

Report of ING Trust Office

The following report is issued in compliance with the provisions of article 14 of the trust conditions for registered shares in the share capital of ING Groep N.V. ("ING Group") and best-practice provision IV.2.6 of the Dutch Corporate Governance Code.

Object

The Stichting ING Aandelen (the "ING Trust Office"), a foundation organised under the laws of the Netherlands, was incorporated on 22 January 1991. The articles of association were most recently amended on 7 October 2010 (the "Articles of Association"). The most recent amendments of the trust conditions for registered shares in the share capital of ING Groep N.V. ("Trust Conditions") date from 26 July 2016.

The object of the Trust Office, as described in the Articles of Association, is as follows:

- a. to acquire and administer against assignment of depositary receipts, registered shares in the capital of ING Groep N.V., a public limited company with its registered office in Amsterdam and any bonus shares which may be distributed thereon or shares acquired as stock dividend or by the exercise of subscription rights and to issue exchangeable depositary receipts for these shares, to exercise voting rights and all other rights attaching to the shares, to exercise subscription rights and to receive dividends and other distributions, including proceeds of liquidation, subject to the obligation to distribute the income to the holders of depositary receipts, with the understanding that depositary receipts shall be issued for bonus shares, shares acquired as stock dividend and shares acquired on behalf of holders of depositary receipts by virtue of the exercise of subscription rights;
- b. to foster the exchange of information between ING Group on the one hand and the holders of depositary receipts and shareholders in ING Group on the other;
- c. to promote the solicitation of proxies of shareholders other than the foundation itself and of specific proxies and/or voting instructions of holders of depositary receipts, and further to engage in any activity which may be related to the foregoing in the widest sense, whereby all activities which entail commercial risk shall be excluded from the foundation's object.

Activities

Board meetings

During the 2016 Reporting Year, the board of ING Trust Office (the "Board") held seven meetings. The topics discussed in these meetings included:

- the Annual General Meeting of ING Group ("AGM") of 25 April 2016, the items on the agenda of the AGM, the proxy voting results and the voting by ING Trust Office during the AGM 2016;
- the annual report and the annual accounts of ING Trust Office, the results of the audit concerning the book year 2015 and the applicable accountancy rules;
- the corporate governance review of ING Group, including the preparation and the completion of the exchange of depositary receipts of ING Group into shares of ING Group;
- press releases of ING Group;
- the functioning of ING Trust Office and the composition of the board;
- the meeting and the preparation of the meeting of holders of depositary receipts of 25 April 2016;
- developments at ING Group on the basis of the quarterly report Q1 2016, the annual report of ING Group and the presentations of ING Group to analysts; and
- preparation of the meetings with the chairmen of the Executive Board and the Supervisory Board of ING Group on the basis of public information and press releases.

Meetings with ING Group

During the 2016 reporting year, the board had two meetings with the chairmen of the Executive Board and the Supervisory Board of ING Group. In these meetings, among other things, the following topics were discussed:

- the results of ING Group as reported in the annual report 2015 and the results of Q1 2016;
- the corporate governance review of ING Group, including the preparation and the completion of the exchange of depositary receipts of ING Group into shares of ING Group;
- the ratio requirements imposed by the ECB, Basel and the Financial Stability Board;
- the legal structure of ING;
- several topics of the agenda of the AGM 2016, such as the proposal to amend the corporate governance resulting in the abolishment of the depositary receipt structure and the share issue authorisation;
- risk related costs and exposure in certain countries;
- IT strategy and IT investments;
- the development of the cost/income ratio and of risk costs;
- impact of fintechs on the financial sector; and
- innovation.

Annual General Meeting ING Group 2016, votes cast and voting behaviour

ING Trust Office attended the AGM 2016 and during this meeting ING Trust Office gave an explanation of voting with respect to agenda item (5A) Corporate governance/ amendment of the Articles of Association and agenda item (9) Authorisation to issue ordinary shares. The explanation of voting is included in the adopted minutes of the AGM 2016, available on the website of ING Group (www.ing.com).

Votes cast

During the AGM 2016, holders of around 57 percent of the outstanding depositary receipts used their voting right, either by means of binding voting instructions to ING Trust Office (around 56 percent of the outstanding depositary receipts), or by attending the meeting in person or represented by a third party (around 1 percent of the outstanding depositary receipts). A more detailed overview of these voting results can be found on the website of ING Group (www.ing.com).

In accordance with the Articles of Association and the Trust Conditions, ING Trust Office voted at its own discretion on the shares for which it did not issue voting proxies and for which it did not receive voting instructions, representing around 43 percent of the total votes that might be cast at the AGM 2016. In voting on these shares, ING Trust Office was guided primarily by the interests of all holders of depositary receipts, taking into account the interests of ING Group and its affiliated enterprise in accordance with article 4 of the Trust Conditions and the best-practice and best-practice provision IV.2.6 of the Dutch Corporate Governance Code. ING Trust Office voted on these shares in favour of all voting items on the agenda of the AGM.

Meeting of holders of depositary receipts on 25 April 2016

The board convened a meeting of holders of depositary receipts, which was held on 25 April 2016, shortly after the AGM 2016. Holders of 0,1 percent of the total number of depositary receipts issued were present or were represented during this meeting.

The main topic of this meeting was the decision of the Executive Board and the Supervisory Board to abolish the depositary receipt structure subject to the condition that the AGM resolved to amend the Articles of Association of ING Group. The board explained its intention to amend the Trust Conditions to facilitate a swift exchange of depositary receipts ING for ordinary shares ING.

Moreover a report was made on the activities of ING Trust Office and the board answered various questions from holders of depositary receipts attending the meeting. The minutes of the aforementioned meeting are published on the website of ING Trust Office (www.ingtrustoffice.com).

Abolition of depositary-receipts structure

As announced in the 2014 Annual Report of ING Group, ING Group conducted a review of the company's

corporate governance, including the depositary receipt structure, in 2015. ING Trust Office was informed by and discussed with ING Group the key elements of the proposed amendments to the corporate governance. One of these elements was the proposal to abolish the depositary receipt structure. In this respect, ING Trust Office was informed that ING Group recognised the increased attendance rates at the AGM's over the past five years. During the years 2010-2016, participation of shareholders, other than ING Trust Office, and holders of depositary receipts in the decision-making process in annual general meetings of ING Group continually increased from 41.3 percent to around 57 percent. On average, the attendance rate was 54% over the past three years.

At the request of ING Group, ING Trust Office advised ING Group that it would cooperate in abolishing the depositary receipt structure if the AGM of 25 April 2016 adopted the proposed amendments of the Articles of Association. The AGM approved the proposed amendments of the Articles of Association of ING Group, which implied the abolition of the depositary receipt structure.

On 13 July 2016, the Board of ING Trust Office announced that the date of the conversion of depositary receipts for shares into ordinary shares and the amendment of the Trust Conditions had been set on 26 July 2016, (the "Conversion Date") being also the date of the amendment of the Articles of Association of ING Group.

As of the conversion of depositary receipts for shares into ordinary shares on the Conversion Date, the ING Trust Office no longer holds any shares in ING Group. As of this date, the depositary receipt holders of ING Group became shareholders of ING Group and the depositary receipt structure was abolished.

The American depositary receipts, representing bearer depositary receipts issued by ING Trust Office, which are listed on the New York Stock Exchange, will be continued to represent ordinary shares ING Group as of the Conversion Date.

Depositary receipts

On 25 July 2016, the day before the Conversion Date, the nominal value of administered ordinary shares amounted to EUR 930,711,798 for which 3,877,965,825 depositary receipts were issued, each with a nominal value of EUR 0.24. During the reporting year, the net number of depositary receipts increased by 7,791,484.

The increase came about as follows:

Add:

conversion of shares into depositary receipts as of
1 January 2016 up to 25 July 2016:
7,792,484

Less:

conversion of depositary receipts into shares as of
1 January 2016 up to 25 July 2016:
1,000

Composition and remuneration board

The members of the board are appointed by the board itself for a maximum term of four years and may be reappointed twice. Holders of depositary receipts may make recommendations to the board on persons to be appointed as members of the board. In connection with this, the board informs them in a timely manner regarding the reason why, and according to which profile, a vacancy must be filled, and also in which manner a recommendation should take place.

The board consisted during the 2016 Report Year of Herman Hazewinkel, chairman, Mick den Boogert, Paul Frentrop, Harrie Noy and Jolanda Poots-Bijl.

The board re-appointed Harrie Noy for a second term as of 14 June 2016, ending on 13 June 2020. A profile and an overview of relevant positions held by the members of the board can be found on the website of ING Trust Office (www.ingtrustoffice.com). All members of the board stated that they meet the conditions regarding independence as referred to in the Articles of Association and in the Dutch Corporate Governance Code.

Harrie Noy and Jolanda Poots-Bijl stepped down on 31 December 2016. Herman Hazewinkel, chairman, Mick den Boogert, Paul Frentrop remain the members of the board in order to take care of a prudent winding down of ING Trust Office.

The annual remuneration for the chairman of the Board amounts EUR 25,000.00 and for the other members of the Board EUR 20,000.00 in 2016.

Costs

In 2016, the costs of the activities of ING Trust Office amounted to EUR 418,192 (2015 EUR 460,508). An amount of EUR 204,250 (2015 EUR 282,430) is related to the costs of administration of the depositary receipts. ING Trust Office was advised by a law firm in respect of the termination of the depositary receipt structure. The costs of the external advice amounted to EUR 54.904.

Other

The activities involved in the administration of shares are performed by Administratiekantoor van het Algemeen Administratie- en Trustkantoor B.V., Amsterdam until 26 July 2016.

Contact details

The contact details of ING Trust Office are:
Jet Rutgers
Telephone + 31 20 576 1226
Email: jet.rutgers@ing.nl
Website: www.ingtrustoffice.com

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Board of Stichting ING Aandelen