



Investor Relations

Innovation & Technology update

Analyst lunch

21 June 2019

I&T as a key enabler to execute the banking for better strategy

Sustainability



Support our clients' transition to sustainability as a business case

- Digital tools and data capabilities to support dialogue with clients on their transition towards sustainability
- Developing business models for sustainable urbanisation with companies and municipalities
- Lead by example, e.g. sharing knowledge on environmental improvement of buildings

Customer experience



Effortless and proactive customer experience through client and data focus

- Continuous flow of new features enhancing our strong digital position
- Extending our lead in video banking through fundamental shift in operating model, tools and skills
- Developing business models beyond traditional banking, by working with partners and through innovation

Future Proof Bank



Structure, capabilities and culture for competitiveness and compliance

- IT transformation on track, focus on rejuvenation, automation, and sourcing
- Streamline product portfolio and consolidate work to accelerate further digitalisation
- Enhancing data/AI capabilities to engage with clients and to meet next wave of regulatory requirements
- Continued acceleration of remediation activities related to AML and building a strong foundation for the future

Reinventing customer journeys through client and data focus

Extend strong digital position step-by-step

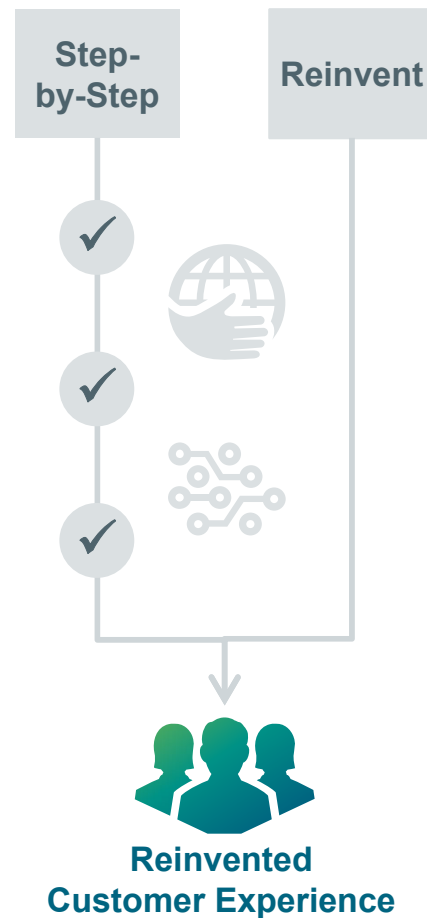
Sharpen value propositions for key client segments, allowing us to reduce complexity

- Continue to extend self-service features augmented by Chatbots
- Extending leading position in digital advisory & sales; 39% of Retail clients now on-boarded online
- Eliminating physical documents and wet signatures in all key processes
- Real-time data-driven engagement, increasing proactivity and client interactions through marketing automation
- Continuous focus on cyber security and privacy also through deployment of BehavioSec solution

Create new offerings and experiences

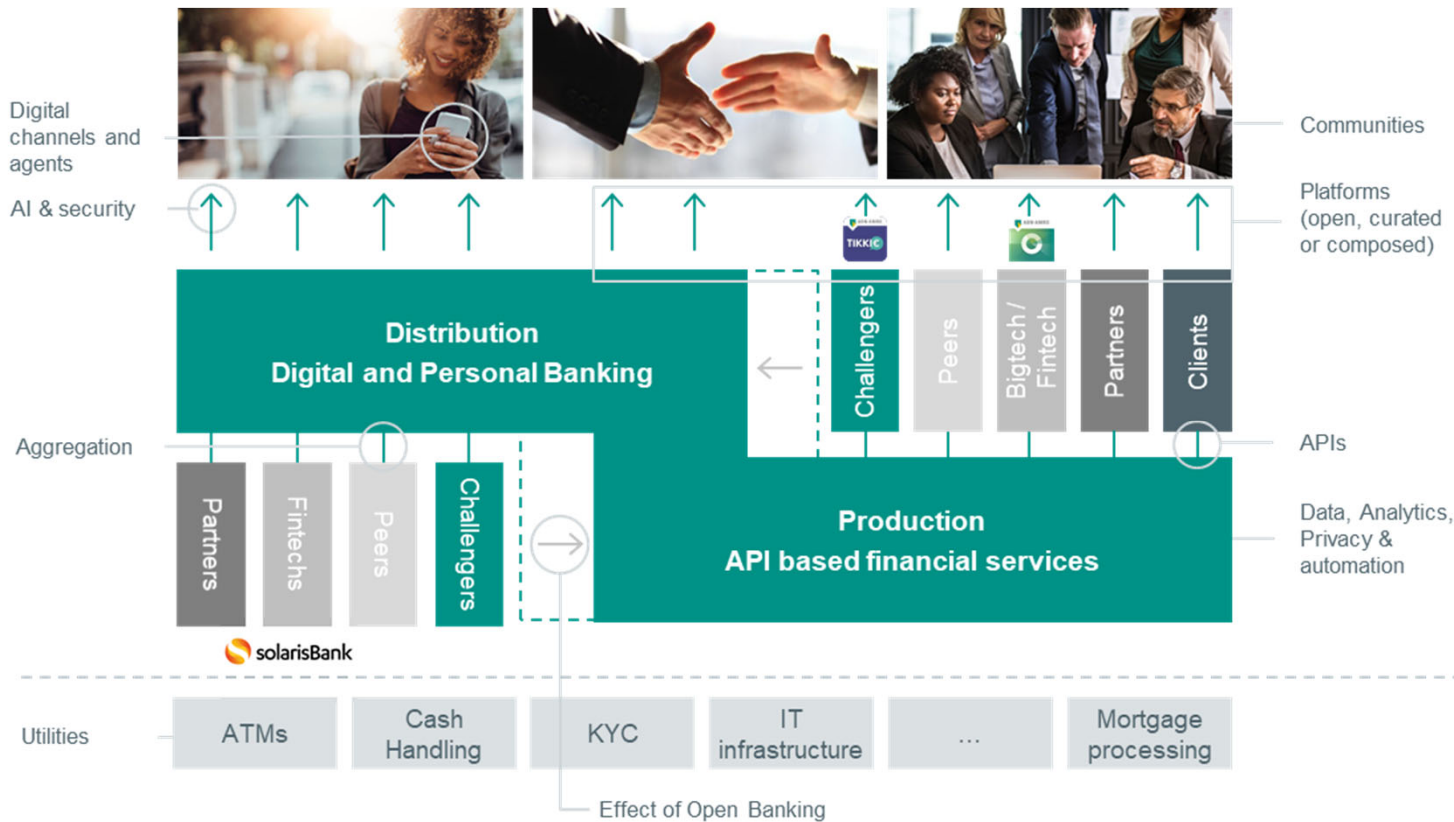
'Zoom out' to identify key customer experience points and new business opportunities

- Launch of Kendu; an investment app using robo advice, leveraging challenger bank technology
- Redesigning SME lending proposition from scratch based on New10
- Development of next generation video banking, giving access to expert advice anytime anywhere
- Innovative solutions Tikkie & Grip to drive loyalty and engagement with clients and prospects
- Leveraging on partners to deliver more revenues



Business models beyond traditional banking

Leveraging on partners



- First bank in the Netherlands to deliver open banking i.e. PSD2 API based financial services
- Digital and automated accounting solution for SME clients co-developed with Lyanthe
- Simplification and digitalisation of rental agreements co-developed with Stibbe
- Establish new partnerships and ongoing fintech investments through Digital Impact Fund



Further digitalisation and automation of IT processes

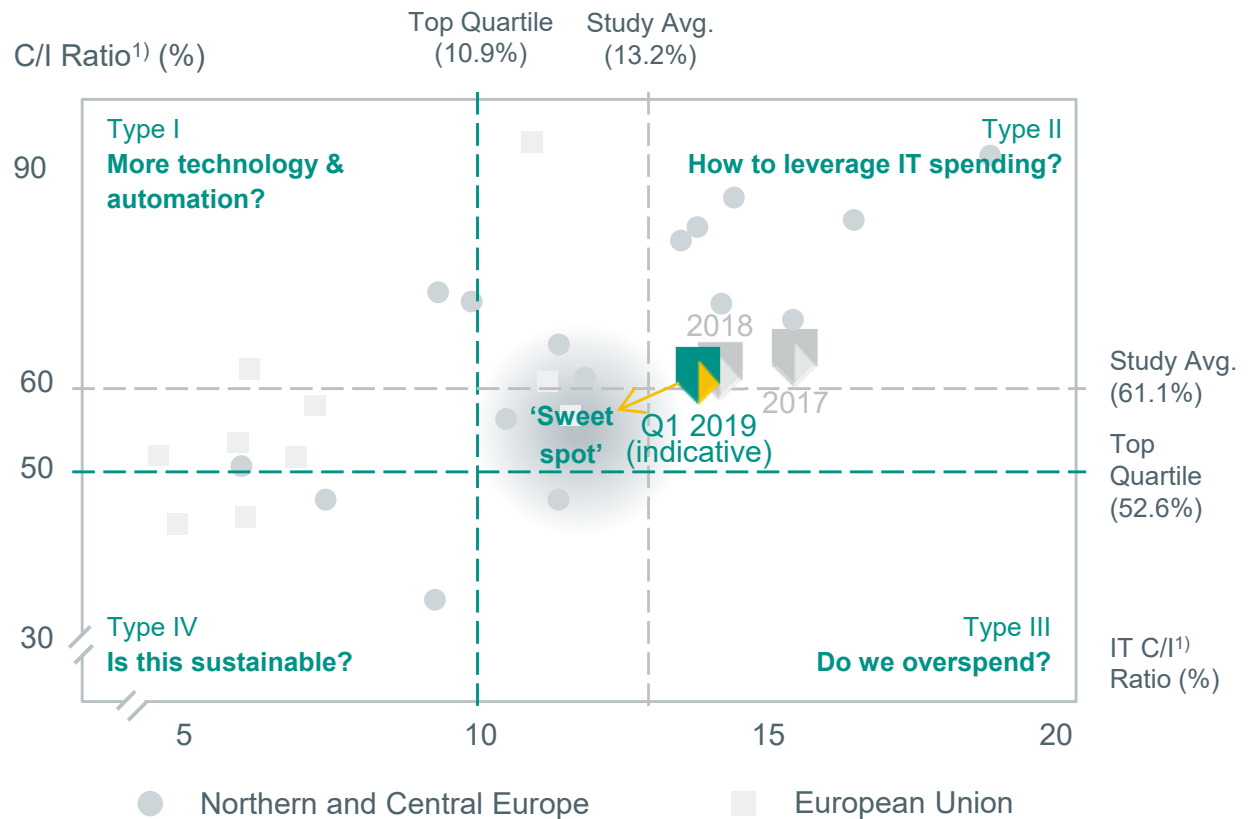
Unlocking potential for digitalisation

Simplify product portfolio and consolidate work to create synergies and scale

- Streamlining the product portfolio by >50% through top-down and bottom-up review
- Centralise, standardise and automate mid-office and back-office processes
- Accelerate digitalisation and strengthen central expertise to improve customer experience
- Leverage data/AI capabilities to automate decisions and address evolving regulatory requirements

Journey towards the sweet spot on track

Right-sizing the IT spend by continuously managing the balance of efficient and sufficient IT investments



1) European IT Benchmarking in Banking 2017. C/I Ratio: operating expenses as a percentage of operating income. IT C/I Ratio: operating IT expenses as a percentage of operating income



Building a future proof bank through continuous IT transformation

Key levers to increase focus and IT cost efficiency

Demand: Consolidate and focus

- Adopting shared platforms and solutions across business lines, geographies and subsidiaries
- Continuous rejuvenation of the IT landscape; specific focus on credit systems as well as financial & risk reporting

Productivity: Automation and shift to cloud

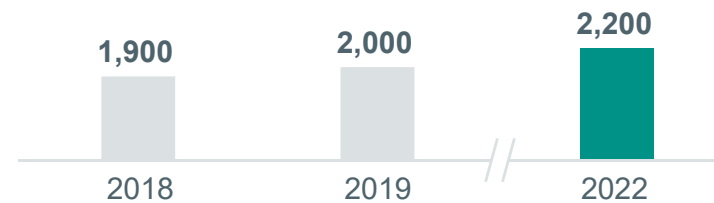
- From Agile to DevOps: reducing time to market and improve efficiency by further automating IT testing and deployment
- Increasing use of cloud-based services to allow for faster adoption of new features and to pay based on usage

Supply: Standardise and right-source

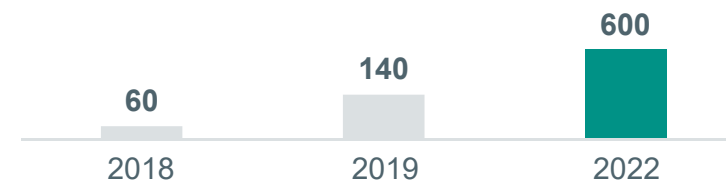
- Standardising technology platforms and tools e.g. reducing number of legacy platforms and tool-chains
- Optimising our off-shore delivery model

Leading indicators

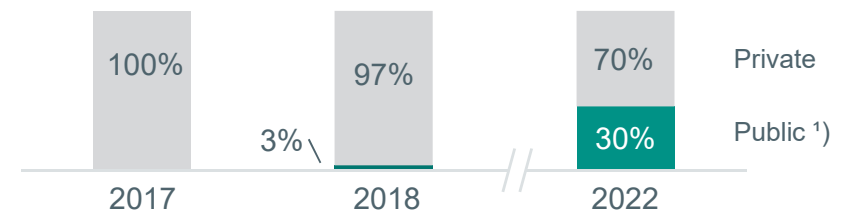
Reduction in number of applications since 2014 (accumulated)



Number of teams with DevOps capabilities



Cloud delivery models split (%)



1) Including SaaS applications

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