

# Report of the Executive Board for 2018

Annual General Meeting

Ralph Hamers, CEO ING Group

Amsterdam • 23 April 2019

thinkforward

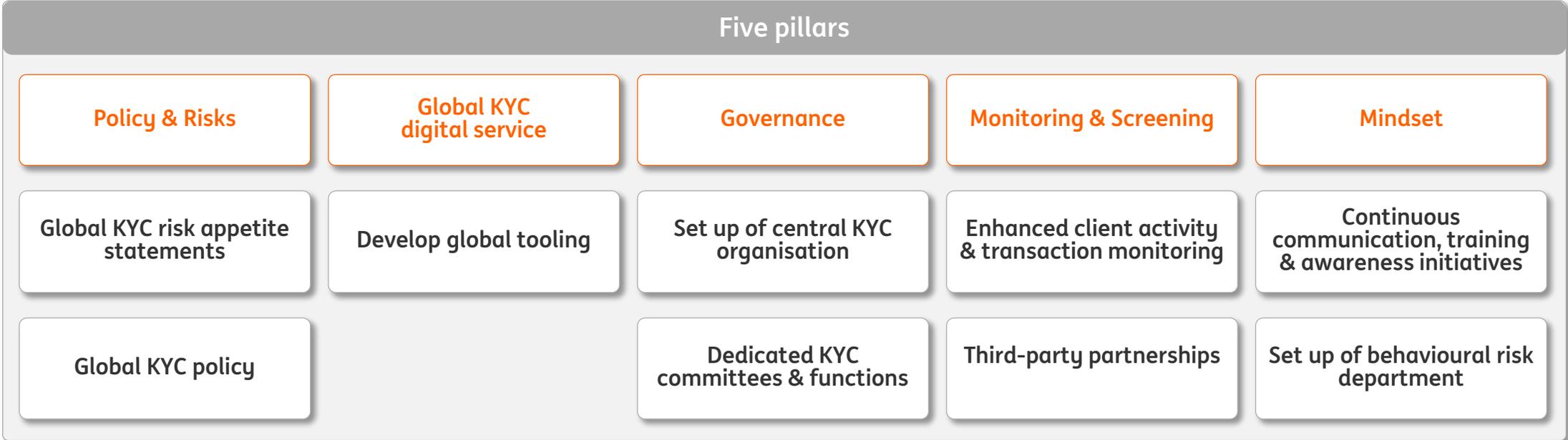


# A more robust KYC environment across all business lines

Over 2,500 FTEs\* worldwide are working on KYC

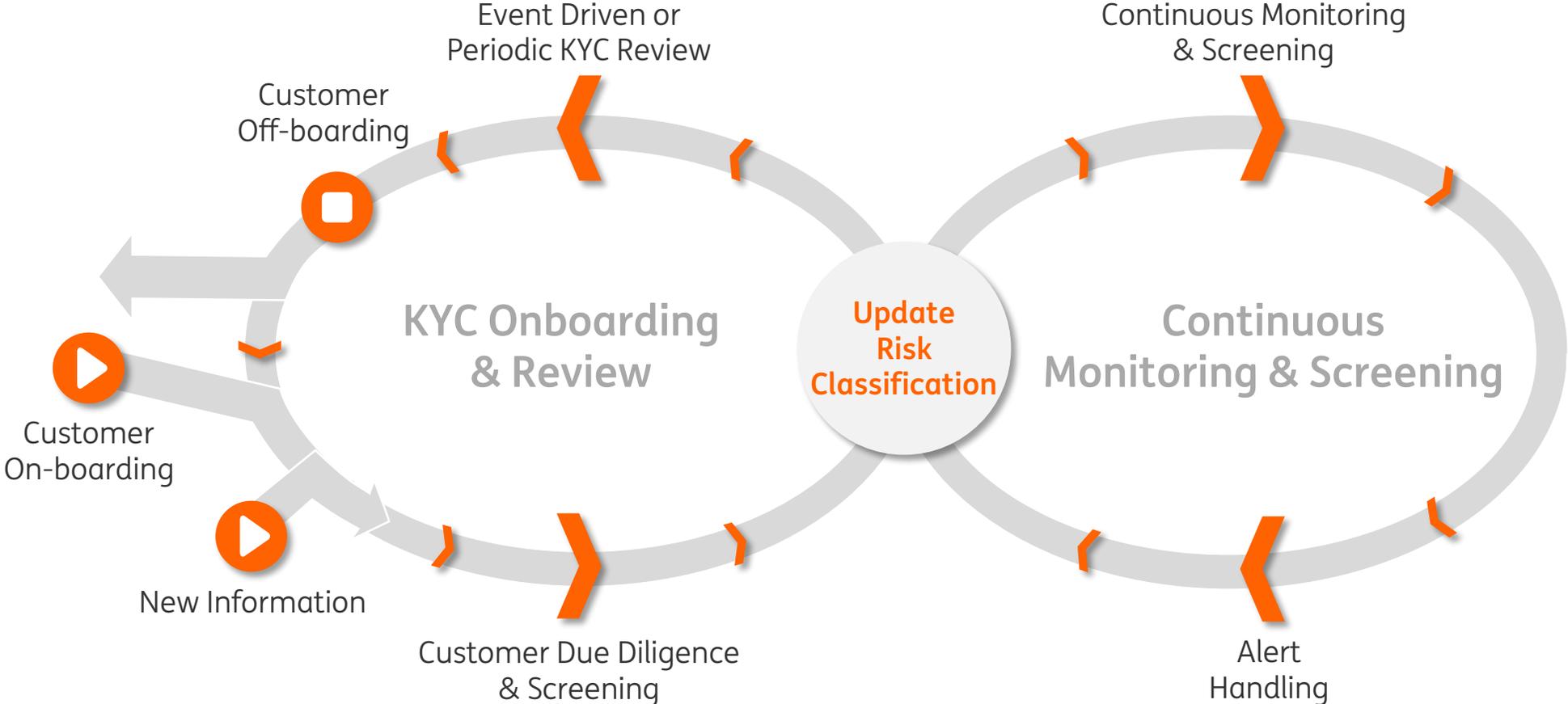
KYC programme for file enhancement

Structural solutions



\* Including internal and external FTEs

# The KYC customer lifecycle



# Think Forward: still as relevant as ever

Purpose



Empowering people to stay a step ahead in life and in business.

Customer Promise



Clear and Easy



Anytime, Anywhere



Empower



Keep Getting Better

Strategic Priorities



## Creating a differentiating customer experience

1. Earn the primary relationship
2. Develop analytics skills to understand our customers better
3. Increase the pace of innovation to serve changing customer needs
4. Think beyond traditional banking to develop new services and business models

Enablers



Simplify & Streamline | Operational Excellence | Performance Culture | Lending Capabilities

# Initiatives to optimise customer experience



fintonic

cobase



payconiq

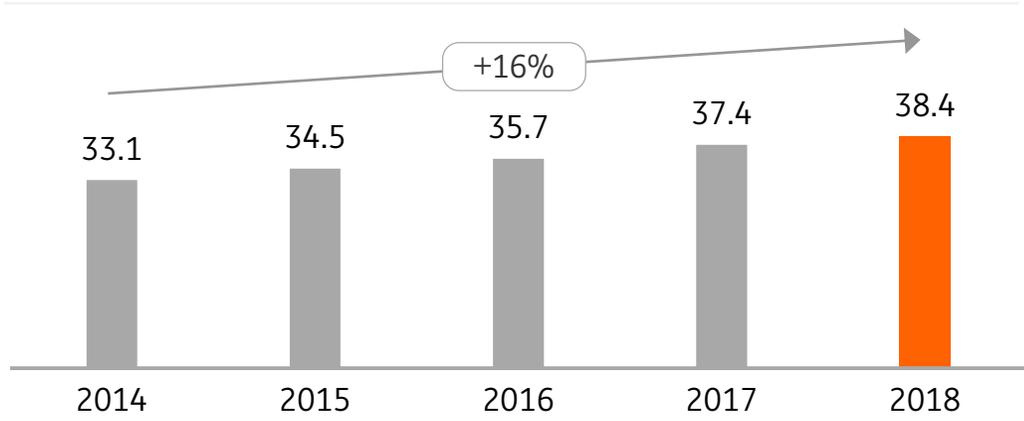


YOLT

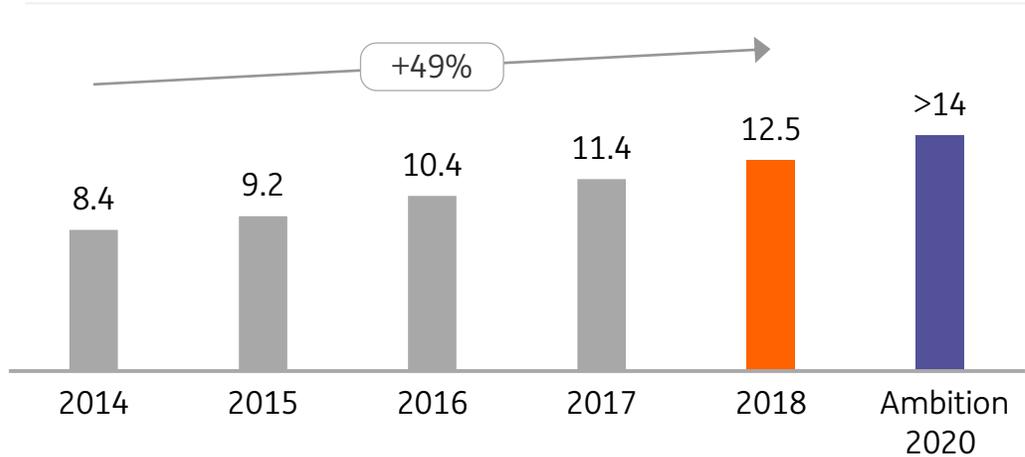


# Think Forward strategy delivers on commercial growth

ING currently serves > 38 mln retail customers (in mln)



Targeting > 14 mln primary customers by 2020 (in mln)



## Core lending

2018 net growth



€ +36.6 bln

## Customer deposits

2018 net growth



€ +19.3 bln

## Net Promoter Scores (NPS)

2018



#1 in 7 out of 13 retail countries

# Sustainability is embedded in our purpose



## Our Sustainability Direction

All of our sustainability initiatives will help contribute to empower a low-carbon and a self-reliant society



€ **16.5** bln  
Climate Finance



€ **6.3** bln  
Sustainable Assets  
under Management  
(SAuM)



We have a leading  
sustainability role  
among banks



€ **0.8** bln  
Social Impact  
Finance



**25** mln  
Customers felt  
financially  
empowered

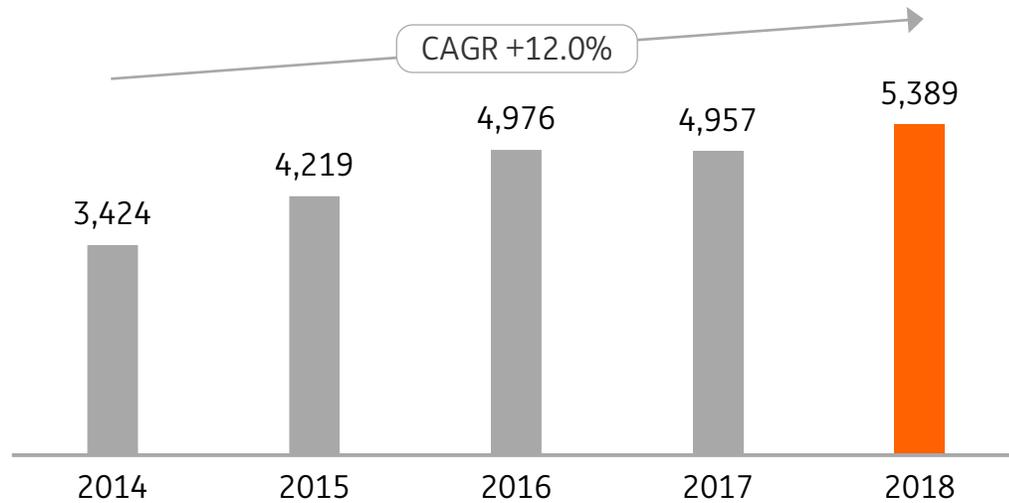
2018: Introduction of  
**Terra** approach

# Towards one ING experience worldwide

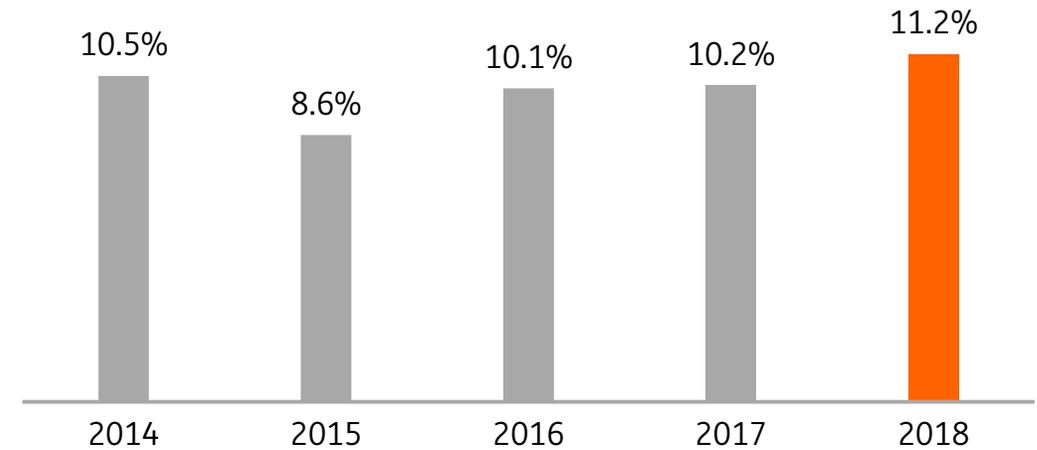


# Underlying result up 8.7% in 2018; ROE at 11.2% for the year

Underlying net result improved further\* (in € mln)



Underlying return on equity above 11%\*

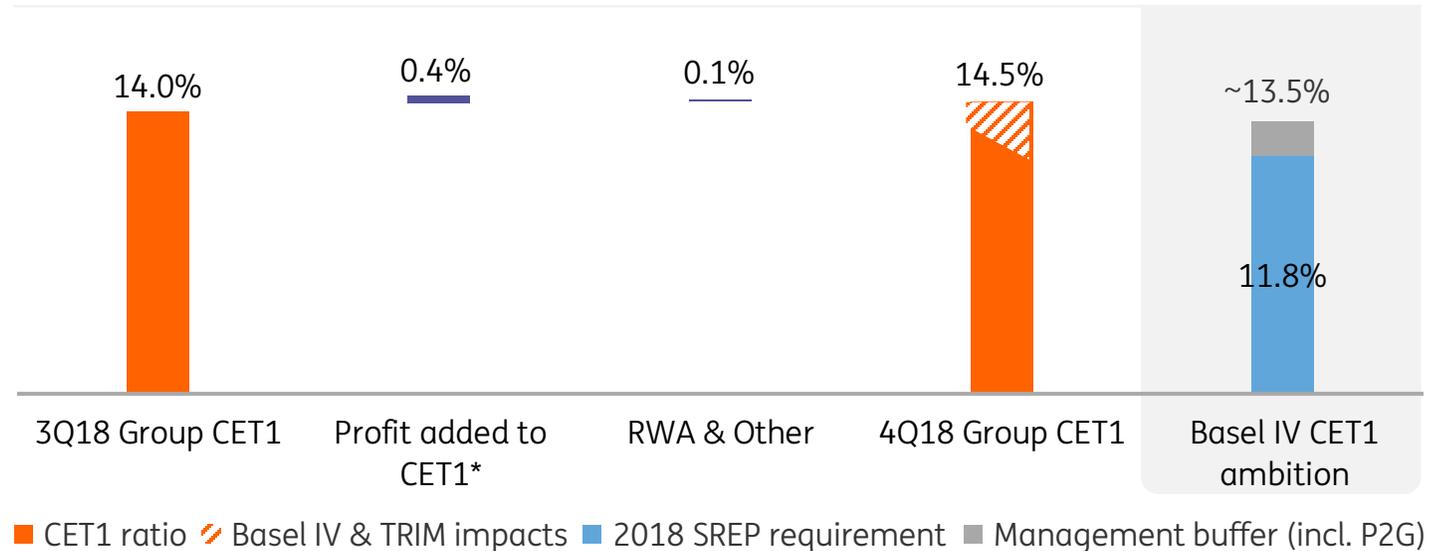


- ING recorded underlying 2018 net profit of €5,389 mln, up 8.7% on 2017, mainly supported by higher income and a lower effective tax rate
- The 2018 underlying return on equity\* improved further to 11.2% compared to 10.2% a year earlier

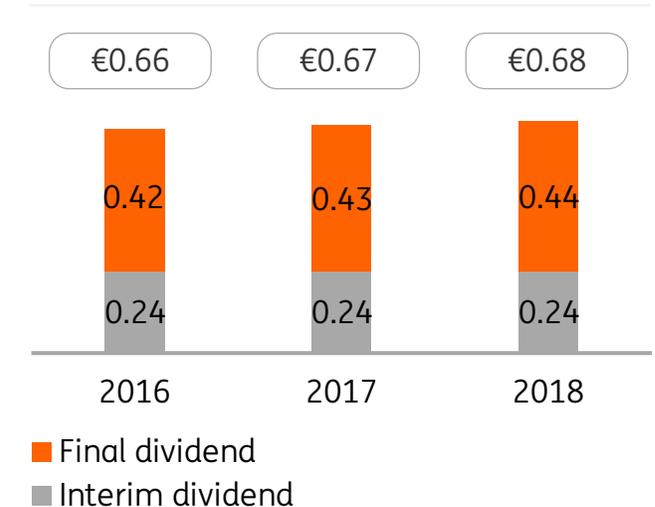
\* Including the settlement impact of €775 mln recorded in 3Q18, ING's 2018 net result was €4,703 mln (versus €4,905 mln) while ING's 2018 total return on average IFRS-EU equity excluding 'interim profit not included in CET1 capital' was 9.8% (versus 10.1% in 2017)

# ING Group CET1 ratio 14.5%; ING proposes €0.68 FY18 dividend

## ING Group fully-loaded CET1 ratio development



## We propose to pay a full-year dividend of €0.68 per share

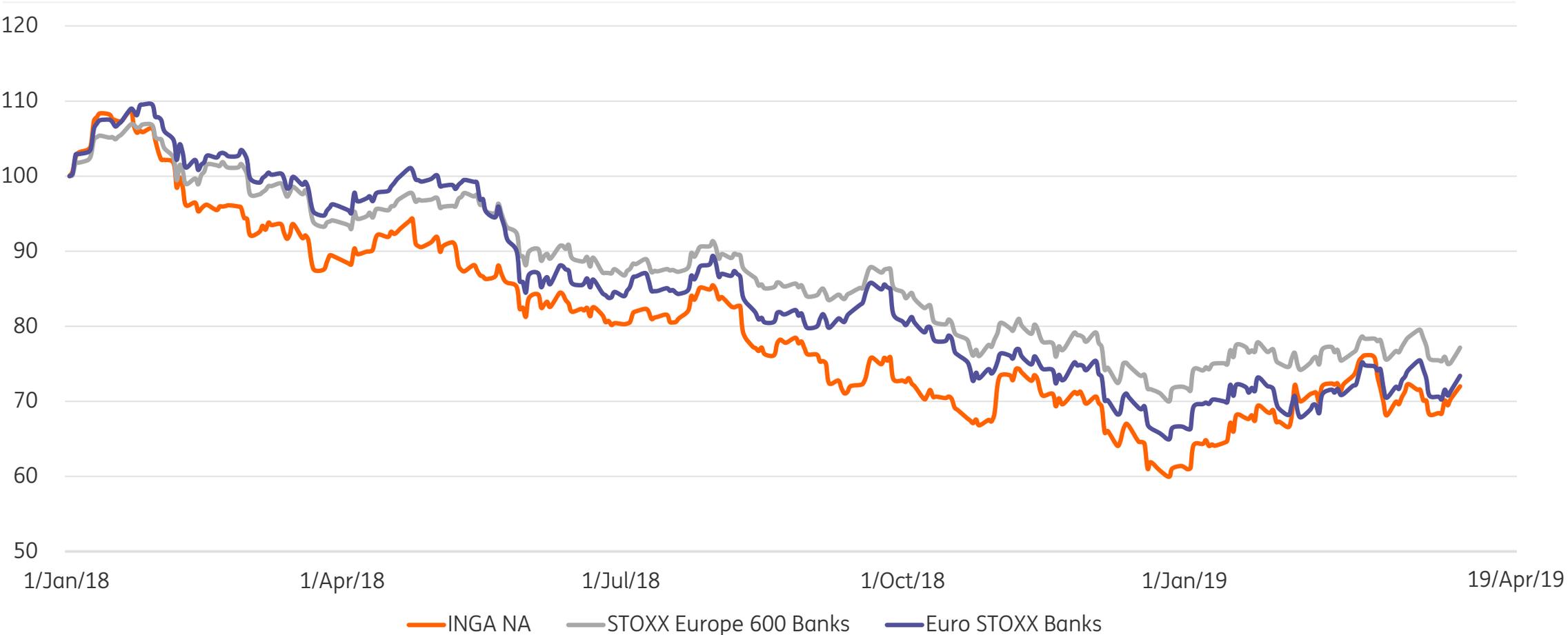


- 4Q18 fully-loaded CET1 ratio rose to 14.5% as a result of the addition of the quarterly net profit. Risk-weighted assets were slightly lower at €314.1 bln, mostly due to positive risk migration
- With a long implementation phase, potential management actions and the pending transposition of Basel IV into EU law, we are well positioned to achieve our CET1 ratio ambition of around 13.5%
- The full-year 2018 dividend proposal is €0.68 per share, to be paid in cash

\* €1,138 mln which consists of 4Q18 Group net profit of €1,273 mln minus €135 mln set aside for the final dividend

# ING share performance

2 January 2018 – 19 April 2018



# Our platform will drive opportunities in banking and beyond



# Think Forward has been accelerated through structural changes

## Think Forward strategy on a page

**Purpose** ▶ Empowering people to stay a step ahead in life and in business.

**Customer Promise** ▶  Clear and Easy    Anytime, Anywhere    Empower    Keep Getting Better

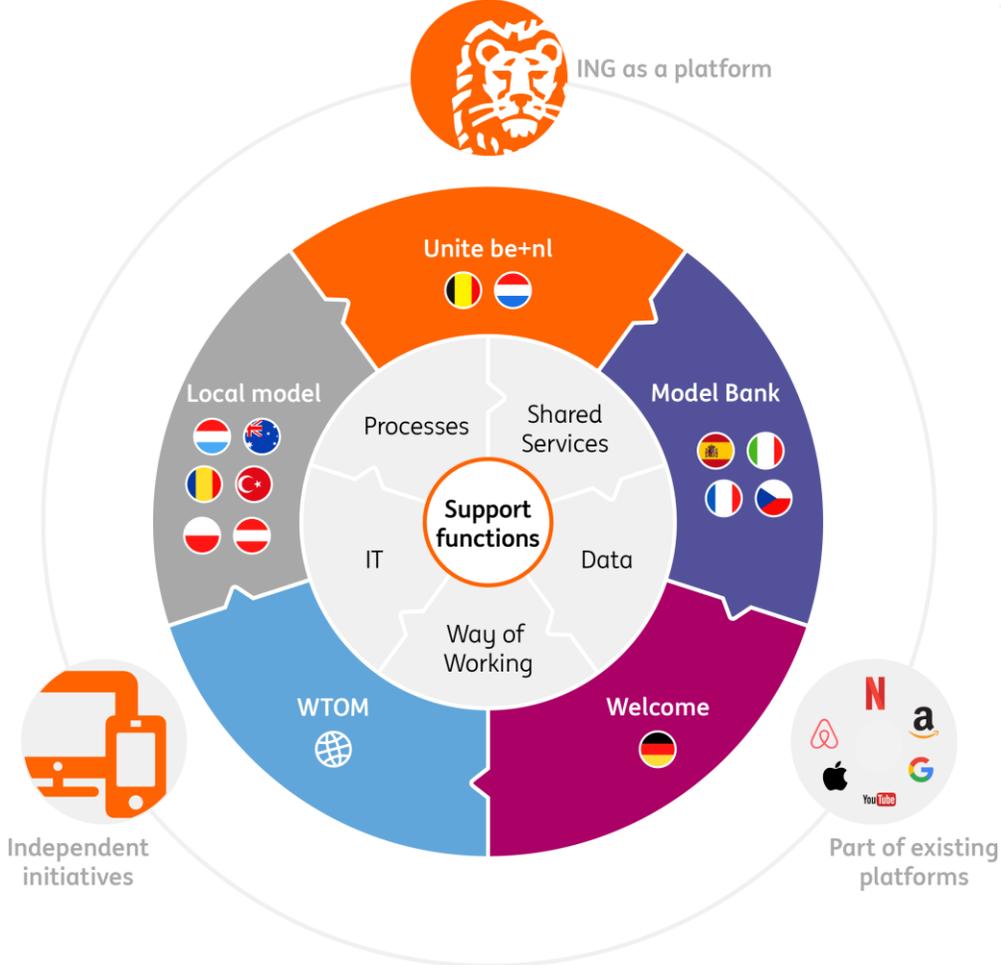
**Strategic Priorities** ▶ **Creating a differentiating customer experience**

1. Earn the primary relationship
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**Enablers** ▶ 

Simplify & Streamline	Operational Excellence	Performance Culture	Lending Capabilities
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## Transformation and platform programmes



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