ING profile

2Q2018

Amsterdam • 02 August 2018

thinkforward
Snapshot
2Q2018

We welcomed more customers worldwide, bringing the total to 38.2 million of which 12.0 million are primary customers.

€1,429 mln net result

+ €5.8 bln net customer deposits

+ €14.2 bln net core lending

#1 NPS in 6 out of 13 retail countries
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 Think Forward strategy, which is evidenced by ING Group shares being included in the FTSE4Good index and in the Dow Jones Sustainability Index (Europe and World), where ING is among the leaders in the Banks industry group.

• In 2Q2018, more than 52,000 employees (FTEs) offered services to over 38.2 million retail customers, of which 12.0 million are considered primary customers.

• Primary customer base increased in 2Q18 by 400,000

• 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.
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

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

Purpose

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

**Clear and Easy**
- Clear products
- Plain language
- Fair prices
- Simple processes

**Anytime, Anywhere**
- Mobile first
- Omnichannel experience
- Advice when needed

**Empower**
- Personalised interfaces
- Insightful tools
- Tailored offers

**Keep Getting Better**
- Continuous improvement
- Setting the standard in service

- 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
ING Bank’s 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>Our enablers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Simplify and Streamline</td>
<td>• We need to be agile, with short reporting lines and with the right people empowered to make important decisions quickly.</td>
</tr>
<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>
Think Forward strategy delivers on commercial growth

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>1H18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34.5</td>
<td>35.7</td>
<td>37.4</td>
<td>38.2</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>1H18</th>
<th>Ambition 2020</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>9.2</td>
<td>10.4</td>
<td>11.4</td>
<td>12.0</td>
<td>&gt;14</td>
</tr>
</tbody>
</table>

Core lending
1H18 net growth

- € +26.5 bln
- +4.6%

Customer deposits
1H18 net growth

- € +8.2 bln
- +1.5%

Net Promoter Scores (NPS)
As per 2Q18

- #1 in 6 out of 13 retail countries

* In 2018, the Netherlands refined its measurement of customers to align with uniform definitions across ING’s countries. Customer numbers were restated as of 2016. In addition, the merger of Record Bank into ING in Belgium was completed in 2Q18; customer numbers were consolidated accordingly as from 2Q18, resulting in an 80k increase in primary customers.
ING’s transformation

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 on. 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.
Becoming the go-to platform for all financial needs

Building insurance platform with AXA

- ING is partnering with AXA to create personalised, simple and modular insurance products and services for customers
- The digital insurance platform will offer property & casualty (P&C), health and other insurance in six of our Challenger markets (Australia, Austria, France, Germany, Italy and Czech Republic), in a clear and easy way

Yolt expands to France and Italy

- Yolt, our money management platform in the UK, is expanding to France and Italy
- This is part of our ambition to build a pan-European money platform
- The smart money app, which provides customers a one-stop overview of their accounts, has attracted 400,000 registered users in the UK since its launch in June 2017

New funding initiatives for SMEs

- We partnered with Funding Options in the Netherlands and invested in FinCompare in Germany – two independent digital platforms that offer SMEs a wide choice of financing options
- In Poland, we launched Invoice Financing for SMEs, a digital microfactoring solution that we developed in-house
ING and sustainability

Drive sustainable progress
The world is changing so quickly, sometimes it’s hard to keep up. We at ING are here to help people stay a step ahead of these changes. To help them thrive in tomorrow’s world by turning the threats of climate change and fast-changing technology into opportunities.

If we want to get there, doing nothing isn’t an option—and saying no isn’t enough. Banks can’t do it alone, but where can we make a real impact?

Being sustainable is in all the choices we make – as a lender, as an investor and through the services we offer our customers.

As a bank, we believe our role is to facilitate and finance society’s shift to sustainability. In other words: contribute to progress – environmental, economic, and social. Our ambition is to empower a low-carbon and self-reliant society.

We aim to reduce funding to companies and sectors that aren’t transforming to be a part of tomorrow’s world. But more importantly, increase funding to people and companies that are leading the change the world needs.

We’ll work to empower a self-reliant society, unravelling the psychology behind how people make financial decisions, and then creating tools to help them make better ones.

It’s up to us to offer the things that people can say yes to. To fund the alternatives that will help the world transform—to be climate resilient. Socially resilient. Financially resilient. Out of all the banks helping to make the world last, we want to be the first.
Playing a pivotal role in the energy transition

Financing linked to company’s own sustainable KPIs

- We help clients stay ahead by encouraging sustainable business practices and supporting sustainable transitions
- We continue to pioneer sustainability-linked financing. After introducing loans linked to a sustainability rating, we now developed loans linked to a company’s own key performance indicators (KPIs) on sustainability. 2Q18 deal examples include:

  - €1 bln syndicated facility
    DSM
    ING role: Sustainability coordinator

  - €550 mln green loan
    renewi
    ING role: Joint bookrunner & joint coordinator

Solutions to reduce carbon footprint of real estate

- In the Netherlands, we introduced the Energy Robot for real estate clients. It uses algorithms to compare data from smart energy meters to automatically identify where energy waste can be reduced
- First revolving credit facility (RCF) linked to the GRESB ESG* sustainability rating for real estate:

  - €150 mln RCF
    gecina
    ING role: Sustainability lender

Application of new Green Loan Principles

- First financial institution to issue a loan under the Green Loan principles which were co-developed by ING:

  - £500 mln green loan
    Macquarie
    ING role: Green structuring advisor

* GRESB is an ESG (Environmental, Social and Governance) rating for real estate
ING is active in more than 40 countries

**Market Leaders**
Netherlands, Belgium, Luxembourg
- Leading retail and wholesale banks in the Benelux
- Evolving into ‘direct-first’ banks
- Improving operational excellence

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

**Growth Markets**
Poland, Romania, Turkey 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.
ING’s Wholesale Banking presence

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

**Customer deposits**

<table>
<thead>
<tr>
<th>2Q18</th>
<th>The Netherlands</th>
<th>Belgium</th>
<th>Germany</th>
<th>Other challengers</th>
<th>Growth Markets</th>
<th>WB Rest of World</th>
</tr>
</thead>
<tbody>
<tr>
<td>16%</td>
<td>25%</td>
<td>18%</td>
<td>7%</td>
<td>3%</td>
<td>31%</td>
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Total: €556.7 bln

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**Customer lending**

<table>
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<tr>
<td>11%</td>
<td>6%</td>
<td>14%</td>
<td>17%</td>
<td>31%</td>
<td>0%</td>
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Total: €592.4 bln

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**Employees**

<table>
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<tr>
<td>29%</td>
<td>27%</td>
<td>18%</td>
<td>10%</td>
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<td>7%</td>
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Total: >52,000 FTE

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**Total income**

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<td>33%</td>
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Total: €4,484 mln
ING's Management Board Banking

CEO
Ralph Hamers

CRO
Steven van Rijswijk

CFO & Vice-chairman
Koos Timmermans

Head of Market Leaders
Roland Boekhout

Head of Challengers & Growth Markets
Aris Bogdaneris

Head of Wholesale Banking
Isabel Fernandez

COO / CTO
Roel Louwhoff
Related links

• [ing.com](#) – find ING news, press releases and more
• [ingwb.com](#) – about ING Wholesale Banking
• [ing.com/sustainability](#) – about ING’s approach to sustainability
• [LinkedIn](#) – find and apply for jobs, stay updated and connect with others
• [Twitter](#) – stay up-to-date on our latest announcements, innovation and sustainability initiatives and results
• [YouTube](#) – watch the quarterly video with Ralph Hamers and more

Contact us - [ING.Corporate.Communications@ing.com](mailto:ING.Corporate.Communications@ing.com)

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Important legal information

ING Group's interim 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 2017 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 European Union countries leaving the European Union or a break-up of the euro, (4) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness, (5) changes affecting interest rate levels, (6) changes affecting currency exchange rates, (7) changes in investor and customer behaviour, (8) changes in general competitive factors, (9) changes in laws and regulations and the interpretation and application thereof, (10) geopolitical risks and policies and actions of governmental and regulatory authorities, (11) changes in standards and interpretations under International Financial Reporting Standards (IFRS) and the application thereof, (12) 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, (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) the outcome of current and future legal and regulatory proceedings, (16) operational risks, such as system disruptions or failures, breaches of security, cyberattacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (17) the inability to protect our intellectual property and infringement claims by third parties, (18) the inability to retain key personnel, (19) business, operational, regulatory, reputation and other risks in connection with climate change, (20) ING’s ability to achieve its strategy, including projected operational synergies and cost-saving programmes and (21) the other risks and uncertainties detailed in the 2017 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. Many of those factors are beyond ING’s control.

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