1Q2019 results

“...We continue to improve the way we manage non-financial risk. At the same time, we kept innovating this quarter to enhance our customers’ banking experience.”

CEO Ralph Hamers

€1,119 mln underlying net result
+ €4.8 bln net customer deposits
+ €8.7 bln net core lending
+ 150 k primary customers
About ING

• ING is a global financial institution with a strong European base, offering retail and wholesale banking services to customers in over 40 countries. The purpose of ING is to empower people to stay a step ahead in life and in business.

• Sustainability forms an integral part of ING’s strategy, evidenced by ING’s ranking as a leader in the banks industry group by Sustainalytics. ING Group shares are included in the FTSE4Good Index and in the Dow Jones Sustainability Index (Europe and World), where ING is also among the leaders in the banks industry group.

• ING Bank has 53,000 employees. As at 31 March 2019, we had 38.4 million retail customers, with 12.6 million considered primary customers.

• ING Group shares are listed on the exchanges of Amsterdam (INGA NA, INGA.AS), Brussels and on the New York Stock Exchange (ADRs: ING US, ING.N).

More detailed information can be found on ING.com.
ING is active in more than 40 countries

Market leaders:
Netherlands, Belgium, Luxembourg
- Leading retail and wholesale banks
- Evolving into ‘direct-first’ banks
- Improving operational excellence

Challengers:
Germany, Austria, Czech Republic, Spain, Italy, France, Australia.
- Leading ‘direct-first’ banks
- Further integrating retail and wholesale banking capabilities
- Broadening lending capabilities

Growth Markets:
Poland, Romania, Turkey, the Philippines and our stakes in Asia
- Strong positions in fast-growing countries
- Evolving into ‘direct-first’ banks
- Developing digital leadership capabilities

Wholesale Banking
Network and global franchises
- International network: more than 40 countries
- Extensive international client base across all regions
- Global franchises: Industry Lending and Financial Markets; Trade Finance and Cash Management

Disclaimer: Please note that ING Bank does not have a banking license in the US and is therefore not permitted to conduct banking activities in the US. Through its wholly owned subsidiary ING Financial Holdings Corporation and its affiliates, ING offers a full array of wholesale financial products such as lending, corporate finance and a full range of financial markets products and services to its corporate and institutional clients.
INN’s Wholesale Banking presence

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ING is a global financial institution with a strong European base.
Our purpose

We believe all sustainable progress is driven by people with the imagination and determination to improve their future and the futures of those around them.

We empower people and organisations to realise their own vision for a better future – however modest or grand.

Empowering people to stay a step ahead in life and in business.
ING’s Think Forward strategy

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
Creating a differentiating customer experience

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

<table>
<thead>
<tr>
<th>Clear and Easy</th>
<th>Clear products</th>
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<tbody>
<tr>
<td></td>
<td>Plain language</td>
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<td></td>
<td>Fair prices</td>
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<td></td>
<td>Simple processes</td>
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<table>
<thead>
<tr>
<th>Anytime, Anywhere</th>
<th>Mobile first</th>
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<tbody>
<tr>
<td></td>
<td>Omnichannel experience</td>
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<td></td>
<td>Advice when needed</td>
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<tr>
<th>Empower</th>
<th>Personalised interfaces</th>
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<tr>
<td></td>
<td>Insightful tools</td>
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<td></td>
<td>Tailored offers</td>
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<table>
<thead>
<tr>
<th>Keep Getting Better</th>
<th>Continuous improvement</th>
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<tbody>
<tr>
<td></td>
<td>Setting the standard in service</td>
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Our enablers

ING’s Think Forward strategy aims to create a differentiating customer experience by simplifying and streamlining our organisation, by further striving for operational excellence, by enhancing the performance culture within our company, and by expanding our lending capabilities.

<table>
<thead>
<tr>
<th>Simplify and Streamline</th>
<th>We need to be agile, with short reporting lines and with the right people empowered to make important decisions quickly.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Excellence</td>
<td>We need to set clear operational excellence benchmarks and measure performance throughout the company.</td>
</tr>
<tr>
<td>Performance Culture</td>
<td>We need to excel at attracting and keeping the talented people we need to get us where we want to be.</td>
</tr>
<tr>
<td>Lending Capabilities</td>
<td>We have strong savings gathering and lending capabilities, but savings and lending are not in balance in many of our business units. To achieve balanced growth, we need to develop our lending capabilities, particularly in areas such as consumer and SME lending.</td>
</tr>
</tbody>
</table>
Key accelerators

- Grow primary customers in Retail and Wholesale
- Increase cross-buy leveraging own, partners' and third parties' products
- Improve cross-border scalability
- Faster time-to-volume
- Benefit from attractive funding and lending mix
- Enhance sustainability profile to increase opportunities
Customer needs are changing rapidly, as is our playing field. To stay a step ahead, we announced in October 2016 that we would accelerate the execution of our strategy and transform ING.

**Foundations:** We will unite the foundations ING is built upon. And we will simplify and streamline global support functions. This will help us collaborate better across borders and innovate faster.

**Businesses:** On top of these foundations, we will unite similar businesses. For this we introduced five change programmes (see outer circle), creating best-in-class, ‘omnichannel’ financial platforms that offer services beyond banking.

**Future vision:** Our ultimate goal is to get to a completely united ING. Offering one single empowering experience to people and businesses around the world.
Our transformation supports all key components of our strategy

Keeping the bank **safe** and **compliant** with regulation

Building **one foundation** for all

Improving **cross-border scalability** with one platform, one ING experience

Enhancing our **value propositions** (for all financial matters and beyond)
We keep redefining banking in a fast-changing world.
We are transforming into a dynamic digital player

<table>
<thead>
<tr>
<th>Classic bank</th>
<th>Dynamic digital player</th>
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</thead>
<tbody>
<tr>
<td><strong>Customers</strong></td>
<td></td>
</tr>
<tr>
<td>• Mature, established</td>
<td>• Explorers, change-oriented</td>
</tr>
<tr>
<td><strong>Products</strong></td>
<td></td>
</tr>
<tr>
<td>• Owned</td>
<td>• Open architecture where relevant</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td></td>
</tr>
<tr>
<td>• Defensive, cost efficiency-focused</td>
<td>• Offensive, differentiation-focused</td>
</tr>
<tr>
<td><strong>Time-to-volume</strong></td>
<td></td>
</tr>
<tr>
<td>• Long</td>
<td>• Short</td>
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<tr>
<td><strong>Footprint</strong></td>
<td></td>
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<tr>
<td>• Regional</td>
<td>• Global</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td></td>
</tr>
<tr>
<td>• Branches</td>
<td>• Mobile/digital applications</td>
</tr>
<tr>
<td>• Relationship managers</td>
<td>• Customer service teams</td>
</tr>
<tr>
<td>• Tailored, country-specific, legacy systems</td>
<td>• Modular, scalable, cutting-edge systems</td>
</tr>
<tr>
<td><strong>Funding source</strong></td>
<td></td>
</tr>
<tr>
<td>• Depositors</td>
<td>• Diversified, incl. directly from third parties</td>
</tr>
<tr>
<td><strong>Fee model</strong></td>
<td></td>
</tr>
<tr>
<td>• Multiple (high) fees (under threat)</td>
<td>• Relationship contribution fee</td>
</tr>
<tr>
<td><strong>Cost drivers</strong></td>
<td></td>
</tr>
<tr>
<td>• Personnel, loan loss provisions</td>
<td>• IT infrastructure</td>
</tr>
</tbody>
</table>

Where do we stand in such transition?

- Single-market, branch-led, owned-products bank
- Cross-border digital scalable player

- Wholesale Banking
- Retail Benelux
- Retail Challengers
- Retail Growth Markets
New innovations in payments and DLT in 1Q19

Instant payments initial launch in the Netherlands and Belgium

Within 5 seconds the money is directly available to the beneficiary
Every moment of the day, all year round, no daily cut-off times.
Book date = value date
Initially payments with maximum of €15,000 in Europe, yet no maximum in NL and BE
Confirmation of payment (optional)

Main DLT* initiatives of ING in the trade space

• ING joined a consortium with MineHub to develop a blockchain-based platform that would help our clients in the metals and mining sector to lower costs, increase transparency and contribute to sustainable production and trading

• First client transaction completed on Komgo, a platform that digitalises and streamlines trade and commodity finance

* DLT – Distributed ledger technology
**Sustainability is embedded in our purpose**

Sustainability direction 2018-2022 focuses on two themes

### Purpose

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

### Themes

- **Empower a low-carbon society**
  - Climate business
  - Climate resilience

- **Empower a self-reliant society**
  - Social business
  - Inclusion and empowerment

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**We are empowering customers and society at large**

<table>
<thead>
<tr>
<th>Responsible Finance portfolio (in € bln)*</th>
<th>Industry ESG leaders</th>
<th>Climate Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17 25 25</td>
<td>15 17 29</td>
</tr>
<tr>
<td>Customers feeling financially empowered (in mln, Retail)</td>
<td>2017 2018 2022</td>
<td>2017 2018 2022</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Our own environmental impact CO2 emissions (in kilotons)</th>
<th>2017 2018 2020</th>
</tr>
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<tr>
<td>64 57 50</td>
<td></td>
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</table>

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**We have a leading sustainability role among banks**

- MSCI Sustainability Indexes
- Dow Jones Sustainability Indexes

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* The amounts reported under the categories Industry ESG Leaders and Climate Finance may overlap with one another. Totals should not be added up.
Sustainability highlights in 1Q19

Strong sustainability deal activity in 1Q19

- In 1Q19, ING has supported the issuance of 12 sustainable bond transactions, leading to a significant improvement in our Green Bond league table position, and 16 sustainable loan transactions of which 4 green loan transactions and 12 sustainability improvement loans, several of them structured by ING.
- This included some sustainability ‘firsts’ as we empower clients in the transition to a low-carbon economy:
  - PHP 15 bln green bond – 1st from the Philippines under ASEAN Green Bond Standards
  - €500 mln green bond to finance electric vehicles – 1st for LeasePlan
  - $800 mln RCF – 1st sustainability improvement loan in the US general industrial sector

Recognition

- In January 2019, ING was named to CDP’s Climate A-list for the 4th year running.
- Our sustainability expertise was also recognised by several governments:
  - ING took part in an Austrian government working group on green finance to shape a sustainable future for the country
  - We received a Polish government mandate to issue euro-denominated green bonds
  - We were awarded a recurrent mandate to help Spanish regional governments in their sustainability goals
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

Five pillars

- Policy & Risks
  - Global KYC risk appetite statements
  - Global KYC policy

- Global KYC digital service
  - Develop global tooling

- Governance
  - Set up of central KYC organisation
  - Dedicated KYC committees & functions

- Monitoring & Screening
  - Enhanced client activity & transaction monitoring
  - Third-party partnerships

- Mindset
  - Continuous communication, training & awareness initiatives
  - Set up of behavioural risk department

* Including internal and external FTEs
Follow us to stay a step ahead

ING.com  INGWB.com

@ING_News  LinkedIn.com/company/ING  SlideShare.net/ING
Facebook.com/ING  YouTube.com/ING  Flickr.com/INGGroup
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 2018 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 a number of factors, including, 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) potential consequences of the United Kingdom leaving the European Union or a break-up of the euro, (4) changes in the fiscal position and the future economic performance of the US including potential consequences of a downgrade of the sovereign credit rating of the US government, (5) potential consequences of a European sovereign debt crisis, (6) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, (7) changes in conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness, (8) changes affecting interest rate levels, (9) inflation and deflation in our principal markets, (10) changes affecting currency exchange rates, (11) changes in investor and customer behaviour, (12) changes in general competitive factors, (13) changes in or discontinuation of ‘benchmark’ indices, (14) changes in laws and regulations and the interpretation and application thereof, (15) changes in compliance obligations including, but not limited to, those posed by the implementation of DAC6, (16) geopolitical risks, political instabilities and policies and actions of governmental and regulatory authorities, (17) changes in standards and interpretations under International Financial Reporting Standards (IFRS) and the application thereof, (18) conclusions with regard to purchase accounting assumptions and methodologies, and other changes in accounting assumptions and methodologies including changes in valuation of issued securities and credit market exposure, (19) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (20) changes in credit ratings, (21) the outcome of current and future legal and regulatory proceedings, (22) operational risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (23) risks and challenges related to cybercrime including the effects of cyber-attacks and changes in legislation and regulation related to cybersecurity and data privacy, (24) the inability to protect our intellectual property and infringement claims by third parties, (25) the inability to retain key personnel, (26) business, operational, regulatory, reputation and other risks in connection with climate change, (27) ING’s ability to achieve its strategy, including projected operational synergies and cost-saving programmes and (28) the other risks and uncertainties detailed in this 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. (29) This document may contain inactive textual addresses to internet websites operated by us and third parties. Reference to such websites is made for information purposes only, and information found at such websites is not incorporated by reference into this document. ING does not make any representation or warranty with respect to the accuracy or completeness of, or take any responsibility for, any information found at any websites operated by third parties. ING specifically disclaims any liability with respect to any information found at websites operated by third parties. ING cannot guarantee that websites operated by third parties remain available following the publication of this document, or that any information found at such websites will not change following the filing of this document. Many of those factors are beyond ING’s control.

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