

ING Annual General Meeting 2017

Amsterdam • 8 May 2017

thinkforward



Agenda item 1

Opening remarks and announcements

ING Annual General Meeting 2017

On the record date, 10 April 2017, the issued capital of the company consisted of:

3,883,314,689 issued ordinary shares

No votes can be cast on 659,661 ordinary shares as these shares were held by ING on the record date

A total of 3,882,655,028 votes can be cast

Agenda items 2A and 2B – discussion items

Report of the Executive Board for 2016 and Sustainability

- See pages 8 to 69 of the 2016 Annual Report
- See explanation in the convocation and page 37 of the 2016 Annual Report



Report of the Executive Board for 2016

Annual General Meeting - Accelerate

Ralph Hamers, CEO ING Group
Amsterdam • 8 May 2017

thinkforward

ING 

Think Forward: creating a differentiating customer experience

▶ 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

35.8 million customers in more than 40 countries (end 2016)

Net Promoter Score (NPS)

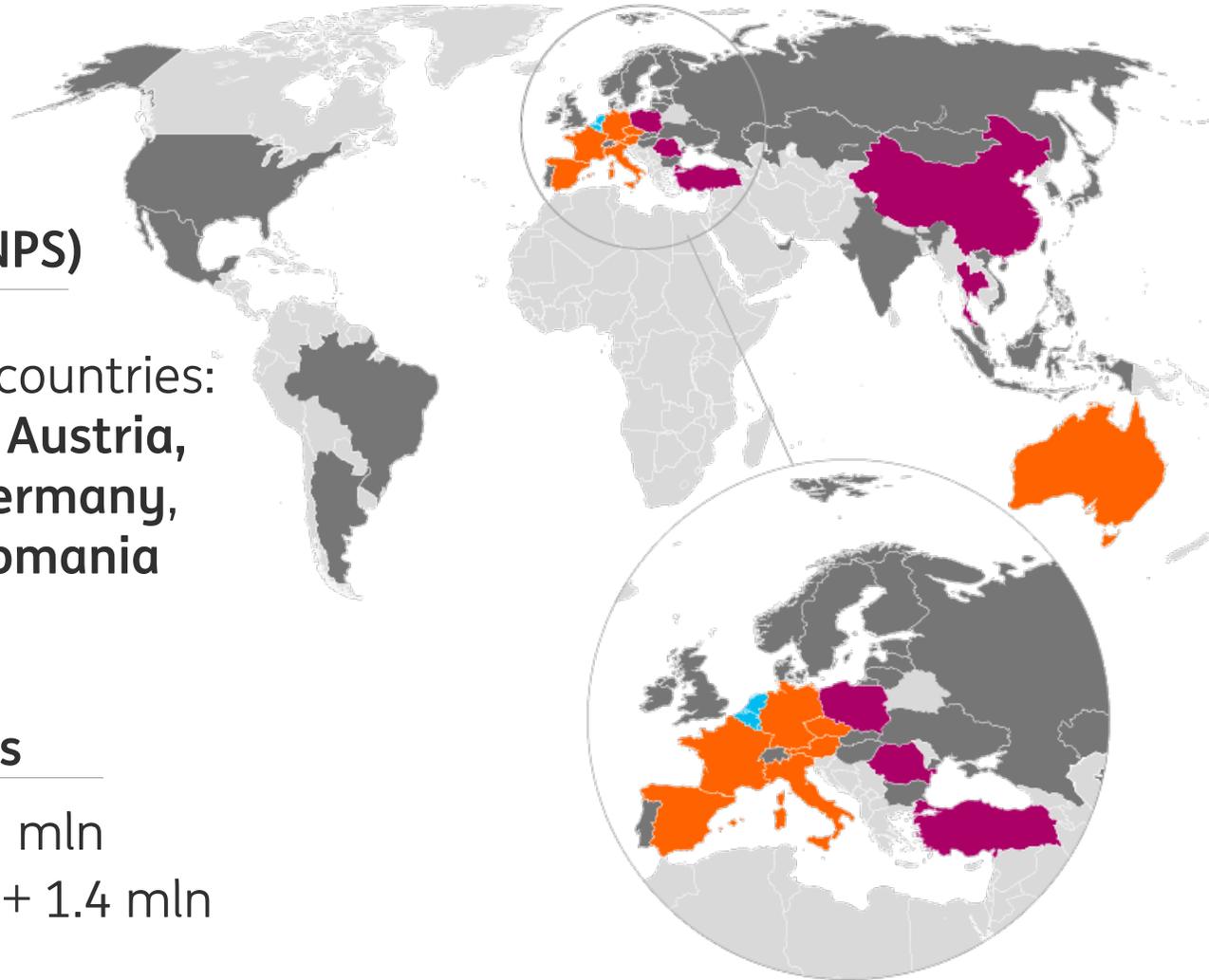


in 7 of 13 countries:
**Australia, Austria,
France, Germany,
Poland, Romania
and Spain**



Customers

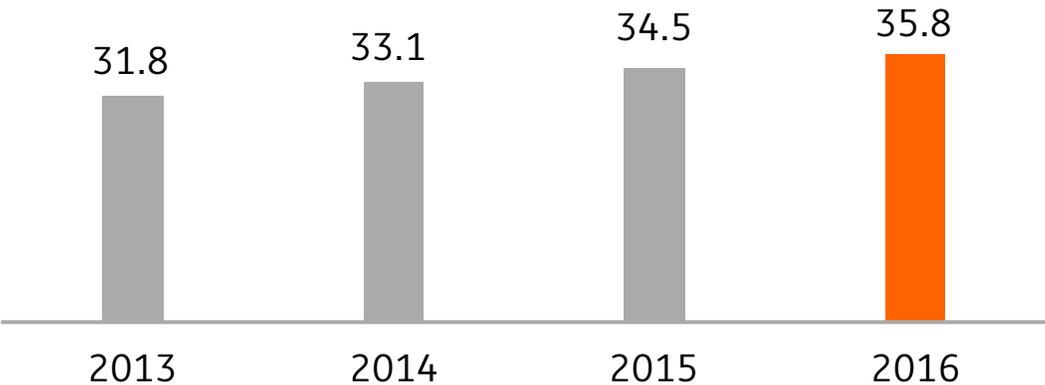
35.8 mln
+ 1.4 mln



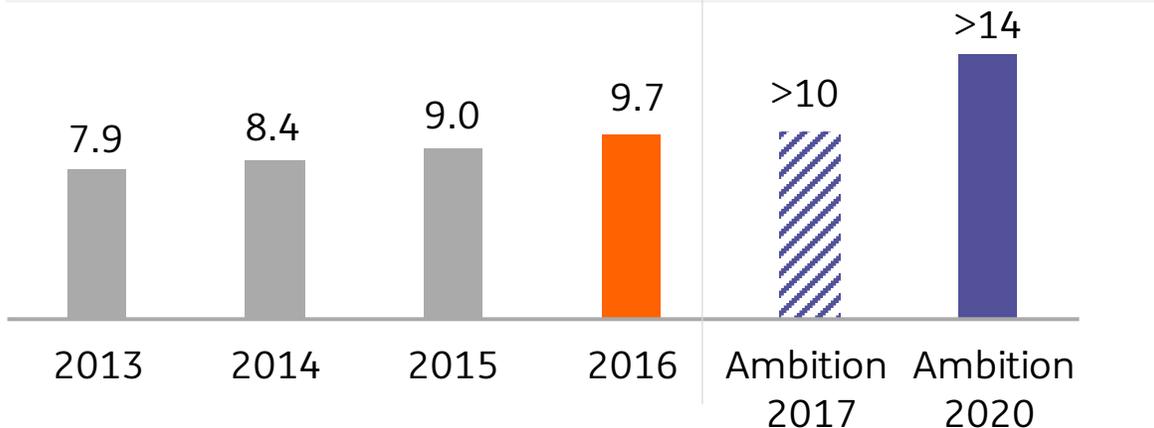
- Market Leaders
- Challengers
- Growth Markets
- Wholesale Banking activities only

Our focus on primary customer relationships drives value

ING currently serves ~36 mln retail customers (in mln)



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



ING Bank core lending

2016 net growth



ING Bank customer deposits

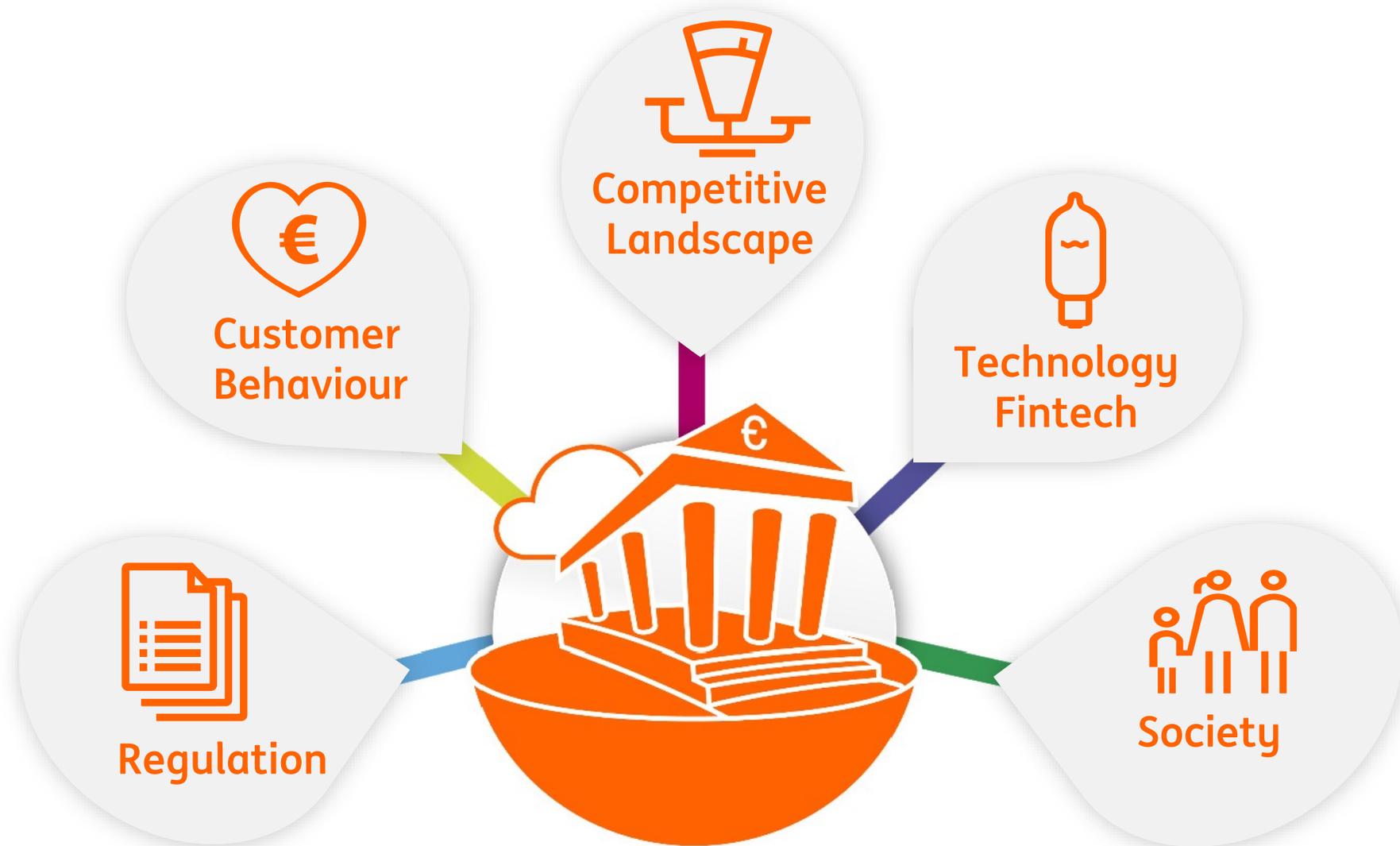
2016 net growth



Primary relationships



Trends in the banking landscape continue to evolve



...so we are creating an ecosystem that extends beyond banking...



...and connected to the ecosystems of others



Convergence and standardisation improves customer experience...

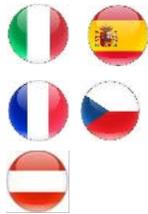
Four major digital transformation programmes

“Orange Bridge”*



- Integrated universal banking platform in Belgium and the Netherlands
- Reached an agreement on a Social Plan with trade union partners in Belgium

“Model Bank”



- Joint best-in-class digital platform and expansion of product capabilities
- Strategy and scope of first release agreed between countries
 - Established project team in Spain

“Welcome”



- In Germany, delivery of new omnichannel digital capabilities
- Introduced Multibanking App
 - First processes digitized

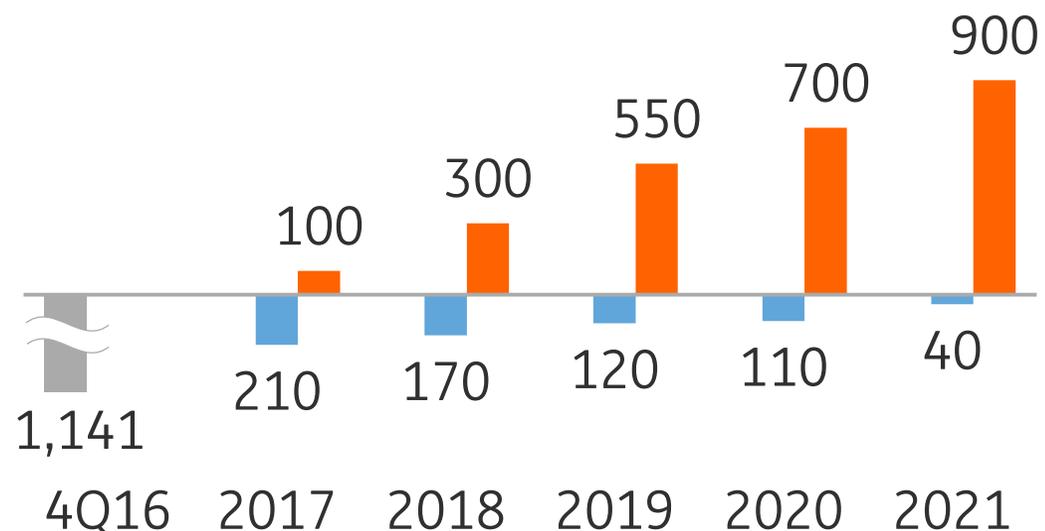
“WTOM”

- Single global platform for Wholesale
- Further roll-out of InsideBusiness, increased use of Global Services & Operations

*Initiatives have been submitted to the relevant regulatory authorities and are under review.

...and brings further efficiency gains

Estimated impact of digital transformation programmes (in EUR mln)



- EUR 1,141 mln pre-tax restructuring provisions booked as special items in line with previous guidance
- Estimated annual gross cost savings of EUR 900 mln by 2021
- Around 7,000 jobs impacted

■ Restructuring Provision* ■ Investments** ■ Accumulated savings

All projects described are proposed intentions of ING. No formal decisions will be taken until the information and consultation phases with the Work Councils have been properly finalised

* Special items pre-tax of EUR -1,141 mln (EUR -787 mln after tax), consisting of a pre-tax restructuring provision of EUR 1,032 mln and impairments on legacy IT systems and real estate of EUR 109 mln pre-tax. The remaining EUR 0.1 bln of restructuring provisions will be booked later as a special item

** Defined as incremental expenses from new announced programmes and includes project expenses, depreciation and amortisation of new IT assets, as well as impacts from impairments of legacy IT systems

Our approach to innovation

Customer experience



+ 25,000
merchants



275,000
registered
users in Spain



+ 70% consumer
loans in Romania
+45% digital
loans in Poland



Fourfold
increase in users

Culture



2,000
professionals
trained

7 Business Units
trained



4 Bootcamps
organised

~800 ideas
submitted per
annum

23 countries
involved

Connect



80 fintech
partnerships

13 partnerships
stopped in 2016



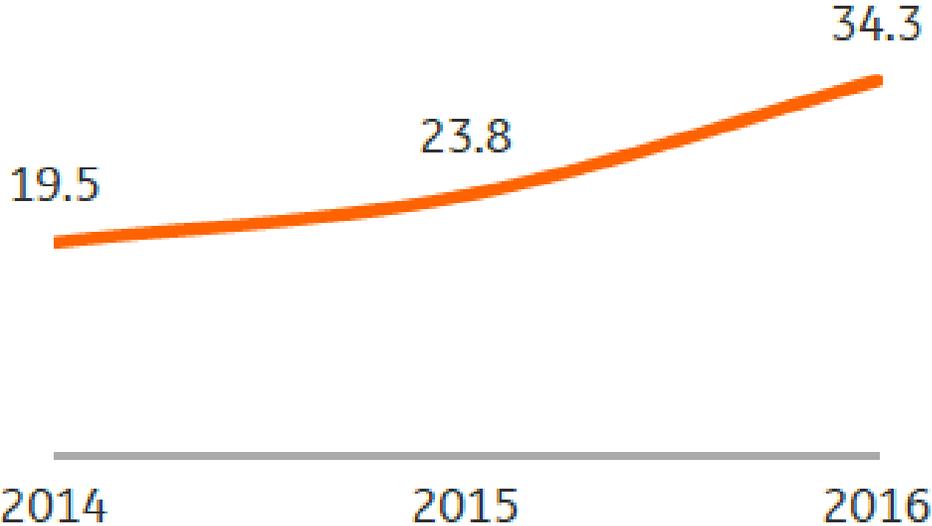
4 start-ups
in incubation at
Innovation Studio



2nd season FinTech
Village launched in
Belgium

Sustainability is embedded throughout our business

Sustainable Transitions Financed* (in EUR bln)



Recognition



- #1 out of 395 publicly listed banks



- Scored 90 out of 100 and ahead of industry average

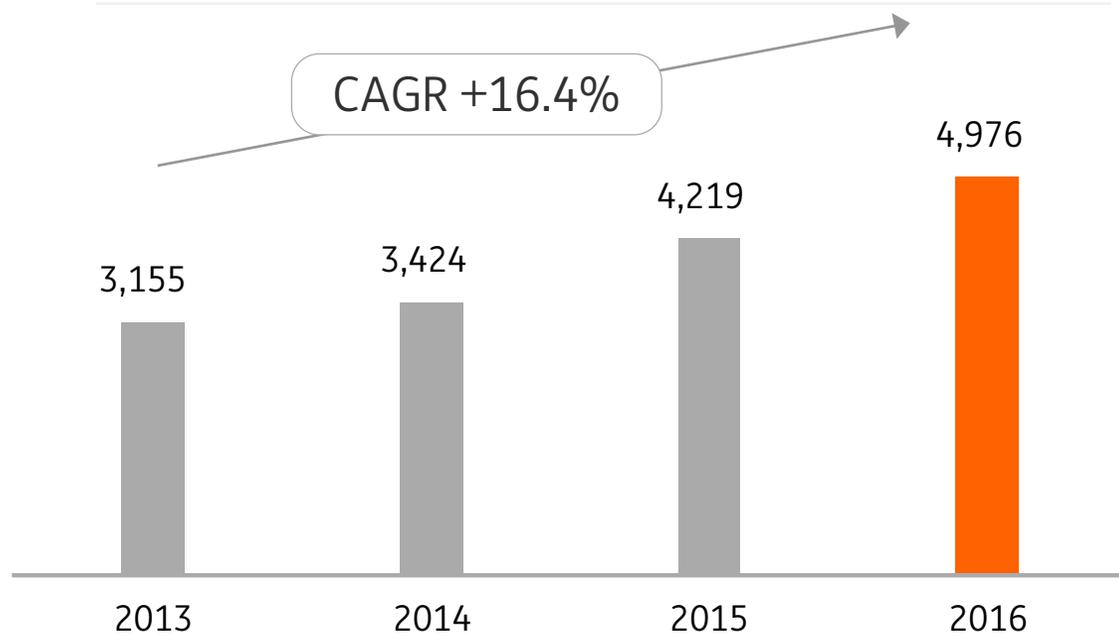


- Top 10% of 'A-list'

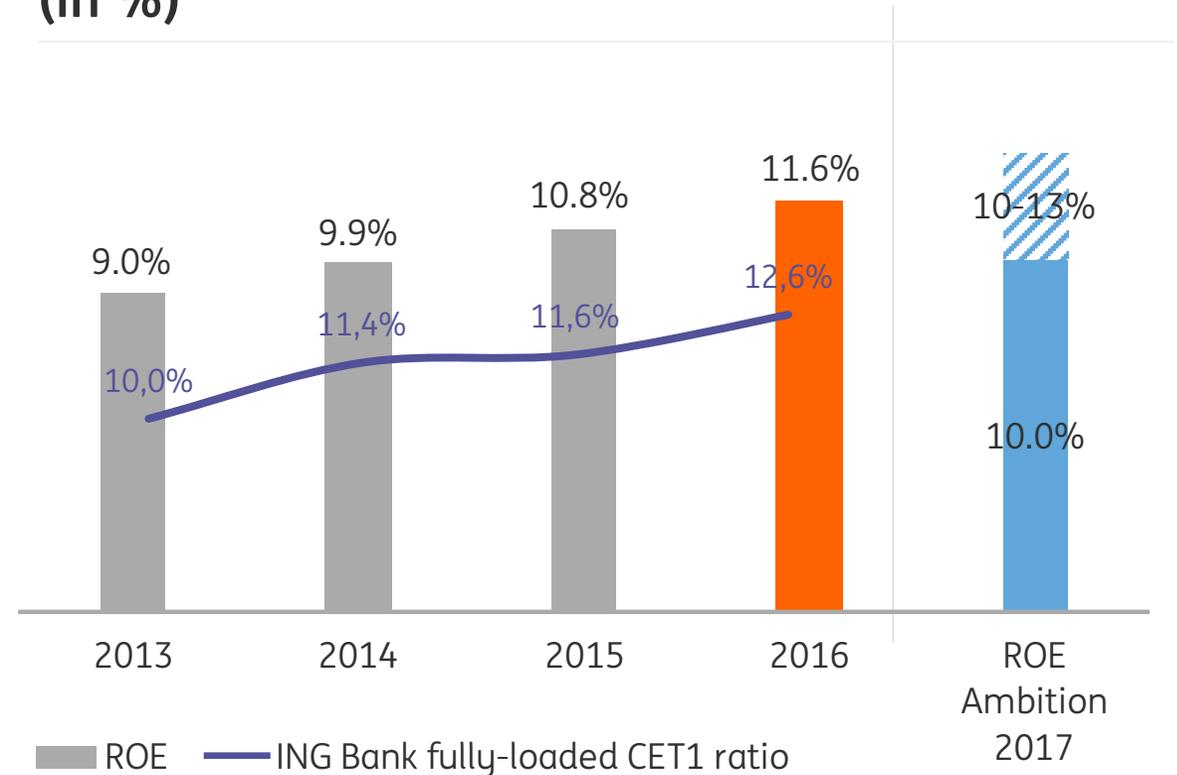
* Sustainable transitions financed (STF): measures lending to clients who are environmental and/or social outperformers or financing of transactions for sustainable projects (i.e. renewable energy, low-carbon transport, social welfare).

Think Forward strategy delivered strong results in 2016

Underlying net result ING Bank
(in EUR mln)



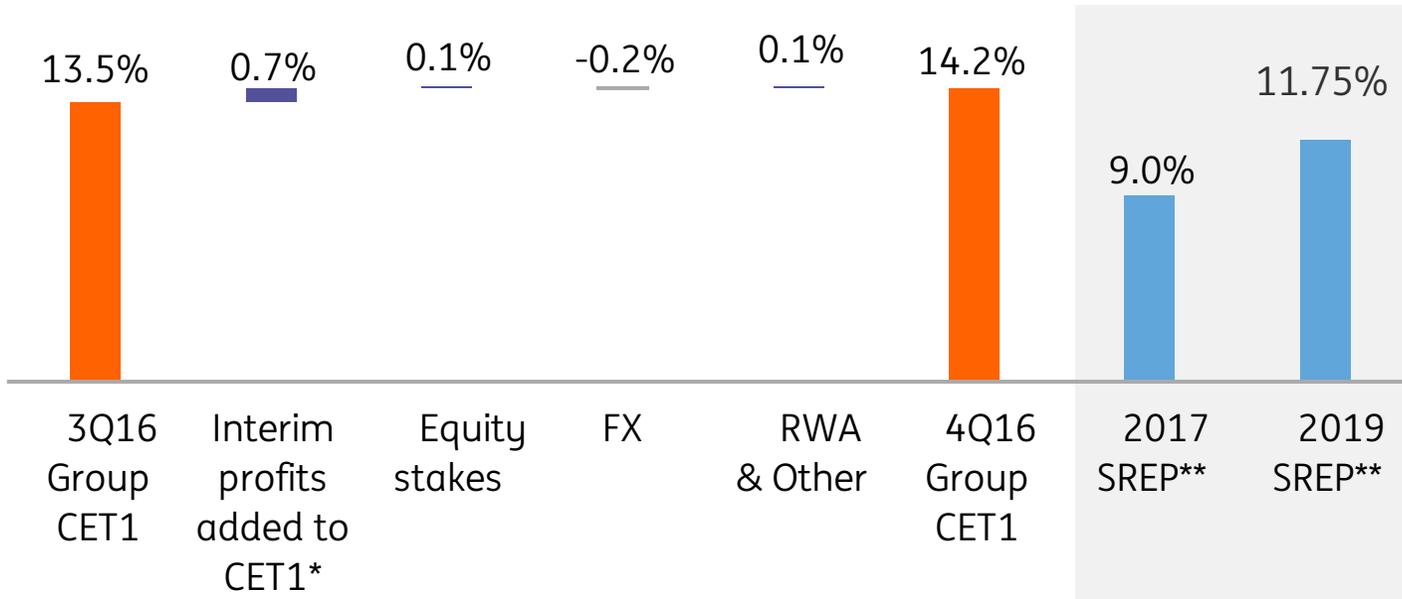
Underlying ROE ING Bank within target range
(in %)



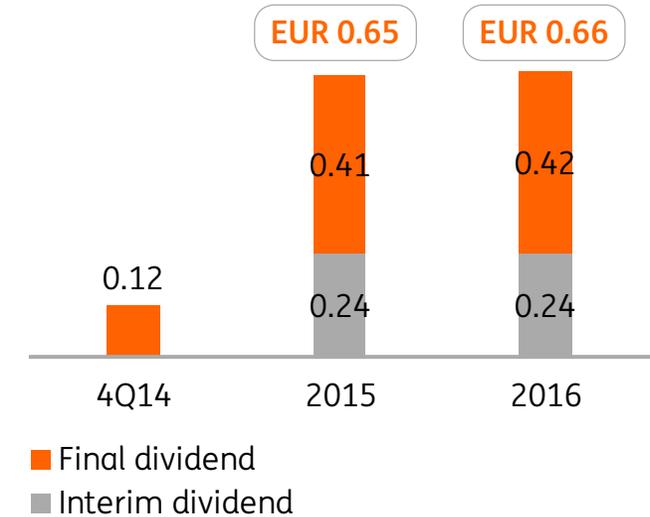
- Underlying net profit rose to EUR 4,976 mln, up 17.9% from 2015, notwithstanding headwinds from lower reinvestment yields
- ING Bank's underlying return on equity in 2016 improved to 11.6%, despite higher ING Bank CET1 capital

ING Group CET1 ratio 14.2%; ING proposes EUR 0.66 dividend

ING Group fully-loaded CET1 ratio development



We propose to pay a full-year dividend of EUR 0.66 per share



- ING Group's 4Q16 fully-loaded CET1 ratio rose to 14.2% mainly due to interim profits added to capital (excl. EUR 1,629 mln set aside for final dividend)
- ING's 2017 SREP (CET1) requirement has been reduced to 9.0% (including phased-in SRB) and is expected to be 11.75% fully-loaded by 2019, excluding Pillar 2 Guidance

- The full-year dividend proposal is EUR 0.66 per share which reflects regulatory uncertainty and growth opportunities

* Group interim profits at end-3Q16 (EUR 2,970 mln) and 4Q16 Group net profit (EUR 750 mln) after deduction of proposed final dividend payment (EUR 1,629 mln) have been included in Group CET1 capital

** Plus a comfortable management buffer (to include Pillar 2 Guidance)

Ambition 2020 – ING Group Financial Targets

		Actual 2015	Actual 2016	Ambition 2020*
Capital	• CET1 ratio (%)	12.7%	14.2%	> Prevailing fully-loaded requirements**
	• Leverage ratio (%)	4.4%	4.8%	> 4%
Profitability	• Underlying C/I ratio (%)	55.9%	54.2%	50-52%
	• Underlying ROE (%) (IFRS-EU Equity)	8.6%	10.1%	Awaiting regulatory clarity
Dividend	• Dividend (per share)	EUR 0.65	EUR 0.66	Progressive dividend over time

* Ambition 2020 financial targets based on assumption of low-for-longer interest rate environment in the eurozone

** Currently estimated to be 11.75%, plus a comfortable management buffer (to include Pillar 2 Guidance)

ING share performance

Relative share price performance

1 January 2016 - 4 May 2017



Recognition from experts and customers



- Global Bank of the Year
- Bank of the Year (Belgium, the Netherlands & Western Europe)
- Financial Institution of the Year (Australia)
- Best Bank for Customer Experience (Spain)



- Best Digital Bank (Western Europe)
- Most Innovative Bank of the Year (Romania)



Best Cash Management Solution
in Technology & Innovations



Biggest Issuer and Bond of the Year
(Environmental Finance Green Awards)

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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 2016 ING Group consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding. Projects may be subject to regulatory approvals. Insofar as they could have an impact in Belgium, all projects described are proposed intentions of the bank. No formal decisions will be taken until the information and consultation phases with the Work Council have been properly finalised.

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) ING's ability to achieve its strategy, including projected operational synergies and cost-saving programmes and (17) the other risks and uncertainties detailed in the most recent 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.

Any forward looking statements made by or on behalf of ING speak only as of the date they are made, and ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason. This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States or any other jurisdiction.

Agenda item 2C – discussion item

Report of the Supervisory Board for 2016

- See pages 72 to 76 of the 2016 Annual Report

Agenda item 2D – discussion item

Remuneration report

- See pages 97 to 106 of the 2016 Annual Report

Agenda item 2E – voting item

Annual Accounts for 2016

- See pages 108 to 336 of the 2016 Annual Report

ING Annual General Meeting 2017

Present or represented are:

5,005 shareholders

Holding on the record date (10 April 2017):

2,358,396,798 ordinary shares
permitting 2,358,396,798 votes to be cast

Percentage represented capital:

60.74%

of which 2,276,418,218 shares, 96.52% of the represented capital, by means of proxy via the electronic voting platform, are represented by Ms J.J.C.A. Leemrijse, civil-law notary in Amsterdam

Agenda item 2E

Annual Accounts for 2016

	Votes	%
In favour	2,352,364,088	99.926%
Against	1,742,924	0.074%
Abstentions	4,057,368	

Agenda item 3A – discussion item

Profit retention and distribution policy

- See pages 59 to 61 of the 2016 Annual Report

Agenda item 3B – voting item

Dividend for 2016

- See text of proposal and explanation in the convocation
- See page 61 of the 2016 Annual Report

Agenda item 3B

Dividend for 2016

	Votes	%
In favour	2,347,358,371	99.689%
Against	7,321,591	0.311%
Abstentions	3,495,426	

Agenda item 4A – voting item

Discharge of the members of the Executive Board in respect of their duties performed during the year 2016

- See text of proposal in the convocation

Agenda item 4A

Discharge of the members of the Executive Board in respect of their duties performed during the year 2016

	Votes	%
In favour	2,276,431,921	97.443%
Against	59,731,758	2.557%
Abstentions	21,954,898	

Agenda item 4B – voting item

Discharge of the members and former member of the Supervisory Board in respect of their duties performed during the year 2016

- See text of proposal in the convocation

Agenda item 4B

Discharge of the members and former members of the Supervisory Board in respect of their duties performed during the year 2016

	Votes	%
In favour	2,276,485,792	97.589%
Against	56,230,977	2.411%
Abstentions	25,457,887	

Agenda item 5A – information item

Amendment to deferral period in the remuneration policy for members of the Executive Board

- See explanation in the convocation

Agenda item 5B – voting item

Variable remuneration cap for selected global staff

- See text of proposal in the convocation
- See pages 97 and 98 of the 2016 Annual Report

Agenda item 5B – voting item

Variable remuneration cap for selected global staff

	Votes	%
In favour	2,274,191,065	98.531%
Against	33,898,329	1.469%
Abstentions	50,027,919	

Agenda item 6A – voting item

Composition of the Executive Board: reappointment of Ralph Hamers

- See text of proposal and explanation in the convocation



Agenda item 6A

Composition of the Executive Board: reappointment of Ralph Hamers

	Votes	%
In favour	2,315,781,636	99.320%
Against	15,860,850	0.680%
Abstentions	26,483,346	

Agenda item 6B – voting item

Composition of the Executive Board: appointment of Steven van Rijswijk

- See text of proposal and explanation in the convocation



Agenda item 6B

Composition of the Executive Board: appointment of Steven van Rijswijk

	Votes	%
In favour	2,312,226,170	99.008%
Against	23,176,317	0.992%
Abstentions	22,708,733	

Agenda item 6C – voting item

Composition of the Executive Board: appointment of Koos Timmermans

- See text of proposal and explanation in the convocation



Agenda item 6C

Composition of the Executive Board: appointment of Koos Timmermans

	Votes	%
In favour	2,319,567,466	99.322%
Against	15,829,463	0.678%
Abstentions	22,708,028	

Agenda item 7A – voting item

Composition of the Supervisory Board: reappointment of Hermann-Josef Lamberti

- See text of proposal and explanation in the convocation



Agenda item 7A

Composition of the Supervisory Board: reappointment of Hermann-Josef Lamberti

	Votes	%
In favour	2,213,795,962	94.952%
Against	117,699,992	5.048%
Abstentions	26,626,549	

Agenda item 7B – voting item

Composition of the Supervisory Board: reappointment of Robert Reibestein

- See text of proposal and explanation in the convocation



Agenda item 7B

Composition of the Supervisory Board: reappointment of Robert Reibestein

	Votes	%
In favour	2,275,434,115	97.586%
Against	56,288,540	2.414%
Abstentions	26,398,940	

Agenda item 7C – voting item

Composition of the Supervisory Board: reappointment of Jeroen van der Veer

- See text of proposal and explanation in the convocation



Agenda item 7C

Composition of the Supervisory Board: reappointment of Jeroen van der Veer

	Votes	%
In favour	2,151,541,237	93.137%
Against	158,534,039	6.863%
Abstentions	48,046,419	

Agenda item 7D – voting item

Composition of the Supervisory Board: appointment of Jan Peter Balkenende

- See text of proposal and explanation in the convocation



Agenda item 7D

Composition of the Supervisory Board: appointment of Jan Peter Balkenende

	Votes	%
In favour	2,309,192,073	98.873%
Against	26,318,080	1.127%
Abstentions	22,612,932	

Agenda item 7E – voting item

Composition of the Supervisory Board: appointment of Margarete Haase

- See text of proposal and explanation in the convocation



Agenda item 7E

Composition of the Supervisory Board: appointment of Margarete Haase

	Votes	%
In favour	2,257,673,061	96.719%
Against	76,583,569	3.281%
Abstentions	23,864,040	

Agenda item 7F – voting item

Composition of the Supervisory Board: appointment of Hans Wijers

- See text of proposal and explanation in the convocation



Agenda item 7F

Composition of the Supervisory Board: appointment of Hans Wijers

	Votes	%
In favour	2,291,294,022	98.302%
Against	39,578,543	1.698%
Abstentions	27,245,395	

Agenda item 8A – voting item

Authorisation to issue ordinary shares

- See text of proposal and explanation in the convocation

Agenda item 8A

Authorisation to issue ordinary shares

	Votes	%
In favour	2,084,823,212	88.524%
Against	270,272,431	11.476%
Abstentions	3,019,232	

Agenda item 8B – voting item

Authorisation to issue ordinary shares with or without pre-emptive rights of existing shareholders

- See text of proposal and explanation in the convocation

Agenda item 8B

Authorisation to issue ordinary shares with or without pre-emptive rights of existing shareholders

	Votes	%
In favour	2,268,054,517	96.274%
Against	87,780,895	3.726%
Abstentions	2,280,166	

Agenda item 9 – voting item

Authorisation of the Executive Board to acquire ordinary shares in the Company's capital

- See text of proposal and explanation in the convocation

Agenda item 9

Authorisation of the Executive Board to acquire ordinary shares in the Company's capital

	Votes	%
In favour	2,288,041,390	97.217%
Against	65,496,420	2.783%
Abstentions	4,572,784	

Agenda item 10

Any other business and conclusion

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