Convergence to a digital platform

ING Group Investor Day 2016

Roel Louwhoff, Chief Operations Officer & Chief Transformation Officer ING Group

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Key points

• ING has an unprecedented opportunity to create one digital platform for financial services

• We will move towards a globally scalable banking platform

• Convergence will enable faster time-to-market and improve IT efficiency through re-usable components and smarter use of data

• Process improvements and standardisation will further improve the customer experience and increase revenues

• Delivery of our transformation is a Board priority

• Our investments in the digital banking transformation will generate structural cost savings
ING has an unprecedented opportunity to create one digital platform for financial services

ING customers are becoming digitally native

<table>
<thead>
<tr>
<th>Channel</th>
<th>4Q14</th>
<th>2Q16</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td></td>
<td></td>
<td>+57%</td>
</tr>
<tr>
<td>Web</td>
<td></td>
<td></td>
<td>+2%</td>
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</tbody>
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Technology shapes business opportunities

- Strong Omnichannel sales and service model
- From product-centric to customer-centric
- Frictionless and personal digital experience
- Data analytics and personalised interactions

ING is in prime position to stay a step ahead of its peers

Embracing technology to enrich customer experience:
- One customer proposition
- Innovative services beyond traditional banking
- Go-to place for all financial needs
- Offering complete personal financial picture

Constructing one pan-European financial platform for customers:
We will move towards a globally scalable banking platform

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

The ING brand

Creating a differentiating customer experience

<table>
<thead>
<tr>
<th>Market Leaders “Orange Bridge”</th>
<th>Challengers “Model Bank”</th>
<th>Germany “Welcome”</th>
<th>Wholesale “WB TOM” (already running)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Best-in-class Omnichannel proposition</td>
<td>• Best-in-class digital financial platform</td>
<td>• Best client experience and best offer principle</td>
<td>• Digital platform to empower clients</td>
</tr>
<tr>
<td>• Largest bank in the Benelux</td>
<td>• Expanded product and digital capabilities</td>
<td>• Banking platform open for non-clients and 3rd parties</td>
<td>• Single global platform for wholesale clients</td>
</tr>
<tr>
<td>• Intention to move to integrated universal banking platform in Belgium and Netherlands</td>
<td>• Leverage scale across 5 countries</td>
<td>• Supported by standardisation and automation</td>
<td>• Front-to-back process improvement</td>
</tr>
</tbody>
</table>

Laying the foundation for further convergence

- Global Data Management
- Global Process Management
- ING Private Cloud
- Modular Architecture
- Bank-wide Shared Services

Support Function TOMs*: Finance, Risk, HR, Procurement, IT

All projects described are proposed intentions of ING. No formal decisions will be taken until the information & consultation with the Work Councils have been properly finalised. Subject to regulatory approval. * TOM = Target Operating Model
Convergence will enable faster time-to-market and improve IT efficiency through re-usable components and smarter use of data

**Data Management**
- Integrated single customer view and insights
- Leveraging internal and external data, enabling new customer solutions
- Meeting (regulatory) reporting requirements more easily
- Providing foundation to move to globally scalable platform

**Modular Architecture**
- Common components for targeted personalised solutions
- Scaling fast via global propositions and leveraging local capabilities and developments
- Integrating easily with (global) third parties

**ING Private Cloud**
- One ING Private Cloud as foundation for agile and digital banking
- Easy, efficient and instantly available infrastructure services
- Enabling faster time-to-market for new services
- Optimising IT infrastructure landscape and cost base

- 95% of core data in standard terms
- 80% of globally scalable components available across countries
- 10x faster deployment time: from days to minutes
Process improvements and standardisation will further improve customer experience and cost efficiency

- Improving customer experience and increasing revenues through faster delivery at higher quality, e.g. instant lending
- Rigorous global process management framework implemented
- Simplifying and digitising processes – leveraging robotics

Global Process Management

- Keeping what is core and strategic
- Sharing what is non-core or can be done better by others/elsewhere
- Delivering higher productivity, lower costs and improved control

Bank Shared Services

- Implementing global operating models to drive consistency and efficiency across countries and functions
- Optimising value-add to the business
- Delivering substantial savings in procured external spend

Business Support Functions

- Improving customer experience and increasing revenues through faster delivery at higher quality, e.g. instant lending

50% faster delivery times

4 centres offering 24/7 IT & OPS support

20-25% efficiency improvement
Delivery of our transformation is a Board priority

**ING Strategy**
- ING strategy defines transformation themes
- Every project is aligned to one or more themes

**Transformation Themes**
Key milestones of projects are linked to objectives

**Performance Reviews**
Milestones are delivered within 90-day cycles

**Governance model**
- Change Investment Committee (CIC)
- Other Governance Bodies (EAF, TSB*)

**Management Board Banking**
- Global Transformation Office (GTO)
- Transformation Delivery Team

**Portfolio Teams**
- Orange Bridge
- Model Bank
- Welcome
- WB TOM

**Global Programmes**

* EAF: Enterprise Architecture Forum and TSB: Technology Standards Board
Our investments in the digital banking transformation will generate structural cost savings

Investments* of ~EUR 800 mln over 5 years (in EUR mln)

Annual gross cost savings of ~EUR 900 mln by 2021 (in EUR mln)

* Defined as incremental expenses from new announced programmes and includes project expenses, depreciation and amortization of new IT assets, as well as impacts from impairments of legacy IT systems and other assets. All projects described are proposed intentions of ING. No formal decisions will be taken until the information & consultation with the Work Councils have been properly finalised. Subject to regulatory approval.
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