

Explanatory notes to the Agenda

ING Groep N.V. Annual General Meeting 2020

Tuesday, April 28, 2020, 2:00 pm CET

Cedar (corporate office ING Groep N.V.)
Bijlmerdreef 106
1102 CT Amsterdam
The Netherlands

This meeting will be webcast on the
ING Group website: www.ing.com

Agenda

Agenda items

(See official Agenda on the website of the Company www.ing.com/agm)

Agenda item 1

Opening remarks and announcements.

Agenda item 2

- A. Report of the Executive Board for 2019 (discussion item).
- B. Sustainability (discussion item).
- C. Report of the Supervisory Board for 2019 (discussion item).
- D. Remuneration report (advisory voting item).
- E. Annual Accounts for 2019 (voting item).

Agenda item 3

- A. Profit retention and distribution policy (discussion item).
- B. ~~Dividend for 2019 (voting item)~~ Withdrawn, no voting.

Agenda item 4

- A. Discharge of the members and former members of the Executive Board in respect of their duties performed during the year 2019 (voting item).
- B. Discharge of the members and former members of the Supervisory Board in respect of their duties performed during the year 2019 (voting item).

Agenda item 5

Remuneration policy of the Executive Board (voting item).

Agenda item 6

Remuneration policy of the Supervisory Board (voting item).

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Amendment of the Articles of Association (voting item).

Agenda item 8

Composition of the Supervisory Board:

- A. Appointment of Juan Colombás (voting item).
- B. Appointment of Herman Hulst (voting item).
- C. Appointment of Harold Naus (voting item).

Agenda item 9

- A. Authorization to issue ordinary shares (voting item).
- B. Authorization to issue ordinary shares, with or without pre-emptive rights of existing shareholders (voting item).

Agenda item 10

Authorization to acquire ordinary shares in the Company's own capital (voting item).

Explanatory notes to the Agenda

Agenda item 2A

Report of the Executive Board for 2019 (discussion item)

See pages 3 to 91 of the 2019 Annual Report.

Agenda item 2B

Sustainability (discussion item)

Sustainability Direction

ING's purpose is to empower people to stay a step ahead in life and in business. This also means helping customers and society to stay a step ahead of the challenges they are facing.

We can make the biggest impact while addressing the biggest challenges in two areas: climate action and financial health. This supports our commitment to the UN Sustainable Development Goals, particularly on climate action (goal 13), on responsible consumption and production (goal 12), and on decent work and economic growth (goal 8).

For more information we refer you to www.ing.com/sustainability

Agenda item 2C

Report of the Supervisory Board for 2019 (discussion item)

See pages 96 to 108 of the 2019 Annual Report.

Agenda item 2D

Remuneration report (advisory voting item)

It is proposed to cast a favourable advisory vote in respect of the Remuneration Report 2019. In accordance with Dutch legislation (Section 2:135b DCC), the Remuneration Report 2019 is discussed with the shareholders and put to the Annual General Meeting for an advisory vote.

ING has drawn up the Remuneration Report 2019, including an overview of remuneration of individual members of the Executive Board and of the Supervisory Board in accordance with the statutory requirements.

See pages 136 to 151 of the 2019 Annual Report.

Agenda item 2E

Annual Accounts for 2019 (voting item)

It is proposed to adopt the Annual Accounts for 2019 as included in the 2019 Annual Report on pages 252 to 399.

Agenda item 3A

Profit retention and distribution policy (discussion item)

See pages 380 to 383 of the 2019 Annual Report.

Agenda item 3B

Dividend for 2019 (voting item) Withdrawn, no voting

It is proposed to declare a total dividend for 2019 of €0.69 per ordinary share.

Explanation

Taking into account the interim dividend of €0.24 per ordinary share paid in August 2019, the final dividend will amount to €0.45 per ordinary share. See pages 73, 74, 381 and 382 of the 2019 Annual Report. The final dividend will be paid in cash.

Agenda item 4A

Discharge of the members and former members of the Executive Board in respect of their duties performed during the year 2019 (voting item)

It is proposed to discharge the members of the Executive Board and the former members who resigned during 2019 in respect of their duties performed in the 2019 financial year as set out in the 2019 Annual Accounts, the report of the Executive Board, the Corporate Governance chapter, the chapter on Section 404 of the Sarbanes-Oxley Act*, the Remuneration report, the chapter regarding Risk Management and the statements made in the Annual General Meeting under agenda items 2 and 3.

*We refer you to item 15 on page 114 of the 2019 Annual Report ING Groep N.V. on Form 20F.

Agenda item 4B

Discharge of the members and former members of the Supervisory Board in respect of their duties performed during the year 2019 (voting item)

It is proposed to discharge the members of the Supervisory Board and the former members who resigned during 2019 in respect of their duties performed in the 2019 financial year as set out in the 2019 Annual Accounts, the report of the Supervisory Board, the Corporate Governance chapter, the Remuneration report, the chapter regarding Risk Management and the statements made in the Annual General Meeting under agenda items 2 and 3.

Agenda item 5

Remuneration policy of the Executive Board (voting item)

It is proposed to adopt the Executive Board remuneration policy. In 2018 the Supervisory Board announced an extensive review of policy including thorough stakeholder consultation. The results of the review are reflected in the policy proposed. In accordance with the Dutch Act on implementation of the Shareholder Rights Directive II, the General Meeting has to adopt the policy at least every four years and

earlier if there is an earlier proposed policy change. This should provide for greater transparency. Once the policy is adopted, it will become effective retroactively from January 1, 2020.

Explanation

See pages 156 to 159 of the 2019 Annual Report and the website of the Company: www.ing.com/remuneration.

Agenda item 6

Remuneration policy of the Supervisory Board (voting item)

It is proposed to adopt the policy. In accordance with the Dutch Act on implementation of the Shareholder Rights Directive II, the General Meeting has to adopt the policy at least every four years and earlier if there is an earlier proposed policy change. Once the policy is adopted, it will become effective retroactively from January 1, 2020.

Explanation

See pages 159 and 160 of the 2019 Annual Report and the website of the Company: www.ing.com/remuneration.

Agenda item 7

Amendment of the Articles of Association (voting item)

The Executive Board, with the approval of the Supervisory Board, proposes:

- A) To amend the articles of association of the Company (the 'Articles of Association') in accordance with the proposal prepared by De Brauw Blackstone Westbroek N.V. that is made available as a meeting document.
- B) To authorize each member of the Executive Board and each of Vroukje van Oosten Slingeland, Marieke van der Kooi and Jet Rutgers, with the power of substitution, to execute the notarial deed of amendment of the Articles of Association and furthermore to do everything that might be necessary or desirable in connection herewith.

Explanation

The proposed amendment relates to (i) the amendment of legislation regarding the appointment of the statutory auditor and (ii) the discontinuation of EONIA as a benchmark rate.

(i) According to an amendment in the Dutch Civil Code, the statutory auditor can no longer be appointed by an executive board if the company has a supervisory board. Therefore, it is proposed to align article 36.2 of the Articles of Association with the Dutch Civil Code.

(ii) EONIA, a European benchmark rate, is currently used as a benchmark rate to calculate the dividend paid on the cumulative preference shares in the Company's share capital. As EONIA will be discontinued with effect from 3 January 2022, it is proposed to prepare the

Company for this discontinuation and to replace EONIA with a new benchmark rate.

An industry-led working group tasked to determine a successor rate for EONIA (the 'Working Group') has identified €STR as the successor rate for EONIA. The European Central Bank ('ECB') provided a one-off spread between €STR and EONIA which is calculated at 0.085% (8.5 basis points).

In light of the above, the Executive Board proposes to follow the recommendation of the Working Group and to replace EONIA with €STR plus the aforementioned adjustment spread of 0.085%. The proposed percentage therefore amounts to €STR, plus the adjustment spread of 0.085% and increased by the margin of 2.5% that already applies under the current Articles of Association.

Furthermore, it is proposed to provide for fallback benchmark rates in the event that €STR is no longer available. In addition, it is proposed to introduce a floor to ensure that a margin of at least 2.5% is paid on the cumulative preference shares as dividend at all times.

See the website of the Company (www.ing.com/agm) for the amendment of the Articles of Association prepared by De Brauw Blackstone Westbroek N.V.

Agenda item 8

Composition of the Supervisory Board (voting item)

- 8A Appointment of Juan Colombás (voting item).**
- 8B Appointment of Herman Hulst (voting item).**
- 8C Appointment of Harold Naus (voting item).**

The Supervisory Board proposes to appoint three new members to the Supervisory Board. This is driven by several factors, such as (i) Mr Reibestein's decision to resign from the Supervisory Board with effect from 1 January 2020, and (ii) easing the possible consequences of the retirement schedule of the Supervisory Board (see www.ing.com). The aim is to ensure that the Supervisory Board is at all times adequately composed to perform its duties.

Agenda item 8A

Appointment of Juan Colombás (voting item)

The Supervisory Board proposes, in accordance with article 24 paragraph 2 of the Articles of Association (binding nomination), to appoint Juan Colombás (male, born in Puertollano, Spain on 28 July 1962; Spanish nationality) as a member of the Supervisory Board. The appointment will become effective on 1 October 2020; the appointment term will end at the close of the 2024 Annual General Meeting.

Reason for the proposed appointment:

Juan Colombás is nominated for appointment as he is considered a very knowledgeable and experienced

candidate. With his strong international banking background and his specialized knowledge of IT, transformation and digital strategy, his past experience as chief risk officer and his current experience as chief operating officer of Lloyds Banking Group, he will add value to ING's Supervisory Board and will be complementary to the other Supervisory Board members.

Juan Colombás will retire from his current position with effect from 1 July 2020. A cooling down period of three months will apply.

Juan Colombás has confirmed being independent in accordance with the Dutch Corporate Governance Code (2017).

The proposed appointment of Juan Colombás as a member of the Supervisory Board is subject to approval by the ECB.

Further information on the proposed appointment:

- **Shares held in the Company (16 March 2020):**
No shares
- **Other directorships:**
 - Lloyds Banking Group: chief operating officer and executive board member of the board of directors (until 1 July 2020)
- **Relevant other positions:**
None
- **Most important former positions:**
 - Lloyds Banking Group: chief risk officer
 - Santander UK PLC: chief risk officer and executive director of Abbey National, Alliance & Leicester and Santander UK board

The total number of directorships held by Juan Colombás meets the requirements of the Capital Requirements Directive (CRD IV; 2013/36/EU) as implemented in Dutch law.

Agenda item 8B

Appointment of Herman Hulst (voting item)

The Supervisory Board proposes, in accordance with article 24 paragraph 2 of the Articles of Association (binding nomination), to appoint Herman Hulst (male, born in Rotterdam, the Netherlands, on 16 August 1955; Dutch nationality) as a member of the Supervisory Board. The appointment will become effective from the end of the 2020 Annual General Meeting; the appointment term will end at the close of the 2024 Annual General Meeting.

Reason for the proposed appointment:

Herman Hulst is nominated for appointment based on his successful career at EY in different professional, expert and leadership roles. He is a seasoned auditor with a focus on the financial services sector. With his wealth of knowledge and experience in the field of accounting and leadership in a global professional

services firm, Herman Hulst will make a valuable contribution to the Supervisory Board and will be complementary to the other Supervisory Board members.

Herman Hulst has confirmed being independent in accordance with the Dutch Corporate Governance Code (2017).

The proposed appointment of Herman Hulst as a member of the Supervisory Board has been approved by the ECB.

Further information on the proposed appointment:

- **Shares held in the Company (16 March 2020):**
3650 shares
- **Other directorships:**
None
- **Relevant other positions:**
None
- **Most important former positions:**
 - Various positions at EY, including:
 - global vice chair Japan and member of Global Practice Group
 - board member of EY PII Captive (Gloucester Insurance Ltd)
 - member of the Global Executive Team
 - global managing partner Client Service and Accounts
 - country managing partner the Netherlands

The total number of directorships held by Herman Hulst meets the requirements of the Capital Requirements Directive (CRD IV; 2013/36/EU) as implemented in Dutch law.

Agenda item 8C

Appointment of Harold Naus (voting item)

The Supervisory Board proposes, in accordance with article 24 paragraph 2 of the Articles of Association (binding nomination), to appoint Harold Naus (male, born in Eindhoven, the Netherlands, on 21 July 1969, Dutch nationality) as a member of the Supervisory Board. The appointment will become effective from the end of the 2020 Annual General Meeting; the appointment term will end at the close of the 2024 Annual General Meeting.

Reason for the proposed appointment:

Harold Naus is nominated for appointment based on his experience in risk management and financial services. Having previously worked at ING, among others as global head of one of ING's financial risk management areas, Harold Naus will not only bring to the table his wide-ranging risk management experience from an outside perspective, but also a familiarity with ING and an inside understanding of its business, culture and challenges. He will add value to ING's Supervisory Board and will be complementary to the other Supervisory Board members.

Harold Naus has confirmed being independent in accordance with the Dutch Corporate Governance Code (2017).

The proposed appointment of Harold Naus as a member of the Supervisory Board has been approved by the ECB.

Further information on the proposed appointment:

- **Shares held in the Company (16 March 2020):**
1,645 shares
- **Other directorships:**
 - Cardano Risk Management B.V.: chief executive officer
 - Cardano Group: chief financial officer
- **Relevant other positions:**
 - Curatorium VU University Amsterdam "Risk Management for Financial Institutions": chairman
- **Most important former positions:**
 - ING Bank N.V.: global head of trading risk management and general manager market risk management

The total number of directorships held by Harold Naus meets the requirements of the Capital Requirements Directive (CRD IV; 2013/36/EU) as implemented in Dutch law.

Agenda item 9A

Authorization to issue ordinary shares (voting item)

The Executive Board, with the approval of the Supervisory Board, proposes to designate the Executive Board as the corporate body authorized to resolve:

1. The issue of ordinary shares and the granting of rights to subscribe to such shares in connection with a rights issue, being a share offering to holders of ordinary shares in proportion to their existing holdings of ordinary shares, as close as may be practical, up to an aggregate nominal amount of € 15,586,937.10.
2. In connection with this: the exclusion or restriction of pre-emptive rights of existing holders of ordinary shares so as to make such exclusions or other arrangements as the Executive Board and the Supervisory Board may deem necessary or expedient in relation to record dates, fractional entitlements, treasury shares or any restrictions, obligations, practical or legal problems under the laws or requirements of any jurisdiction or regulatory body, in the context of syndicated rights issues or otherwise.

This authorization renews and supersedes the authorization assigned by the 2019 Annual General Meeting under agenda item 8A and ends on October 28, 2021 or the date of renewal of this authorization, whichever is earlier.

Agenda item 9B

Authorization to issue ordinary shares with or without pre-emptive rights of existing shareholders (voting item)

The Executive Board, with the approval of the Supervisory Board, proposes to designate the Executive Board as the corporate body authorized to resolve the issue of ordinary shares and the granting of rights to subscribe to such shares up to an aggregate nominal amount of € 3,896,734.27 and, in this connection, the exclusion or restriction of pre-emptive rights of existing holders of ordinary shares.

This authorization renews and supersedes the authorization assigned by the 2019 Annual General Meeting under agenda item 8B and ends on October 28, 2021 or the date of renewal of this authorization, whichever is earlier

Explanation

The purpose of the proposals under agenda items 9A and 9B is to delegate the power to issue new ordinary shares to the Executive Board. With these proposals the Executive Board seeks the authority to issue new ordinary shares without having first to obtain the consent of the General Meeting, which in the Netherlands is subject to a statutory convocation period of at least 42 days. The authority to issue shares may be used for any purpose, including but not limited to strengthening capital, financing, mergers or acquisitions.

The proposed resolutions will give the Company flexibility in managing its capital resources, including regulatory capital, while taking into account shareholders' interests to prevent dilution of their shares. These resolutions particularly enable the Company to respond promptly to developments in the financial markets, should circumstances so require. The Executive Board and the Supervisory Board consider it in the best interests of the Company to have the flexibility that these proposals aim to achieve.

The proposal under **agenda item 9A** provides the authority to issue ordinary shares up to 40% of the issued share capital by way of a rights issue. This means that a share issue under this authorization will in principle be on a pre-emptive basis in order to minimize dilution for existing shareholders. Notwithstanding the intention of the Executive Board and the Supervisory Board to respect pre-emptive rights of shareholders and avoid dilution, this resolution gives the Executive Board, subject to approval of the Supervisory Board, the flexibility to deal with legal or practical difficulties in relation to record dates, fractional entitlements, treasury shares or any restrictions, obligations, practical or legal problems under the laws or requirements of any jurisdiction or regulatory body, in the context of syndicated rights issues, or otherwise, which might

prevent an issuance on a pre-emptive basis. The Executive Board and the Supervisory Board intend to use this authorization in line with market practice. For more information on the use of this authorization see pages 111 and 112 of the 2019 Annual Report.

This authorization cannot be used for mergers or acquisitions on a stock-for-stock basis as they are incompatible with the concept of pre-emptive rights for existing shareholders.

The Company has no current plan to make use of the authority sought under this proposal.

The proposal under **agenda item 9B** provides the authority to issue ordinary shares, with or without pre-emptive rights of existing shareholders, up to 10% of the issued share capital.

It is not currently envisaged to use this authorization for purposes other than:

1. The potential conversion into ordinary shares of Additional Tier 1 instruments which may be issued by the Company to optimize its capital position under applicable regulatory requirements. Under the EU Capital Requirements Directive, all Additional Tier 1 instruments should contain a loss absorption mechanism, i.e. either a write-off or a conversion into ordinary shares if a certain minimum Common Equity Tier 1 ratio is breached. In the event that the Company issues Additional Tier 1 instruments with a conversion clause, this clause must require that if such a breach occurs, the Additional Tier 1 instruments will be converted into ordinary shares, so that the Company's capital position is safeguarded or conserved. Accordingly, each time Additional Tier 1 instruments are issued, the Executive Board, with the approval of the Supervisory Board, will take a conditional resolution on the basis of the share issue authorizations in force at that time to convert Additional Tier 1 instruments into ordinary shares (the condition being the breach of a certain minimum Common Equity Tier 1 ratio). For more information on the Additional Tier 1 instruments issued by the Company prior to January 1, 2019 on the basis of the share issue authorizations of the General Meeting of previous years, please see page 304 of the 2019 Annual Report.
2. The award, by way of fixed and/or variable remuneration, of shares and stock options to members of the Executive Board and employees, and the settlement thereof.

Taken together, the proposals under agenda items 9A and 9B provide the Executive Board the authority to issue shares up to 50% of the issued share capital.

These proposals are consistent with the authorizations by the 2019 Annual General Meeting, which reflected the outcome of the consultation with investors, proxy

advisers and other stakeholders in the context of the corporate governance review held in 2015 and in 2016 that resulted in more alignment with international market practices.

Annual renewal of the authorizations proposed under the agenda items 9A and 9B will be sought.

Agenda item 10

Authorization of the Executive Board to acquire ordinary shares in the Company's capital (voting item)

It is proposed to authorize the Executive Board, for the period ending on October, 28, 2021 or the date of renewal of this authorization, whichever is earlier, to acquire in the name of the Company, upon approval of the Supervisory Board, fully paid-up ordinary shares in the Company. This authorization is subject to the condition that the nominal value of the shares in the Company, which are acquired, held or pledged in favour of the Company or are held by its subsidiaries for their own account, will not exceed 10% of the currently issued share capital of the Company.

The authorization applies to each manner of acquisition of ownership for which the law requires such authorization. The purchase price will not be lower than €0.01 and not higher than the highest price at which the Company's ordinary shares are traded on Euronext Amsterdam on the date on which the purchase contract is concluded or on the preceding day of stock market trading.

Explanation

The authorization serves to enable the Company to repurchase ordinary shares. As a result of this authorization no more than 10% of the currently issued share capital may be held. As required by law, the authorization states both the maximum price and the minimum price.

This proposal is consistent with standing practice of the Company. This authorization may be used for trading and investment purposes in the normal course of its banking business. Shares repurchased for these purposes may be resold. Share repurchase transactions for other purposes are not currently envisaged.

Directions

Directions to Cedar

Cedar
Bijlmerdreef 106
1102 CT Amsterdam
The Netherlands

(See also: www.ing.com)

By public transport

The new office is about a five minute walk from the Amsterdam Bijlmer Arena railway station that can be reached:

- from Amsterdam, Utrecht and Rotterdam by slow train;
- from Amsterdam Central and Duivendrecht railway stations by metro 54 towards Gein;
- from the Amsterdam Sloterdijk and Lelylaan railway stations by metro 50 towards Gein;
- from Schiphol airport by intercity trains or bus route 300.

From the Bijlmer Arena station, walk towards the Game Center and across the 'Kiss and Ride' parking area on the right. At the end of the parking area turn right and after 100 metres you will see the Laanderpoort building on your left-hand side.

After this building, walk through the park to the entrance of Cedar A.

Visitors without an ING access badge are requested to report to the Cedar A reception.

By bicycle

Cedar's bicycle storage is on the Abcouder bicycle path. The entrance is on the left next to the The Traveller pavilion. The door can be opened using your ING access badge. Visitors without an access badge can park their bicycles along the Abcouderpad under the building (at the height of the walkway between the two buildings).

By car

From all directions:

Cedar can be reached as follows: from the A2 motorway take the Ouderkerk aan de Amstel / Duivendrecht exit (exit no. 1).

At the end of the slip road, turn left onto the Burgemeester Stramanweg, N522, in the direction of Amsterdam Zuidoost. Continue on the Burgemeester Stramanweg (underneath the Amsterdam ArenA).

A few hundred metres after the ArenA there is a T-junction. Turn right here and at the next traffic lights turn right again. You are now on the Bijlmerdreef.

After 100 metres the entrance of the parking garage is on the right-hand side.

Once you are in the garage, follow the ING signage and you can reach the reception via the stairs or lift.

Car park

You can park in the car park. Take the stairs or lift to access the main entrance of Cedar.

ING Groep N.V.

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