



# ING's approach to the fintech revolution

Jae Woong Park, ING Bank Hong Kong

Korea • October 2016

thinkforward



# ING Bank



## **Empowering** clients

Serving over 33 million private, corporate and institutional clients



## **European** roots, **global** reach

Present in over 40 countries in Europe, North America, Latin America, Asia, and Australia



## **52,000** employees

Dedicated in empowering people and businesses to stay a step ahead in life and in business

# Key figures ING Bank 2Q2016

## Underlying result before tax

(ING Bank N.V.)



FY 2015: EUR 5,959m

2Q 2016: EUR 2,009m

## Shareholder equity (1H2016)



EUR 49.0bn

## Customer deposits (1H2016)



EUR 519.6bn

## Credit rating

	S&P	Moody	Fitch
ING Bank N.V.	A	A1	A+

Common Equity Tier 1 ratio  
(fully loaded)

13.1%

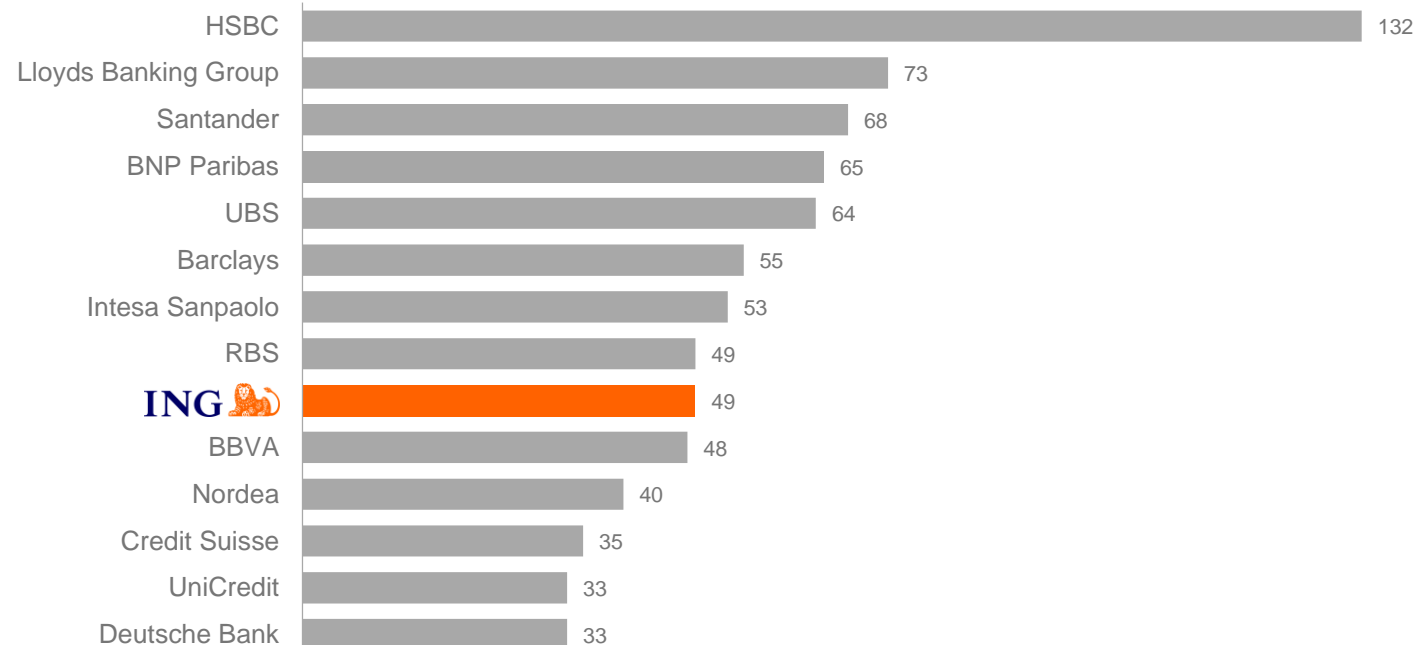
Return on equity

10.8%

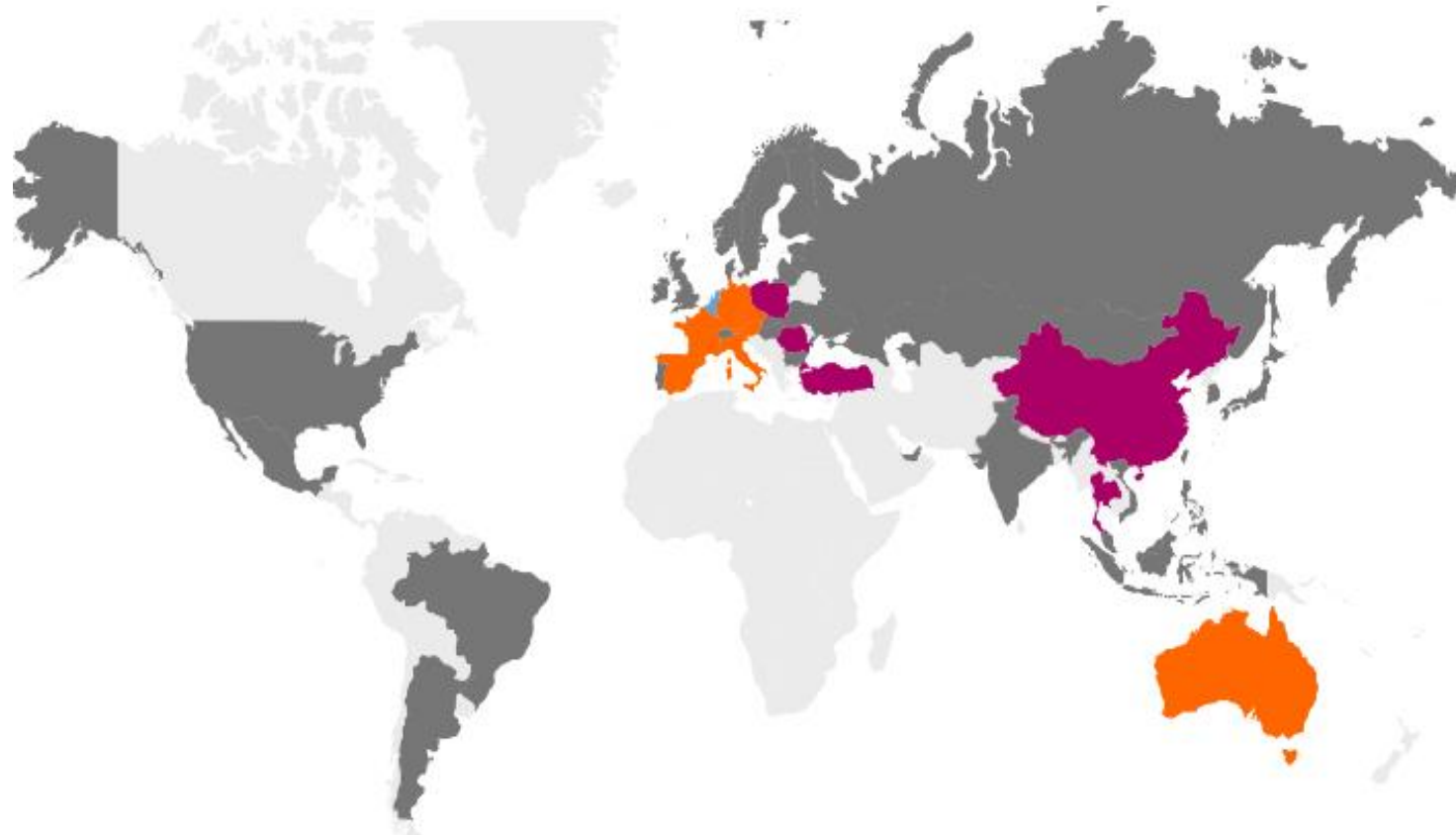
Cost-income ratio

49.1%

## Top 15 European financial institutions by market capitalisation (in EUR bn)



# ING's worldwide presence



## Market Leaders

Netherlands, Belgium, Luxembourg

- Leading retail and wholesale banks in the Benelux
- Evolving into 'direct-first' banks
- Improving operational excellence

## Challengers

Germany, Austria, Spain, Italy, France, Australia, Czech Rep.

- Leading 'direct-first' banks
- Further integrating retail and wholesale banking capabilities
- Broadening lending capabilities

## Growth Markets

Poland, Romania, Turkey and our stakes in Asia

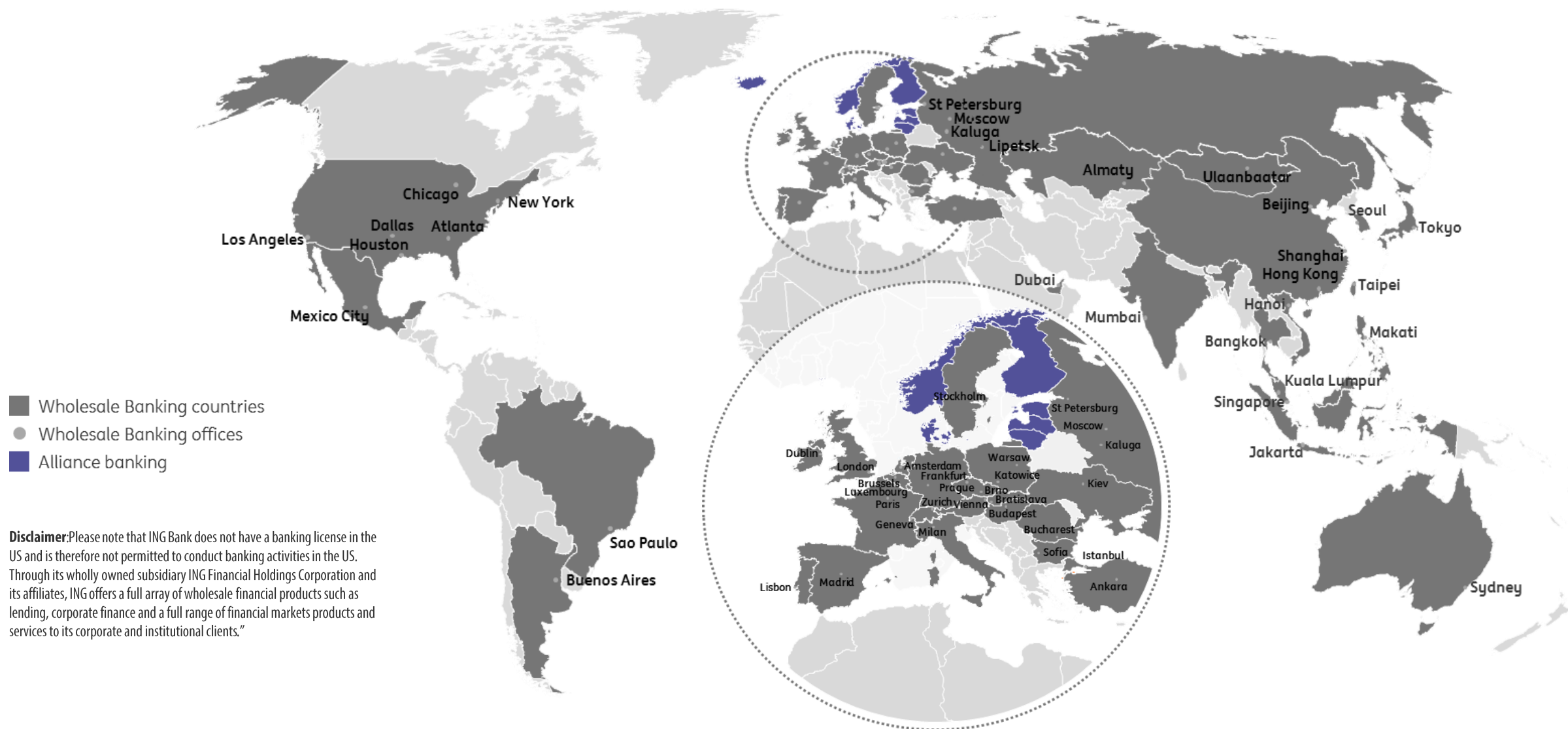
- Strong positions in fast-growing countries
- Evolving into 'direct-first' banks
- Developing digital leadership capabilities

## Wholesale Banking network and global franchises

- International network: more than 40 countries
- Extensive international client base across all regions
- Global franchises: Industry Lending and Financial Markets; Trade Finance and Cash Management

**Disclaimer:** Please note that ING Bank does not have a banking license in the US and is therefore not permitted to conduct banking activities in the US. Through its wholly owned subsidiary ING Financial Holdings Corporation and its affiliates, ING offers a full array of wholesale financial products such as lending, corporate finance and a full range of financial markets products and services to its corporate and institutional clients.

# ING's Wholesale Banking presence



**Disclaimer:** Please note that ING Bank does not have a banking license in the US and is therefore not permitted to conduct banking activities in the US. Through its wholly owned subsidiary ING Financial Holdings Corporation and its affiliates, ING offers a full array of wholesale financial products such as lending, corporate finance and a full range of financial markets products and services to its corporate and institutional clients."

# Strong regional positions, world-class franchises

## Leading wholesale bank in the EU

- ING Best bank in Western Europe, in Belgium and in the Netherlands (Euromoney Awards for Excellence 2015)
- ING Bank of the Year 2015 in Poland, in Belgium and in the Netherlands (The Banker)
- ING Most attractive financial institution in the Netherlands (Incompany Award 2015)
- ING Best treasury & cash management provider in the Netherlands and Belgium (Global Finance 2015)

## Strong global franchises in specialised finance and financial markets

- Best trade finance bank in the Netherlands (Global Finance 2015)
- Top 3 position in financial markets products in the Benelux corporate market
- Top 5 positions in chosen global emerging market niches
- No 1 MLA and bookrunner in the Benelux by number of deals, and no 2 by value
- No 1 MLA and bookrunner in CEE by number of deals and by value
- No 1 MLA and bookrunner in Poland by number of deals and by value





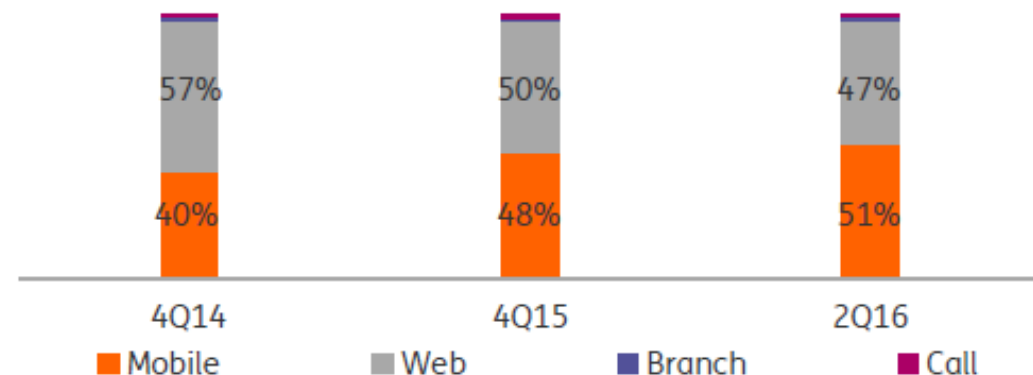
# Developments moving faster than expected



# Technology and digitalization trends are moving even faster...

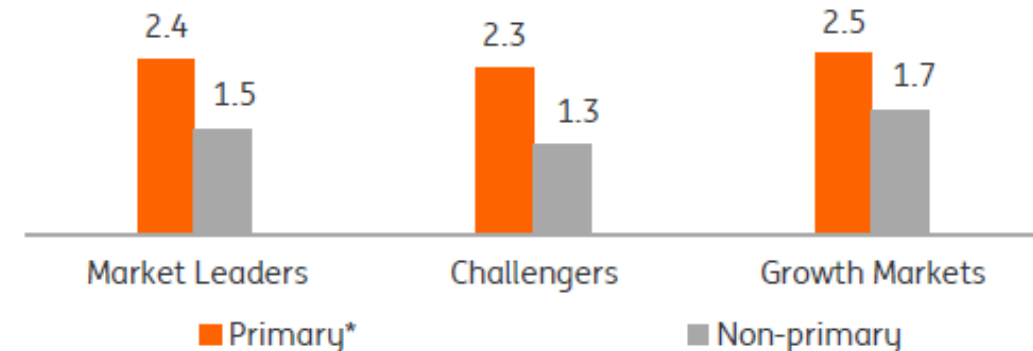
## Share of mobile contacts growing fast

Based on all ING retail contacts per channel



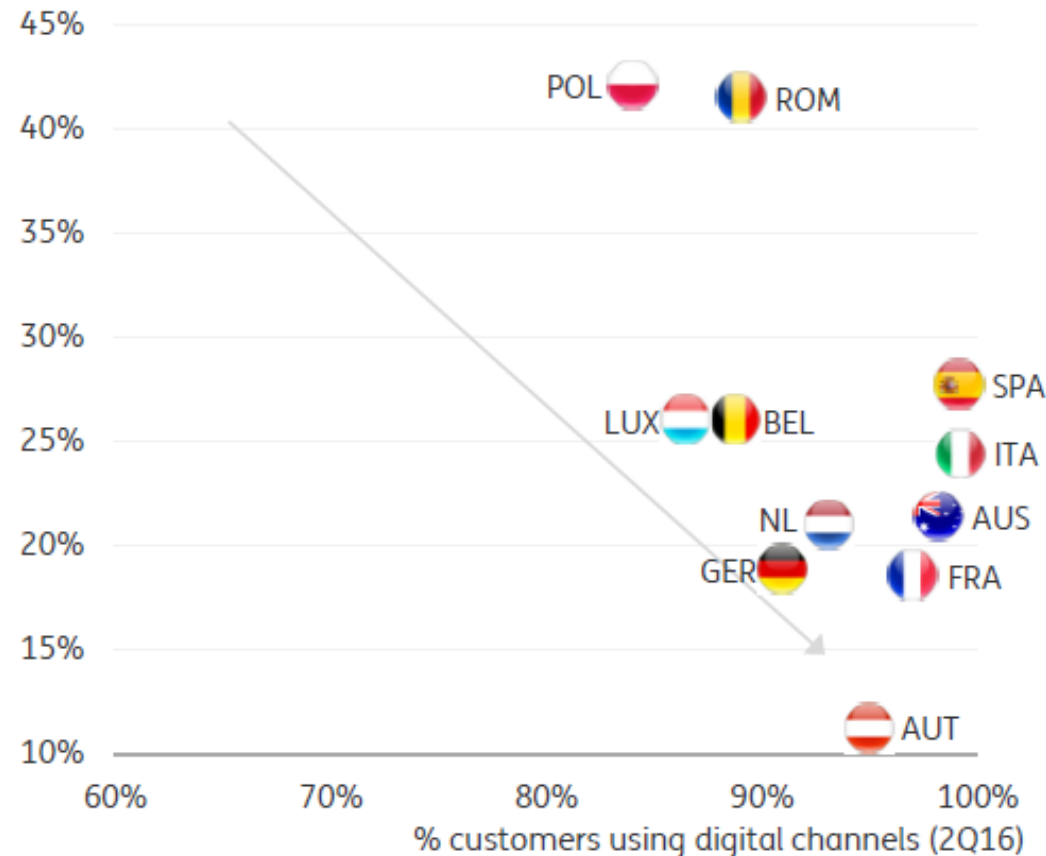
## Cross-buy substantially higher for primary customers\*

Average number of products per active customer



## Use of digital channels is consistent across our markets

% customers using assisted channels (2Q16)





# ING & INNOVATION

## THE ING APPROACH TO INNOVATION



# ING DIRECT WAS PROBABLY ONE OF THE FIRST FINTECHS IN THE WORLD



ING Direct was a true  
disruptor 20 years ago

In Germany we have  
8 million customers without  
even a single branch



ING Direct was a real  
start-up within ING



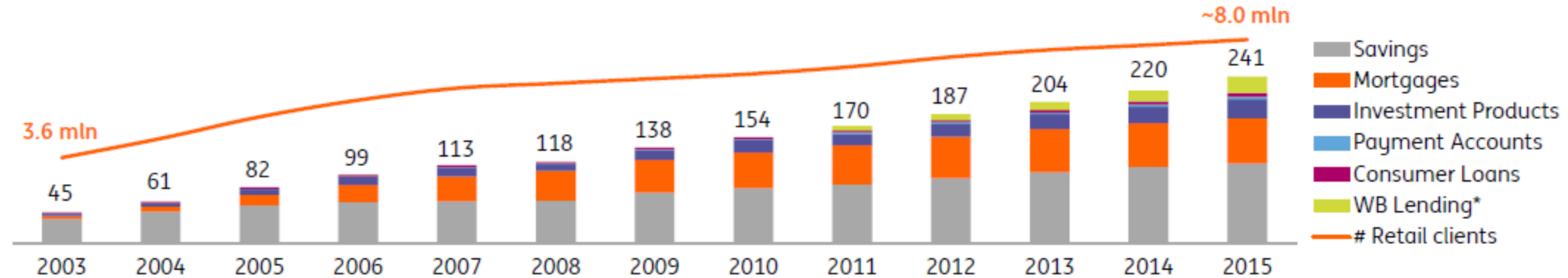
In Germany we acquire  
1000 new customers every day.  
ING is a fintech with a balance  
sheet of 130 billion there



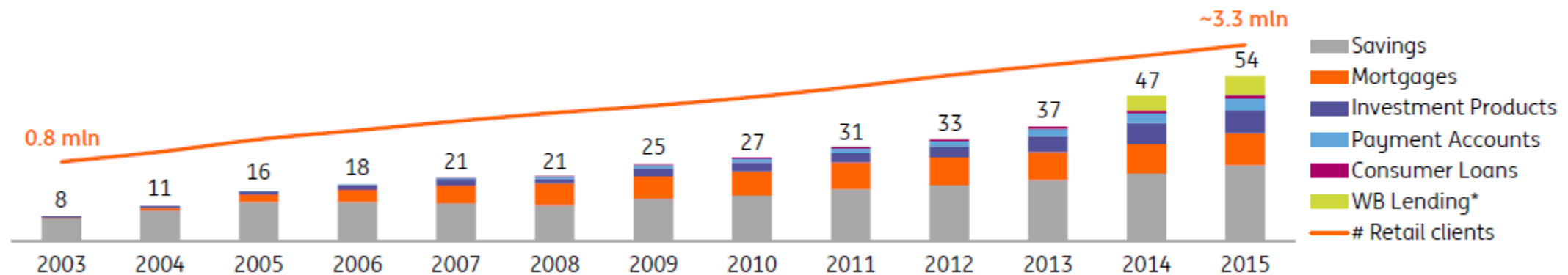
,697 x 72,629 cm

# Consistent profitable growth in Germany and Spain...

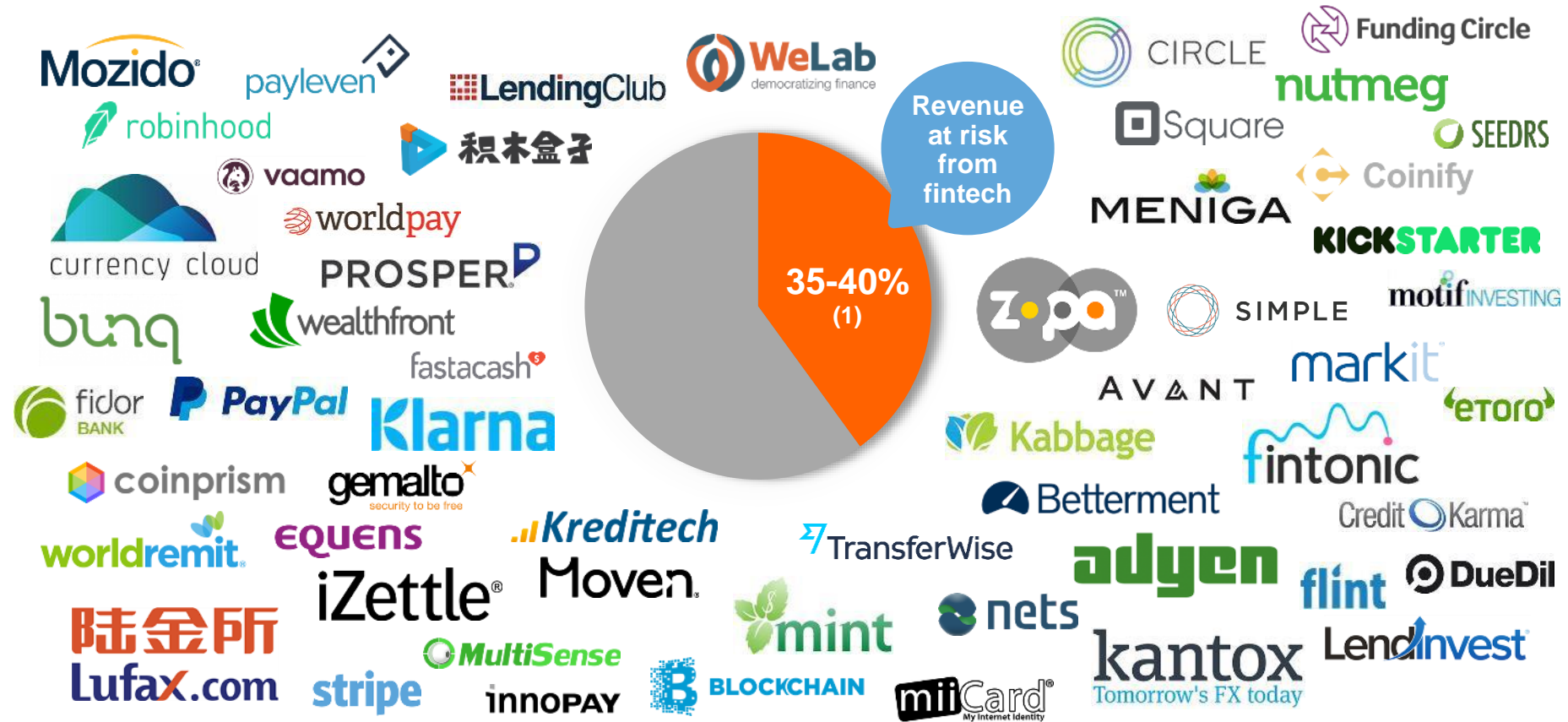
Customer balances Germany (in EUR bln) and customer numbers (in mln)



Customer balances Spain (in EUR bln) and customer numbers (in mln)



# Today, the status quo is no longer an alternative



(1) Sources : Accenture – Mc Kinsey



**Are banks fit enough to... adapt?**  
**Are fintechs fast enough to... survive?**



# With more than 12.000 fintechs worldwide, we need to focus on ING Strategy and Innovation Priorities

## INNOVATION PRIORITIES

### Retail/SB



### Bankwide



### Wholesale



## ENABLERS





# ING principles for fintech partnerships



## A means to implement faster and better the Bank's strategy

'A fintech is a company which provides an innovative/disruptive product or service that is of added value within the financial service industry AND does not have a relationship with ING yet'

The Partnership with a fintech is neither a Venture Capital nor Private Equity activity



## The Business is ultimately responsible

We aim to **maximize the number of potential partnerships reviewed with a quick turnaround process to evaluate the strategic rationale.**

We should only establish a partnership when the Business confirms a strong commitment to take ownership



## The process leverages as much as possible the **existing ING teams/competences and governance**

**All deals** are by default **booked centrally and administered with Corporate Investments**

**Standard templates/documents** are available and **timelines** have been defined to speed up fintech onboarding

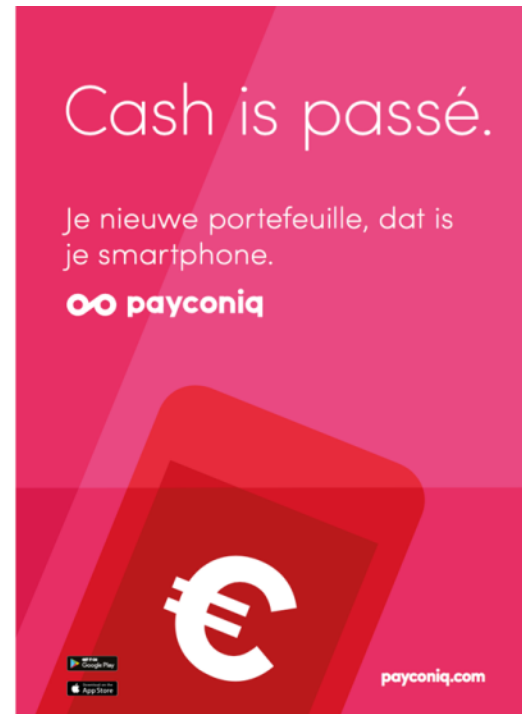
# A few of ING's own innovations



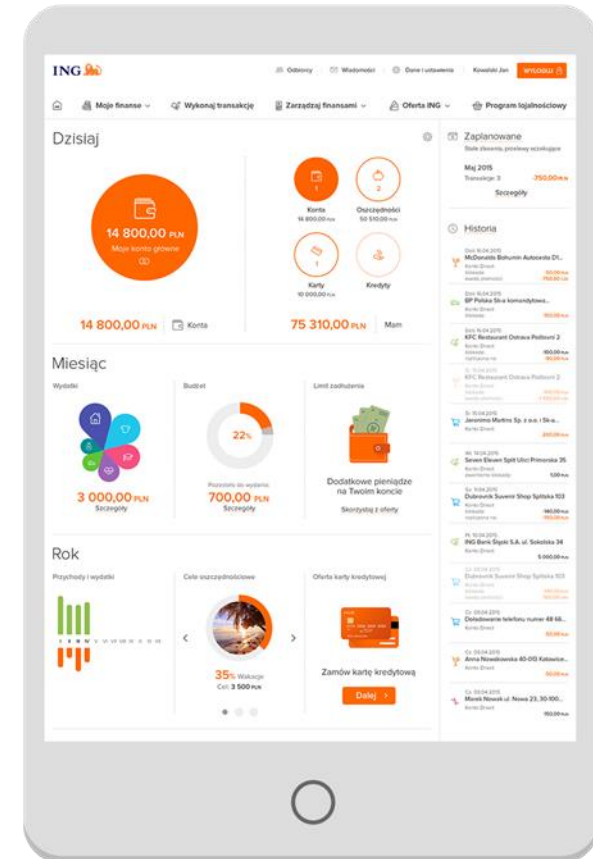
Peer-to-peer payments app TWYP  
> 280,000 users in Spain and the Netherlands



Mobile payments solution  
Payconiq: successful in Belgium



One-stop-shop platform Moje ING



# ... reflecting our innovative solutions for customers

## Digital Financial Advisor



## Digital services for SMEs



## Digital platforms



## Payments



## Instant Lending



## FACTS & FIGURES

Partner in

>45  
*fintechs*



Innovations  
in more than

40  
*countries*



We own 3  
*accelerators*



ING cooperates with other  
banks and platforms.  
For example the international  
R3 Blockchain initiative

54,000  
*employees*  
help ING innovate worldwide





**« The main challenge of the digital revolution is not digital... it is human and**

**Thank you**