

ING Germany

ING Group Investor Day 2016

Katharina Herrmann, Head of Retail Banking Germany

Amsterdam • 3 October 2016

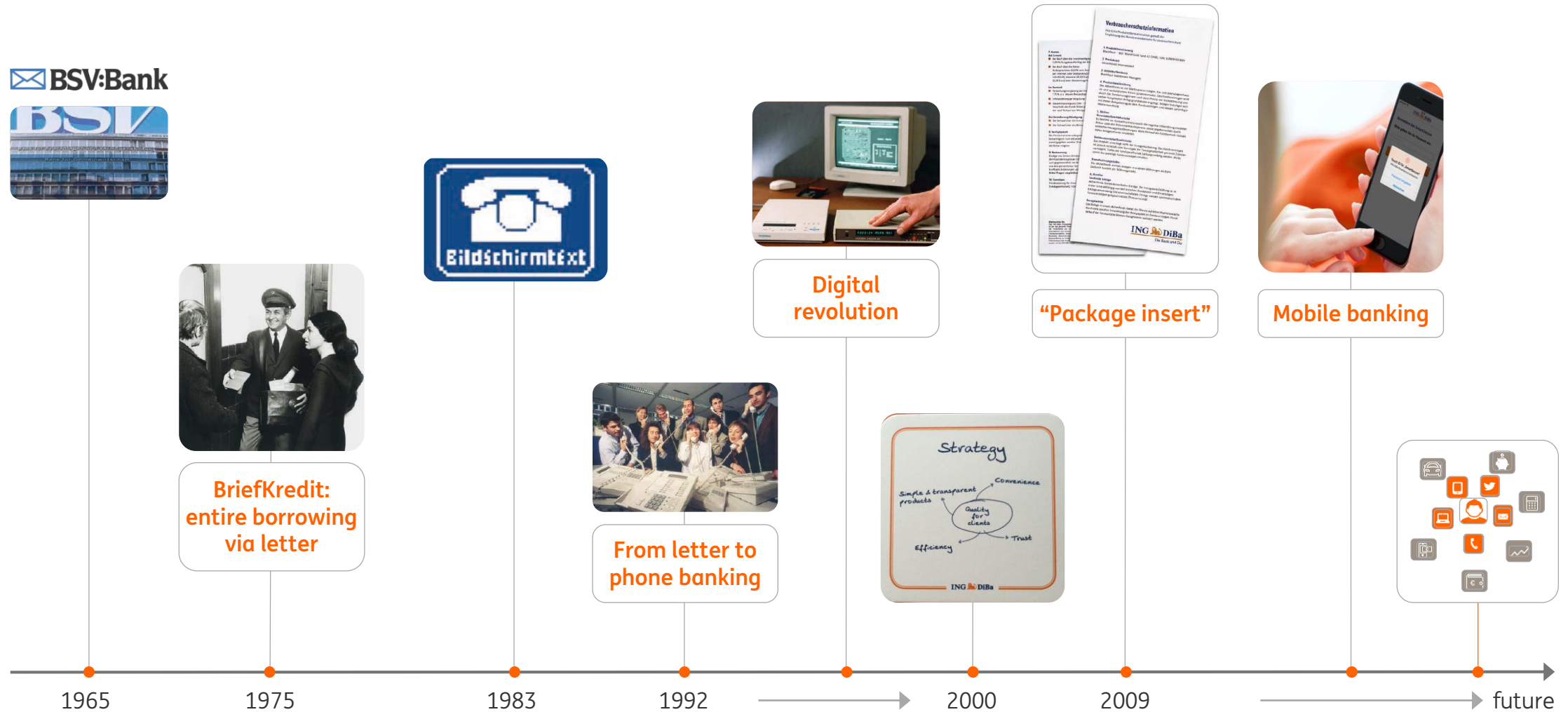
thinkforward



Key points

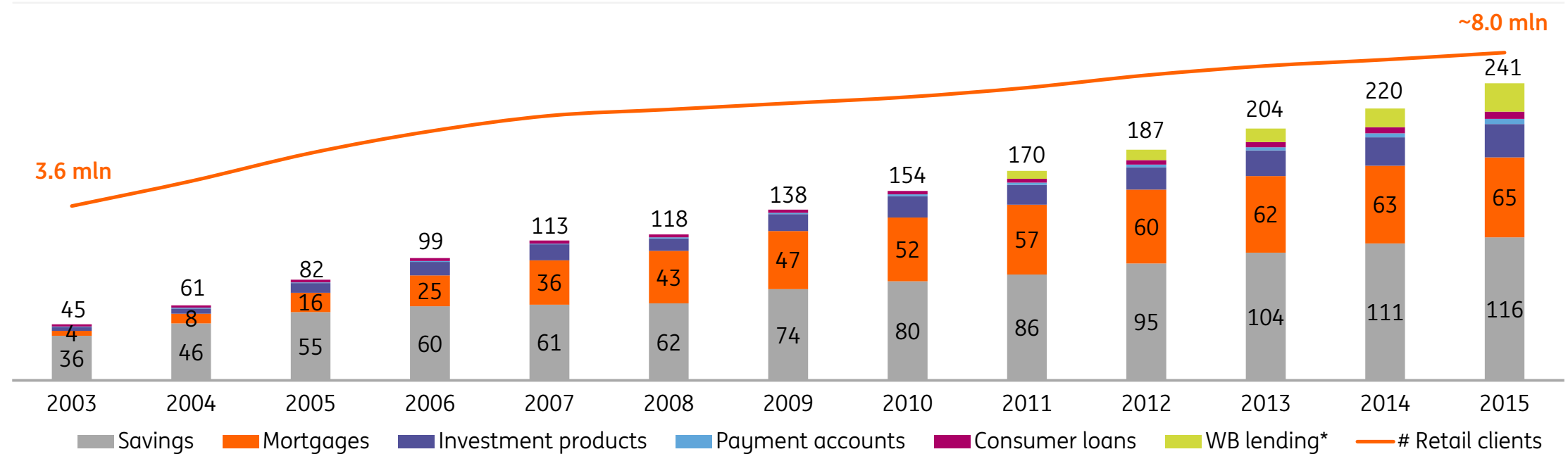
- ING Germany expanded steadily through strong customer focus and measured product introductions
- Our asset base and customer acquisition engines are increasingly diversified
- We aim to earn the primary customer relationship while facilitating cross-buy into other products
- Our strategy and best-in-class operational efficiency deliver sustainable and diversified profit growth
- Digitalisation and innovation enable us to empower customers and achieve long-term growth

Customer centricity has always been our top priority...



...as we built the franchise through measured product expansion

Customer balances (in EUR bln) and client numbers (in mln) ING Germany

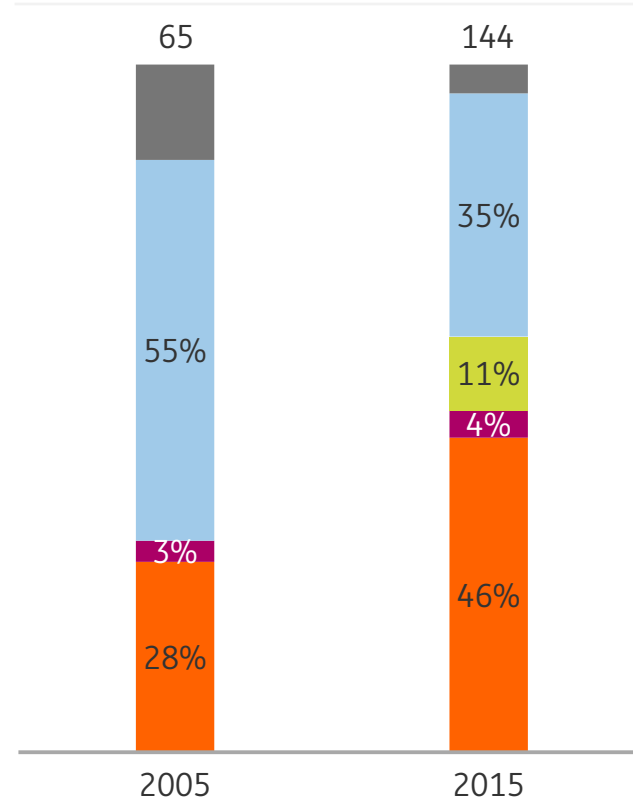


- Continued growth in retail deposits has allowed for asset base growth and cost efficient on-boarding of new customers
- ING Germany evolved from a “mono-product” savings bank into a universal bank launching one new product or segment approximately every 2 to 3 years
- Strong growth in assets in the last years as stimulus for further growth in retail savings
- Wholesale Banking was integrated in 2011 and grew significantly over the past 4 years

* WB lending only visible upon introduction of One Bank strategy

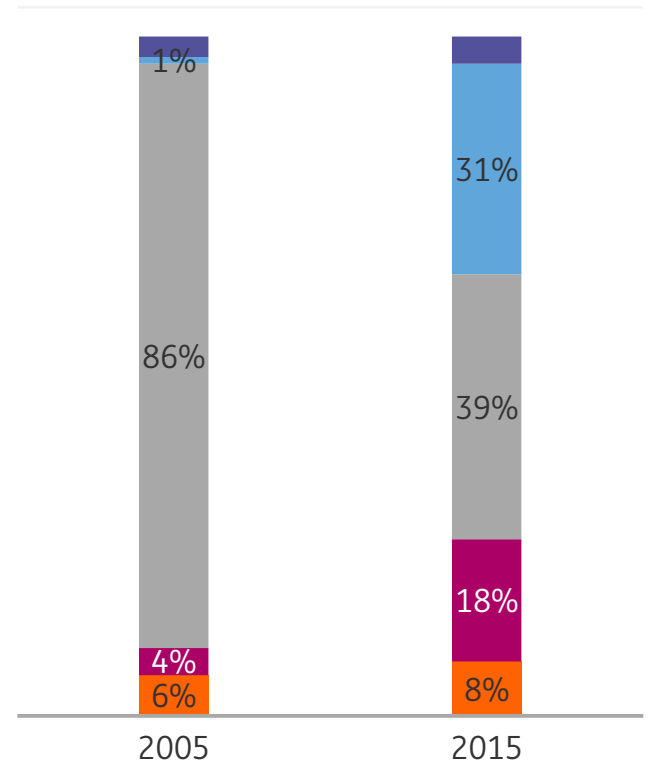
ING Germany's business model is increasingly diversified

Asset composition (in EUR bln)



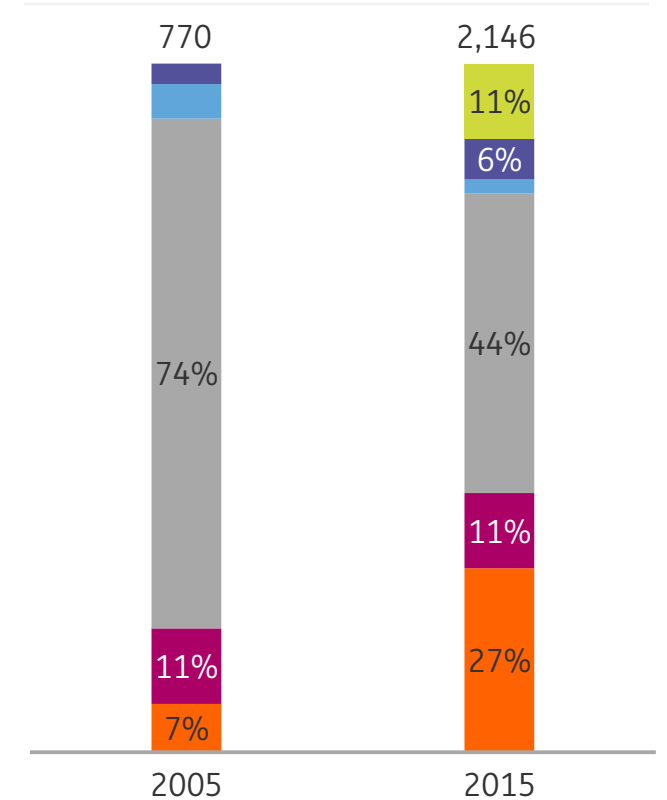
- Mortgages
- Consumer lending
- Wholesale Banking
- Investments
- Other

Customer acquisition by product (% of total)



- Investment products
- Payment accounts
- Savings
- Consumer lending
- Mortgages

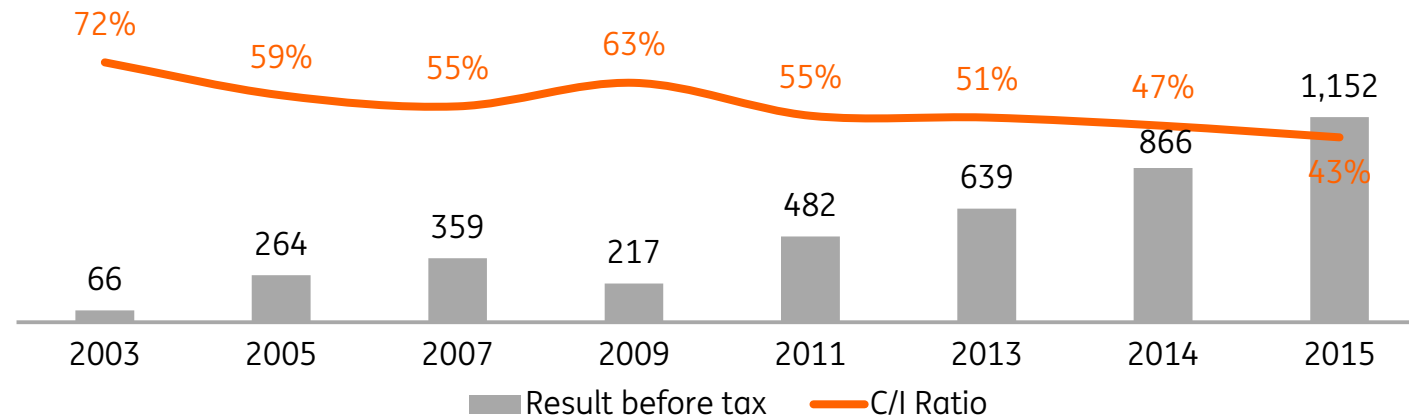
Income distribution (in EUR mln)



- Wholesale Banking
- Payment accounts
- Consumer lending
- Investment products
- Savings
- Mortgages

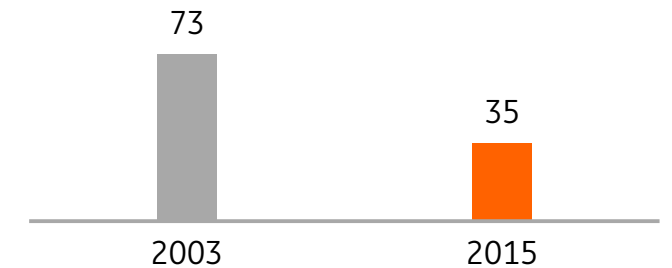
We have achieved sustainable and diversified profit growth

Strong and sustainable profit growth... (in EUR mln)



...benefitting from our economies of scale

Cost / Retail Balances (in bps)

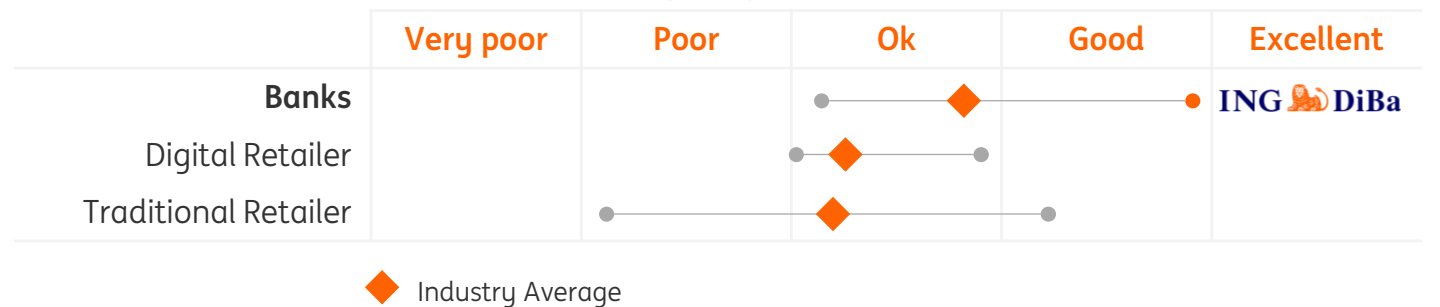


Always placing the customer first...



...and leveraging our strong brand as a key enabler

Forrester Customer Experience Index Germany (May 2014)

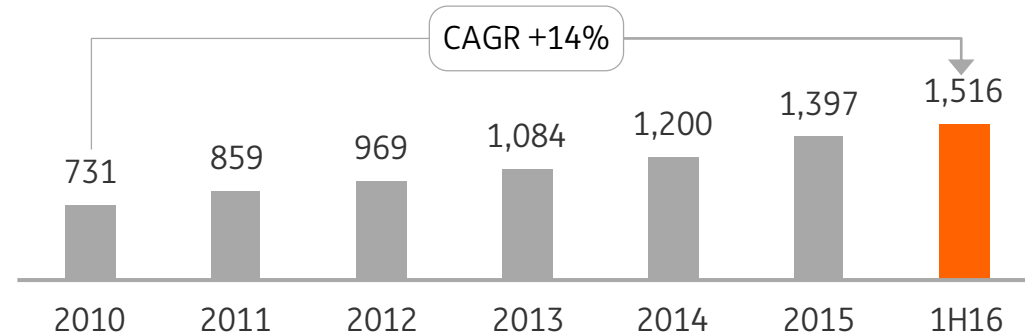


Sources: Brand Affinity Monitor conducted by MetrixLab; Net Promoter Score

We earn the primary relationship while facilitating cross-buy

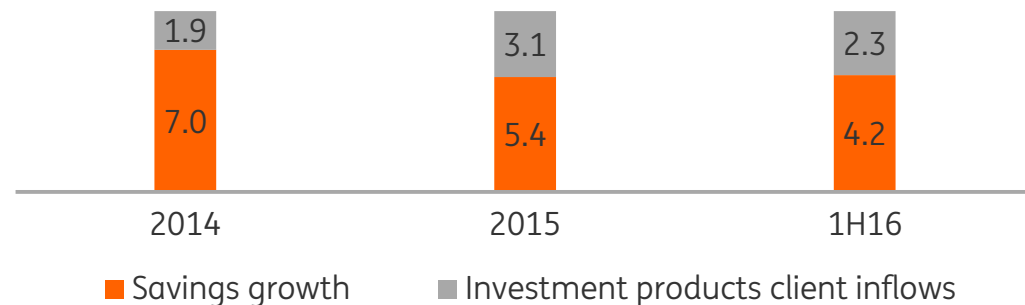
Accelerated growth in payment accounts to drive primary relationship...

Payments accounts (in thousands)



...while shifting on-balance funds to investment products

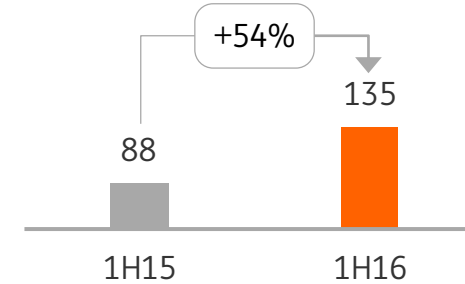
Balance development (in EUR bln)



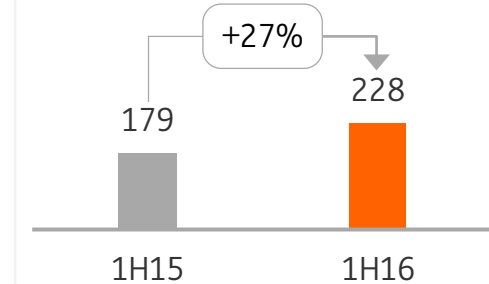
Cross-buy facilitated by focus on account growth of non-savings products

Gross account growth (in thousands)

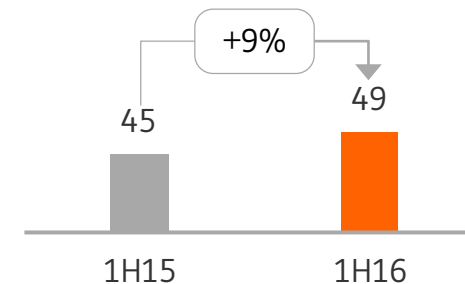
payment accounts



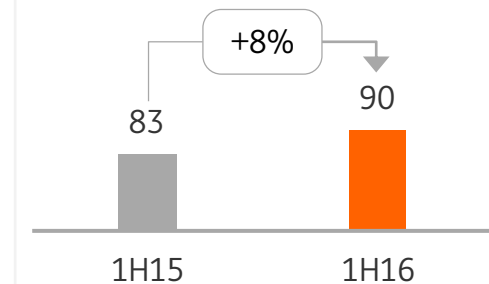
variable saving accounts



investment products



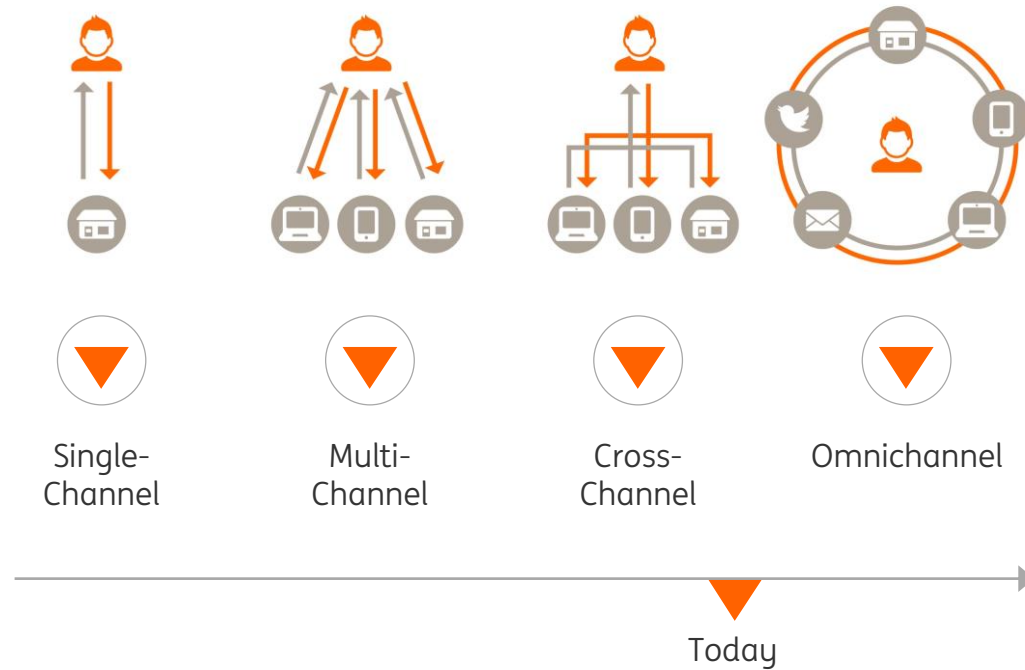
consumer loans



Scope: ING-DiBa Retail Germany

Our strategy to remain Germany's leading digital bank is clear...

Our approach: From Single to Omnichannel



Our strategic priorities

- Improve user experience

SmartSecure

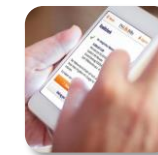


Video identification



- Empower customers

Mobile credit check



Financial information accessibility



- Increase the pace of innovation

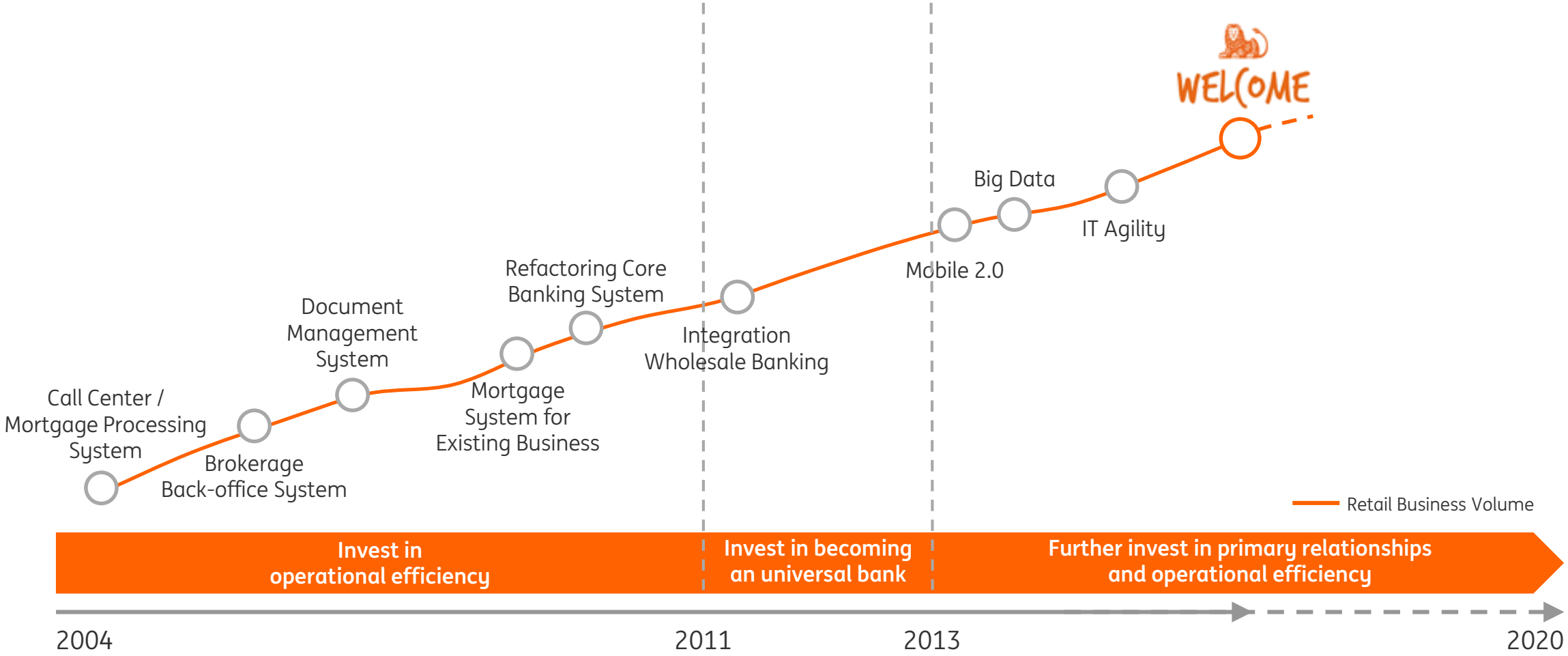
FinTech Hub Frankfurt



Innovation Bootcamp



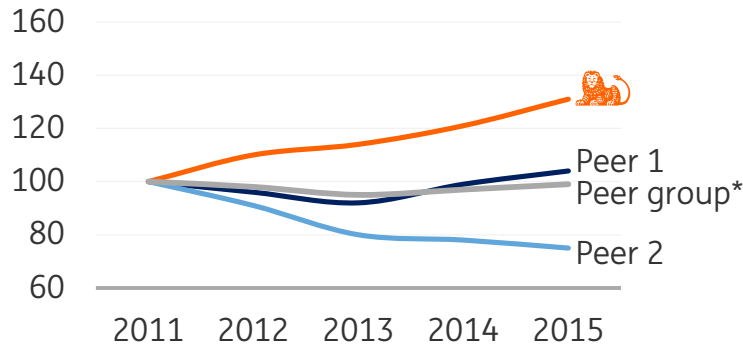
...with Welcome facilitating the next phase...



...and we have significant long-term growth potential

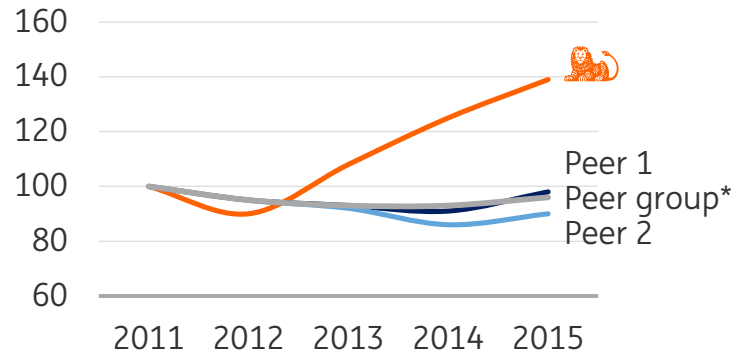
ING Germany is growing faster than peers...

Loan growth, indexed to 2011



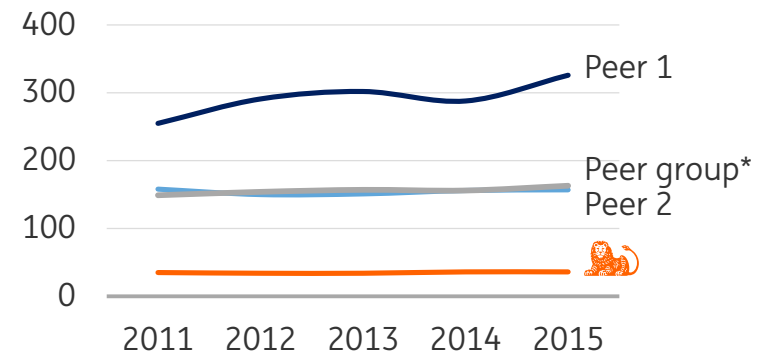
...with strong annual income growth...

NII & Commission income, indexed to 2011



...and a very efficient operation

Cost over client balances (in bps)

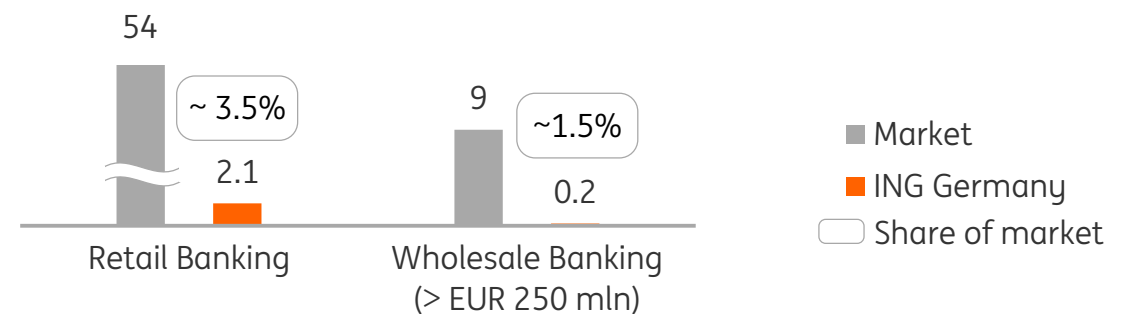


Given limited current market shares in key products...

Product	Market share	Market volume (in EUR)
Consumer lending	8.5%	65 bln
Mortgages	7.4%	857 bln
Investment products	6.2%	# 16 mln
Savings	5.8%	1,940 bln
Wholesale Banking	1.5%	9 bln
Payment accounts	1.9%	62 mln

...ING still has significant growth potential in Germany

Total banking income (in EUR bln)



Sources: Deutsche Bundesbank, Bain & Company, ING

*Peer group consists of Sparkassen (incl. Landesbanken), Volksbanken (BVR), Deutsche Bank, Commerzbank, Postbank, HVB, DKB, Comdirect and Santander Germany

Important legal information

ING Group's annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2015 ING Group consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) potential consequences of European Union countries leaving the European Union, (5) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (6) changes affecting interest rate levels, (7) changes affecting currency exchange rates, (8) changes in investor and customer behaviour, (9) changes in general competitive factors, (10) changes in laws and regulations, (11) changes in the policies of governments and/or regulatory authorities, (12) conclusions with regard to purchase accounting assumptions and methodologies, (13) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (14) changes in credit ratings, (15) ING's ability to achieve projected operational synergies and (16) the other risks and uncertainties detailed in the most recent annual report of ING Groep N.V. (including the Risk Factors contained therein) and ING's more recent disclosures, including press releases, which are available on www.ING.com. Any forward-looking statements made by or on behalf of ING speak only as of the date they are made, and, ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States or any other jurisdiction.

www.ing.com