



**Allen & Overy LLP**

Notarial record of proceedings of a meeting ING  
Groep N.V.

JL/0035287-0000114

99131416

**STATEMENT ABOUT NOTARIAL RECORD OF PROCEEDINGS  
OF A MEETING**

**The undersigned,**

Joyce Johanna Cornelia Aurelia Leemrijse, civil law notary in Amsterdam, the Netherlands,

**hereby declares:**

the attached document is a fair English translation of the notarial record of proceedings of a meeting of:

ING Groep N.V.,

having its official seat in Amsterdam, the Netherlands,

executed on 28 October 2021, before J.J.C.A. Leemrijse, civil law notary aforementioned.

In preparing the attached document, an attempt has been made to translate as literally as possible without jeopardising the overall continuity of the text. Inevitably, however, differences may occur in translation, and if they do, the Dutch text will by law govern.

In the attached document, Dutch legal concepts are expressed in English terms and not in their original Dutch terms; the concepts concerned may not be identical to concepts described by the English terms as such terms may be understood under the laws of other jurisdictions.

Amsterdam, the Netherlands, 28 October 2021.



Allen & Overy LLP

Notarial record of proceedings of a meeting ING  
Groep N.V.

JL/0035287-0000114

99131416

## NOTARIAL RECORD OF PROCEEDINGS OF A MEETING

*(ING Groep N.V.)*

On the twenty-sixth day of April two thousand and twenty-one, at fourteen hundred (14:00) in the afternoon I, Joyce Johanna Cornelia Aurelia Leemrijse, civil law notary in Amsterdam, the Netherlands was present at the general meeting of shareholders (the **General Meeting**) of ING Groep N.V., a public company under Dutch law (*naamloze vennootschap*), having its official seat in Amsterdam, the Netherlands, its office address at Bijlmerdreef 106, 1102 CT Amsterdam, the Netherlands, and registered in the Dutch Commercial Register under number 33231073 (**ING Groep N.V.** or **ING** or the **Company**), at the request of the Supervisory Board (the **Supervisory Board**) of the Company, held at the head office of ING, Cedar building, Bijlmerdreef 106, 1102 CT Amsterdam, the Netherlands, with the purpose of preparing a notarial record of the proceedings of the meeting.

I, civil law notary, established the following:

In accordance with Article 32.1 of the articles of association of ING (the **Articles of Association**) Mr G.J. Wijers, **chairman** of the Supervisory Board, acts as chairperson of the General Meeting (the **chairman**).

## 1. Opening remarks and announcements

The **chairman** opened the meeting and welcomed the shareholders of ING Groep N.V. and the representatives of the Central Works Council attending remotely. Like last year, the meeting was being held in exceptional circumstances as a result of the ongoing Covid-19 restrictions. He explained that ING was holding an entirely virtual meeting for the first time, in accordance with the recommendations of the Dutch government as advised by the National Institute for Public Health and the Environment (*RIVM*). This limited the health risks for everyone as much as possible. The annual meeting was being broadcast from Cedar, ING's corporate office. Only a limited number of Supervisory and Executive Board members were physically present in the building today. The other members were following the meeting remotely. No shareholders, other than the members of the Executive Board who own shares, were physically present.

Some members of the Executive Board and the Supervisory Board were visible to the shareholders and were introduced by the **chairman**. From the Supervisory Board: Hans Wijers (chairman) and Herna Verhagen (chairwoman of the Remuneration Committee). From the Executive Board: Steven van Rijswijk (chief executive officer and chairman of the Executive Board) and Tanate Phutrakul (chief financial officer). Also visibly present: Vroukje van Oosten Slingeland (the general counsel of the company). Cindy van Eldert-Klep, the company secretary and, on behalf of KPMG, the external auditor for the 2020 financial year, Waldo Bakker and Peti de Wit were also present as was the independent civil-law notary, Joyce Leemrijse, partner at Allen & Overy. The following members of the Supervisory Board were attending the meeting remotely by audio link: Margarete Haase, chairwoman of the Audit Committee, and Mike Rees, chairman of the Risk Committee. The following nominated director and supervisory director were also attending the meeting remotely: Ljiljana Čortan, nominated as a member of the Executive Board, and Lodewijk Hijmans van den Bergh, nominated as a member of the Supervisory Board. The **chairman** explained that the meeting and the presentation by the **chairman** of the Executive Board would be held in Dutch. English would only be used if Dutch was not the speaker's first language. As approved by the Annual General Meeting on 25 April 2006, the meeting was being broadcast live on the ING website ([www.ing.com](http://www.ing.com)).

The **chairman** stated that the shareholders 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 had submitted resolutions for discussion at the meeting. The **chairman** went on to announce that the Company's issued capital consisted of 3,902,484,027 shares on the Record Date (29 March 2021). ING Groep N.V. and its subsidiaries had held a total of 691,882 shares on that date and so a total of 3,901,792,145 votes could be cast. One vote could be cast on each share. Later in the meeting, ahead of the discussion of agenda item 2D, it was announced that 3,396 shareholders, holding a total of

2,534,889,012 shares, were present or represented at this meeting, permitting the same number of votes to be cast (representing 64.97% of the issued share capital on which votes could be cast). These shares were represented by the independent civil-law notary by means of proxy voting through the electronic voting platform.

The **chairman** noted that the notarial record of the meeting of 28 April 2020 had been available on the company's website since 28 October 2020 and furthermore that the draft report had been available for inspection at the company's offices since 28 July 2020. Once again this year a notarial record would be prepared for adoption of the final report. The entire meeting was being recorded for the purposes of preparing the report.

Before moving to agenda item 2, Ms **Van Oosten Slingeland**, the general counsel of the company, explained the order of the meeting: **(i)** shareholders who had registered had had up to 72 hours before the start of the meeting to submit questions; these questions, clustered together where possible, would be read out and answered during the related agenda item; **(ii)** the meeting could be followed on a live webcast on [ing.com](#) or via the E-Vote online platform; **(iii)** shareholders could not vote during this virtual meeting but had been able to grant a proxy to the civil-law notary prior to the meeting to vote in line with their instructions during the meeting; **(iv)** voting results would be displayed on the screen for each voting item after it has been discussed; and **(v)** registered shareholders taking part virtually would also be given the opportunity to ask questions during the meeting using the chat function in the online platform. Questions received through the chat function on the online platform would be answered together where possible by topic when the relevant agenda item was discussed. If it was not possible to answer questions received through the chat function during the meeting, those questions and the answers would be published on ING's website and incorporated in the draft report and the notarial record. Ms **Van Oosten Slingeland** thanked the shareholders for their understanding and cooperation in participating in the meeting in this way this year and gave the floor to the chairman. The **chairman** explained the arrangements for agenda item 2. He announced that agenda items 2A to 2D would first be addressed separately, followed by the opportunity to ask questions on them.

Before the chairman moved to the substantive business in the agenda items, he commented that 2020 had been a particularly exceptional year because of the Covid-19 situation; a year that had demanded a lot of everyone, including of ING's stakeholders such as its shareholders and employees. It had required ING to be flexible, including far-reaching changes in working methods. In a very short period of time, approximately 80% of employees worldwide had switched to working from home, from where they had continued to serve the customers. This raised many questions, for example on their health and combining working from home with other responsibilities. There were also questions on how the crisis was affecting ING's retail and business customers and how ING could support them, on its own or working with other organisations. ING had kept its finger firmly on the pulse

throughout the year to offer ING's stakeholders support where possible during these tense and uncertain times. This was reflected in the Annual Report and the financial statements and would be addressed in agenda items 2 and 3, in subjects such as ING's performance in 2020, dividends and remuneration.

The **chairman** also addressed a significant event for ING: the mid-year change of CEO when former CRO Mr Van Rijswijk succeeded Mr Hamers as CEO (1 July 2020). His appointment and first few months as CEO were in the middle of the Covid-19 period during which ING had had a lot to contend with. The reappointment of Mr Van Rijswijk as a member of the Executive Board would be raised in agenda item 7A.

The **chairman** moved to agenda item 2.

## **2. Report of the Executive Board for 2020 and Sustainability (discussion item)**

### **2A. Report of the Executive Board for 2020 (discussion item)**

### **2B. Sustainability (discussion item)**

The **chairman** announced that the Sustainability Report (2B) would be discussed together with the Report of the Executive Board (2A). He referred to pages 5 to 81 of the Annual Report and the explanatory notes to agenda item 2B in the notice of meeting. For completeness, the **chairman** also referred to the Risk Management chapter on pages 82 to 183 of the Annual Report. He then gave the floor to Mr **Van Rijswijk**.

Mr **Van Rijswijk** welcomed all the shareholders, thanked them for their attention and expressed the hope that they were in good health. He started by addressing the challenges brought by the Covid-19 situation in 2020 which had led to changes such as working from home and remote meetings. The coronavirus restrictions that still applied were also why this shareholders' meeting, unlike last year's, was entirely virtual.

Having addressed the particular circumstances, Mr **Van Rijswijk** reviewed ING's activities and performance in 2020. He explained that the year had been dominated almost entirely by Covid-19 and its damaging effects on the economy. Despite the effects of this that it had experienced, ING was satisfied with its results. He referred to their publication in February and summarised the key figures:

(1) **Financial results**: Despite the difficulties created by Covid-19, ING's net result was almost €2.5 billion. Although this was a fall of 48% compared with 2019 because of the provision for the possible consequences of the Covid-19 pandemic, it was nevertheless resilient. ING's annual risk costs were 43 basis points of average customer lending. This was well below the average for competitors and in line with the track record of the lowest risk costs of large banks in the eurozone in the past twelve years.

(2) **Customer growth**: ING was proud that even during a difficult year it had been able to grow its customer portfolio by 578,000 primary customers. At the end of 2020, ING had a total of 13.9 million primary customers. ING was convinced that this was

to do with its simple, smart and personal digital-first product range. This added value for ING's customers and was reflected in ING's Net Promoter Score (NPS) which shows customers' loyalty and satisfaction: ING was ranked number one in six of its 14 retail markets. In Wholesale Banking, the NPS was actually 13% above the industry average.

(3) Capital: ING closed 2020 strongly with a capital position of 15.5%. Return on equity was 4.8%. The dividend policy would be addressed later in the meeting. ING was following the recommendations of the ECB to limit dividend distributions.

(4) Loans: The pandemic also affected lending: on top of the high risk costs, demand for loans fell. In 2020, deposits rose strongly (growth of over €20 billion in 2019 and over €40 billion in 2020) while lending dropped (a fall of some €2.5 billion in 2020 compared with growth between 2016 and 2019). Consumers were, therefore, saving more and spending less. With the low and negative interest rates this meant that ING's net interest income continued to be under pressure.

(5) Other impacts: Covid-19 not only affected ING's result but ING also saw impacts in other areas and had to respond properly to these to support its employees, customers and society. ING had done this in line with its purpose: (a) For its employees ING, like many other businesses, had turned to working from home and had been able to do this very quickly. Mr **Van Rijswijk** expressed his great admiration for the resilience and engagement of ING's staff. As early as March last year, during the first lockdown, 80% of employees were working from home. That figure fell during the summer and then rose again to about 80%. (b) ING was also able to continue serving its customers. During the Covid-19 crisis, ING continued talking to provide help to many thousands of customers each week. ING granted payment holidays to more than 196,000 customers covering about €19.4 billion of loans. In addition ING had supported the economy in other ways, including via guarantees from the European Investment Bank and the European Investment Fund. With these guarantees, ING was able to grant almost €800 million in loans on favourable terms to SMEs in the Netherlands to limit the impact of Covid-19. (c) ING had spent a total of some €24 million on social support. About €13 million had gone to social objectives to support people dealing with the effects of Covid-19 (healthcare) and its economic and social consequences (such as laptops for home schooling). ING also responded to calls from WHO/UNICEF and supported social initiatives in 25 countries by means of financing activities or donations, including laptops for home schooling, and contributed about €2 million to UNICEF activities. In addition about €11 million was spent on other, non-Covid-19-related, initiatives. Having summarised the key figures, Mr **Van Rijswijk** addressed four underlying trends that were being accelerated by the Covid-19 crisis and which also affected ING:

(1) Increasing regulation in many areas such as Know Your Customer (KYC), combatting money laundering, data security, data privacy and IT.

(2) Low and even negative interest rates in Europe: this trend is making

diversification of ING's income even more important and so ING moved forward on this during the past year: despite the challenging market conditions, ING saw its fee and commission income rise by 5% in 2020 compared with 2019. This was mainly from retail banking, in particular from investment products which were very popular.

(3) Ever increasing customer expectations for the mobile and digital experience: ING could respond well here, since by nature ING was already a mobile and digital business. ING's focus on mobile-first and digital-first was demonstrated strongly in particular during the past year. As a result ING had an excellent start over the others in the Covid-19 crisis. In 2020, ING saw a considerable increase in the number of digital interactions with customers: 40% of ING's customers only had mobile contact with the bank. Mobile interactions rose to 87%. In addition the number of mobile payments more than doubled from over €230 million in 2019 to over €560 million in 2020. An illustration was a successful example of ING's digital product range in Germany relating to digital investment accounts; a good example of new products that ING could use to increase its share of commission income.

(4) Sustainability had grown strongly in importance. Businesses were increasingly expected to take responsibility and operate sustainably. Sustainability was embedded in ING's strategy in which it focuses on the one hand on tackling the climate crisis and on the other hand on giving people better insights into their finances. ING was doing this because it was precisely in these two areas where it could make the biggest impact as a bank. ING was a leader in the financial sector, certainly in its approach to the climate crisis and reducing CO2 emissions. This had been recognised by external rating agencies, such as Sustainalytics, S&P Global and the MSCI, that rate ING's Environmental, Social and Governance (ESG) activities as strong. ING had published its second Terra report with targets for the way in which it can align its lending in the nine most carbon-intensive sectors with the Paris climate targets. ING had also published its first climate risk report which—with a view to climate transition—describes how ING is integrating climate risks into its overall risk management. ING had also deployed several financial empowerment initiatives to help people gain insights into their financial affairs. A survey of ING customers showed that 27.8 million of them felt financially stronger and more empowered in 2020.

Mr **Van Rijswijk** then said that he had received many questions on how he saw ING's strategy. He explained that ING's purpose, the direction that ING was taking, was its guide and reason to exist. That purpose was rock solid. The objective and priorities of ING's Think Forward strategy were still relevant, possibly even more than ever before, since the underlying trends were still there and had even become stronger. The Think Forward strategy addressed the 'what' and ING's focus was now on the 'how' and 'where' ING was implementing its strategy. This had to be done with discipline and tenacity to continue to be able to deal flexibly with the consequences of the Covid-19 pandemic, changing customer behaviour and increasing legislation and regulation. ING had to continuously weigh up the costs and benefits, using what

it had already developed and also new insights and best practices. If things have happened inside or outside ING, it had to adapt rapidly. ING also had to decide which specific activities it would and would not focus on so that it performed even better on its strategic priorities.

Consequently the following points would be of still greater significance in the coming period:

(1) Keep the bank safe, secure and compliant: ING wanted to keep the bank safe and compliant. Confidence was a top priority for ING's stakeholders and ING had certainly made progress, especially in combatting money laundering. There was, however, still a lot of work to do. ING would focus in part on its operational resilience, in particular combatting cybercrime, and on data with data security, data privacy and data ethics as priorities.

(2) A proper return and use of capital: ING was monitoring its targets and ambition for return on equity. Key to this were the importance of diversification of income (developing and offering more paid-for products and services that add value for the customer) and cost discipline (optimising investment and making clear choices on how and where ING wants to operate).

(3) Become a data-driven digital leader: ING was continuing further digitalisation. Digitalisation had many benefits for customers, employees and others and also helped ING manage its costs and meet regulators' requirements, which contributed to 'compliance-by-design'.

(4) Sustainability: ING was building on its pioneering role in sustainability and would intensify its activities in this area in order to contribute to a better world, in other words 'build back a better world' by further integration of sustainability activities: (i) ING's Terra approach, an innovative, more accurate way of measuring its portfolio across nine sectors for the technological shift required in some sectors to keep the rise in global temperature to well below two degrees, (ii) ING's risk management and reporting and (iii) ING's interaction with customers.

Mr **Van Rijswijk** concluded by saying that he was convinced that ING could emerge stronger from the Covid-19 crisis. The ingredients for this were in place. If ING built on them, with a sharper focus on implementation, it would be in the right place to use those opportunities when recovery occurs. ING also believed that its risk costs for 2021 would revert to the average level through the cycle. In addition, ING would resume dividend distributions to shareholders as soon as the related recommendations from the ECB no longer applied. ING would do all this with a team that was now largely complete.

Mr **Van Rijswijk** welcomed the appointment of Ljiljana Čortan at the start of this year when she had taken over his former role, becoming ING's new CRO. He thanked Tanate Phutrakul and Karst Jan Wolters for temporarily fulfilling that CRO role. He also thanked Isabel Fernandez, former head of ING's Wholesale Banking, who had left ING at the end of last year. She had been succeeded by Andrew Bester at the start of this month. ING had also recently announced that the technology and operations

roles on the Management Board Banking would be separated to pursue its ambition to be a data-driven digital leader even more quickly. He was also proud that Ron van Kemenade would join the Management Board Banking as ING's first chief technology officer. ING was currently searching for a successor to the chief operations officer, Roel Louwhoff, who was taking this opportunity to continue his career outside ING. Mr Louwhoff was thanked for his work and valuable contribution. Finally Mr **Van Rijswijk** also thanked his colleagues on the Executive Board and all ING staff around the world for their extraordinary efforts in the exceptional year 2020. He also thanked ING's former CEO Ralph Hamers for his work for ING and the advice he had given during the hand-over in mid-2020.

Mr **Van Rijswijk** concluded his comments by noting that everyone was living in uncertain times but that ING was in a good position to continue supporting its customers now and in the future. He thanked the shareholders for their confidence in ING and then handed back to the **chairman**.

The **chairman** thanked Mr Van Rijswijk for his comments and announced that the questions on agenda items 2A and 2B would be answered later in the meeting. He closed this agenda item and moved to agenda item 2C.

#### **2C. Report of the Supervisory Board for 2020 (discussion item)**

The **chairman** moved to the Report of the Supervisory Board, referring to pages 188 to 198 of the Annual Report. The Supervisory Board had held ten regular meetings in 2020. Its members had additionally been in much greater contact in view of the exceptional circumstances in 2020. The Supervisory Board and its committees had focused continuously in 2020 on supervision and constructively 'challenging' the Executive Board on progress on strategy and the associated transformation, with greater attention to 'how' and 'where' ING's strategy was being implemented. Other key areas of attention for the Supervisory Board in 2020 had been: **(1)** How ING could help its customers, employees and society safely through the Covid-19 pandemic. **(2)** Further implementation of ING's Anti-Money Laundering/Know Your Customer programme (the organisation-wide enhancement programme with a focus on managing customer information). **(3)** The further strengthening of ING's risk culture. The Supervisory Board had also focused on the progress and delivery of the various transformation initiatives, including enhanced digitalisation, and how they related to external developments in areas such as regulation. This was to ensure that the right priorities were being set with the appropriate allocation of available resources. On regulation, the Supervisory Board had discussed the implementation of the Shareholder Rights Directive II and various topical regulatory themes with a global ING scope, such as the Internal Capital Adequacy Assessment Process, data (including the related strategy, management, quality, data intake and ethics), IT, sourcing and the suitability requirements for executive positions and other important office holders. Furthermore, the Supervisory Board had focused on the financing of the company, taking account of the capital and liquidity requirements. In the light of the pandemic, the Supervisory Board had also focused on business continuity in

accordance with ING's annually updated Risk Appetite Framework, the capital plan and the dividend distribution policy. The Supervisory Board committees had also discussed a wide range of issues, the most important ones relating to the previously mentioned Know Your Customer enhancement programme, ING's long-term ambition for the CET1 ratio, Board succession, and remuneration, including policy. The **chairman** closed this agenda item and moved to the next agenda item.

**2D. Remuneration report for 2020 (advisory voting item)**

The **chairman** moved to the Remuneration Report for 2020, referring to pages 223 to 240 of the Annual Report, and gave the floor to Ms Herna Verhagen, chairwoman of the Remuneration Committee.

Ms **Verhagen** thanked the chairman and commented on ING's Remuneration Report. She explained that ING's remuneration principles applied to all employees, including the members of the Executive Board. ING's strategy was designed to create long-term value for all stakeholders and so it was important that ING could attract, motivate and retain people. Equal pay for men and women was needed to deliver ING's strategy, alongside competent staff with the right skills, values and conduct.

It was also ING's responsibility to take account of the interests of all its stakeholders. To achieve this, ING was in constant dialogue with its customers, shareholders, employee organisations, regulators and other stakeholder groups, such as proxy advisers. As with the introduction of the remuneration policy for the Executive Board and Supervisory Board, ING again consulted its stakeholders in 2020 and early 2021 on the remuneration policy, remuneration for 2020 and the Remuneration Report. In this way ING had incorporated its stakeholders' input and feedback in the decisions on remuneration and the Remuneration Report.

As already explained by the chairman and the CEO, 2020 had been a very challenging year. Covid-19 had had a major impact on society and on ING's employees and customers. The effects were reflected in the results and ING had of course considered this in the remuneration. Covid-19, the impact on the results, but also the input that ING received from stakeholders during discussions, meant that the Executive Board along with the Supervisory Board had decided not to change the fixed remuneration for 2021. In addition, in consultation with the Supervisory Board the Executive Board had waived its variable remuneration for 2020. The remuneration policies for the Executive Board and the Supervisory Board, as approved by shareholders during the meeting in 2020, were unchanged.

Finally, Ms **Verhagen** briefly addressed the Remuneration Report itself in which ING had incorporated the advisory vote on the Remuneration Report for 2019, as well as the way in which ING had taken account of the results of that vote. This year too, ING was submitting the Remuneration Report for 2020 to an advisory vote and would incorporate the results in the Remuneration Report and the Annual Report for 2021. Stakeholders had said they expected greater transparency, in particular on variable remuneration. The Remuneration Report for 2020 included information on the assessment of the performance of the members of the Executive Board, setting

their variable remuneration and the roles of the Remuneration Committee, the Risk Committee and the Supervisory Board in this context. Ms **Verhagen** handed back to the **chairman**.

The **chairman** thanked Ms Verhagen, closed the agenda item and moved to questions on agenda items 2A to 2D. As Ms Van Oosten Slingeland had explained, questions submitted ahead of the meeting would first be clustered together where possible by agenda item and read out and answered. After that, questions submitted during the meeting on the chat function would be read out and answered provided they related directly to the agenda items being discussed.

**Questions on agenda items 2A to 2D**

**Agenda item 2A - Report of the Executive Board for 2020**

The **chairman** read out and answered questions submitted ahead of the meeting on agenda item 2A:

- (1) **VBDO**, on personnel policy: "ING applies its 70% policy on diversity to gender, age and nationality. As ING only comments on the implementation of the policy across the organisation, **VBDO** is curious about its effects in different regions and on different groups at ING. Can ING transparently publicise the implementation and effects of the 70% policy in different regions and groups?"

Mr **Van Rijswijk** explained that ING regarded diversity and inclusivity as significant and so applied the 70% principle on gender, age and nationality worldwide. ING's starting position and where it was in these three areas were reviewed for each business line and in each country where ING had a presence. Action was taken where necessary taking account of the different challenges and the composition of the workforce in the various business lines and countries. This was being worked on continuously with the Human Resources department, which was developing dashboards to measure how ING is doing in the aforementioned aspects. ING was also working on 'hiring 1-2-3', an approach to recruitment which reduced 'unconscious bias' and enhanced objectivity in the selection process and decision-making. After a successful a pilot, ING was working on rolling it out worldwide. The approach comprises a thorough job analysis, structured interviews conducted by as varied a panel as possible (with a mix based on gender age and nationality) and concludes with a calibration session with the panel to reach a sound and objective view as a contribution to the diversity principle.

- (2) **VBDO**, on the personnel policy: "During the 2020 shareholders' meeting, ING committed to aim for a report on the worldwide gender pay gap based on job levels. VBDO regards this subject to be very important, since average gross hourly pay in the Netherlands for women is 14% lower than that for men and the 'unexplained' pay gap between women and men is still 9%. VBDO has not, however, seen any progress in this area and refers to page 73 of the Annual Report. Has ING made progress on the worldwide report based

on job levels? And can ING report the results of this investigation?"

Mr **Van Rijswijk** explained that ING was currently running monitoring projects in more than ten countries, including the Netherlands, Belgium and Poland, to ascertain whether there were gender pay gaps. Where necessary action was taken. A 'global job career framework', a framework giving global insight into in the different jobs and pay grades, was needed to do this well and consistently. This framework first needed to be completed to make proper global comparisons.

- (3) **PGGM, also on behalf of certain participants in Eumedion**, on developments on LHBTI rights in Poland: "ING has previously stated that the Code of Conduct also applies in Poland and that there are speak-up and whistleblower programmes. ING has, however, also stated that there may be a culture in which people are reluctant to raise concerns and may have a strongly negative unconscious bias against LHBTI people. Will ING commit to measure and monitor progress on unconscious bias or negative attitudes to this group, for example by having employees take the Harvard University Implicit Association Test (IAT)?"

Mr **Van Rijswijk** started his answer by emphasising that diversity and inclusivity were significant principles at ING. As part of its strategy, ING also believed that this led to better results: diversity and inclusivity of employees meant that ING was a good mirror of a very large customer and stakeholder base and that helped ING perform better. He gave some examples of activities designed to guide the organisation and contribute to awareness in these areas, such as an inclusivity week in 2019 and awareness sessions/courses and discussion groups in the countries where ING operates, such as in Poland. ING used a range of tools for this and was open to others. Mr **Van Rijswijk** said it would certainly be interesting to look at the Harvard University IAT but could not make any commitments at this time on whether ING would use it.

- (4) **PGGM, also on behalf of certain participants in Eumedion**, on long-term strategy in combination with digitalisation: "(1) How does ING's business model address further digitalisation and the low interest rate environment? and (2) How does ING regard the possibility of a European digital currency that would only be issued and managed by the ECB?"

Mr **Van Rijswijk** first addressed digitalisation. He explained that ING was already a digital-first and mobile-first business and that this had helped it further during the Covid-19 crisis. ING looked at digitalisation through a number of lenses: the customers' lens as this meant a better customer experience could be created. The colleagues' lens as this ensured that employees could focus on work that delivered added value. The cost lens. And the lens of compliance with legislation and regulation and meeting regulators' requirements, known as 'compliance by design'. ING's

digitalisation initiatives were set against these four lenses and prioritised so it could become an even better digital player and, among other things, diversify its income given the current low or negative interest rate environment. He gave some examples of digitalisation in the customer experience process in both Retail and Wholesale Banking, from developing more and better digital products for deepening and broadening towards the customer, and of a number of IT foundations for the use of data and the cloud and how certain elements could be used for scalability.

Mr **Van Rijswijk** then addressed the question of a European digital currency issued and managed by the ECB, known as a 'Central Bank digital currency'. He explained that ING was following this development closely, taking account of several significant elements such as (i) keeping the financial sector stable and allowing it to use deposits as a financing resource, (ii) who should serve customers (banks or other parties, central or private banks), (iii) the cost of a digital currency, (iv) the competition (maintaining a level playing field between parties), and (v) the service that central banks should deliver and how to keep the roles of central banks and private parties clear.

- (5) **VEB**, on long-term strategy in combination with digitalisation: "ING sees opportunities for growth and initiatives in 'open banking'. Can you explain the possible obstacles you see, for example in privacy, regulation and scalability?"

Mr **Van Rijswijk** explained that open banking covered a wide spectrum in which Application Programming Interfaces (APIs) have a significant role. To improve its service to customers ING was, for security, developing its own APIs, for example for the renewed Payment Services Directive 2 (PSD2). On the other hand ING used APIs developed by other parties, for example to offer customers a wider range of services, although it was important that the other party could support scalable use of an API with the service underlying it. This, therefore, concerned elements such as cyber and general security, data usage and security, and scalability.

- (6) **PGGM, also on behalf of certain participants in Eumedion and VEB**, on negative interest rates:

**PGGM, also on behalf of certain participants in Eumedion** - "Negative interest rates for retail savers: is this not inconsistent with the role of a bank? What consequential risks do you see for your customers and society?"

**VEB** – "ING generates a significant portion of its funding from bank balances of consumers and businesses: 72% overall. How does ING regard the statement by the Dutch Minister of Finance on the undesirable effects of negative interest rates on balances under €100,000?"

Mr **Van Rijswijk** started his comments with the role of banks and the role that a bank had to play: (i) a bank had to ensure it offered a safe place for savers to keep their savings, so that the bank could manage the money safely,

and (ii) a bank performed a transformation function by converting savings into loans for individuals and businesses. This role did not change irrespective of the level of interest rates. What could change, however, was the price a bank charges for its service as a result of the costs it incurred to offer that service. In the current situation when interest rates are negative, this cost the bank money because of the costs of staff and other things without there being any offsetting income. As a result, in some cases and for some customers, ING had started charging negative interest rates, which were already in place for some larger businesses and financial institutions. At ING in the Netherlands this was on amounts over €100,000 per account, meaning that almost 98% of ING's retail account holders were unaffected by the negative interest rate measure. The intention was to avoid levying negative interest rates on ordinary savers and so protect their savings. There was, however, the question of what are normal savings. According to figures from Statistics Netherlands (CBS), the figure is somewhat lower than €100,000.

- (7) **PGGM, also on behalf of certain participants in Eumedion**, risk management, on the Global Know Your Customer (KYC) enhancement programme: "Please comment on the way in which ING is working on changing culture and conduct, to increase compliance and awareness at ING. Please state whether and how this is being incorporated ING's in Orange Code?"

Mr **Van Rijswijk** first provided greater context on conduct and culture as these elements are very important to improving compliance as an organisation. Conduct had several formal and informal components. Formal components included (i) governance, which is being strengthened through the KYC programme, (ii) official communications and 'the tone from the top', as part of which both the Executive Board and managers of business lines and countries communicate on compliance and security, and (iii) the system for setting objectives and appraising and rewarding employees. In that context, he explained that the Orange Code addressed not so much what the outcome was but how an individual achieved it. This aspect thus concerned conduct. Employees' conduct was thus also part of the appraisal looking not only at the 'what' but also at the 'how'. The Code of Conduct, which contains ten rules on conduct, flows from the Orange Code. One of these rules is that ING must protect its customers against abuse of the financial system, thus combatting money laundering and so the Code of Conduct addresses money laundering. Finally he explained that ING has for some years worked on effecting a change of conduct and this addressed the informal side. This was mainly about awareness, knowledge and conditioning the organisation. Mr **Van Rijswijk** explained that he had started on this in his previous role with a team of employees with a behavioural science background. Attention was being given to how groups interact and could cooperate better through knowledge

sharing and properly structuring and conditioning the organisation.

- (8) **VEB**, risk management, on the Global Know Your Customer (KYC) enhancement programme: "Can the directors explain why a global approach was selected for the KYC enhancement programme rather than a more local approach?"

Mr **Van Rijswijk** replied that risks can be assessed more consistently with a global approach. He gave the example of a business customer which could access its account in several countries. It helps ING in its KYC-related responsibilities from the viewpoint of consistency, data and integrity if it used the same systems and methods around the world for customer review and transaction monitoring. Some of this was done centrally and some locally, so that account could be taken of possible local legislation and regulations in supplement to ING's global standard.

- (9) **PGGM**, also on behalf of certain participants in Eumedion, risk management: "The external auditor states in the Key Audit Matters that 'control deficiencies' had been identified. Are all those deficiencies now resolved? If not, please say something about the improvement programme?"

Mr **Phutrakul** explained that the auditor had reported the identified control deficiencies to management and the Audit Committee of the Supervisory Board and they had been remediated or compensated. In view of this, KPMG had issued an unqualified report on the financial statements. KPMG would address the three key audit matters (the provision for expected credit losses, impairment of goodwill and information technology) later in the meeting.

- (10) **VEB**, risk management: "What would be the effect on the provisions if the government facilitated a 'soft landing' for its Covid-support programmes, such that the lending profile of customers currently in arrears would improve hugely?"

Mr **Van Rijswijk** explained that this was difficult to forecast. It could be expected that many businesses currently had payment difficulties as a result of the Covid-19 crisis. This was not, however, visible because of the support programmes available and in place. This meant that on average the 'probability of default' was currently at a relatively low level. It was not sufficiently clear what would happen when the support programmes ceased. This depended a lot on how the programmes ran down and how customers, say, resumed payment of tax. The impact could also differ between customers. This combination made it complicated to give a very specific answer to this question, which was why ING built standard buffers to be able to respond properly to uncertainties the future brought.

- (11) **VEB**, risk management, on the management overlay that ING had applied to the risk costs in the final quarter of 2020: "Please explain how a longer lag between Gross domestic product (GDP) and actual default could influence the peak in 'probability of default'?"

Mr **Van Rijswijk** explained that there was generally a link between the level or movement in GDP and the modelling risks that ING saw. If, for example, GDP was lower for a long period, there was a higher probability that more businesses would not be able to repay their loans. The extent of this type of correlation also depended on the type of product and the underlying collateral. In the current Covid-19 crisis there had been negative economic growth in 2020, but there did not yet seem to be any or only a small correlation with the 'probability of default', probably because of the support measures provided by the government and banks. It was not yet clear whether and how the correlation would develop in the longer term, taking account, for example, of relaxation in the Covid-19 measures and the associated support measures.

- (12) **VEB**, risk management: "The European Banking Association (EBA) does not think that 'payment holidays' necessarily mean a deterioration in creditworthiness leading to forbearance (suspension of repayments). Contrary to this guidance, ING has made very cautious management adjustments for relaxed loans for small and medium-sized enterprises (SME) and mid-corporates. Why did you not apply similar corrections to mortgages with a payment holiday?"

Mr **Phutrakul** explained that ING evaluated its credit exposure for possible impairment as required and, noting that guidance, had made certain adjustments for expected credit losses for 2020. As a result of the ability of customers to delay payments as a result of Covid-19 it could be that credit losses had not yet appeared in the models that ING used. Consequently, ING had made adjustments for its risk costs in certain portfolios by means of a supplementary provision for possible credit losses. That had been done on the basis of management assessments under the applicable accounting standards on provisions. ING did not currently see higher risks in mortgages and so limited additional provision had been formed.

- (13) **VEB**, risk management: "In 2020 you substantially derisked the balance sheet, mainly in the worse affected sectors. What proportion of the reduction in risk-weighted assets had already been planned (i.e. before Covid-19) and intended as a mitigant for the coming inflation of Risk Weighted Assets under Basel IV? How do you reconcile your position in Italian debt (€17.5 billion) with your derisking?"

Mr **Phutrakul** replied that some years ago ING had started limiting the risks on lending in its portfolios, for example through setting certain limits according to the level of risk. Examples given included leveraged finance, corporate real estate and resource-based lending which is commodity price sensitive. This approach was driven by a prudent risk policy and management taking account of ING's credit exposure, and not so much by Basel IV. In respect of Basel IV, ING would continue working on improving its portfolio and its risk weighting. On Italy, ING deemed its risk position to be

acceptable: ING had a risk exposure of about €17 billion which largely comprised retail mortgages and commercial lending in addition to government bonds.

- (14) **VEB**, risk management: "ING maintains a strategic objective of 50%-52% for the cost/income (C/I) ratio. Although this level of efficiency is rather better than at other banks, you could argue that this ambition is still too low as, excluding your holding in TMB, the underlying C/I ratio in 2020 was 52%. Does management plan further cost improvements?"

Mr **Phutrakul** explained that ING's C/I ratio was one of the better ones in the industry. It was 56.6% in 2019 and rose to 63.2% in 2020 as a result of Covid-19 and the associated challenges. It remained ING's ambition to achieve 50%-52%, driven partly by being a sustainable and strong bank with an acceptable return on equity for its shareholders. ING thus continued to take action and measures to achieve that ambition, on both the income and costs sides.

- (15) Mr **Van Rij**: The **chairman** first explained that ahead of the meeting Mr **Van Rij** of Duivendrecht had sent ING a very long exposition on—in brief—cybercrime, spoofing and other forms of identity fraud and the way in which the bank dealt with customers who were victims. He had submitted a question on this during the meeting last year and had also contacted ING staff several times. He had also submitted a supplementary question during the meeting today. His question, or in fact request, was in effect the following: "Can you ensure that customers who are victims are involved as stakeholders in the approach to this type of fraud and can you also be lenient in earlier cases of spoofing as you were in 2020?" and "What is the Executive Board of ING doing to repair the failure in the spoofing issue in 2020?"

Mr **Van Rijswijk** confirmed that this subject had been raised in last year's meeting and that there had been contact between Mr Van Rij and a number of ING staff with respect to his earlier suggestions, including contact with ING's Cyber Security department to discuss a number of them. He emphasised that suggestions were always welcome so that ING could review whether anything could be done and what. In respect of Mr Van Rij's suggestions, Mr **Van Rijswijk** explained in this connection that ING had announced in the course of 2020 how it dealt with spoofing. ING was also continuously working on improving its service and learning in the area of cyber security, to permanently ascertain the extent to which it could prevent and solve this type of crime as well as possible.

The **chairman** noted that no further questions had been submitted ahead of the meeting on agenda item 2A. He, therefore, moved to reading out and answering a question submitted through the chat function on this agenda item during the meeting:

- (1) **VEB**: "Could the Central Bank Digital Currency possibly be a solution for both ING and large savers to avoid negative interest rates with a central wallet?" Mr **Van Rijswijk** explained that this was difficult to assess and that

he could hardly imagine that the ECB would introduce a separate interest rate policy for a digital currency. Negative interest rates were intended from the ECB's monetary viewpoint to put more money into the economy. That would not in itself be different for a digital currency, as this was not at any rate the reason why the central banks were floating the idea of introducing a digital currency.

#### **Agenda item 2B – Sustainability**

The **chairman** read out and answered questions on this agenda item submitted ahead of the meeting:

- (1) **VBDO**: The **chairman** explained that **VBDO** had raised a number of points. **VBDO** complimented ING on issuing its first Climate Risk Report and again achieving Climate Leader status in the Carbon Disclosure Project benchmark. **VBDO** asked the following: "The Climate Risk Report provides greater insight into how ING handles the management of climate risks using the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (Climate Risk Report, page 7). **VBDO** welcomes the progress ING is making in identifying physical risks resulting from climate change. In the foreword to the Climate Risk Report, the CEO, Mr **Van Rijswijk**, states that the bank can make the biggest impact with its lending portfolio (Climate Risk Report, page 3). How will ING ensure that its business customers also include risks resulting from climate change in their risk management?"

Mr **Van Rijswijk** explained that ING was doing three things:

- (i) ING was looking at the Paris climate targets and how it could align its lending portfolios with them. Risk management was important here: how could ING ensure that had its risk management under control for transition risks and physical risks. He gave as an example 'stranded assets' which are assets that are exposed to losing value quickly and not or no longer being attractive from a financing perspective.
- (ii) ING was working with the United Nations Environment Programme Finance Initiative (UNEP FI) and followed the recommendations of the TCFD, the Financial Stability Board's group working on improving the quality of financial reporting of climate-related risks including 'transition risks' and 'physical risks'. On physical risk, ING operated in line with the Physical Risk and Resilience Statement as drawn up further to a call from the UNEP FI. In this way ING always tried to improve its reporting of climate risks so that it could manage them better.
- (iii) ING was in continuous discussion with customers. On the one hand ING indicated what it could and could no longer finance from the Terra viewpoint to meet climate targets. On the other hand ING advised customers on their policy to become more sustainable. For

example, in 2020 ING supported dozens of bonds and other loans linked to the commercial targets of the businesses being financed, on the basis of which they paid a given interest rate. ING could thus support its customers in their sustainability transition in an inclusive way.

- (2) **VBDO:** "VBDO is aware of the steps that ING took in 2020 to protect human rights. These included launching the test phase of a tool to assess human rights related risks at portfolio level (Human Rights Update 2020, page 12). Using this tool, which combines data from several external databases, ING can determine further steps in relationships with customers (Human Rights Update 2020, page 14). VBDO is very curious about this tool. Can ING comment more extensively in the next Human Rights Update on how the tool identifies risks and how the quantitative results translate into concrete action?"

Mr **Van Rijswijk** explained that the analysis of human rights risks in the supply chain is often very complex, especially for banks as they are one step removed from the chain. Nevertheless it was important. ING tried to tailor due diligence on the supply chain to a customer's risk profile and a transaction in order to arrive at a risk classification. ING had a risk-based approach focused primarily on chains in sectors and countries with a higher risk profile. ING was currently piloting a tool to identify the profiles of a number of Wholesale Banking customers. Based on this, ING asked about human rights, child labour, forced labour or making impact on land-related issues. ING would report on this in next year's Human Rights Update, provided there is something to say as the tool is still under development.

- (3) **PGGM, also on behalf of certain participants in Eumedion:** "ING shows ambition in its climate strategy as we can read in the latest Terra report. We would like to see a more progressive climate-neutral commitment in the near future. Is ING prepared to formulate an ambitious climate-neutral policy before the annual general meeting next year and, like Royal Dutch Shell and Unilever, submit it to the annual general meeting for an advisory vote?"

Mr **Van Rijswijk** explained that ING itself as an organisation, including its operations, had been CO2 neutral for some years. ING had also set several targets on the basis of which it wanted to operate and was committed to bring its loan book in line with the Paris climate objectives. Referring to what he had explained earlier in the meeting, globally ING was seen as a leader in ESG and climate policy. It was a developing area where ING was in the lead and on which it spoke extensively with a number of its larger shareholders and other stakeholders. ING had already taken many steps in this area and it would continue to do so. Consequently, ING currently saw no reason to submit this subject to an advisory vote.

- (4) **VEB:** "The Climate Alignment Dashboard in the Terra Progress Report 2020

shows ING's ambition on Upstream Oil & Gas financing. It seems that ING foresees a fall from €4 billion in 2019 to €3.2 billion in 2040, with the real decline only occurring after 2030. Does ING regard this as an ambitious target?"

Mr **Van Rijswijk** appreciated the question and explained that the oil and gas target was in line with the path set out in the Paris Agreement. ING had divided its portfolio into nine sectors and the combination of measures for those sectors was contributing in a particular way to the reduction in CO2 emissions. The nine sectors accounted directly or indirectly for 75% of CO2 production.

Using an example, Mr **Van Rijswijk** explained that as well as honouring existing long-term financing agreements, part of the oil and gas industry would be needed for the provision of energy in the next few years. Currently there was still demand for oil and gas, which many people were still dependent on. That demand would not simply disappear. ING, therefore, had to work with an inclusive strategy, in which it took its customers along in the transition rather than turning them away since then nothing would actually change. ING did, for example, see coal being phased out entirely by 2025. ING was moving in line with the way the world was moving and guided this where possible.

The **chairman** noted that there were no further questions on agenda items 2A to 2D and, after the capital represented had been displayed on the screen, moved to announcing the results of the voting on agenda item 2D, the Remuneration Report for 2020 (advisory voting item). He gave the floor to Ms **Van Oosten Slingeland**, who announced that there was an advisory vote in favour of 98.19% (2,487,509,780 votes in favour, 45,909,426 votes against and 1,469,806 abstentions).

The **chairman** closed this agenda item and moved to the next agenda item.

## **2E. Financial statements (annual accounts) for 2020 (voting item)**

The **chairman** announced that the Executive Board had prepared the financial statements presented on pages 248 to 388 of the Annual Report in English on 8 March 2021 and that they had been available on ING's website, [www.ing.com](http://www.ing.com), since 11 March 2021. The financial statements had also been available for inspection at ING's head office, where they were available free of charge to shareholders. On the instructions of the Annual General Meeting (resolution of 11 May 2015), the financial statements had been examined by the external auditor, who had issued an unqualified report on them as presented on pages 389 to 395 of the Annual Report. The Supervisory Board recommended adoption of the financial statements as presented. The auditor would give a commentary on how he had performed his work.

The **chairman** gave the floor to the auditor, represented by Mr Bakker of KPMG. Mr **Bakker** (KPMG) thanked the chairman for this opportunity to explain KPMG's engagement as ING's auditor. Mr Bakker had been involved on behalf of KPMG in the audit of ING since 2016 and since 1 January 2020, had had final responsibility as

the signatory on the audit report for ING. Normally, KPMG as the auditor would be bound by a duty of confidentiality. ING had given him exemption from this for the purposes of this meeting so that he could comment to the shareholders on KPMG's audit work and report.

Mr **Bakker** commented as follows:

As the chairman had explained, this meeting like last year's was taking place virtually because of Covid-19. Covid-19 had also affected ING's operations and, therefore, substantively KPMG's audit. This had led to some changes to the way in which the audit was performed as addressed in the following points.

What had KPMG audited: In accordance with its engagement, KPMG had audited the company and consolidated financial statements of ING Group for 2020 and had issued an unqualified report on them. KPMG had also issued an assurance report on selected non-financial information presented by ING in its Annual Report. The assurance report was unqualified. As ING Group also had a listing in the United States, KPMG had also issued a report on the financial statements submitted to the SEC (Form 20-F) and reported on the effectiveness of the internal controls on financial reporting by ING Group. Both of these reports were unqualified. Mr **Bakker** used KPMG's independent auditor's report on pages 389 to 395 of the Annual Report as a guide to explaining KPMG's work and summarised the key elements:

- KPMG's report: based on its work, KPMG had concluded that the financial statements gave a true and fair view of the financial position at 31 December 2020 and of the result and the cash flows for the year then ended in accordance with IFRS-EU and Dutch legislation. The financial statements had been prepared on the assumption of continuity of business operations. Based on its work, KPMG had concluded that this assessment by management was appropriate.
- Independence and the audit: KPMG was independent of ING Group and its subsidiaries worldwide and reported on its independence to the Audit Committee and the Supervisory Board of ING at least twice a year.
- Materiality: KPMG had used a materiality level of €250 million for the audit of ING Group's financial statements. This was determined using the normalised profit before taxation. As the profit before taxation in 2020 was lower than in 2019, KPMG's materiality was lower in 2020 (€250 million) than in 2019 (€300 million). Materiality determines the degree of detail to which KPMG audits the figures. All audit differences in excess of €12.5 million identified by KPMG were reported in writing to the Audit Committee and the Supervisory Board.
- Scope of the audit: KPMG was not only ING's auditor in the Netherlands but also in almost every other country where ING operates. KPMG decided where audits for group purposes were performed and to what depth. In view of the lower materiality, KPMG had included more entities in the scope of work of local auditors. Approximately 92% of the assets and 83% of the profit

before taxation was subject to audit by local auditors. The remainder was covered by work at ING group level. KPMG assessed the results of the local audits and discussed them locally with the KPMG teams in digital meetings. KPMG collated the findings centrally and used them to reach its final opinion. As a result of travel restrictions, KPMG had been unable to visit foreign auditors to conduct file reviews and so it had structured part of its assessment of the work of the local auditors in other ways, asking the auditors of selected components to grant digital access to their local files in order to evaluate their work.

Legislation and regulations: ING had to comply with much legislation and regulations in countries where it operated. Some laws and rules, such as the reporting standards under Part 9 of Book 2 of the Dutch Civil Code and IFRS, had a direct effect on the financial statements. KPMG had established compliance with this legislation and regulation as part of its audit work on the financial statements. In addition, there were laws and rules where failure to comply could have an indirect effect on items in the financial statements and/or the disclosures, for example as a consequence of penalties or claims. This related, for example to the Anti-money Laundering and Anti-Terrorist Financing Act, but also for example to sanctions legislation. Audit standards on identifying non-compliance with these indirect laws and regulations led to specific procedures including questioning management and inspecting correspondence with regulatory bodies and legal correspondence. If there were indications of non-compliance with laws and rules with an indirect effect, KPMG ascertained whether this impacted the financial statements, for example in the form of provisions or disclosures. If applicable, it also reported its findings on indications of non-compliance to the Executive Board, Supervisory Board and regulators. The Executive Board had explained how ING was implementing the bank-wide Know Your Customer enhancement programme in its report. This programme was aimed at improving governance systems and resources for investigating customers and monitoring transactions. Under Audit Standard 250, KPMG's work in this connection included instructing local auditors and questioning management, the general counsel, the chief compliance officer and the head of the Internal Audit department of ING Group. KPMG also examined communications with regulators, internal progress reports and internal audit reports. Given the scope, duration and complexity of the enhancement programme, KPMG expected that it would continue to require a significant amount of time and attention from the Executive Board, the Audit Committee and the Supervisory Board.

Key Audit Matters. These are those matters that were of most significance in the audit of the financial statements. KPMG had identified three Key Audit Matters in its report:

- (1) **Provision for expected credit losses:** in view of the estimation uncertainty in determining the provisions for credit losses, KPMG regarded this provision as a key audit matter. The estimation uncertainty increased in 2020 as a result of the economic conditions resulting from Covid-19. ING had some €598 billion in loans and advances to customers and €25 billion to banks. These portfolios were measured at amortised cost. The provision should these loans and advances prove uncollectible was some €5.8 billion. The provision comprised general and specific provisions. Establishing the provision required estimates including assumptions on the probability of default or, for example, assumptions on future cash flows, macroeconomic scenarios and identifying a significant increase in credit risk but also, for example, adjustments to the provision ('management overlays'). The management overlays were formed for uncertainties in the assessment of future economic developments and the assessment of the solvency of debtors using 'payment holidays' introduced by management for customers during Covid-19. In view of the complexity of the models and the extent of the estimates in the assumptions underlying the provision, KPMG worked with its specialists to assess the level of the provisions. Overall, the assumptions, methodology, cash flows and collateral values were covered by the audit. As part of its work, KPMG had tested internal controls to ascertain expected credit losses, including controls relating to assumptions, monitoring expected credit losses, ascertaining risk categories and estimating future cash flows from recovering collateral. KPMG also tested internal controls relating to specific assumptions to ascertain the general provisions including the application of management overlays. KPMG also independently examined loan files around the world to audit the specific provisions. Based on that work, KPMG concurred with the valuation of ING's loan portfolio and the related notes in the financial statements.
- (2) **Impairment of goodwill:** ING had capitalised some €0.5 billion of goodwill. Management conducted impairment tests annually or sooner if the carrying amount was higher than the recoverable amount. In an impairment test, the carrying amount of the goodwill was compared with the higher of the realisable value and value in use. If the carrying amount is higher, an impairment must be recognised. As a result of Covid-19, economic assumptions deteriorated during the year and the realisable value of goodwill fell. KPMG regarded the impairment of goodwill as a Key Audit Matter given the degree of estimation uncertainty in the assumptions used to compute realisable value (for example, the forecasts, long-term growth, capital ratios and

discount rates used to compute the realisable value). KPMG's work included establishing the reasonableness of the forecasts and other assumptions and the mathematical accuracy of the model. KPMG engaged specialists in its work. Based on this work, KPMG concurred with the measurement of goodwill.

- (3) **Information technology:** ING Group was dependent on its IT infrastructure for the reliability and continuity of its operations and financial statements. It was particularly important that segregation of duties for access to the IT systems was ensured. In view of its significance, KPMG regarded this as a Key Audit Matter. KPMG had tested the design, existence and operation of logical access security and change management. Findings on internal controls were addressed by management and using a combination of tests of internal controls and substantive procedures, KPMG had concluded that there was a sufficient basis to rely on the operation of the IT systems for its audit of the financial statements.

Mr **Bakker** concluded his comments and handed back to the **chairman**.

The **chairman** thanked Mr Bakker and announced that no questions had been submitted on this agenda item ahead of or during the meeting. The **chairman**, therefore, called on Ms Van Oosten Slingeland to announce the results of the voting on this agenda item. Ms **Van Oosten Slingeland** announced that 99.74% had voted in favour (2,517,755,957 votes in favour, 6,578,179 votes against and 10,554,876 abstentions).

The **chairman** announced that the financial statements (annual accounts) for 2020 had been adopted, closed this agenda item and moved to the next agenda item.

### **3A. Profit retention and distribution policy (discussion item)**

The **chairman** moved to the profit retention and distribution policy and referred to pages 371 to 374 of the Annual Report. He explained that in the third quarter of 2020, ING had announced a change to its dividend distribution policy which, in brief, meant that 50% of net profit would be distributed. The payment could be in cash or a combination of cash and share repurchases. There would, furthermore, be periodic consideration of whether a structural capital excess could be paid in addition, taking into account macroeconomic conditions and the outcome of internal capital planning. The **chairman** announced that no questions had been submitted on this agenda item ahead of or during the meeting. He closed this agenda item and moved to the next agenda item.

### **3B. Dividend for 2020 (voting item)**

The **chairman** moved to the dividend for 2020 and referred to pages 60, 61 and 373 of the Annual Report. He explained that currently and at least until the end of September 2021, there was a recommendation by the ECB to limit profit distributions for the 2020 financial year until 30 September 2021 to 15% of the net profit (adjusted for the ECB definition). This meant that ING's policy to distribute 50% of the net

profit was currently effectively restricted. A distribution of 50% of the net profit for the 2020 financial year corresponded to €0.39 per ordinary share. This was also the amount retained for distribution for the 2020 financial year. On the proposal to formally adopt the interim dividend of €0.12 per ordinary share paid out in February 2021 as a final dividend for 2020, ING had taken account of the views of shareholders on the technical implications of the ECB's recommendation for profit distributions and the timing of such payments. The balance of the net profit (€0.27 per ordinary share) would be appropriated to reserves in accordance with the ECB recommendation of 15 December 2020. ING intended to make an additional payment for 2020 of €0.27 per ordinary share after 1 October 2021, which would be paid from the general reserve. ING also intended to pay out the amount reserved from the profit for 2019 after September 2021.

The **chairman** read out and answered a question submitted ahead of the meeting on this agenda item by Mr **Balt**: "It is ING's intention, in line with its dividend policy, to make an extra distribution for 2020 from the general reserve of €0.27 per ordinary share after 30 September 2021 and as far as possible to distribute the amounts reserved for 2019. Can you confirm that (subject to the permission of the ECB and the end of the prohibition on dividends) ING will, after 30 September 2021, pay 100% of the remaining €0.27 per share for 2020 and the reserved €0.45 per share for 2019 in cash and so not as share repurchases?" Mr **Phutrakul** thanked Mr **Balt** for his question and announced that ING is expected to pay €0.27 and €0.45 for 2020 and 2019 respectively on a date after 30 September 2021. How and when this distribution would be made still had to be decided. ING would make an announcement as soon as the Executive Board had made its decision.

The **chairman** announced that no questions had been submitted on this agenda item during the meeting. He called on Ms Van Oosten Slingeland to announce the result of the vote. Ms **Van Oosten Slingeland** announced that 99.99% had voted in favour (2,533,570,983 votes in favour, 163,368 votes against and 1,154,661 abstentions). The **chairman** announced that the proposal in agenda item 3B had been carried, closed this agenda item and moved to the next agenda item.

#### **4A. Discharge of the members and former members of the Executive Board in respect of their duties performed during the year 2020 (voting item)**

The **chairman** first explained that agenda items 4A and 4B, granting discharge to the members and former members of the Executive Board and the Supervisory Board, would be addressed together, followed by separate votes. He took it that the meaning of the term 'discharge' (the term used to relieve a director or supervisory director from liability in respect of his or her duties performed in the year for which the discharge is proposed) was known.

The **chairman** announced that no questions had been submitted on agenda items 4A and 4B ahead of or during the meeting.

Referring to the explanation of agenda item 4A in the notice of meeting, the **chairman** moved to this agenda item. He called on Ms Van Oosten Slingeland to

announce the results of the voting on this agenda item. Ms **Van Oosten Slingeland** announced that 97.50% had voted in favour (2,418,244,865 votes in favour, 62,081,030 votes against and 54,563,117 abstentions).

The **chairman** announced that the proposal in agenda item 4A had been carried, closed this agenda item and moved to the next agenda item.

**4B. Discharge of the members and former members of the Supervisory Board in respect of their duties performed during the year 2020 (voting item)**

The **chairman** moved to agenda item 4B and referred to the explanation of this agenda item in the notice of meeting. He called on Ms Van Oosten Slingeland to announce the results of the voting on this agenda item. Ms **Van Oosten Slingeland** announced that 97.50% had voted in favour (2,418,312,699 votes in favour, 62,024,518 votes against and 54,551,795 abstentions).

The **chairman** announced that the proposal in agenda item 4B had been carried, closed this agenda item and moved to the next agenda item.

**5. Variable remuneration cap for selected global staff (voting item)**

The **chairman** moved to agenda item 5 on the variable remuneration cap for selected global staff and referred to the explanation of this agenda item in the notice of meeting. He reminded the shareholders that the Annual General Meeting in 2017 had authorised a variable remuneration cap of 100% to 200% for this group—those working in corporate services departments and in Wholesale Banking and Retail Banking business units outside the European Economic Area—for a period of five performance years, starting with performance year 2017. The proposal was to renew that authority for the subsequent five performance years, that is from 2022 to 2026.

The **chairman** read out and answered a question submitted on this agenda item ahead of the meeting by **PGGM, also on behalf of certain participants in Eumedion**: "We are proponents of a moderate remuneration policy and would like to see that variable remuneration does not exceed fixed remuneration (i.e. a cap of 100%). You are again asking approval to increase this figure to a cap of 200% for employees outside the EEA. We will vote against this proposal. Will you commit to making extremely restricted use of this authority and to evaluate whether such an increase is in fact necessary and not merely 'nice to have'?"

Mr **Van Rijswijk** explained that ING had some existing contracts with employees outside the EEA for whom this authorisation could be necessary. He confirmed that ING would use it restrictively and announced that ING had not had to make use of this authorisation in recent years.

The **chairman** announced that no questions on this agenda item had been submitted during the meeting. He called on Ms Van Oosten Slingeland to announce the result of the vote. Ms **Van Oosten Slingeland** announced that 99.16% had voted in favour (2,509,262,140 votes in favour, 21,310,972 votes against and 4,315,900 abstentions). The **chairman** announced that the proposal in agenda item 5 had been carried, closed this agenda item and moved to the next agenda item.

**6. Amendments of the Articles of Association (voting item)**

The **chairman** moved to agenda item 6 on the amendments of the Articles of Association and referred to the explanation of this agenda item in the notice of meeting. The amendments related to the implementation of the Management and Supervision of Legal Entities Act (*Wet bestuur en toezicht rechtspersonen*) that enters into force partly on 1 July 2021 and partly on a later date (as appeared after the meeting) and concerned provisions (i) on how the duties and responsibilities of the Supervisory Board would be taken care of if all Supervisory Board positions are vacant (ontstentenis) or if all Supervisory Board members are prevented from acting (belet), (ii) in the event that one or more, but not all, Supervisory Board positions are vacant or if one or more, but not all, Supervisory Board members are unable to act and (iii) in the event that a member of the Executive Board is prevented from acting (belet).

The **chairman** announced that no questions had been submitted on this agenda item ahead of or during the meeting. He called on Ms Van Oosten Slingeland to announce the result of the vote. Ms **Van Oosten Slingeland** announced that 99.98% had voted in favour (2,532,939,404 votes in favour, 393,408 votes against and 1,556,200 abstentions).

The **chairman** announced that the proposal in agenda item 6 had been carried, closed this agenda item and moved to the next agenda item.

**7. Composition of the Executive Board**

The **chairman** announced that the Supervisory Board proposed to reappoint Steven Van Rijswijk and to appoint Ljiljana Čortan as members of the Executive Board. He explained that ING's former CEO Ralph Hamers had left on 30 June 2020, following which ING had appointed Steven Van Rijswijk as CEO with effect from 1 July 2020. Steven Van Rijswijk had already been a member of the Executive Board as CRO. His current term of office as a member of the Executive Board expired at the end of this Annual General Meeting. Steven Van Rijswijk's appointment as CEO left a vacancy for the position of CRO from 1 July 2020. Following a careful selection process, ING had appointed Ljiljana Čortan as CRO and member of the Management Board Banking of ING Bank N.V. with effect from 1 January 2021.

**7A. Reappointment of Steven Van Rijswijk (voting item)**

The **chairman** moved to agenda item 7A on the reappointment of Steven Van Rijswijk as a member of the Executive Board from the end of this meeting for a period of four years ending at the end of the 2025 Annual General Meeting. He referred to the explanation of this agenda item in the notice of meeting showing that the binding nomination was guided in part by Steven Van Rijswijk's performance in his previous roles at ING and his combination of experience, leadership skills and in-depth understanding of ING's business. Since July 2020 he had also demonstrated his suitability for the role of CEO, making him the right man in the right place to move ING forward.

The **chairman** announced that no questions had been submitted on this agenda item ahead of or during the meeting. He called on Ms Van Oosten Slingeland to announce the result of the vote. Ms **Van Oosten Slingeland** announced that 99.91% had voted in favour (2,516,747,947 votes in favour, 2,356,286 votes against and 15,784,779 abstentions).

The **chairman** announced that the proposal in agenda item 7A had been carried and congratulated Mr Van Rijswijk on his reappointment. He closed this agenda item and moved to the next agenda item.

#### **7B. Appointment of Ljiljana Čortan (voting item)**

The **chairman** moved to agenda item 7B on the appointment of Ljiljana Čortan as a member of the Executive Board from the end of this meeting for a period of four years ending at the end of the 2025 Annual General Meeting. He referred to the explanation of this agenda item in the notice of meeting showing that the binding nomination was guided in part by the following: (i) Ljiljana Čortan was a very experienced banker. (ii) She had experience in strategic and commercial roles, including in corporate and investment banking, marketing and mergers and acquisitions. (iii) She also had extensive international experience in a tightly regulated environment, having carried out challenging roles in various countries and during different economic cycles. Her appointment was based on her good track record in risk management, her experience of managing a commercial lending portfolio and her thorough understanding of compliance and anti-money laundering, models and artificial intelligence. Ljiljana Čortan contributed to the diversity of the Executive Board based on nationality and gender and with her professional experience and leadership she would be a valuable addition to the Executive Board.

The **chairman** read out and answered a question submitted on this agenda item ahead of the meeting by the **VEB**: "Could Ms Čortan share her thoughts, from her viewpoint of a risk manager, on possible consolidation in the European banking sector and, if it were to happen, whether it would mean a commercial risk for ING, in particular if ING were not part of such consolidation?".

The **chairman** referred to the fact that Ms Čortan was unable to answer herself because of the virtual nature of the meeting. She had, however, discussed the question extensively with the CEO. The **chairman**, therefore, gave the floor to Mr Van Rijswijk to reply on his and her behalf.

Mr **Van Rijswijk** replied that ING believed primarily in organic growth. ING currently held a good position in various markets and had been able to grow and continue that growth in recent years. ING had actually seen the number of primary customers grow in 2020, a challenging year. ING was always looking for the necessary technical skills, product competences or products with which it could improve or expand the service to its customers. He added that in respect of cross-border transactions there was a restriction on the free movement of capital and liquidity. While there was that restriction, ING regarded large scale international consolidation as problematic. There could be local consolidation and where that

affected ING's position, ING would dynamically review what it meant at that time for ING. ING remained a strong proponent of the banking union (which did not currently exist) and continued to monitor market developments with interest.

The **chairman** thanked Mr Van Rijswijk and announced that no questions had been submitted on this agenda item during the meeting. He called on Ms Van Oosten Slingeland to announce the result of the vote. Ms **Van Oosten Slingeland** announced that 99.90% had voted in favour (2,516,693,331 votes in favour, 2,412,985 votes against and 15,782,696 abstentions).

The **chairman** announced that the proposal in agenda item 7B had been carried and congratulated Ms Čortan. He closed this agenda item and moved to the next agenda item.

#### **8. Composition of the Supervisory Board**

The **chairman** explained that the Supervisory Board proposed to appoint one new member and to reappoint two existing members. He explained that aim was to ensure that the Supervisory Board was at all times properly composed so that it could perform its duties properly. Finding suitable candidates was a challenge as various requirements, including many statutory ones, had to be met on its composition including background, knowledge, experience, ancillary positions, independence, no conflict of interest and availability. The proposed appointment and reappointments under agenda items 8A, 8B and 8C and taking account of the member retiring, meant that the proportion of women on the Supervisory Board would remain at one-third or 33.33%. ING was convinced that with the proposed appointment and reappointments, the composition of the Supervisory Board would be such that it could carry out its duties properly. A photo and profile of each person proposed for appointment and reappointment was shown on the screen.

#### **8A. Reappointment of Hans Wijers (voting item)**

The **chairman** gave the floor to Ms Verhagen for agenda item 8A. Ms **Verhagen** thanked the chairman and moved agenda to item 8A on the reappointment of Hans Wijers as a member of the Supervisory Board from the end of this meeting for a period of four years ending at the end of the 2025 Annual General Meeting. She referred to the explanation of this agenda item in the notice of meeting showing that the binding nomination was guided in part by Hans Wijers' in-depth knowledge of international enterprises, financial services, human resources and corporate governance, his successful track record, competences and extensive experience and his performance as chairman of ING's Supervisory Board, chairman of the Nomination and Corporate Governance committee and member of the Remuneration Committee, Risk Committee and Audit Committee.

Ms **Verhagen** announced that no questions had been submitted on this agenda item ahead of or during the meeting. She called on Ms Van Oosten Slingeland to announce the result of the vote. Ms **Van Oosten Slingeland** announced that 97.44% had voted in favour (2,451,978,102 votes in favour, 64,314,286 votes against and 18,596,624 abstentions).

Ms **Verhagen** announced that the proposal in agenda item 8A had been carried, congratulated Mr Wijers on his reappointment and returned the floor to the chairman. The **chairman** thanked the shareholders and Ms Verhagen. He closed this agenda item and moved to the next agenda item.

**8B. Reappointment of Margarete Haase (voting item)**

The **chairman** moved to agenda item 8B on the reappointment of Margarete Haase as a member of the Supervisory Board from the end of this meeting for a period of four years ending at the end of the 2025 Annual General Meeting. He referred to the explanation of this agenda item in the notice of meeting showing that the binding nomination was guided in part by Margarete Haase's expert knowledge in the field of finance and audit, and her performance as a member of ING's Supervisory Board, chairwoman of the Audit Committee and member of the Risk Committee. In addition, Margarete Haase was considered a financial expert as defined by the SEC pursuant to Section 407 of the Sarbanes-Oxley Act of 2002.

The **chairman** announced that no questions had been submitted on this agenda item ahead of or during the meeting. He called on Ms Van Oosten Slingeland to announce the result of the vote. Ms **Van Oosten Slingeland** announced that 97.26% had voted in favour (2,445,939,948 votes in favour, 68,800,886 votes against and 20,148,178 abstentions).

The **chairman** announced that the proposal in agenda item 8B had been carried and congratulated Ms Haase on her reappointment. He closed this agenda item and moved to the next agenda item.

**8C. Appointment of Lodewijk Hijmans van den Bergh (voting item)**

The **chairman** moved to agenda item 8C on the appointment of Lodewijk Hijmans van den Bergh as a member of the Supervisory Board from the end of this meeting for a period of four years ending at the end of the 2025 Annual General Meeting. He referred to the explanation of this agenda item in the notice of meeting showing that the binding nomination was guided in part by the following: (i) Lodewijk Hijmans van den Bergh had been a partner at a renowned law firm for two decades. (ii) He had considerable experience in executive as well as non-executive roles in different sectors and industries, including membership of the Executive Board of Royal Ahold. In these roles he had gained extensive experience in legal matters, including governance, acquisitions and divestments etc. (iii) Furthermore, he had contributed actively to the development and execution of strategic agendas, including the development of a responsible retailing strategy and the successful resolution of some key legacy challenges in organisations. With his strong legal, corporate governance, compliance and corporate responsibility expertise and affinity with sustainability, Lodewijk Hijmans van den Bergh would make a valuable contribution to ING's Supervisory Board.

The **chairman** announced that no questions had been submitted on this agenda item ahead of or during the meeting. He called on Ms Van Oosten Slingeland to announce the result of the vote. Ms **Van Oosten Slingeland** announced that 94.43% had voted

in favour (2,376,062,132 votes in favour, 140,161,823 votes against and 18,665,057 abstentions).

The **chairman** announced that the proposal in agenda item 8C had been carried and congratulated Mr Hijmans van den Bergh on his appointment. He closed this agenda item and moved to the next agenda item.

**9A. Authorisation to issue ordinary shares (voting item)**

The **chairman** explained that items 9A and 9B related to the authority of the Executive Board to issue new shares which required authorisation from the Annual General Meeting. The authorities last for 18 months but could be renewed by the General Meeting. The proposals to be discussed at this meeting were in line with those agreed to by annual general meetings of recent years, being authorisation to issue 40% of the issued capital plus authorisation to issue 10% of the issued capital. The proposals made it easier for ING Group to respond quickly, where necessary, to unfavourable developments in the financial markets and enabled ING Group to manage its capital properly. The proposals in 9A and 9B took account of the way in which similar international banks manage their capital and the best practice guidelines of ING's institutional shareholders.

The **chairman** moved to agenda item 9A on the authorisation to issue ordinary shares (authorisation to issue 40% of the issued capital) with, where reasonably possible, pre-emptive rights being offered to existing shareholders. He referred to the literal wording of the proposal and the explanation of this agenda item in the notice of meeting.

The **chairman** announced that no questions had been submitted on this agenda item ahead of or during the meeting. He called on Ms Van Oosten Slingeland to announce the result of the vote. Ms **Van Oosten Slingeland** announced that 94.41% had voted in favour (2,390,587,689 votes in favour, 141,468,799 votes against and 2,832,524 abstentions).

The **chairman** announced that the proposal in agenda item 9A had been carried, he closed this agenda item and moved to the next agenda item.

**9B. Authorisation to issue ordinary shares with or without pre-emptive rights of existing shareholders (voting item)**

The **chairman** moved to agenda item 9B on the authorisation to issue ordinary shares (authorisation to issue 10% of the issued capital) with or without pre-emptive rights of existing shareholders. He referred to the literal wording of the proposal and the explanation of this agenda item in the notice of meeting.

The **chairman** announced that no questions had been submitted on this agenda item ahead of or during the meeting. He called on Ms Van Oosten Slingeland to announce the result of the vote. Ms **Van Oosten Slingeland** announced that 95.06% had voted in favour (2,408,347,705 votes in favour, 125,036,387 votes against and 1,504,920 abstentions).

The **chairman** announced that the proposal in agenda item 9B had been carried, he closed this agenda item and moved to the next agenda item.

**10. Authorisation of the Executive Board to acquire ordinary shares in the Company's capital (voting item)**

The **chairman** moved to agenda item 10 on the authorisation to acquire ordinary shares in the Company's capital. The authorisation applied for a maximum of 10% of the issued share capital and for a period of eighteen months. He referred to the literal wording of the proposal and the explanation of this agenda item in the notice of meeting.

The **chairman** announced that no questions had been submitted on this agenda item ahead of or during the meeting. He called on Ms Van Oosten Slingeland to announce the result of the vote. Ms **Van Oosten Slingeland** announced that 98.24% had voted in favour (2,484,572,529 votes in favour, 44,573,829 votes against and 5,742,654 abstentions).

The **chairman** announced that the proposal in agenda item 10 had been carried, he closed this agenda item and moved to the closure of the meeting.

**Closure**

The **chairman** said that the definitive voting figures would be placed on ING's website with a few days of the meeting.

Before he closed the meeting, the **chairman** expressed words of thanks for different reasons to Messrs Balkenende, Phutrakul, Wolters and Hamers. To Mr Balkenende, who was standing down at the end of this meeting to focus on other activities, for his dedication and contribution to the development of ING. To Messrs Phutrakul and Wolters, firstly for their work and cooperation on temporarily taking on risk management and the associated day-to-day management activities until the appointment of ING's new CRO, Ms Čortan, on 1 January 2021 and also for the way in which they had then handed over this responsibility. And to Mr Hamers, ING's CEO until 1 July 2020, for putting ING on the right path for the future at a time of digitalisation and for the way in which he had handed over his duties to Mr Van Rijswijk in his new role.

**Close.**

This record of proceedings is executed by me, civil law notary, in Amsterdam, the Netherlands, on the twenty-eighth day of October two thousand and twenty-one.