Wholesale Banking overview

Wholesale Banking strengths

- 40+ countries
- Conservative risk profile as senior and secured lender
- One of the most efficient wholesale banks, 49% C/I ratio

Underlying result before tax (in € mln)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,978</td>
<td>2,533</td>
<td>2,668</td>
<td>2,846</td>
<td>2,755</td>
</tr>
<tr>
<td>CAGR</td>
<td>8.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Underlying return on equity*

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>9.4%</td>
<td>10.7%</td>
<td>10.5%</td>
<td>10.9%</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

Sustainability

- 1st bank to start steering loan portfolio to Paris climate goals
- 1st bank launching sustainability improvement loans
- A growing green bonds franchise

Accelerate digitalisation

- Industry leader in the Distributed Ledger Technology (DLT) space
- > 700 IT applications decommissioned
- 30% of primary relationships use our InsideBusiness portal

* ROE based on a 12% CET1 ratio
Our strategic priorities drive primary client growth

- **Primary clients**
  - Consistency
  - Pragmatic approach
  - Product-agnostic client teams

- **Strengthen the basics**
  - Know Your Customer
  - Improve service level across geographies

- **Unleash sector potential**
  - Sector expertise to expand strategic services

- **Leverage the network**
  - Harmonised cross-border documentation
  - Harmonised product offering
  - Uniform tooling for client-facing staff

- **Innovate for the future**
  - 100% of all data in one data lake
  - Platform strategy
  - Build, partner with or buy innovative solutions
  - Leading sustainable finance offering

* KYC – Know Your Customer
Wholesale Banking is accelerating growth in primary clients

**Client segmentation**
- Average # of products
- Average # of countries
- Total revenues**
- Revenues / RWA

**Primary clients**
- 4.1
- 4.5
- €2.9 bln
- 550 bps

**Active clients**
- 1.2
- 1.1
- €2.4 bln
- 350 bps

*Established client relationship with 2 products or more and across 2 countries or more

**Excluding €0.5 bln of revenues from non-Wholesale Bank clients using Wholesale Bank network and products
Primary clients are 5x more profitable

**Commercial excellence**
- **Revenues per client**
  - Active: 7x
  - Primary: 5x

- **Cross-buy* ratio**
  - Active: 3x
  - Primary: 1.6x

- **Fee income / RWA**
  - Active: 3x
  - Primary: 1.6x

**Profit before tax**
- Active: 5x
- Primary: 5x

**YoY Increase NPS score**
- Primary: 24%
- Total WB: 14%

* Cross-buy = non-lending revenues over total revenues
** NPS = Net Promoter Score
WB transformation delivering efficiency

- Single account opening process in 18 countries
- Cross-border cash management in 18 countries
- >30 (sub-)processes robotised
- >700 applications decommissioned
- Native Language Processing robotics
- One Agile Way of Working rolled out to 4,500 employees
- 2 global operations Shared Service Centres
- Pan-European Daily Banking Desk
- Organisational redesign in 44 countries
- 80% of core banking systems connected to the Data Integration Layer

Processes

Shared Services

Way of Working

Support functions

IT

Data

Wholesale TOM
Organisation changed to unleash sector potential

Traditional bank
“Buy our products”
...
...
Financial markets
Term loans
Payments & Cash Management

Client point of view
“Do you understand my business?”

Energy

ING

TMT* & Healthcare
Real Estate, Infra & Construction
Commodities, Food & Agri
Energy
Transportation & Logistics
Diversified corporates
Financial Institutions

20 years of expertise
Sector relevant solutions

* TMT - Telecom, Media & Technology
We serve clients throughout our network in over 40 countries.

Virtual client teams bring our best sector and product expertise where our clients are.

Client profitability monitored on a global basis.

Geographic and product-agnostic approach.

Local revenues

Incoming revenues (revenues from local subsidiaries of foreign companies)

Outgoing revenues (revenues from foreign subsidiaries of local companies)
Our network ensures a diversified income stream

Wholesale Banking total underlying income 2018 diversified across...

...products

- Project and Asset-based Finance excl. TCF
- Real Estate Finance
- Trade and Commodity Finance (TCF)
- General Lending & Transaction Services
- Financial Markets
- Bank Treasury & Other

...geographies

- Diversified corporates
- Financial Institutions
- Commodities, Food & Agri
- Energy
- Real Estate, Infra & Construction
- TMT & Healthcare
- Transportation & Logistics

...sectors

- NL
- Belux
- Germany
- Other Challengers
- Growth Markets
- UK
- European Network
- Americas
- Asia
- Other

€5.8 bln
## Roadmap from current market position

<table>
<thead>
<tr>
<th>Primary clients</th>
<th>• Grow primary clients</th>
</tr>
</thead>
</table>
| Income                   | • Lending growth ~2-3% per annum  
|                          | • Fees to grow faster than NII |
| Costs                    | • Further efficiency in running the bank  
|                          | • Digital first  
|                          | • Improve sales effectiveness |
| Efficiency               | • Maintain focus on ROE as the key business driver |
| ROE                      |                        |

### Mitigating actions

| RWA (Basel IV & TRIM) | • Manage RWA density despite regulatory changes  
|                       | • Careful off-boarding of sub-profitable clients generating RWA  
|                       | • Slower asset growth and balance sheet actions (higher capital velocity) |
Basel IV and TRIM mitigants

<table>
<thead>
<tr>
<th>Product features, data quality and regulations</th>
<th>Disintermediation and capital relief</th>
<th>Income enhancement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Lending</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase external rating coverage</td>
<td>Selective capital relief transactions</td>
<td></td>
</tr>
<tr>
<td><strong>Industry Lending</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refined collateral recognition under various IRB* approaches</td>
<td>Significant risk transfers and future flow partnerships</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Markets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data enhancement</td>
<td>Effective hedging strategies</td>
<td></td>
</tr>
</tbody>
</table>

No regret: Contingent upon regulations and other actions

~50% of portfolio matures / is refinanced before Basel IV

* IRB – Internal Ratings Based approach
Financial Markets – rightsizing footprint while unlocking value

RWA development (in € bln)
CVA hedges to relieve RWA density

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2018</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>37</td>
<td>20</td>
<td>-45%</td>
</tr>
</tbody>
</table>

FM front-office headcount
Further rightsizing expected in 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2018</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>813</td>
<td>750</td>
<td>-8%</td>
</tr>
</tbody>
</table>

Operating expenses
Reducing operating expenses going forward

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2018</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>873</td>
<td>823</td>
<td>981</td>
</tr>
</tbody>
</table>

Financial Markets is essential to:
• Grow primary relationships
• Manage our own risks
• Help clients manage their risks

FM cross-buy
WB corporate clients using FM products

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>25%</td>
<td>&gt;30%</td>
</tr>
</tbody>
</table>

FM share of wallet
+20% revenue growth by 2021
Innovation to drive value in Wholesale Banking

**Build**

**Cash Management**
- Bank Mendes Gans
  - Pooling; improving visibility on your corporate’s liquidity and interest results
  - Netting; efficiency in cross border payments

**Financial Markets**
- Katana LENS
  - Generates data-driven trade ideas
  - ...alerts of trade opportunities before research analysts recommend the same trade

**25%**
- Reduction in bond trading pricing error costs

**Partner**

**Trade**
- Global innovation leader in trade finance
  - Top 5 in DLT*

**Payments**
- Corporate accounts aggregator
- Cross-border payments

**Syndication**

**Buy**

**Payments**
- >80 payment methods
- >150 currencies

ING and Payvision working together on building frictionless payments and (beyond) banking experiences

**+58%**
- YoY volume growth since 2017

**€40 mln**
- Net fee income** in 2018

---

* DLT – Distributed Ledger Technology. Source: Forbes
** €40 mln is the contribution of Net fee and commission income since acquisition at the end of 1Q18
Terra: steering our loan book to meet climate goals

- **Terra approach**
  - Steering our loan book towards the Paris Agreement’s well-below 2°C-goal

- **Empowering clients**
  - Supporting our clients’ technology transition and reduced carbon footprint

- **Financing impact**
  - Financing investments needed to transition to a low-carbon society
We are a leader in the growing ESG debt market

Global annual sustainable debt issuance*

We aim to double our Responsible Finance portfolio by 2022 (in € bln)

Euro Green Bond League Table (Ex-SSA)*

Strong momentum with WB clients

> 40 Sustainability improvement loan mandates since 2017**

FY2018 Global Green Loans League Tables*

- Source: Bloomberg
- Product launched in 2017; +50% of mandates in a role as sustainability coordinator
Appendix
Organisation changed to unleash sector potential

Increased commercial effectiveness

- Relationship Manager led virtual client teams / product agnostic
- With specific sector expertise
- Focusing to expand primary relationships
- Through two clear value propositions

Sector

- Real Estate, Infra & Construction
- TMT* & Healthcare
- Energy
- Financial Institutions
- Commodities, Food & Agri
- Transportation & Logistics
- Diversified corporates

Transaction Services

- Financial Markets

Lending

- CF / GCM / CS&A*

Primary clients 16%  
Active clients 84%

Daily Banking Value Proposition  |  Strategic Services Value Proposition

* CF – Corporate Finance; GCM – Global Capital Markets; CS&A – Capital Structuring & Advisory; TMT – Telecom, Media & Technology
ING’s specialised offering encompasses seven sectors

Our clients operate in 7 sectors
in % of total WB lending credit outstandings*

- Real Estate, Infra & Construction: 13%
- Commodities, Food & Agri: 14%
- TMT & Healthcare: 7%
- Transportation & Logistics: 9%
- Energy: 12%
- Diversified corporates**: 18%
- Financial Institutions: 18%

* Category Other €21 bln is not shown in the sector breakdown
** Large corporate clients active across multiple sectors

- Infra - MLA of the Year
  - 2018 – IJ Awards
- Best Commodities Trade Finance Bank in the world
  - 2018 - Global Trade Review
- Supply Chain Finance Provider of the Year
  - 2019 - RFlx
- Green Bond Pioneer Award
  - 2019 - Climate Bonds Initiative
- Asia Pacific Deal of The Year 2018
  - Westconnex
  - 2018 - Project Finance International
- Best Multi-Currency Liquidity Solutions
  - BMG, 2018 - TMI
**Illustrative country example - WB France performance**

**Total number of clients**

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary</th>
<th>Non-primary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>80</td>
<td>161</td>
</tr>
<tr>
<td>2018</td>
<td>100</td>
<td>201</td>
</tr>
</tbody>
</table>

**Collaboration / Network**

% of revenues in 2018

- France: €159 mln (53%)
- International: €179 mln (47%)

**League tables**

- #10: IG syndicated loans*
- #12: IG corporate bonds**
- #12: Acquisition Finance deals**
- #7: Real Estate Finance deals*

**Total revenues WB France***

(in € mln)

<table>
<thead>
<tr>
<th>Year</th>
<th>Lending</th>
<th>Non-lending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>244</td>
<td>19</td>
</tr>
<tr>
<td>2018</td>
<td>338</td>
<td>204</td>
</tr>
</tbody>
</table>

**Customer lending WB France**

(in € bln)

- 2013: 3.5
- 2018: 8.2

**Selected sustainable transactions by ING France**

- Green hybrid bond
- ESG-linked RCF
- Green bond

* Source: Dealogic
** Source: Bloomberg
*** Revenues made on French clients in France and their subsidiaries across WB network
Terra: steering our loan book to meet climate goals

<table>
<thead>
<tr>
<th>Terra</th>
<th>Methodology</th>
<th>Progress</th>
<th>Next steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Our strategy to steer our lending book towards the Paris Agreement’s well-below 2°C-goal.</td>
<td>• Measures needed shift in technology for key sectors against actual and future technologies used by clients • Developed with 2° Investing Initiative • Open source – banks around the world are engaged</td>
<td>• Four large international banks joined our pledge • Completed analysis of lending exposure to the automotive sector • Started taking action to help make our mortgage portfolio energy positive</td>
<td>• Analyse the other target sectors • Engage with clients on the findings • Report on progress</td>
</tr>
</tbody>
</table>
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.

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