

The successful challenger

ING Investor Day

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www.ing.com

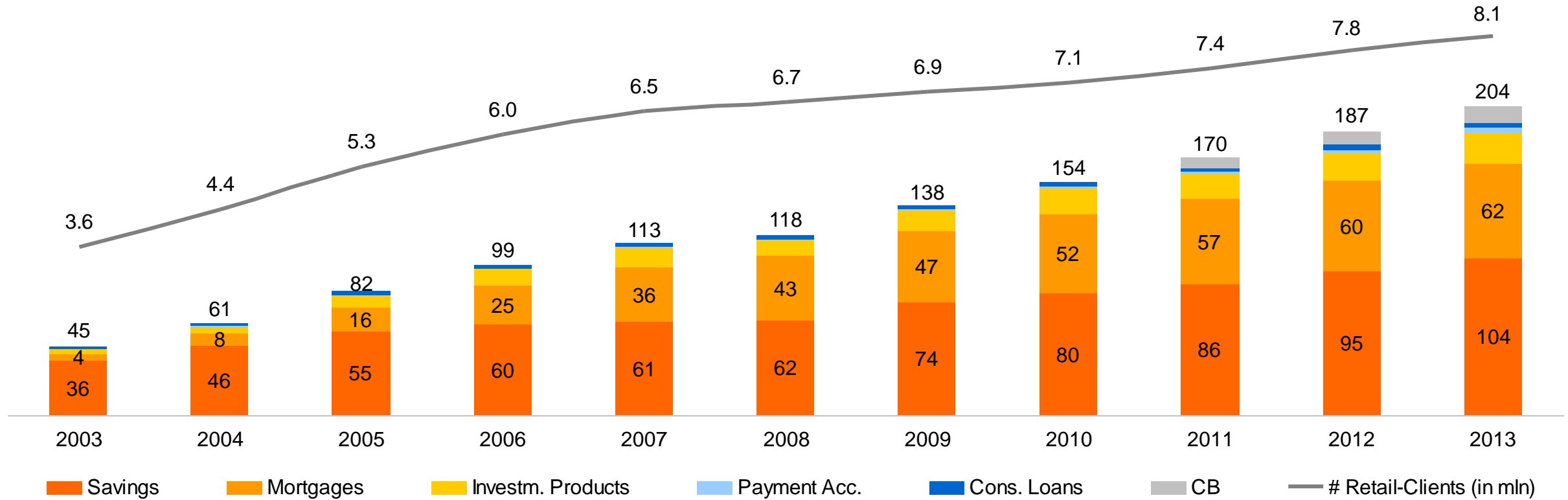
ING Germany is uniquely positioned to build on its success

Key messages

- We have executed our strategy consistently resulting in sustainable and diversified profit development
- The German banking market is fragmented, with Retail mostly deposit driven, and the sector in transformation
- ING is uniquely positioned and will continue to build on its strengths
- Our product portfolio fulfills customers' expectations and provides ample room for further growth and diversification
- We optimised rates with our strong brand as differentiator while maintaining customer growth momentum
- With convenience and transparency we develop from direct to digital, in line with consumer trends
- Our balance sheet and strong deposit generation allow us to increasingly originate diversified assets

We have executed our strategy consistently...

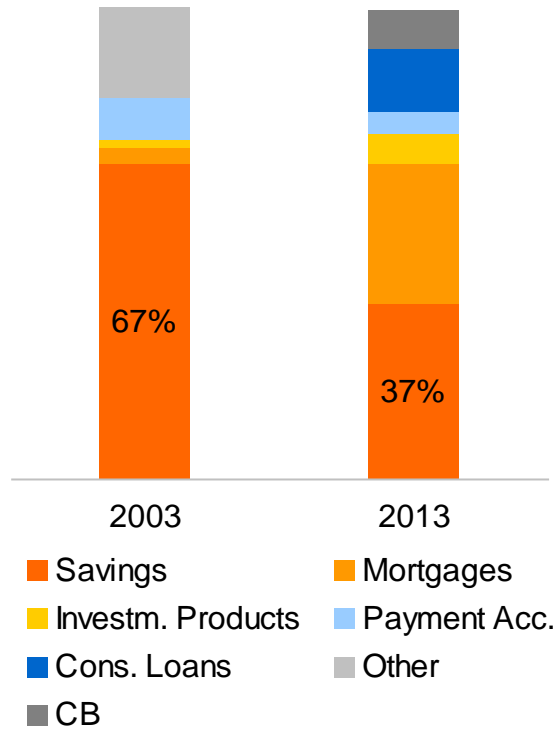
We built the franchise by selectively expanding our product portfolio... (in EUR bln)



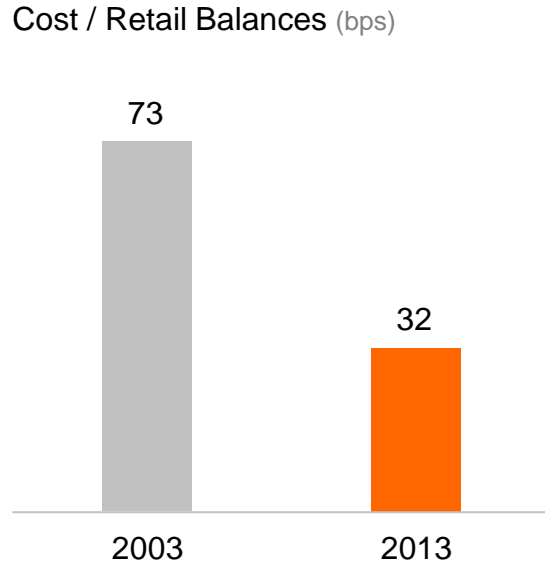
- Continued growth in retail deposits has allowed us to grow the asset base
- We've added new products and have gained customers while the franchise matured

...resulting in sustainable and diversified profit development

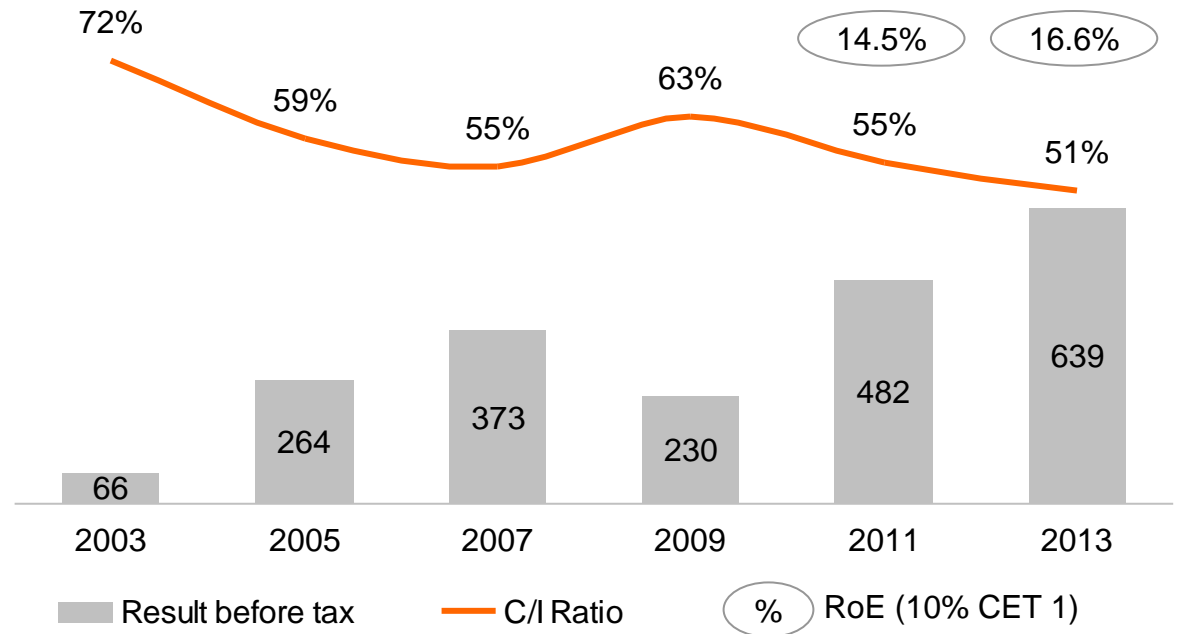
...diversifying our income profile



...with strict cost discipline



...and a strong and sustainable profit growth (in EUR mln)

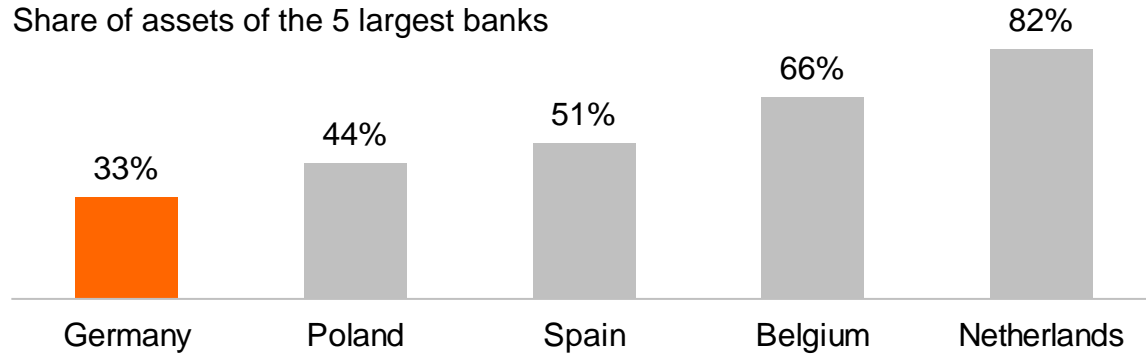


- This has resulted in a more diversified income base and realising economies of scale
- Continued growth has fuelled profit and improved the cost/income ratio to 51%

The German banking market is fragmented, with Retail mostly deposit driven, and the sector in transformation

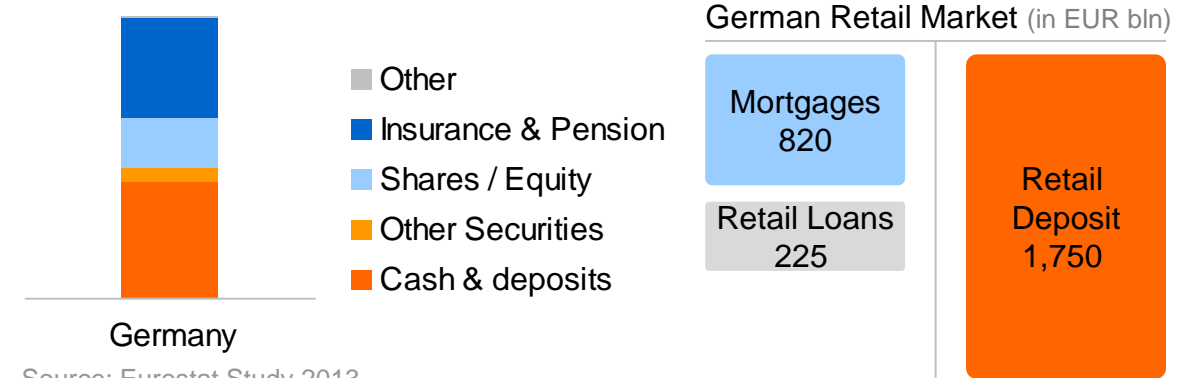
Germany is a fragmented banking market

Share of assets of the 5 largest banks



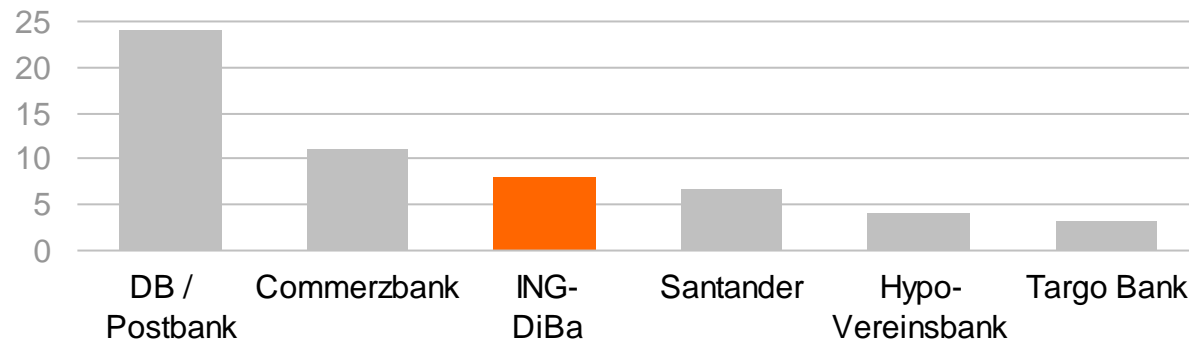
Source: ECB 2012

High concentration of deposits in household assets

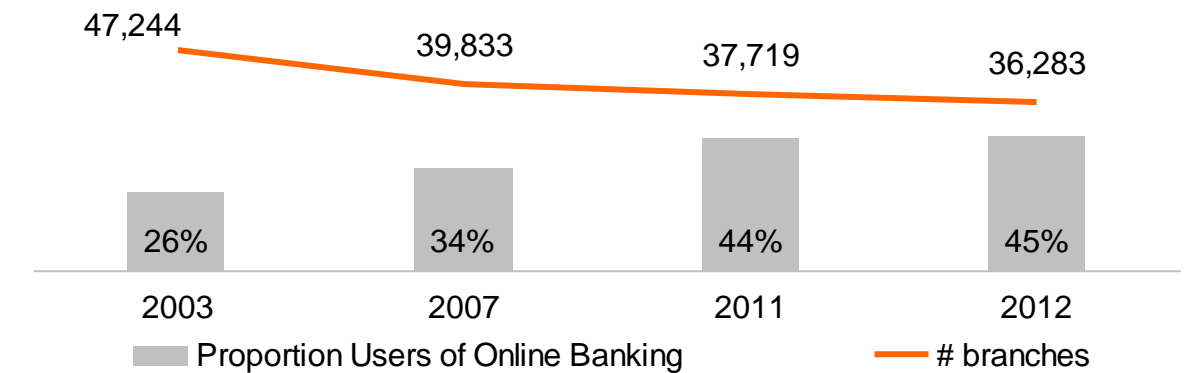


Source: Eurostat Study 2013

In which ING is the 3rd largest privately-owned bank (retail customers) (in mln)



From branch to mobile



Source: Bundesbank; Bankenverband/ipos / GfK; 2013

ING is uniquely positioned and will continue to build on its strengths

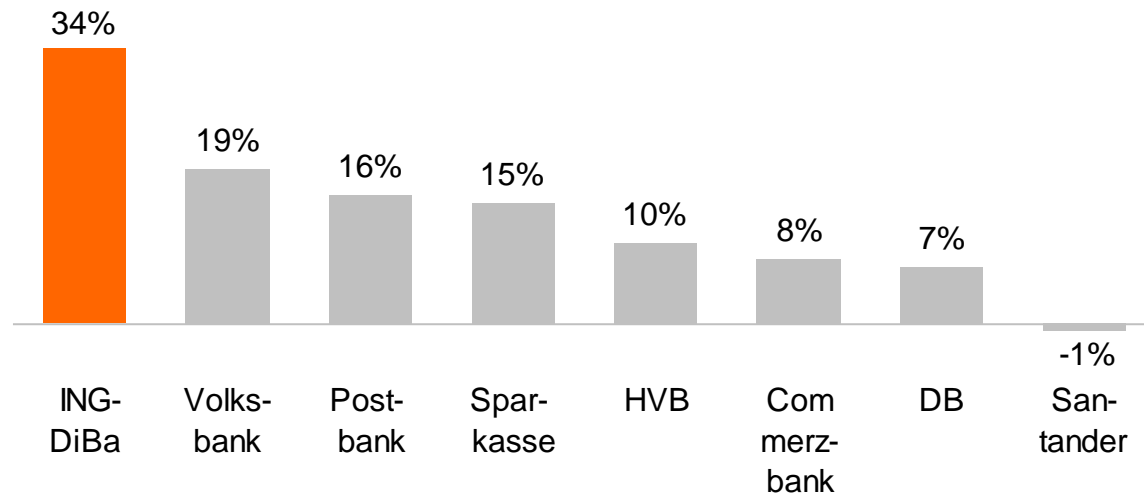
Client centricity – at the heart of our model

7th year in a row most preferred consumer bank



Source: Icon Added Value GmbH; NPS Scores Sep 2013 / Wirtschaftsmagazin Euro 05/2013

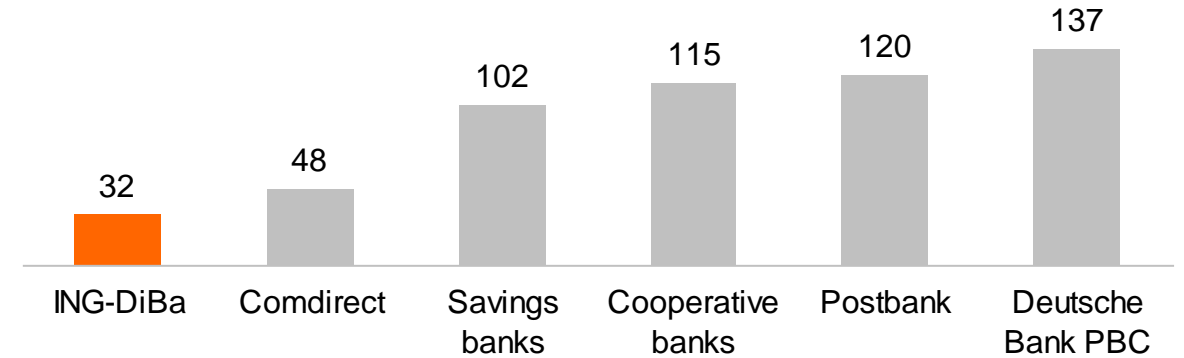
BCG Brand Advocacy Index



Source: IntelliSurvey (5,043 Retail Banking Clients in Germany, March-April 2013); BCG Analysis

Operational excellence best in class

Cost / retail balances (in bps)



Source: 2012 Annual Reports and ING-DiBa Analysis; ING-DiBa as of 2013

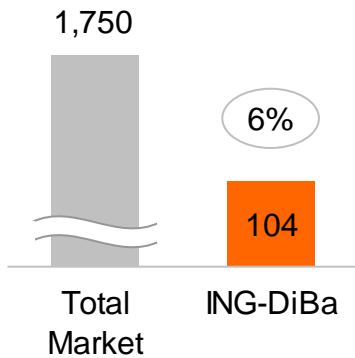
ING has key strengths to support our success

- Leading in NPS for the last 5 years
- A strong brand
- Operational excellence is best in class
- Corporate culture is characterised by high employee engagement
- Awards for top employer, service orientation and most preferred bank

Our product portfolio fulfills customers expectations and provides ample room for further growth

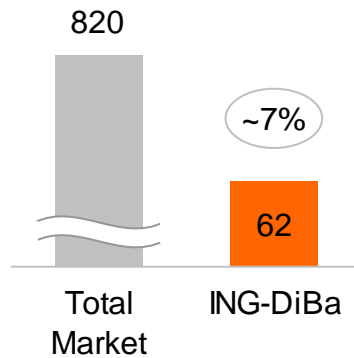
Savings

Volume (in EUR bln)



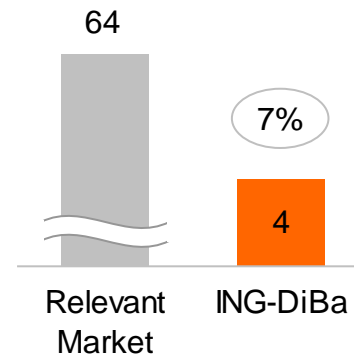
Mortgages

Volume (in EUR bln)



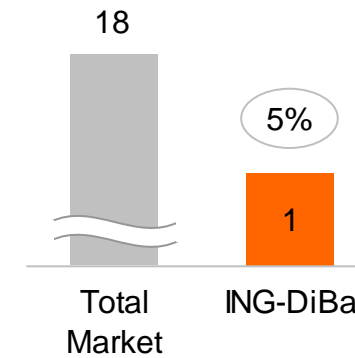
Consumer Lending

Volume (in EUR bln)



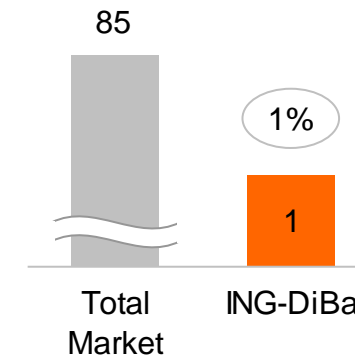
Investment Products

Accounts (# mln)



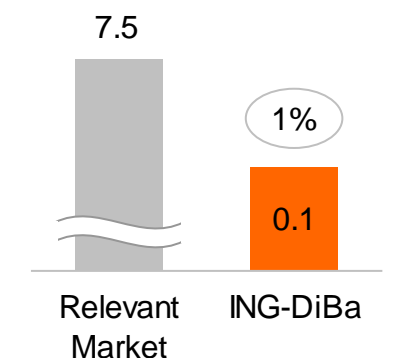
Payment Accounts

Accounts (# mln)



Commercial Banking

Revenue Pool (in EUR bln)*



% Market share

Retail Banking

- Five basic, transparent and fair products
- Convenience remains key driver for clients
- Retail market very attractive with potential for further growth
- ING well positioned to accommodate trends

Commercial Banking

- Solid economy with stable GDP growth
- German energy transition and investments in infrastructure provide opportunities for high-quality asset generation
- Access to ING's global footprint

Sources: Retail: Deutsche Bundesbank, figures as of 2012 - ING-DiBa as of 2013; ING-DiBa analysis; CB: BCG global banking Revenue Pool Share (Revenues - fees and interest - after risk cost) as of 2013
 * Segment ING (Large Cap EUR 250 mln – EUR 1 bln & MNC > EUR 1 bln)

...we optimised rates with our strong brand as differentiator

From price (and product) features to brand trust and sympathy...

2011

- 1 Price
- 2 Brand values
- 3 Service

2013

- 1 Brand values / Brand trust and Sympathy
- 2 Service
- 3 Price

...allowing reduction in acquisition offer while maintaining customer growth

2011

- 75 bps above core rate for 6 month
- No cap
- EUR 50 incentive new client
- +0.3 million net new clients

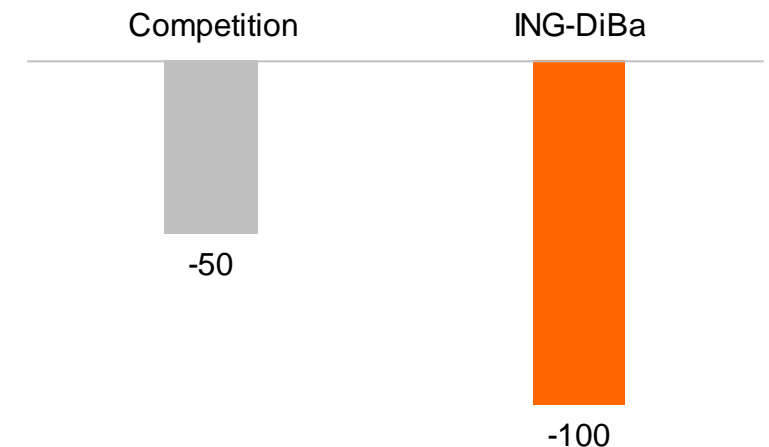
2013

- 50 bps above core rate for 4 month
- Cap at EUR 100k
- No incentive
- Introduction of tiered pricing (> EUR 1 mln only 50 bps vs 100 bps core rate)
- +0.3 million net new clients

2014 further rate optimisation

- 25 bps above core rate for 4 month
- Tiered pricing (> EUR 250k only 50 bps vs 100 bps core rate)

Interest rate on new deposits down vs. 2011... (in bps)



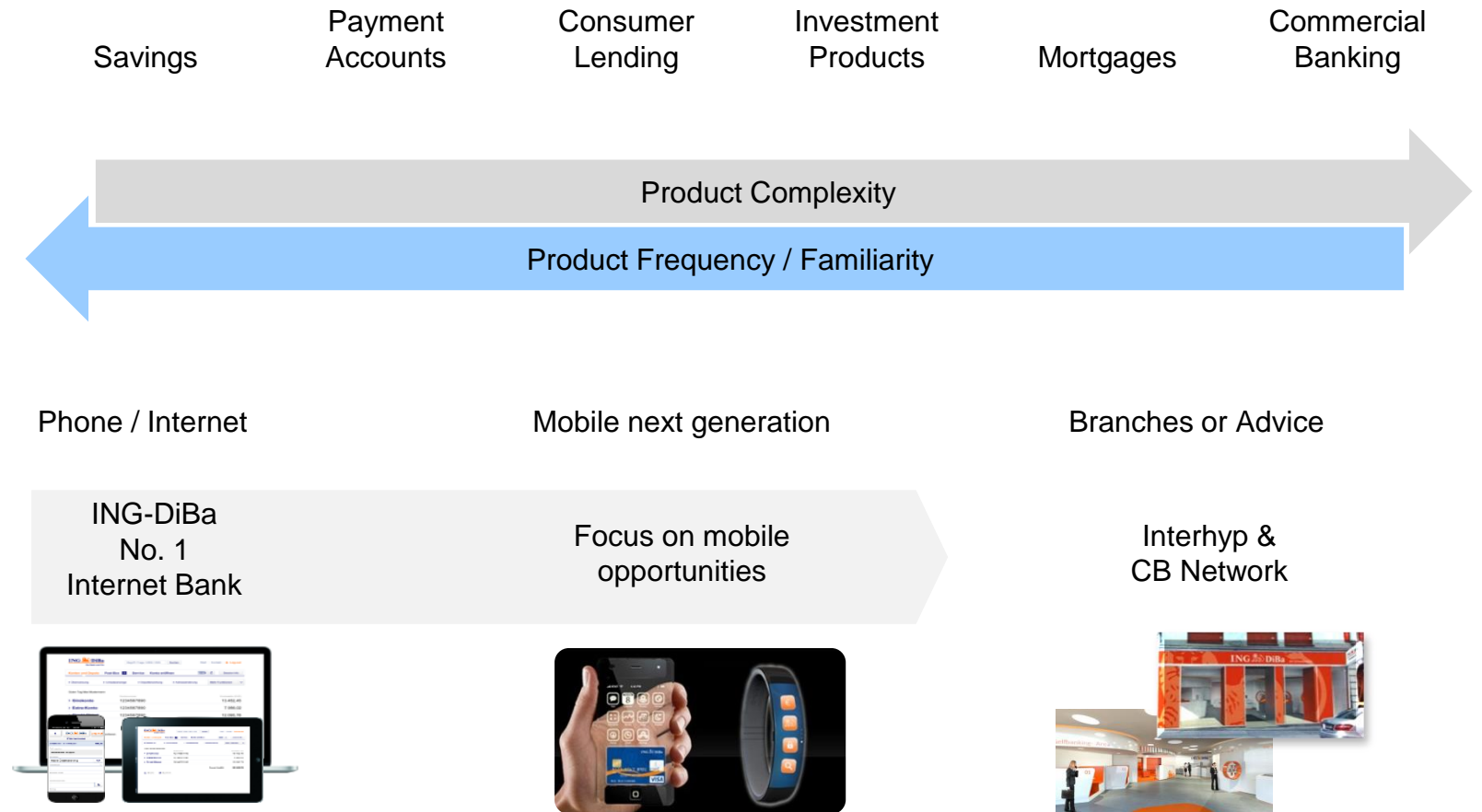
Source: Deutsche Bundesbank; acquisition rates of banks

We develop from direct to digital, in line with consumer trends...

Trends

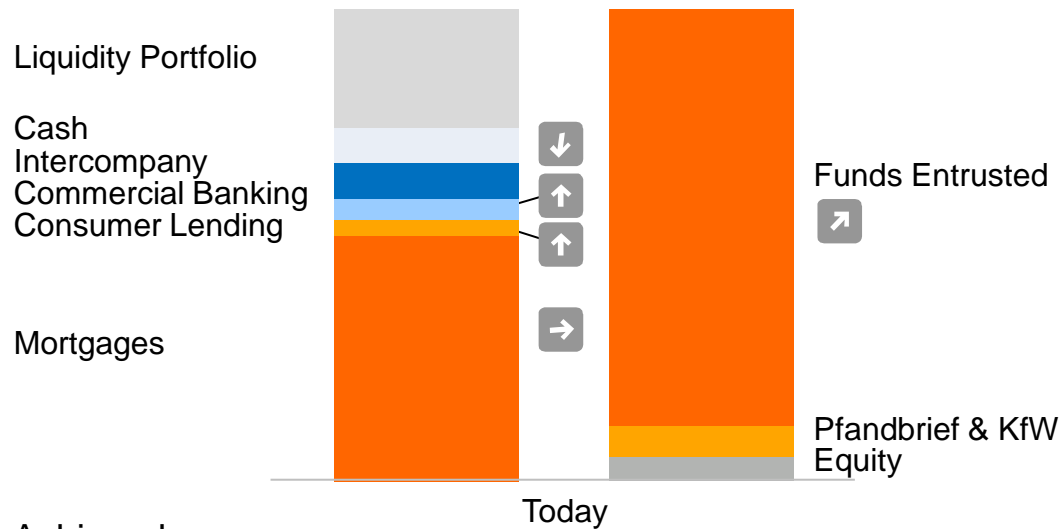
- Traditional brick-and-mortar branches are being substituted
- Consumers are becoming more self-directed
- Convenience and trust remain key drivers
- Transparency in the market will increase dramatically through both technology and regulations
- Clients switching or having multiple banking relationships will increase further

Product complexity and frequency / familiarity drive channel choices



Balance sheet and deposit taking capability allows for lending growth...

Today and going forward ↗



Achieved

- Strong growth in new customers and deposits
- Transformed investment portfolio into liquidity portfolio
- Successful balance sheet integration: Commercial Banking assets
- Focus on qualitative growth of the mortgages portfolio
- Accelerated growth in Consumer Lending

Balancing our asset side by ...

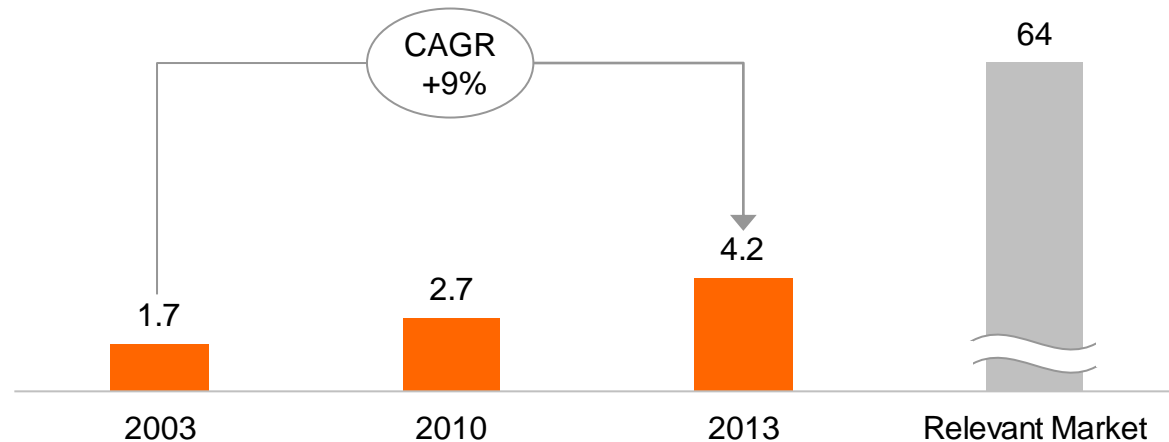
Savings, Payment Accounts and Investment products	<ul style="list-style-type: none"> • Maintain customer growth momentum, led by our strong brand and customer loyalty • Cross-buy Payment Accounts as part of the primary bank relationship to increase customer stickiness and share of wallet
Mortgages	<ul style="list-style-type: none"> • Continue qualitative growth • Maintain moderate risk profile
Consumer Lending and self-employed	<ul style="list-style-type: none"> • Continue current growth with broader scope where possible (online platforms, brokers) • Selectively expand into other parts of the market like self-employed
Commercial Banking	<ul style="list-style-type: none"> • Use One Bank Germany as a unique combination of ING's strengths allowing us to compete in a very price competitive landscape • Leverage ING's strong points: sector knowledge and ING's interactive network to German Corporates

...to originate diversified assets both within Retail Banking...

Successfully continue building our Consumer Lending portfolio...

- Continue current growth with strong risk profile
- Increase approval rate and pricing flexibility
- Extend duration of current book; focus on renewals/up-sell
- Selectively expand into other parts of the market
- Increase the usage of mobile as additional sales channel

Consumer lending volume (in EUR bln)

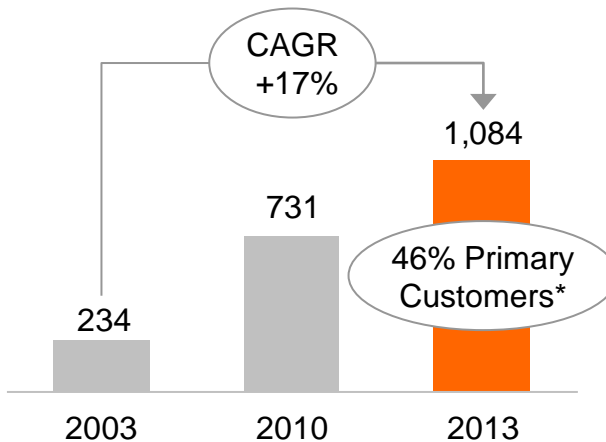


...ready to explore new segment: self-employed with direct offer

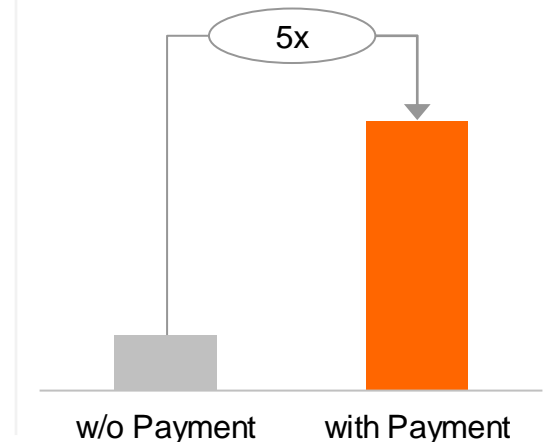
- Enter new segments to accelerate Consumer Loan growth
- Investigate a model with focus on self-employed
- Build expertise for a meaningful lending asset book
- Leverage existing client base

...supported by our Primary Bank Strategy

Payment Accounts Growth
(# '000s Payment accounts / * recurring income)



Cross-buy likelihood Consumer Lending

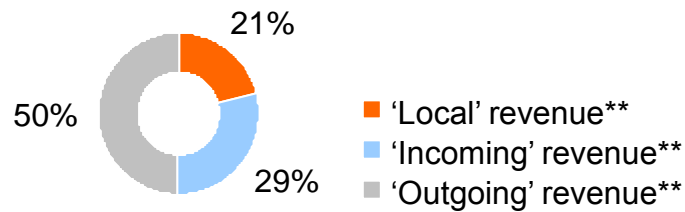


...as well as in Commercial Banking by leveraging ING's Network

Building on strengths and leveraging ING's Network

- ING offers an extensive global network and strong track record, with Germany as largest investor in many of our ING countries with particular strength in CEE
- German team with product expertise in place and expanding –doubled since integration in 2011
- Joint new origination on a global scale supported by CB TOM
- Enable multi currency funding
- Offering sector knowledge and network to German Corporates
- Leverage our product strength in international trade in Europe's most export oriented country

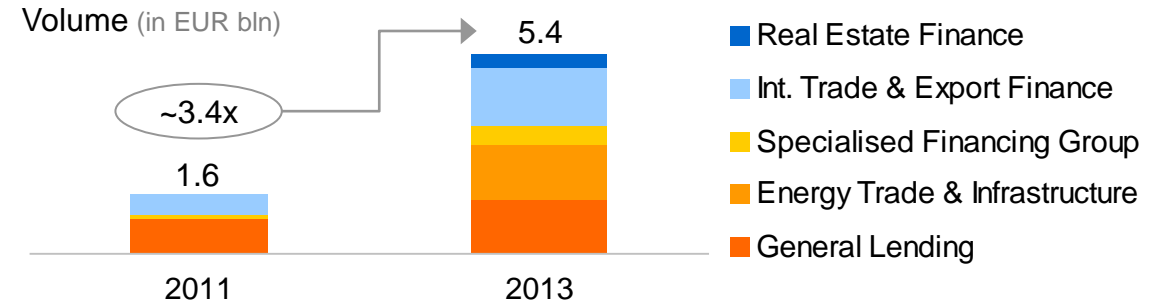
Servicing clients, both inside and outside Germany



* Source: Trade Finance Magazine / Dealogic

** Local revenue are revenues from local companies/institutions, booked locally; Incoming revenues are revenues from non-local companies/institutions, serviced locally and booked locally; Outgoing revenues are revenues from local companies, serviced non-locally and booked non-locally

Development driven by Balance sheet integration and organic growth...



...with International Trade and Export Finance as proof of performance

1st Place in 2013*

#	MLA	Market Share (%)
1	ING	11.4%
2	HSBC	10.8%
3	JPMorgan	9.2%
4	Santander	7.0%
5	BoA Merrill Lynch	6.3%

ING Germany is uniquely positioned to build on its success

Priorities	Agenda	Ambition
Quality for our clients	<ul style="list-style-type: none">• Focus on simple, fair and transparent products• Providing high quality service with few and efficient processes, delivered by highly engaged employees• Retain our leading position in analytical skills and further improve our data driven customer management• Make ING's international network available for German CB clients	Becoming the Primary Financial Partner for our Clients
Channels and Brand	<ul style="list-style-type: none">• Focus on mobile opportunities• Develop new technologies• Leverage Interhyp network• Position our brand as top-of-mind	Stay number one internet bank and be top of class in mobile banking
Asset origination	<ul style="list-style-type: none">• Retail Lending: continue qualitative growth in mortgages and expand consumer lending; focus on self-employed• Commercial Banking: leverage on ING's international network and product expertise for new origination on global scale	Match our strong deposit gathering ability with own-originated assets

Disclaimer

ING Group's Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU').

All figures in this document are based on the 2013 ING Group Annual Accounts. This document is unaudited.

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