



ING's approach to the fintech revolution

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thinkforward

ING 

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%

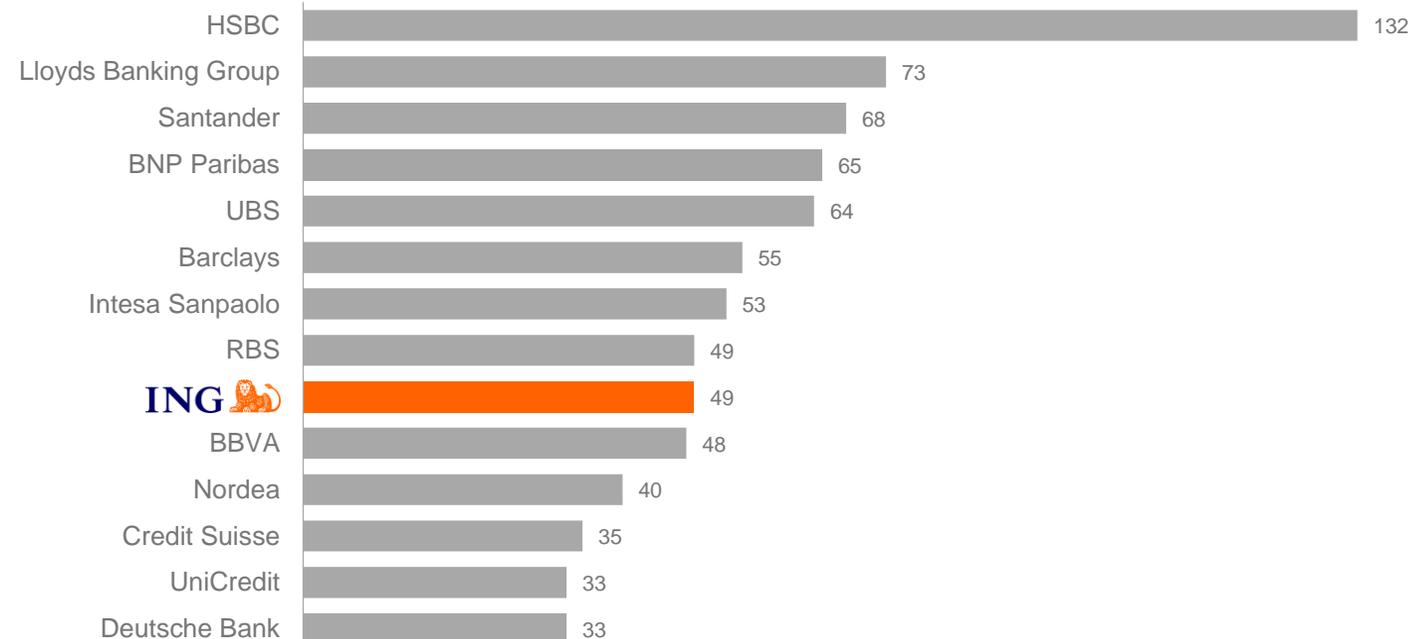
Return on equity

10.8%

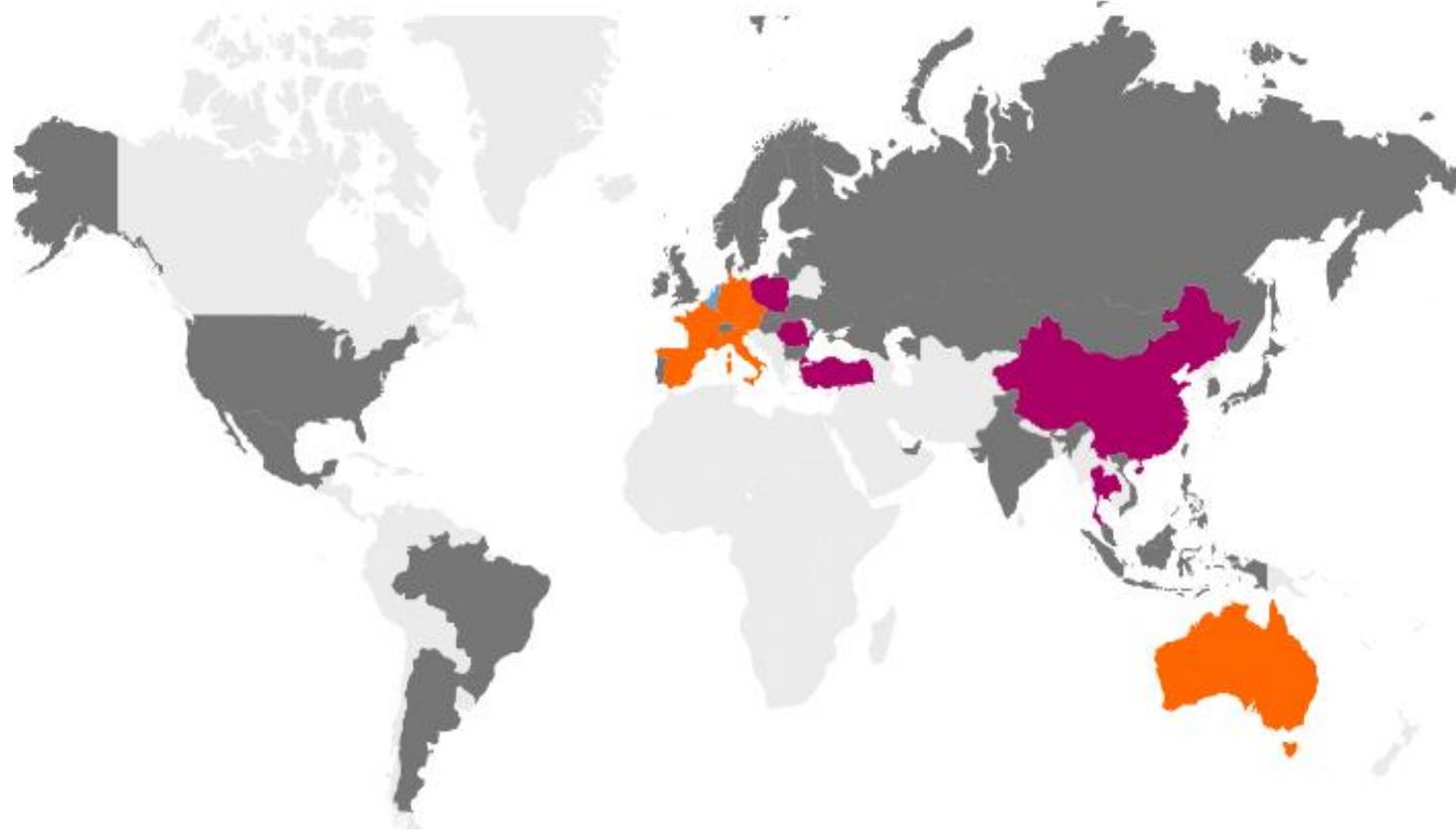
Cost-income ratio

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

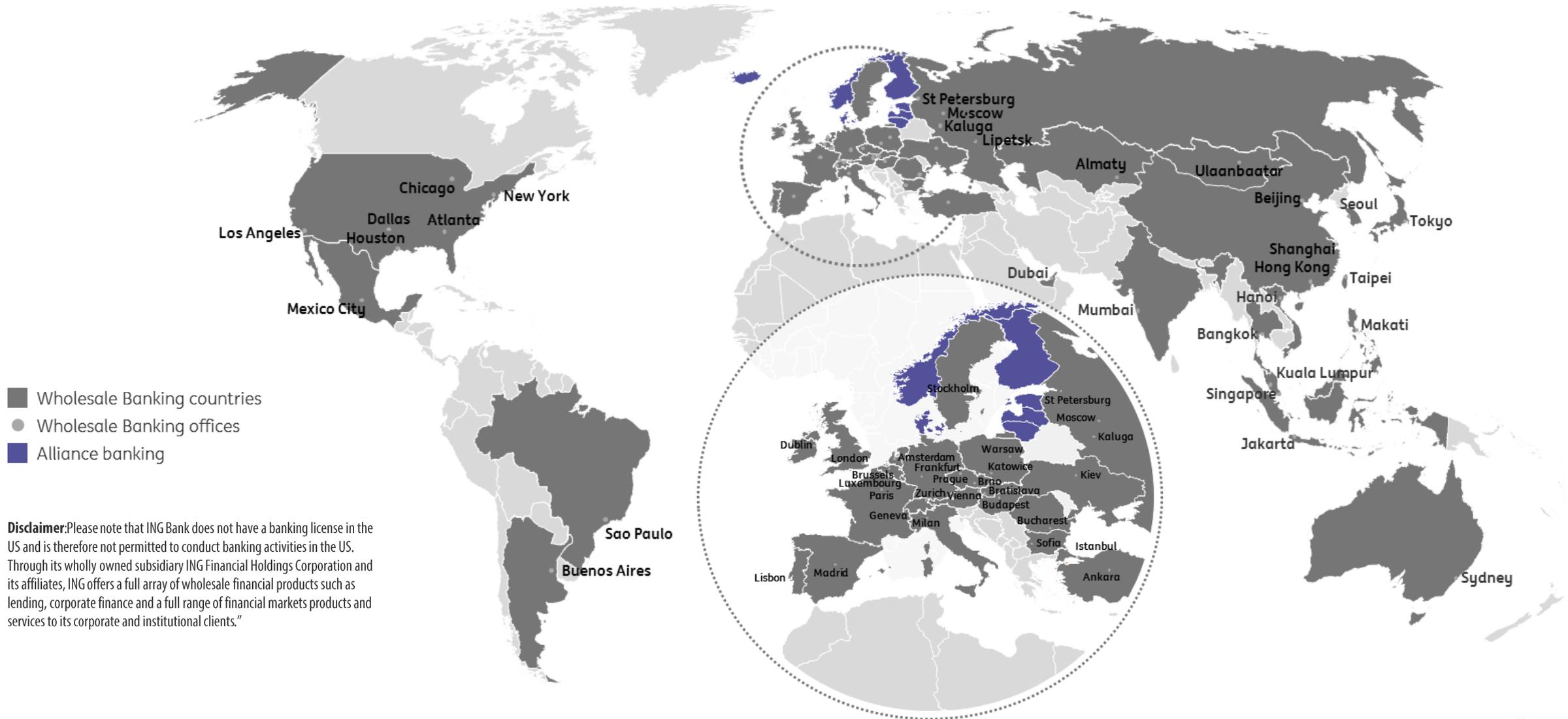
- Strong positions in fast-growing countries
- Evolving into 'direct-first' banks
- Developing digital leadership capabilities

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



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

- Trust in banks remains low
- Still bigger trust in established brands
- Banks still trusted more than others to protect data

- Competitors come out of restructuring
- Focus on capital conservation + cost reduction
- Exiting subscale and capital-intensive business
- Some peers have more ambitious targets than ING

- Technology is enabling new breed of competition and new business models
- 30% of bank income is at risk from fintech competitors
- Focus is on pain points: overcharging, underserving the customer

- Hard to reap benefits from regulatory environment, due to lack of European harmonisation and local regulatory deviation
- Capital requirements continue to increase

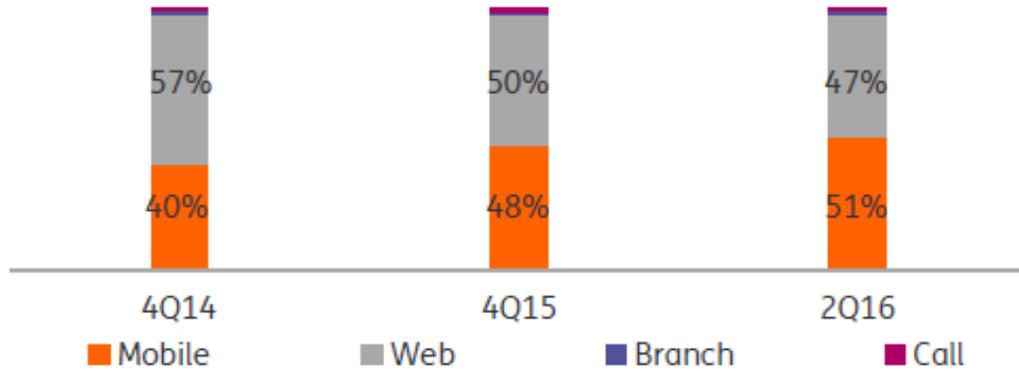
- Contact has moved massively to digital
- Expectations keep rising; people are more willing to shop around
- As branch visits become more infrequent, building our digital offering is key
- Corporates no longer want to depend on banks for payments
- Mid-corps increasingly considering non-banking players for core banking products



Technology and digitalization trends are moving even faster...

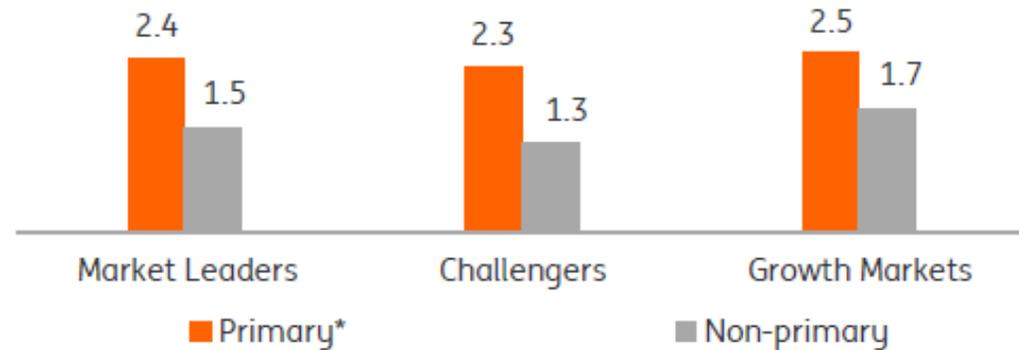
Share of mobile contacts growing fast

Based on all ING retail contacts per channel



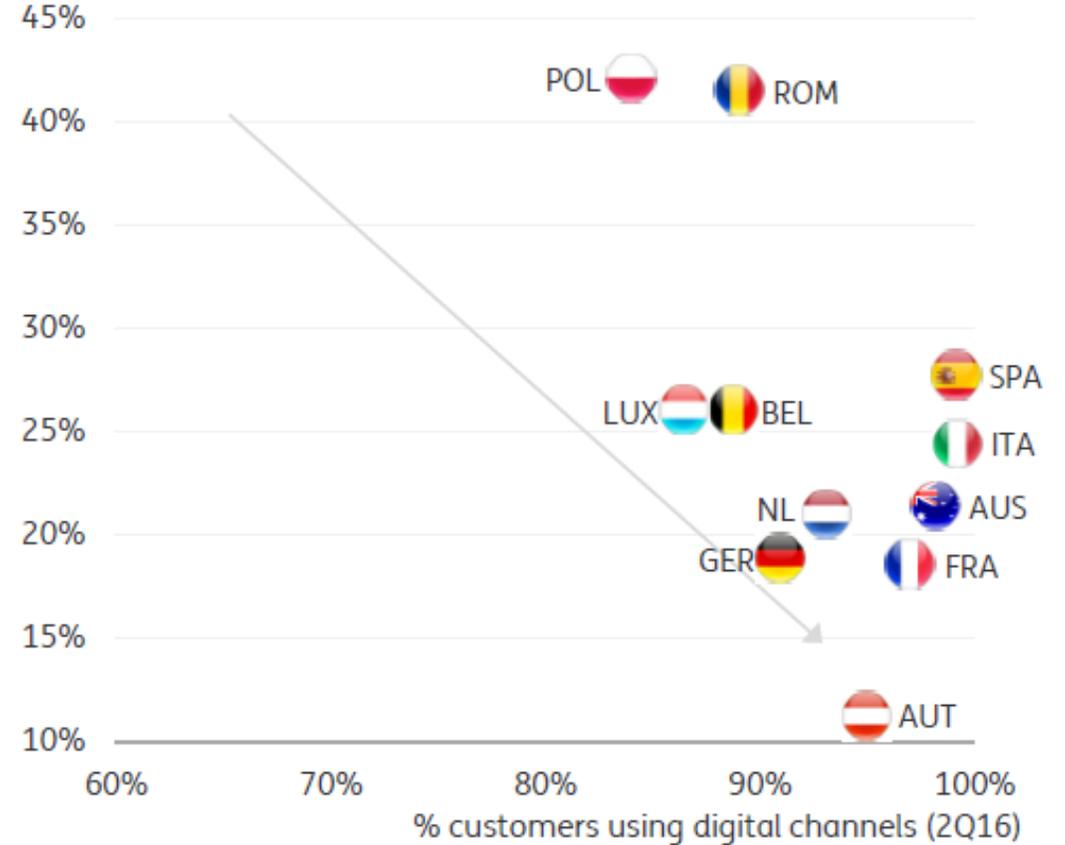
Cross-buy substantially higher for primary customers*

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



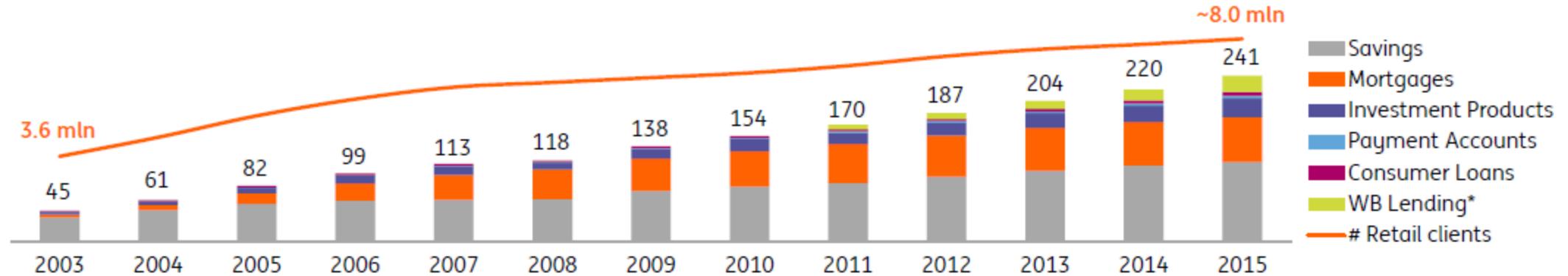
In Germany we acquire 1000 new customers every day. ING is a fintech with a balance sheet of 130 billion there



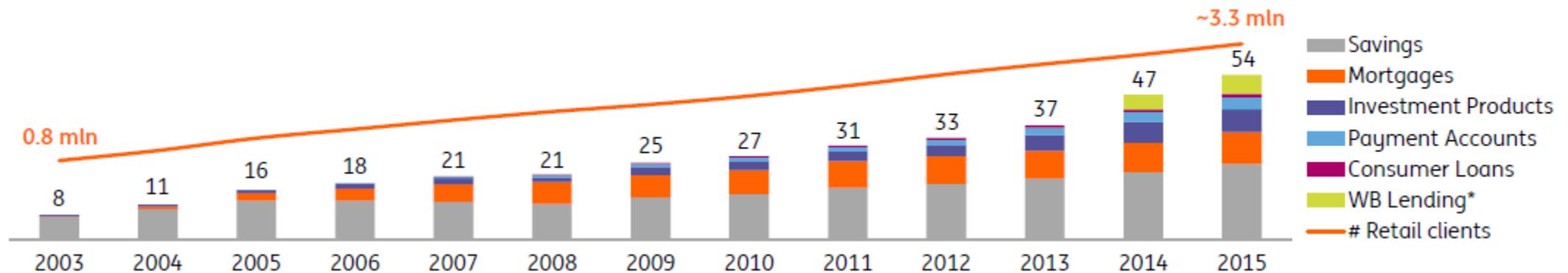
697 x 72,629 cm

Consistent profitable growth in Germany and Spain...

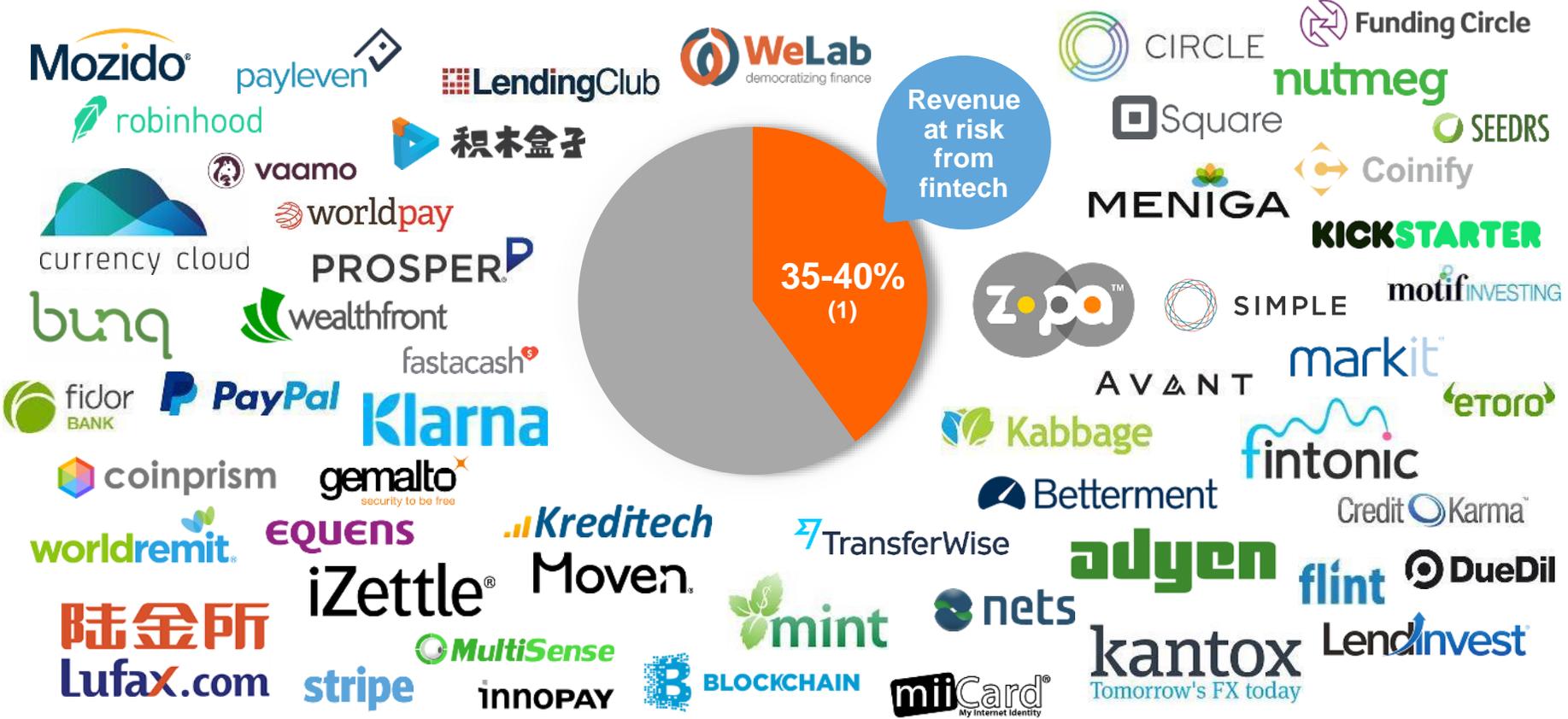
Customer balances Germany (in EUR bln) and customer numbers (in mln)



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?

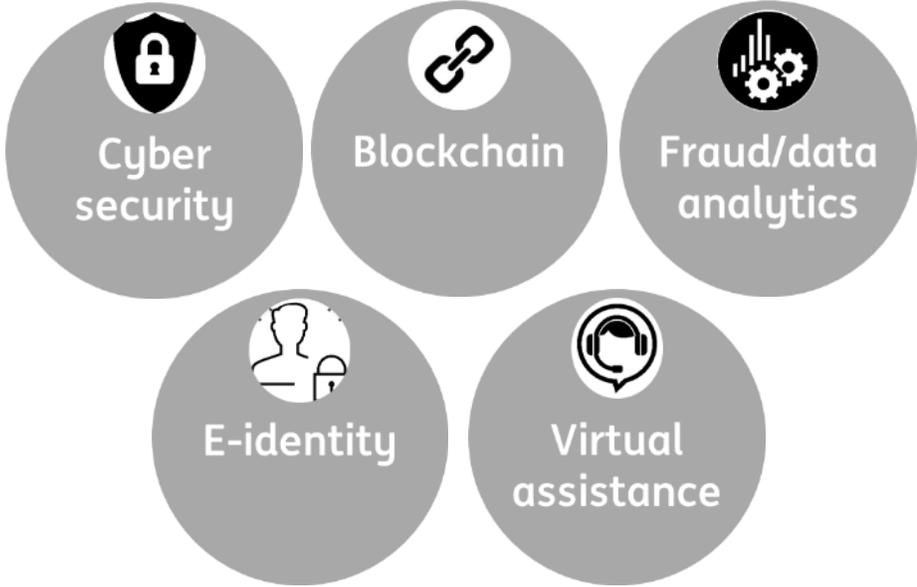


With more than 12.000 fintechs worldwide, we need to focus on ING Strategy and Innovation Priorities

INNOVATION PRIORITIES



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

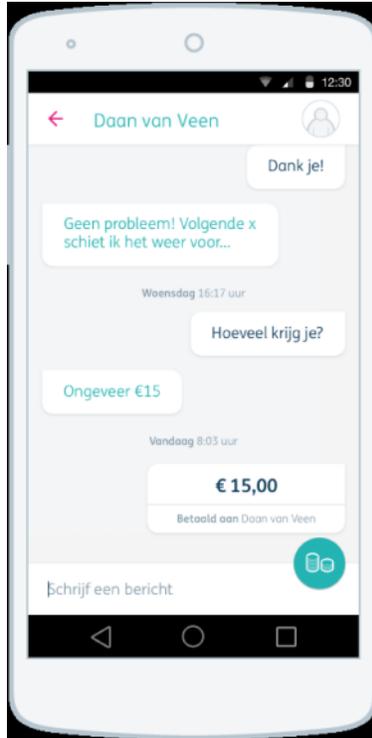


The process leverages as much as possible the **existing ING teams/competences and governance**

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

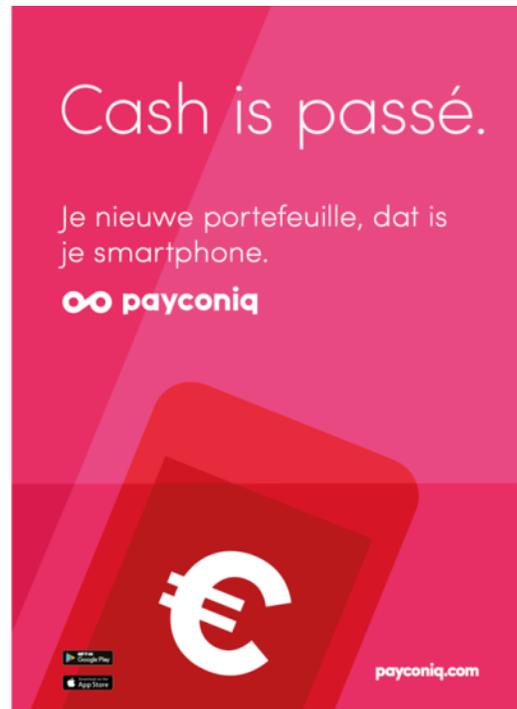
A few of ING's own innovations



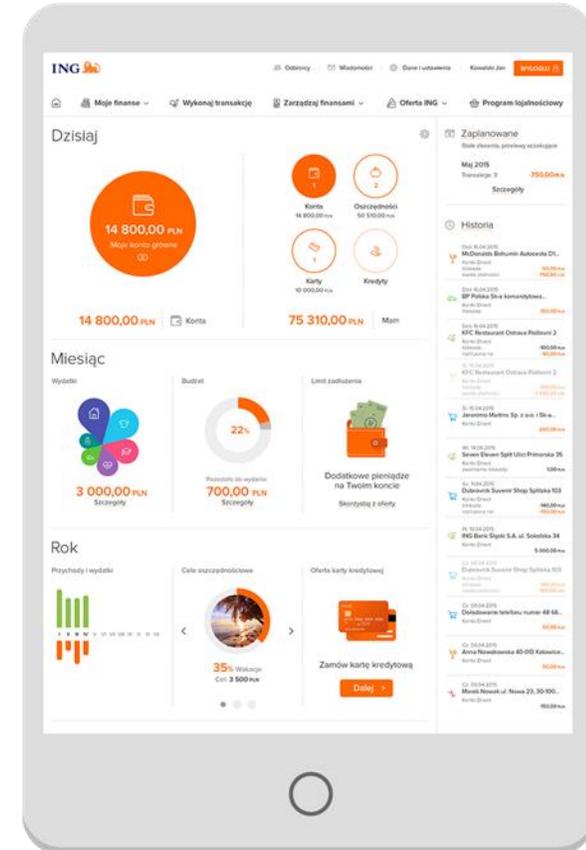
Peer-to-peer payments app TWYP
 > 280,000 users in Spain and the Netherlands



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
accelerators 3



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