

CEO Sustainability Statement

At ING in Australia, our purpose is to help people get ahead in life and in business. We're committed to making a positive difference economically, socially and environmentally, and focus on:

Financially empowering our customers

- We make it easy for customers to do their banking – anytime, anywhere – by giving them the information and tools they need to make smart financial decisions now, and for the future.

Helping our people to be their best

- We're dedicated to being a great place to work. We create an environment where our people can challenge themselves, reach their potential, and contribute to the future of the business.

Working with others to build a strong community

- We partner with not-for-profits and social enterprises in our community that share our goals and values, and align with our approach to sustainability.

Our sustainability strategy

As a purpose-driven business, sustainability is integral to the way ING operates in Australia. This includes good governance; fair products and services; maintaining our reputation as a top employer; and building a strong community in which we can all get ahead.

Being sustainable involves more than just reducing our own footprint; it also influences the choices we make – as a lender, as an investor and through the services we offer our customers.

We also view sustainability as a source of competitive advantage. By integrating sustainability into our business strategy and operations, we are well placed to help facilitate a transition towards a fairer, greener economy by both financing projects that accelerate our clients' efforts in this area; and supporting clients that contribute solutions to environmental and social challenges.

Our financing and investment policies as well as our broader business ambitions are structured around social, ethical and environmental criteria. We implement the Equator Principles in our internal environmental and social policies, procedures and standards and they are embedded in our Environmental and Social Risk Framework.

Working with our stakeholders

We remain accountable to stakeholders across government and industry, as well as our people, our customers, our community and our business partners – and their expectations determine our priorities.

As a bank, our customers trust us to look after their money, and be transparent and honest in the way we operate. ING in Australia has publically championed the importance of organisational culture in ensuring the banking industry operates ethically and responsibly.

The ING Orange Code

Doing the right thing by our customers is at the heart of our culture, and key to our exceptional customer advocacy. As a purpose driven organisation, we believe the onus is on us to consistently demonstrate behaviours in line with our principles and values. We follow the ING Orange Code - a set of values and behaviours that underpin our culture and influence the way we do things: be honest, be prudent and be responsible.

Our Progress

2017 was a satisfying year for ING Australia with a record number of Australians commencing a relationship with us, and choosing us to achieve their financial goals. This positive growth tells me that we are on the right path to empowering our customers to stay a step ahead in life and in business.

More Australians than ever now call ING their main bank ('primary' customer relationships exceeded 410,000). The strongest growth was in the number of customers who chose to make ING their main bank account by making regular deposits such as their salaries while using at least one other product. These 'primary' customers are core to our strategy of deepening customer relationships.

It was also pleasing to see that almost 40% of our new customer growth came from the recommendations of existing customers. Our industry leading Net Promoter Score (customers willing to recommend ING to family and friends) drove our highest ever growth in new-to-bank and primary bank customers.

Empowering our customers

Our customers increasingly want to do their banking on the go, anytime and anywhere; they also want the digital tools to give them control over their finances and help them achieve their goals. We're using technology to revolutionise the banking experience and help our customers get ahead in life and business.

ING launched Everyday Round Up, a digital savings feature that helps people save money while spending. More than 66,000 customers activated the feature within the first 100 days and the amount saved exceeded \$3.1m within that same period.

We saw that our primary bank customers were increasingly travelling overseas and purchasing online so we decided to put an end to ATM fees globally and dropped our fees for international transactions made overseas or online. We're proud that ING was the first bank in Australia to fully rebate ATM fees globally.

We brought Apple and Android Pay to our customers because they wanted easier connections with their existing digital lifestyle. In February 2017, we launched Apple Pay,

with more than 20,000 customers downloading the payment service in the first two days. 25% of our customers with 'mobile wallets' now make mobile payments.

An ING credit card was the number one product that customers were asking for, and in 2017 we delivered Orange One. We set out to design a card that was socially responsible and had our customers' needs at heart. Orange One delivers control to our customers by giving them the option to 'flick' larger purchases to a personal loan with a lower interest rate and timed repayments. Money Magazine called Orange One "Australia's first ethical credit card" – a credit card that empowers people to demonstrate positive debt management behaviour.

Wholesale Banking

In 2017 we continued to grow our wholesale banking portfolio focusing on financing much needed infrastructure for Australia's growing population. ING is a financier to projects like the Sydney Metro Northwest, New Royal Adelaide Hospital and the Clare Solar Farm in Queensland. We plan to keep growing our lending to the wholesale banking sector leveraging ING's international network and industry expertise.

Our People

At ING our 'Orange Code' organisational values and behaviours underpin our culture, and are reflected in all people processes and tools, including performance management. This includes the commitments we make to each other and the standards by which we measure each other's performance: we take it on and make it happen, help others to be successful and are always a step ahead. We promote a culture of integrity and collaboration, which is critical to keeping the customer at the centre of our decision making. Our ING Values are the non-negotiable promises we make to the world – we are honest, prudent and responsible. These are the principles we stick to - no matter what.

In 2017 we established an Inclusion & Diversity Council to formalise our agenda and continue to promote an inclusive and flexible workplace for all. Our colleague-led networks also stimulate diversity, like Gala - a community focused on LGBTI inclusion and Lioness – our talent programme supporting emerging female leaders to realise their ambitions.

Our Community

It is core for us to continually make a positive and meaningful impact in the community. We do this by supporting projects that address real community needs, using our skills and expertise to benefit our community partners.

Dreamstarter

Our Dreamstarter initiative empowers small businesses that tackle social issues to make a lasting contribution in their local community. To date, we've supported 70 Australian small businesses by providing funding and helping to raise their business profile. In 2017, we launched Gifts that Give, a Dreamstarter campaign designed to introduce new customers

and the wider public to a range of social enterprises supported by ING and encourage Australians to give a gift that gives back to the community. Through an integrated marketing campaign consisting of pop-up shop windows and billboards utilising NFC technology, digital and social media and customer communications, we helped deliver more than \$30,000 in product sales over six weeks with a large proportion of sales coming from ING customers.

Cerebral Palsy Alliance

Through our long term partnership with the Cerebral Palsy Alliance we empower young people who have a disability, and their families to get ahead. We do this through a range of programs that provide therapy, equipment and foster social and economic inclusion.

Our sponsorship of the Conductive Education program aims to improve the long-term physical outcomes for young children with a disability that will in turn improve their potential independence in the future.

Our people volunteered time and skills to mentor teenagers in the Ignition Mentoring program aiming to improve their self-esteem and independence. We also supported the Transition to Work program which involves mentoring teenagers and young adults with disability to develop skills to enter the workforce.

In 2017, our people demonstrated their passion and commitment together raising almost \$100,000 during the annual 'Steptember' fundraiser campaign, while challenging themselves to take 10,000 steps a day during September.

Thank you

Finally, I would like to thank our customers and our people for a successful year; my first full year as CEO. It has been very satisfying for me to see ING delivering more control to customers and keeping to our purpose of empowering our customers to get ahead in life and business. Thank you for your continued support.

UDAY SAREEN
Chief Executive Officer,
ING Bank (Australia) Limited