said that dividend tax would not have to be withheld from Dutch depositary receipt holders if the spin-off construction was chosen. It may be that tax would be levied abroad. The business had no benefit, as the NN Group shares/depositary receipts would be charged to a tax-free share premium account. Mr **Spanjer** (Amsterdam) concluded that the discussion was of an increase in the issued share capital. Mr **Vink** explained that the issued capital would not change. The share premium reserve would be part of the nominal value of the existing shares.

The **chairman** closed the agenda item and moved to the vote.

Following the electronic voting, the **chairman** announced that the proposal to increase the issued share capital and amend the Articles of Association had been carried by 3,772,577,986 votes in favour, 46,125,702 votes against and 10,132,182 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 2,018,298,883 votes in favour, 46,125,702 votes against and 10,132,182 abstentions.

4.C. Decrease of the issued share capital and amendment to the Articles of Association (voting item)

The **chairman** referred to the explanatory notes on agenda item 4.B on page 3 of the notice of the meeting. This was the counterpart of the proposal in agenda item 4.A. Mr **Fehrenbach** (PGGM Investments) asked about how much time there would be between an increase and a decrease in the issued capital when effecting such a spin-off. Mr **Vink** replied that these two decisions would be taken one after the other at the notary, outside market trading hours. Consequently there would be no time at which the increase would actually be in effect.

Following the electronic voting, the **chairman** announced that the proposal to decrease the issued share capital and amend the Articles of Association had been carried by 3,769,746,620 votes in favour, 48,539,085 votes against and 10,544,190 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 2,015,467,517 votes in favour, 48,539,085 votes against and 10,544,190 abstentions.

4.D. Amendment to the Articles of Association with respect to the representing authority (voting item)

The **chairman** referred to the proposal in the notice of the meeting. The ‘four-eyes principle’ with respect to the representation of the company was currently laid down in the Charter of the Executive Board. It was proposed to give this principle external effect by laying it down in the Articles of Association. As a result of the Management and Supervision Act (*Wet bestuur en toezicht*), the Supervisory Board was no longer authorised to represent the company in the event of a conflict of interest between a member of the Executive Board and the company. The implication of this is that Executive Board members would sign each other’s contracts with the company. It would be more appropriate for Supervisory Board members to be authorised to sign these contracts in the name of the company.

The **chairman** observed that there were no questions and moved to the vote.

Following the electronic voting, the **chairman** announced that the proposal to amend the Articles of Association had been carried by 3,817,405,951 votes in favour, 2,723,803 votes against and 8,697,334 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 2,063,126,848 votes in favour, 2,723,803 votes against and 8,697,334 abstentions.

5. Sustainability (discussion item)

The **chairman** gave the floor to Mr Hamers, who gave a brief presentation.

Mr **Hamers** explained that sustainability was a particularly significant subject that formed an integral part of ING's operations and gave a couple of examples. ING could not, however, differentiate itself merely on sustainability. ING's purpose was to empower customers to stay a step ahead in life and business and this was also the starting point for the sustainability policy. ING wanted to migrate its sustainability policy from 'mitigating harm' via 'doing good' to 'driving progress'. Mitigating harm meant that ING did not want to support certain controversial activities and it put strict conditions on financing. Examples of 'doing good' were ING's partnership with UNICEF and how its helped people learn how to understand their finances better. As an example of 'driving progress', Mr **Hamers** referred to the ambition to play an ever greater role in supporting and accelerating the transition process to sustainable energy such as the fact that the percentage of sustainable projects in the total energy project lending portfolio had risen from 5% to 39% between 2005 and 2013.

In addition, in 2013, ING had chaired the compilation of the third version of the Equator Principles. These are sustainability criteria that banks use when assessing whether or not to support a project. ING was pleased that it had once again been included among the top 10% most sustainable companies in the world, in the Dow Jones Sustainability Index in 2013. ING wanted to remain ahead of the competition in this area every year and continued to improve. According to Sustainalytics, ING was 6th out of 196 institutions and according to the Ministry of Economic Affairs, it ranked 13th out of 483 institutions in terms of transparency. ING was proud of its achievements in this area but this was not the only aspect with which ING wished to distinguish itself, although improvements could always be made.

The **chairman** called for questions.

Ms **van Haastrecht** (Apeldoorn) commented that NN's head office was a sustainable building that had a significant role in gaining the sustainability positions mentioned. The NN building would be disposed of. Ms **van Haastrecht** asked what effect this would have on ING's sustainability performance and continued that ING may be asked to participate in an investment in a wind farm.

Ms **van Gool** (VBDO) appreciated the fact that ING had made progress in the area of sustainability and was continuing to work on this. It was also positive that ING applied the Equator Principles and their IFC Performance Standards. Unfortunately, they were often only applied at one stage and Ms **van Gool** asked ING to apply them throughout the chain. In respect of the 'sustainable assets', VBDO was interested in the proportion of assets not so defined and ING's ambition on this in the next few years. Ms **van Gool** referred to the chart on page 51 of the Sustainability Report, noting that the 39% 'renewables' applied to ING Bank and asked about the percentage of 'renewables' versus 'fossil' for ING as a whole. The chart showed that ING Bank was already almost at 'divestment' level for oil, but coal was still at 13%. The question was whether ING also had a target for the whole group for the period 2020-2030. Ms **van Gool** emphasised that it was good that ING was reducing CO_2 within its own operations but that it would have a greater impact if it used its huge influence and know-how to make chains and investments more sustainable.

Mr **Fehrenbach** (PGGM Investments) asked what ING regarded as the main sustainability risks in the next few years and the role of customer satisfaction and reputation in this. Mr **Vreeken** (WeConnectYou) believed that if ING again became the most sustainable bank in the world, this could deliver a lot of money since 10% of customers are very susceptible to this. High-tech combined with sustainability should be promoted much more. Mr **Swinkels** (Erp) asked whether ING was a party on the world raw materials markets for sustainable and natural products.

Mr **Hamers** explained that leaving ING House would not have a material effect on ING's sustainability positions. ING took chain responsibility in, for example, project financing very seriously. It looked at whether the overall sustainability was adequate but was limited in this since ING does business throughout the world. ING was looking for improvements each year, sustainable assets grew by 14% in 2013. At the same time, ING has no specific ambition of a given percentage of sustainable assets. 39% of the total energy portfolio is sustainable. In the Netherlands, ING purchases 100% green energy and in 2014 it had started a pilot leasing electric cars.

Mr **Nagel** addressed the 'carbon bubble', a typically long-term problem. ING had provided input for a report on this by the Sustainable Finance Lab. To date ING's analysis was that, given the average term of the funding in these sectors, there was only a small probability that it would be left with 'stranded assets' as a result of the transactions currently being made. However, ING continued to talk with various organisations and would continually refine its position.

ING was not active as a primary party in futures trading in commodities although it had trading or goods financing customers who carry out commodities trading and who use futures transactions to hedge their long-term risks. There was, therefore, indirect involvement in that market: ING was sometimes the financier but only where it could assist its customers. ING applied a very restrictive policy for coal financing, but sound arguments could be put forward for involvement in specific situations. It looked as if this interest was gradually declining.

6.A. Discharge of the members of the Executive Board in respect of their duties performed during the year 2013 (voting item)

The **chairman** referred to the proposal on page 5 of the notice of the meeting and moved to grant the members of the Executive Board discharge in respect of their duties performed in 2013 as set out in the Annual Accounts for 2013, the Report of the Executive Board, the Corporate Governance chapter, the chapter on Section 404 of the Sarbanes-Oxley Act, the Remuneration Report and the statements made during the meeting.

A **depositary receipt holder** explained that he attached little value to the Annual Accounts as ING was systematically reducing lending to small and medium-sized entities. Mr **Hamers** responded that ING did value its Annual Accounts. The Annual Accounts were a way of showing what ING had done in the past year. In addition, there were other perspectives such as the improvement in commercial performance, strategic performance and performance related to the restructuring. The **chairman** observed that there were no further questions on the proposal to grant the members of the Executive Board discharge.

Following the electronic voting, the **chairman** announced that the proposal to grant the members of the Executive Board discharge in respect of their duties performed in 2013 had been carried by 3,767,821,633 votes in favour, 34,115,319 votes against and 25,079,215 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 2,013,542,530 votes in favour, 34,115,319 votes against and 25,079,215 abstentions.

6.B. Discharge of the members of the Supervisory Board in respect of their duties performed during the year 2013 (voting item)

The **chairman** asked if there were any questions on the proposal on page 5 of the notice of the meeting to grant the members of the Supervisory Board discharge in respect of their duties performed in 2013, as set out in the Annual Accounts for 2013, the Report of the Supervisory Board, the Corporate Governance chapter, the Remuneration Report and the statements made during the meeting.

The **chairman** observed that there were no questions and put the proposal to the vote. Following the electronic voting, the **chairman** announced that the proposal to grant the members of the Supervisory Board discharge in respect of their duties performed in 2013 had been carried by 3,767,667,919 votes in favour, 34,273,119 votes against and 25,073,030 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 2,013,388,816 votes in favour, 34,273,119 votes against and 25,073,030 abstentions.

7. Composition of the Supervisory Board: Appointment of Eric Boyer de la Giroday (voting item)

The **chairman** moved the composition of the Executive Board. Certain supervisory directors would be resigning and Eric Boyer de la Giroday had been proposed for appointment as a member of the Supervisory Board from the end of this year’s Annual General Meeting.

Tineke Bahlmann (State nominee) had decided to resign from the end of the Annual General Meeting since the corporate governance arrangements between ING and the State of the Netherlands had expired as a result of the unwinding of the Illiquid Assets Back-up Facility and the repayment of more than 75% of the remaining Core Tier 1 securities. Ms Bahlmann had only been expected to remain a member of the Supervisory Board on behalf of the government for two or three years, but it had turned out to be five. Ms Bahlmann had been fully involved and very active and constructive in all matters, and was thanked for this.

Peter Elverding had decided to resign from the Supervisory Board from the end of the annual General Meeting because of his desire to reduce his board commitments. Mr Elverding had served on the Supervisory Board of ING for seven years and held several posts, including chairman and vice-chairman. The Supervisory Board regretted his departure and believed he had performed very good and balanced work.

Luc Vandewalle would retire from the Supervisory Board at the end of the Annual General Meeting having reached the age of 70. Mr Vandewalle had always managed to present the situation in Belgium excellently and with charm and he had also been a very valuable member of the Audit Committee.

The Supervisory Board was making a binding proposal, in accordance with Article 25.2 of the Articles of Association, to appoint Eric Boyer de la Giroday as a member of the Supervisory Board, as set out on page 5 of the notice of the meeting. The Supervisory Board had prepared a profile for this new appointment. Mr Boyer de la Giroday's nomination was based on his experience in and knowledge of banking, his company-specific experience and his experience of the financial sector. The Supervisory Board recommended the meeting to appoint Mr Boyer de la Giroday as a member of the Supervisory Board from the end of this Annual General Meeting. Mr Boyer de la Giroday's appointment had been approved by the DNB.

In reply to a question from Mr **Stevense** (SRB), the **chairman** reported that the appointment was for the normal term of four years and Mr Boyer de la Giroday would be a supervisory director of ING Group.

Following the electronic voting, the **chairman** announced that Mr Boyer de la Giroday had been appointed as a supervisory director by 3,811,491,662 votes in favour, 939,122 votes against and 16,311,174 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 2,057,212,559 votes in favour, 939,122 votes against and 16,311,174 abstentions.

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

The **chairman** put forward the proposal to designate the Executive Board as the corporate body authorised, with the approval of the Supervisory Board, to adopt a resolution to issue ordinary shares, to grant the right to subscribe for such shares and to restrict or exclude pre-emptive rights of existing shareholders.

This authorisation applied for a maximum of 380 million ordinary shares and for a period of eighteen months. The maximum number of ordinary shares that may be issued under the authorisation was equal to 10% of the issued share capital. The authority could be applied to any purpose including capital strengthening, financing, mergers or takeovers and the settlement of share options or performance shares. The Supervisory Board had approved the proposal and the authorisation superseded earlier authorisations granted by General Meetings.

Following the electronic voting, the **chairman** announced that the proposal in the notice of the meeting had been carried by 3,643,254,653 votes in favour, 176,977,192 votes against and 8,509,909 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,888,975,550 votes in favour, 176,977,192 votes against and 8,509,909 abstentions.

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

The **chairman** put forward the proposal to designate the Executive Board as the corporate body authorised, with the approval of the Supervisory Board, to adopt a resolution to issue ordinary shares in connection with a merger or a takeover of a business or a company, or to safeguard or conserve the company's capital position, to grant the right to subscribe for such shares and to restrict or exclude pre-emptive rights of existing shareholders.

This authorisation applied for a maximum of 380 million ordinary shares and for a period of eighteen months unless extended. The maximum number of ordinary shares that may be issued under the authorisation was equal to 10% of the issued share capital. The authorisation could be used in addition to the authorisation under agenda item 8.A in the event of a merger or takeover of a business or a company, or, if necessary in the opinion of the Executive Board and the Supervisory Board, to safeguard or conserve the company's capital position. The Supervisory Board had approved the proposal and the authorisation superseded earlier authorisations granted by General Meetings.

Following the electronic voting, the **chairman** announced that the proposal in the notice of the meeting had been carried by 3,553,600,013 votes in favour, 266,685,224 votes against and 8,456,517 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,799,320,910 votes in favour, 266,685,224 votes against and 8,456,517 abstentions.

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

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

Following the electronic voting, the **chairman** announced that the proposal in the notice of the meeting had been carried by 3,798,503,802 votes in favour, 20,050,004 votes against and 10,187,948 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 2,044,224,699 votes in favour, 20,050,004 votes against and 10,187,948 abstentions.

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

The **chairman** put forward the proposal to authorise the Executive Board, with the approval of the Supervisory Board, to acquire in the name of ING Groep N.V. fully paid-up ordinary shares and depositary receipts for ordinary shares in ING Groep N.V. in the event of a major capital restructuring of ING Groep N.V. The authorisation applied for a maximum of 20% of the issued share capital consisting of the maximum based on the authorisation pursuant to agenda item 9.A, plus 10%, and for a period of eighteen months. The purchase price should not be less than EUR 0.01 and not higher than the highest price at which the depositary receipts for the company's ordinary shares were traded on Euronext Amsterdam on the date on which the purchase contract was concluded or on the preceding day of stock-market trading. The objective of the authorisation was to permit the company to acquire ordinary shares or depositary receipts for ordinary shares in connection with a major capital restructuring.

Following the electronic voting, the **chairman** announced that the proposal in the notice of the meeting had been carried by 3,723,258,974 in favour, 96,962,532 votes against and 8,517,142 abstentions. If the votes of ING Trust Office for which no voting instructions had been received from depositary receipt holders were ignored, the proposal would have been carried by 1,968,979,871 votes in favour, 96,962,532 votes against and 8,517,142 abstentions.

10. Any other business and conclusion

The **chairman** moved to any other business and announced that Mr Veraart of ING Trust Office would be resigning. Mr Veraart had chaired ING Trust Office during some extremely difficult years for ING and ING was very grateful to him.

Mr **van den Bos** (Stede Broec) asked for Mr Hamers' thoughts on his first shareholders' meeting. He said that Mr Hamers had come across as an open director and he had full confidence in him for the IPO and possible spin-off of NN Group. Mr **Hamers** replied that he thought there had been a good and open discussion of relevant subjects. He was grateful for the support and happy that all share and depositary receipt holders had a warm heart for ING.

Mr **Spanjer** (Amsterdam) said that with electronic banking on Fridays, the counterparty only received the sum on the following Tuesday and asked what ING would do about this. Mr **Hamers** explained that European payments were organised by other businesses. ING discussed this with them so things went as well as possible. ING was the cheapest bank in terms of payment where it operated in the private market.

Mr **Swinkels** (Erp) wondered if the result of agenda item 4.C was legally valid as 4.C could not have been voted for had agenda item 4.B been voted down. Mr **Vink** replied that 4.C could only be implemented if 4.B had been voted on and the proposal carried. As a result, it did not matter who had voted for or against in either case. In the end it was the two-thirds majority required to duly adopt the proposal.

A **depositary receipt holder** thought that the meeting was no longer interesting for many as it was so drawn out. The **chairman** agreed with the speaker. He would see what could be done to speed up the meeting.

Mr **ten Klooster** (Ede) explained that a few years ago he had asked at the AGM about using interest points to purchase depositary receipts for shares. As XP computers were no longer accepted by ING, Mr ten Klooster had asked if the interest points store could offer computers but unfortunately had not received a reply. The **chairman** regretted this and thought that Mr ten Klooster should get an answer.

Mr **Fehrenbach** (PGGM Investments) asked for the minutes to be structured so that they could be searched for specific terms.

Mr **Heinemann** (The Hague) expressed his admiration of the Executive Board and the Supervisory Board for the exceptional results achieved in the past few years despite the severe opposition of the European Commission in Brussels. Unfortunately little attention had been paid to the bank tax during the presentation. There was considerable discussion about increasing the solvency buffers from 3% to 4%. What was ING's view on this? And did ING think that all banks should step in if a European bank needed support? Mr **Hamers** said that if a certain tax was levied specifically on the financial industry, ING would oppose it if it believed that the financial industry was not being treated fairly compared with other industries. The solvency buffers discussion was specific to the Netherlands. The Minister of Finance was a proponent of raising them and he was exploring opportunities to do this in a European context and possibly to apply it specifically to Dutch banks, thus applying a stricter policy here than in other countries. Where ING had to comply with regulations, it wanted this to be arranged as far as possible at a European level so that there was an open and comparable market at that level.

Ms **van Haastrecht** (Apeldoorn) said that when Lehman fell in 2008, ING had ensured that the bonus of 30 million for staff was retained and hoped that measures would still be taken to protect any remuneration paid to the staff against future loss. Ms **van Haastrecht** also asked for customer satisfaction surveys not to be sent only by email. The **chairman** thanked Ms van Haastrecht for her comments.

In conclusion, the **chairman** said that the length of the meeting would be evaluated.

The **chairman** closed the meeting at 7.10 pm after thanking everyone for coming and for their contributions.

Amsterdam,	Amsterdam,	Dordrecht,

J. van der Veer chairman	L.G. van der Meij secretary	T. Gennisse-de Bloeme depositary receipt holder