

Explanation to the Agenda

ING Groep N.V. Annual General Meeting 2018

Monday 23 April 2018, 14:00 CET

Muziekgebouw aan 't IJ
Piet Heinkade 1
1019 BR Amsterdam
The Netherlands

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

Agenda

(see official agenda on the website of the Company www.ing.com/agm)

Agenda item 1

Opening remarks and announcements.

Agenda item 2

- A Report of the Executive Board for 2017 (discussion item).
- B Sustainability (discussion item).
- C Report of the Supervisory Board for 2017 (discussion item).
- D Remuneration report (discussion item).
- E Annual Accounts for 2017 (voting item).

Agenda item 3

- A Profit retention and distribution policy (discussion item).
- B Dividend for 2017 (voting item).

Agenda item 4

- A ING's application of the revised Dutch Corporate Governance Code (discussion item).
- B Amendment of the Executive Board profile (discussion item).
- C Amendment of the Supervisory Board profile (discussion item).

Agenda item 5

- A Discharge of the members and former members of the Executive Board in respect of their duties performed during the year 2017 (voting item).
- B Discharge of the members and former members of the Supervisory Board in respect of their duties performed during the year 2017 (voting item).

Agenda item 6

Amendment to the remuneration policy for members of the Executive Board (voting item).

Agenda item 7

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

Agenda item 8

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

Agenda item 9

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

Agenda item 10

Any other business and conclusion.

Explanation of the agenda items

Agenda item 2A **Report of the Executive Board for 2017** **(discussion item)**

See pages 3 to 60 of the 2017 Annual Report.

Agenda item 2B **Sustainability (discussion item)**

Sustainability Direction 2018-2022

Innovation and climate change are two things having an enormous impact on the world, and with that, our customers. Our purpose is to help them stay a step ahead.

As a bank, we can make a difference through our financing. This is something we are committed to at ING. In 2017 for example, ING financed sustainable projects in areas including renewable energy, water management and public service infrastructure.

In order to make the most impact for customers and society at large, we decided in 2017 to focus our sustainability efforts on contributing to a low-carbon and self-reliant society. This also supports our commitment to the UN Sustainable Development Goals, particularly on sustainable and inclusive economic progress (goal 8) and on sustainable consumption and production (goal 12).

For businesses, our approach includes increasing financing for responsible companies while reducing financing for carbon-intensive sectors, continuing our involvement in the circular economy and increasing financing aimed at promoting social progress. For customers, we promote a self-reliant society by providing people with tools and insights that improve their financial decision-making and resilience. We do this as well for the general public through the Think Forward initiative, an independent expert platform researching consumer behaviour and developing solutions to help them make better financial choices.

For more information, see ing.com/sustainability.

Agenda item 2C **Report of the Supervisory Board for 2017** **(discussion item)**

See pages 63 to 69 of the 2017 Annual Report.

Agenda item 2D **Remuneration report (discussion item)**

See pages 88 to 99 of the 2017 Annual Report.

Agenda item 2E **Annual Accounts for 2017 (voting item)**

It is proposed to adopt the Annual Accounts for 2017 as included in the 2017 Annual Report on pages 103 to 308.

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

See pages 48 to 50 of the 2017 Annual Report.

Agenda item 3B **Dividend for 2017 (voting item)**

It is proposed to declare a total dividend for 2017 of EUR 0.67 per ordinary share.

Explanation

Taking into account the interim dividend of EUR 0.24 per ordinary share paid in August 2017, the final dividend will amount to EUR 0.43 per ordinary share. See page 49 of the 2017 Annual Report. The final dividend will be paid in cash.

Agenda item 4A **ING's application of the revised Dutch Corporate** **Governance Code (discussion item)**

See pages 70 to 82 of the 2017 Annual Report and ING's implementation of the revised Dutch Corporate Governance Code as described in the "Application of the Dutch Corporate Governance Code by ING Groep N.V."

Agenda item 4B **Amendment of the Executive Board profile** **(discussion item)**

See the Executive Board Profile that includes reference to ING's diversity policy.

Agenda item 4C **Amendment of the Supervisory Board profile** **(discussion item)**

See the Supervisory Board Profile that includes reference to ING's diversity policy.

Agenda item 5A **Discharge of the members and former members** **of the Executive Board in respect of their duties** **performed during the year 2017 (voting item)**

It is proposed to discharge the members of the Executive Board and the former members who resigned during 2017 in respect of their duties performed in the 2017 financial year as set out in the 2017 Annual Accounts, the report of the Executive Board, the Corporate Governance chapter, the chapter on Section 404 of the Sarbanes-Oxley Act, the Remuneration report and the statements made in the Annual General Meeting under agenda items 2 to 4.

Agenda item 5B **Discharge of the members and former members** **of the Supervisory Board in respect of their duties** **performed during the year 2017 (voting item)**

It is proposed to discharge the members of the Supervisory Board and the former members who resigned during 2017 in respect of their duties performed in the 2017 financial year as set out in the 2017 Annual Accounts, the report of the Supervisory Board, the Corporate Governance chapter, the Remuneration report and the statements made in the Annual General Meeting under agenda items 2 to 4.

Agenda item 6 **Amendment to the remuneration policy for** **members of the Executive Board (voting item)**

See pages 96 to 97 of the 2017 Annual Report.

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

In accordance with the retirement schedule, Eric Boyer de la Giroday will resign at the end of the 2018 Annual General Meeting. The Supervisory Board proposes, in accordance with article 24 paragraph 2 of the Articles of Association (binding nomination), to reappoint **Eric Boyer de la Giroday** as a member of the Supervisory Board. The reappointment will be effective immediately at the end of the Annual General Meeting of 23 April 2018; the appointment term will expire at the end of the 2022 Annual General Meeting.

In view of his position as chairman of the board of directors of ING Belgium S.A./N.V. and his former positions as member of the Executive Board of ING Groep N.V. and vice-chairman of the Management Board Banking of ING Bank N.V., Eric Boyer de la Giroday is considered not independent as referred to in the Dutch Corporate Governance Code. Following his reappointment, only one member of the Supervisory Board will not be considered independent as referred to in the Dutch Corporate Governance Code.

Further information on the proposed reappointment:
Eric Boyer de la Giroday, born in Uccle, Belgium, on 7 August 1952; Belgian nationality.

Other directorships:

- ING Belgium S.A./N.V.: chairman of the board of directors

Relevant other positions:

- Instituts Internationaux de Physique et de Chimie fondés par Ernest Solvay, asbl: non-executive director of the board of the directors
- Fonds de la Recherche Scientifique (FNRS): member of the Finances Consultative Committee
- Fondation Universitaire: member of the Finances Consultative Committee

Most important former positions:

- ING Groep N.V.: member of the Executive Board
- ING Bank N.V.: member of the Management Board Banking
- ING Belgium S.A./N.V.: member of the Management Board

The total number of directorships held by Eric Boyer de la Giroday meets the requirements of the Capital Requirements Directive (CRD IV; 2013/36/EU), that has been implemented into Dutch law.

Reason for proposed reappointment:

Eric Boyer de la Giroday is nominated for reappointment based on his deep experience in and knowledge of international enterprises, financial services, and the way he performed his role as member of the Risk Committee and Audit Committee in his current term of appointment.

First appointment to the Supervisory Board of the Company:
May 2014

Shares held in the Company (6 March 2018):
47,565 shares

As reported last year Jeroen van der Veer will resign from the Supervisory Board as at the end of the 2018 Annual General Meeting. Mariana Gheorghe is scheduled for reappointment at the 2019 Annual General Meeting.

Agenda item 8A Authorisation to issue ordinary shares (voting item)

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

1. The issue of ordinary shares and the granting of rights to subscribe for such shares in connection with a rights issue, being a share offering to holders of ordinary shares in proportion to their existing holdings of ordinary shares, as close as may be practical, up to an aggregate nominal amount of EUR 15,543,161.76.
2. In connection with this: the exclusion or restriction of pre-emptive rights of existing holders of ordinary shares so as to make such exclusions or other arrangements as the Executive Board and the Supervisory Board may deem necessary or expedient in relation to record dates, fractional entitlements, treasury shares or any restrictions, obligations, practical or legal problems under the laws or requirements of any jurisdiction or regulatory body, in the context of syndicated rights issues or otherwise.

This authorisation renews and supersedes the authorisation assigned by the Annual General Meeting of 8 May 2017 under agenda item 8A and ends on the earlier of 23 October 2019 and the date of renewal of this authorisation.

Agenda item 8B Authorisation to issue ordinary shares with or without pre-emptive rights of existing shareholders (voting item)

The Executive Board, with the approval of the Supervisory Board, proposes to designate the Executive Board as the corporate body authorised to resolve the issue of ordinary shares and the granting of rights to subscribe for such shares up to an aggregate nominal amount of EUR 3,885,790.44 and, in this connection, the exclusion or restriction of pre-emptive rights of existing holders of ordinary shares.

This authorisation renews and supersedes the authorisation assigned by the Annual General Meeting of 8 May 2017 under agenda item 8B and ends on the earlier of 23 October 2019 and the date of renewal of this authorisation.

Explanation

The purpose of the proposals under agenda items 8A and 8B is to delegate the power to issue new ordinary shares to the Executive Board. With these proposals the Executive Board seeks the authority to issue new ordinary shares without having first to obtain the consent of the General Meeting, which in the Netherlands is subject to a statutory convocation period of at least 42 days. The authority to issue shares may be used for any purpose, including but not limited to strengthening capital, financing, mergers or acquisitions.

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

The proposal under **agenda item 8A** provides the authority to issue ordinary shares up to 40% of the issued share capital by way of a rights issue. This means that a share issue under this authorisation will in principle be on a pre-emptive basis in order to minimise dilution for existing shareholders. Notwithstanding the intention of the Executive Board and the Supervisory Board to respect pre-emptive rights of shareholders and avoid dilution, this resolution gives the Executive Board, subject to approval of the Supervisory Board, the flexibility to deal with legal or practical difficulties in relation to record dates, fractional entitlements, treasury shares or any restrictions, obligations, practical or legal problems under the laws or requirements of any jurisdiction or regulatory body, in the context of syndicated rights issues, or otherwise, which might prevent an issuance on a pre-emptive basis. The Executive Board and the Supervisory Board intend to use this authorisation in line with market practice. For more information on the use of this authorisation see pages 71 to 72 of the 2017 Annual Report.

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

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

The proposal under **agenda item 8B** provides the authority to issue ordinary shares, with or without pre-emptive rights of existing shareholders, up to 10% of the issued share capital.

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

1. The potential conversion into ordinary shares of Additional Tier 1 instruments which may be issued by the Company to optimise its capital position under applicable regulatory requirements. Under the EU Capital Requirements Directive, all Additional Tier 1 instruments should contain a loss absorption mechanism, i.e. either a write-off or a conversion into ordinary shares if a certain minimum Common Equity Tier 1 ratio is breached. In the event that the Company issues Additional Tier 1 instruments with a conversion clause, this clause must require that if such a breach occurs, the Additional Tier 1 instruments will be converted into ordinary shares, so that the Company's capital position is safeguarded or conserved. Accordingly, each time Additional Tier 1 instruments are issued, the Executive Board, with approval of the Supervisory Board, will take a conditional resolution on the basis of the share issue authorisations in force at that time to convert Additional Tier 1

instruments into ordinary shares (the condition being the breach of a certain minimum Common Equity Tier 1 ratio). For more information on the Additional Tier 1 instruments issued by the Company prior to 1 January 2017 on the basis of the share issue authorisations of the General Meeting of previous years, please see page 151 of the 2017 Annual Report.

2. The award, by way of fixed and/or variable remuneration, of shares and stock options to members of the Executive Board and employees, and the settlement thereof.

Taken together, the proposals under agenda items 8A and 8B provide the authority to issue shares up to 50% of the issued share capital.

These proposals are consistent with the authorisations by the Annual General Meeting of 8 May 2017, which reflected the outcome of the consultation with investors, proxy advisers and other stakeholders in the context of the corporate governance review held in 2015 and in 2016 that resulted in more alignment with international market practices.

Annual renewal of the authorisations proposed under the agenda items 8A and 8B will be sought.

Agenda item 9 **Authorisation of the Executive Board to acquire ordinary shares in the Company's capital (voting item)**

It is proposed to authorise the Executive Board, for the period ending on 23 October 2019 or the date of renewal of this authorisation, whichever is earlier, to acquire in the name of the Company, upon approval of the Supervisory Board, fully paid-up ordinary shares in the Company. This authorisation is subject to the condition that the nominal value of the shares in the Company, which are acquired, held or pledged in favour of the Company or are held by its subsidiaries for their own account, shall not exceed 10% of the currently issued share capital of the Company.

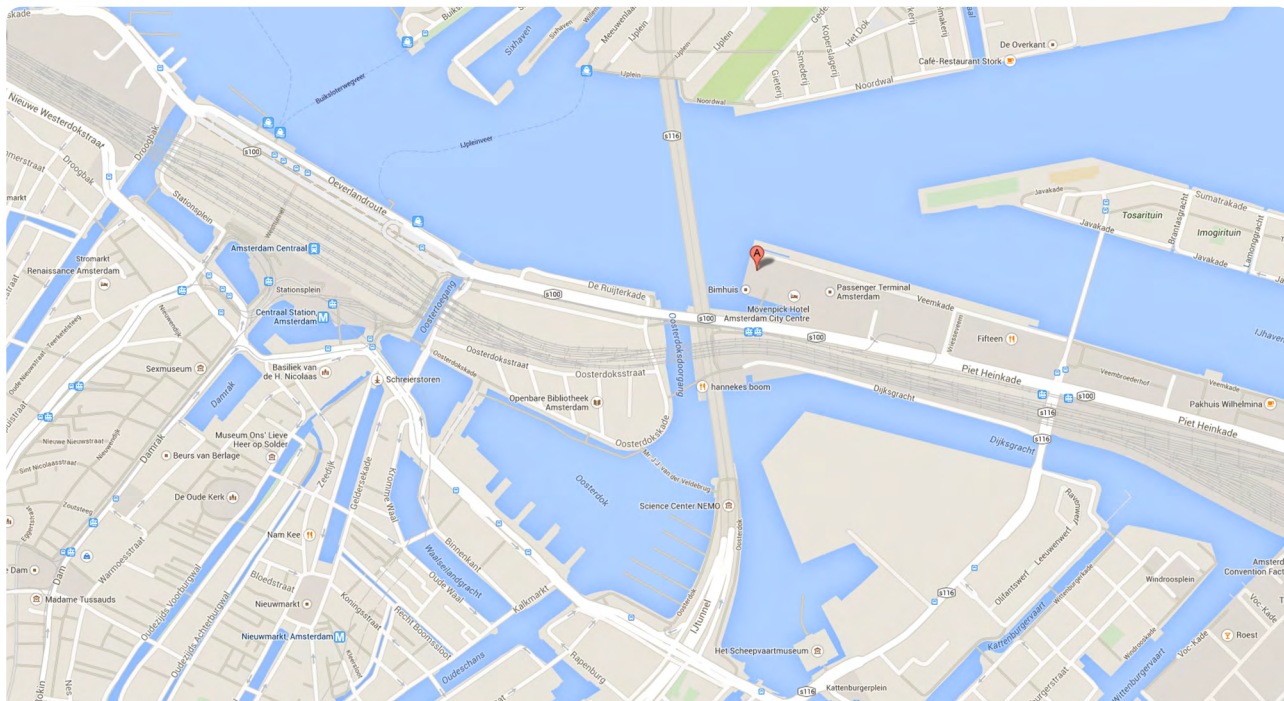
The authorisation applies to each manner of acquisition of ownership for which the law requires such authorisation. The purchase price shall not be lower than EUR 0.01 and not higher than the highest price at which the Company's ordinary shares are traded on Euronext Amsterdam on the date on which the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

Explanation

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

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

Directions



Directions to the Muziekgebouw aan 't IJ

Muziekgebouw aan 't IJ

Piet Heinkade 1

1019 BR Amsterdam

The Netherlands

(See also: <http://www.muziekgebouw.nl/informatie/english/>)

By public transport

Tram 26, stop Muziekgebouw.

The Muziekgebouw is opposite the tram stop. Take the stairs or the lift downstairs and follow the ING signs in the direction of the main entrance of the Muziekgebouw.

Because of the steep slope of the pedestrian bridge, anybody who has difficulty walking is advised to get off one stop later at 'Piet Heinkade' and to enter the main entrance of the Muziekgebouw via the Passenger Terminal Amsterdam or the Mövenpick hotel.

By car

From the east, travelling on the A10, take exit S114 in the direction of Amsterdam centre ('Centrum'). You will enter the Piet Hein tunnel. At the end of the tunnel, turn right at the traffic lights in the direction of the Central Station. At the fourth set of traffic lights, turn right. The entrance to the car park is in front of the Passenger Terminal Amsterdam.

From the west, travelling on the A10, take exit S102 in the direction of Amsterdam centre ('Centrum'). You will pass the back of the Central Station and after approximately 500 metres you will see the Muziekgebouw on your left-hand side.

Car park

You can park directly underneath the Passenger Terminal Amsterdam, Piet Heinkade 27, 1019 BL Amsterdam. When you leave the car park, turn right and walk towards the river IJ. After approximately 150 metres, you will find the ground-level entrance of the Muziekgebouw on your right-hand side.

ING Groep N.V.

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