

Convergence to a digital platform

ING Group Investor Day 2016

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thinkforward

ING 

Key points

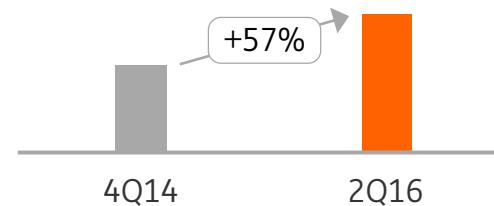
- ING has an unprecedented opportunity to create one digital platform for financial services
- We will move towards a globally scalable banking platform
- Convergence will enable faster time-to-market and improve IT efficiency through re-usable components and smarter use of data
- Process improvements 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

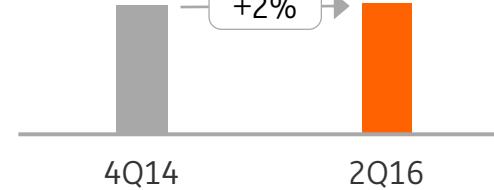
ING customers are becoming digitally native

ING retail contacts (total ING Bank)

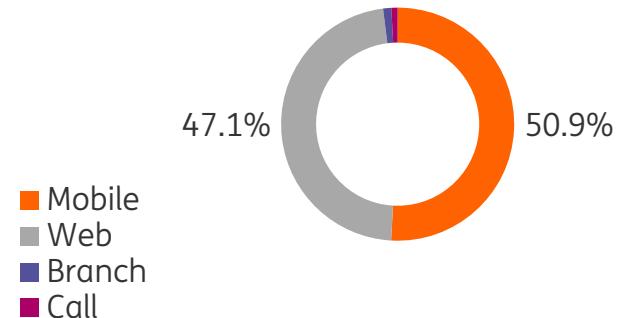
Mobile



Web

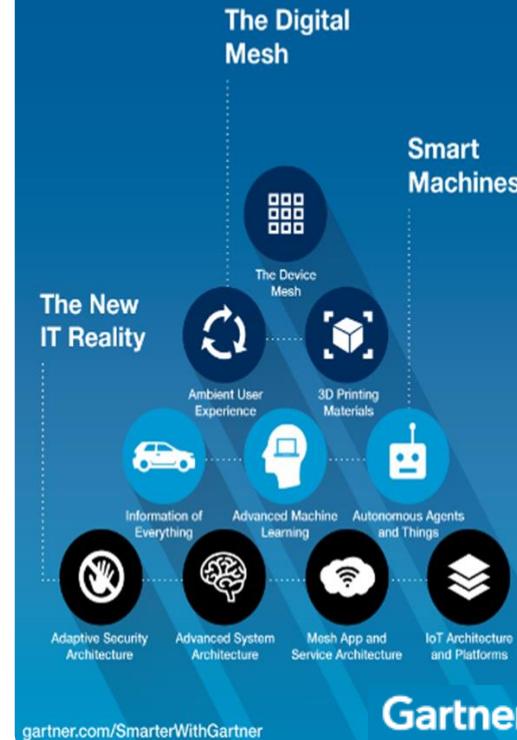


ING retail contacts per channel 2Q16



Technology shapes business opportunities

Top 10 Strategic Technology Trends 2016



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

Embracing technology to enrich customer experience:

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



Constructing one pan-European financial platform for customers:

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

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

1 Market Leaders “Orange Bridge”

- Best-in-class Omnichannel proposition
- Largest bank in the Benelux
- Intention to move to integrated universal banking platform in Belgium and Netherlands

2 Challengers “Model Bank”

- Best-in-class digital financial platform
- Expanded product and digital capabilities
- Leverage scale across 5 countries

3 Germany “Welcome”

- Best client experience and best offer principle
- Banking platform open for non-clients and 3rd parties
- Supported by standardisation and automation

4 Wholesale “WB TOM” (already running)

- Digital platform to empower clients
- Single global platform for wholesale clients
- Front-to-back process improvement

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



- 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

95% of core data in standard terms



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

80% of globally scalable components available across countries



- 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

10x faster deployment time: from days to minutes

Process improvements and standardisation will further improve customer experience and cost efficiency

Global Process Management



- 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

50% faster delivery times

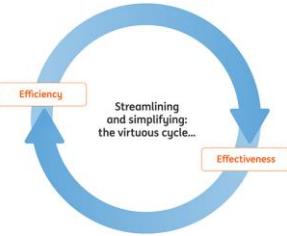
Bank Shared Services



- 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

4 centres offering 24/7 IT & OPS support

Business Support Functions

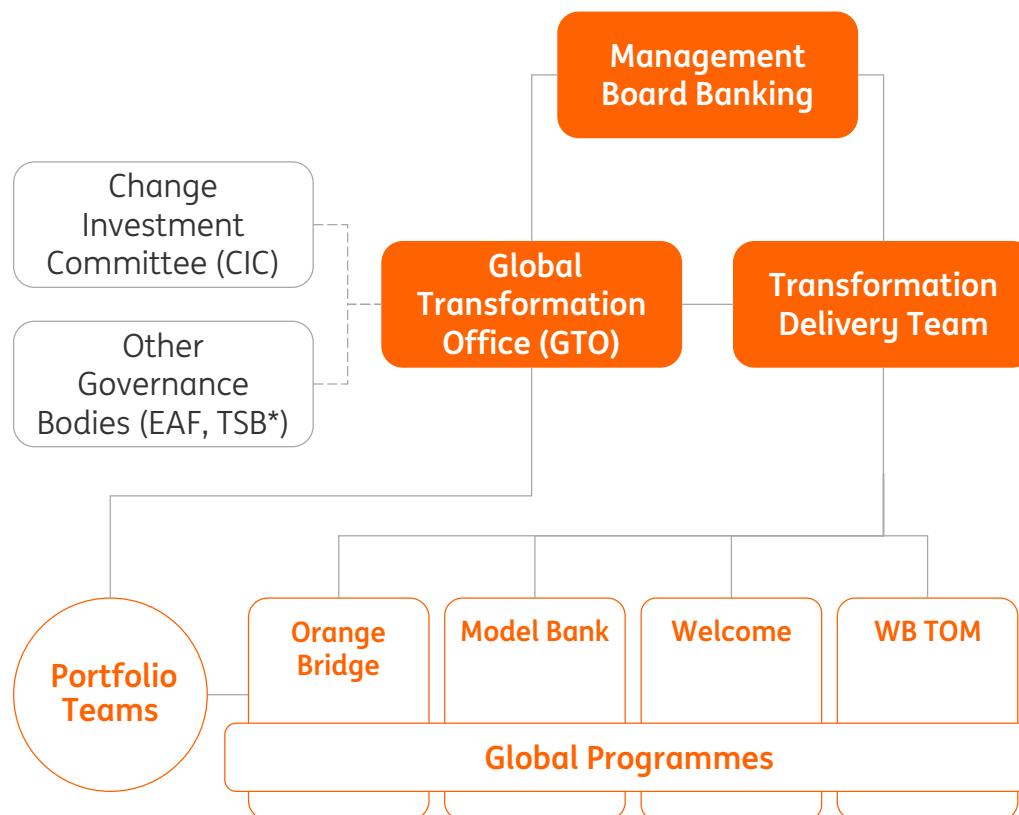


- Implementing global operating models to drive consistency and efficiency across countries and functions
- Optimising value-add to the business
- Delivering substantial savings in procured external spend

20-25% efficiency improvement

Delivery of our transformation is a Board priority

Governance model



ING Strategy



ING strategy defines transformation themes

Transformation Themes



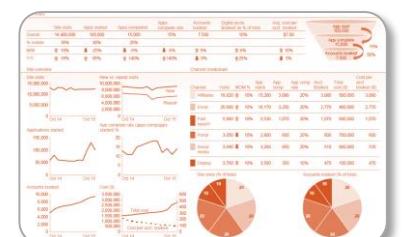
Every project is aligned to one or more themes

Transformation KPIs



Key milestones of projects
are linked to objectives

Performance Reviews

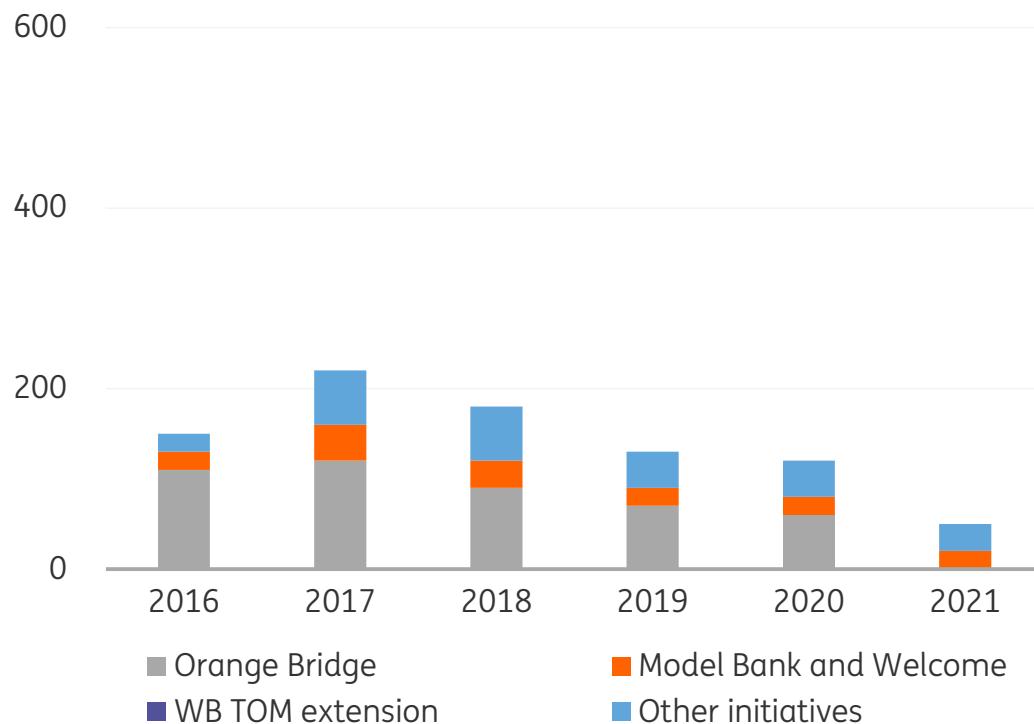


Milestones are delivered
within 90-day cycles

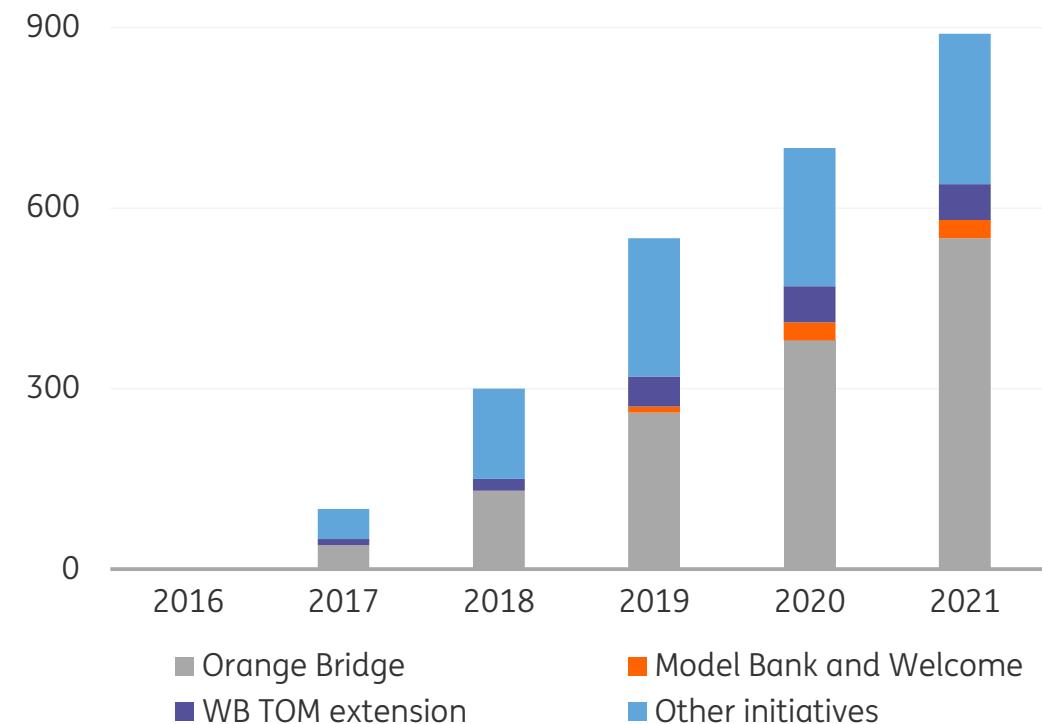
* EAF: Enterprise Architecture Forum and TSB: Technology Standards Board

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.

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.

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