



# Growing the difference

Accelerating growth, increasing impact, delivering value

**Capital Markets Day 2024**  
Pinar Abay, Retail Banking

17 June 2024



do your thing

# We have been making the difference in retail banking

 Who we are



Track record of delivering growth



Leading digital capabilities

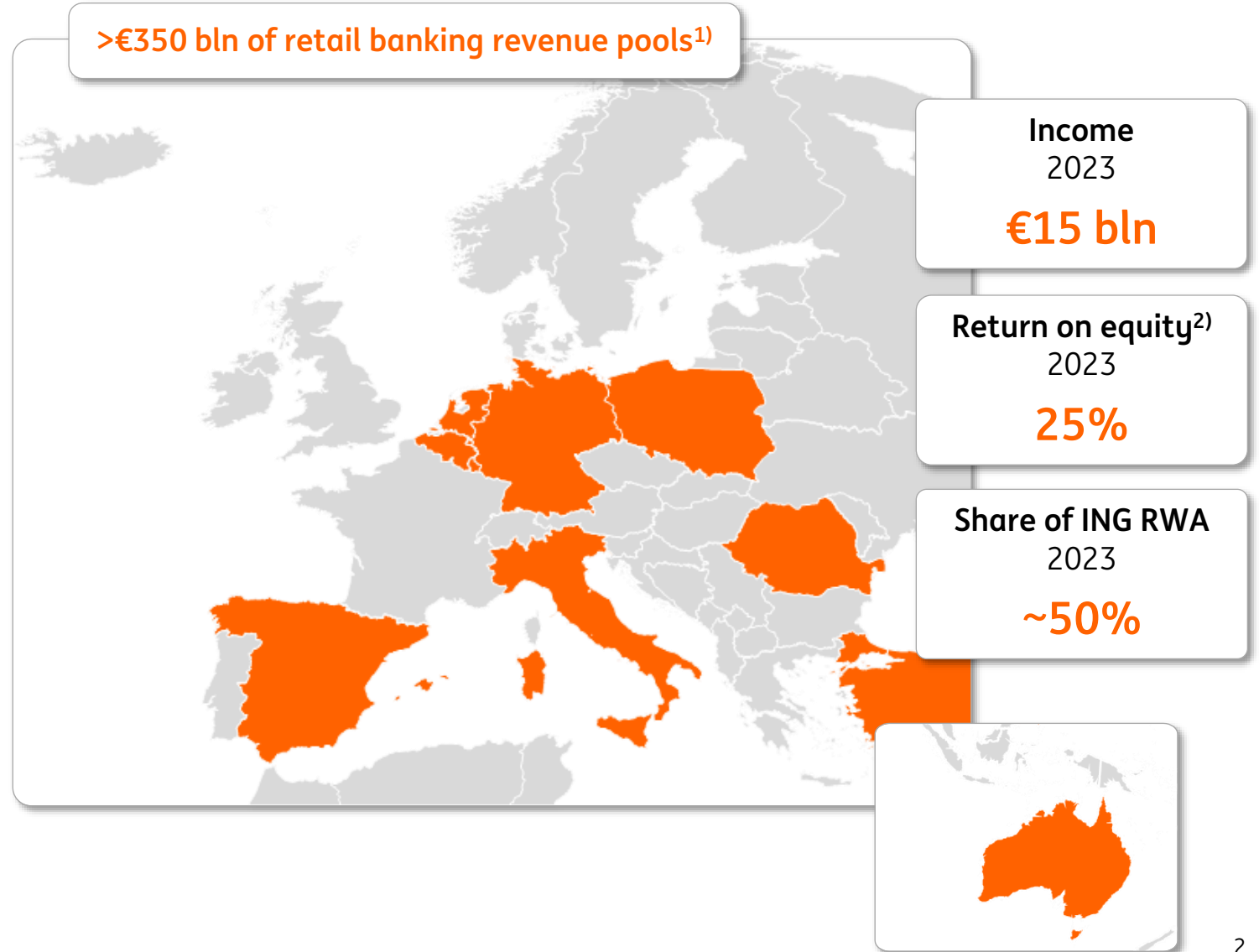


Loved brand



Strong financial performance

>€350 bln of retail banking revenue pools<sup>1)</sup>



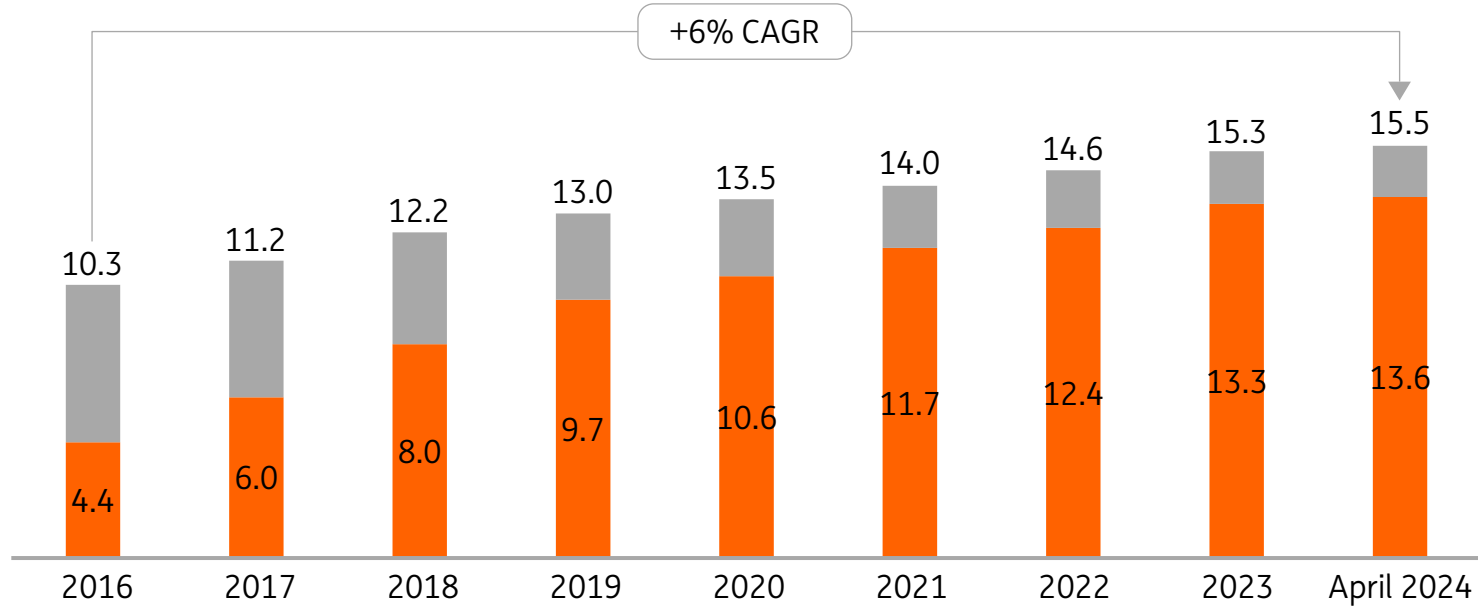
<sup>1)</sup> Based on McKinsey Panorama

<sup>2)</sup> Equity based on 12.5% of RWA

# We have a track record of delivering growth



## Primary customers<sup>1)</sup> (in mln)



■ Mobile primary customers<sup>2)</sup>

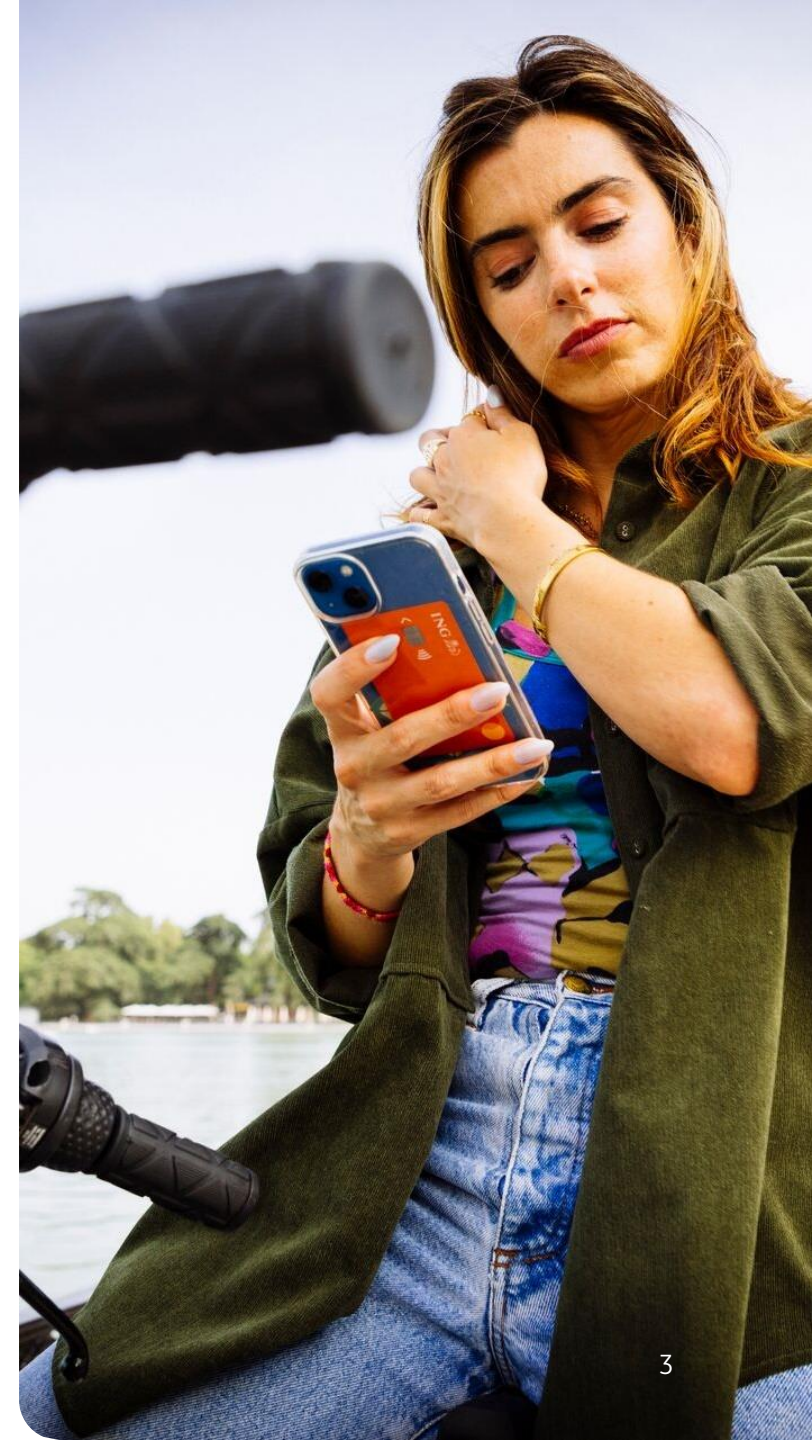
>39 mln customers

40% of our customers are primary

47% of primary customers have 3+ products

<sup>1)</sup> Primary customers: private individuals having an active payment account with recurrent income and at least one other active product category on the reporting date

<sup>2)</sup> Mobile primary customer: a primary customer with at least one mobile interaction in the quarter (mobile app or mobile web)



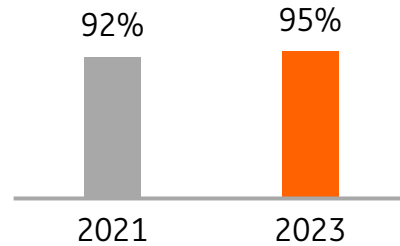
# We have leading digital capabilities



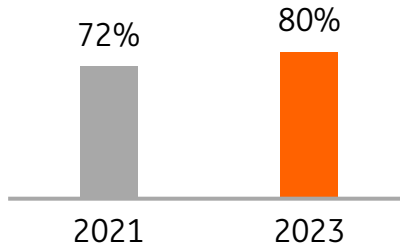
## Key digital metrics



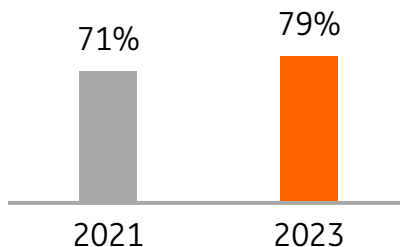
**Mobile contacts**  
In % of total contacts<sup>1)</sup>



**Digital sales**  
In % of total sales



**Mobile adoption**  
Customers using mobile as preferred channel



## Our One App is among the most popular apps<sup>2)</sup>

- 1 WhatsApp
- 2 Facebook
- 3 YouTube
- 4 Instagram
- 5 Outlook
- 6 Google Maps
- 7 Spotify
- 8 Gmail
- 9 Snapchat
- 10 **ING Bankieren**

<sup>1)</sup> Contact with ING that is initiated by the customer

<sup>2)</sup> iOS usage in the Netherlands. Source: data.ai, ranking by number of active users, as per February 2024

# Our love brand continues to be our superpower

 Who we are



Most recognised

The ING brand is **recognised** as leading the way and the most unique in the majority of our markets

**Top 3** most recognised brand in...

**7** out of **10** countries



do your thing



Most recommended

ING continues to be the **most recommended** bank in the majority of our markets

**Top 3** NPS position in...

**8** out of **10** countries

Continuous focus on improving Net Promoter Scores

April 2024 vs April 2020



**+18 pts**



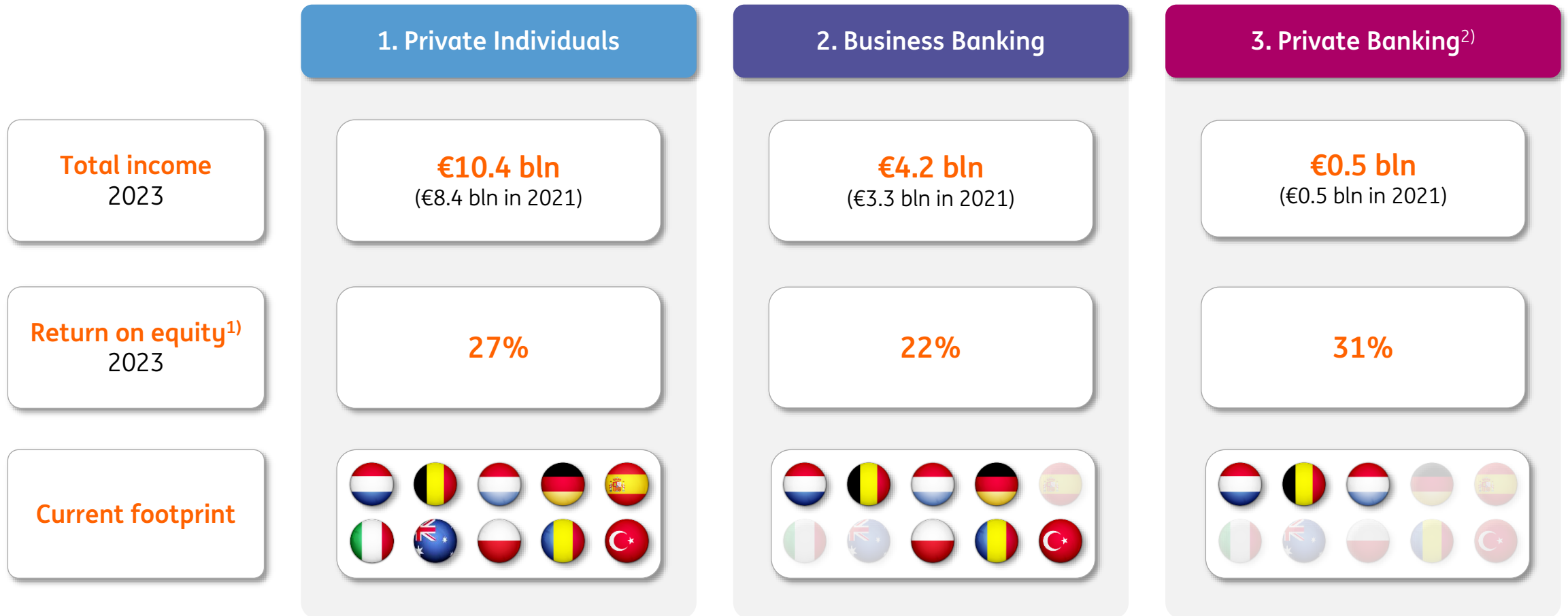
**+11 pts**



**+10 pts**

# We have strong financial performance across three pillars

 Where we are now



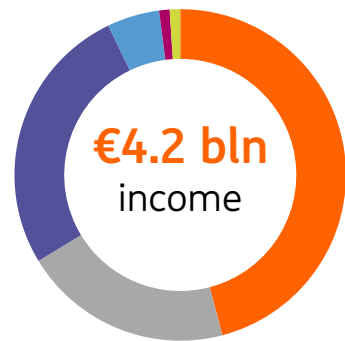
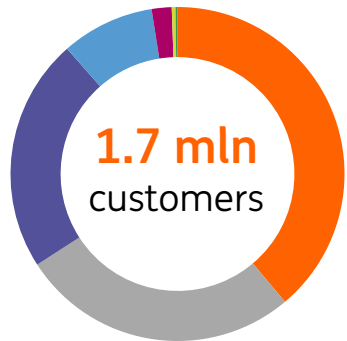
<sup>1)</sup> Equity based on 12.5% of RWA

<sup>2)</sup> Private Banking-related activities in Poland and Türkiye not yet reported as a separate pillar

# Zoom in: a digitally led Business Bank

Where we are now

## Successful and profitable Business Banking franchise<sup>1)</sup>



■ Netherlands    ■ Poland    ■ Belgium    ■ Romania  
■ Türkiye    ■ Luxembourg    ■ Germany


<b>Profit before tax</b> <b>€2.0 bln</b>	<b>Cost/income</b> <b>48%</b>	<b>Return on equity<sup>2)</sup></b> <b>22%</b>
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## Digital-first service model

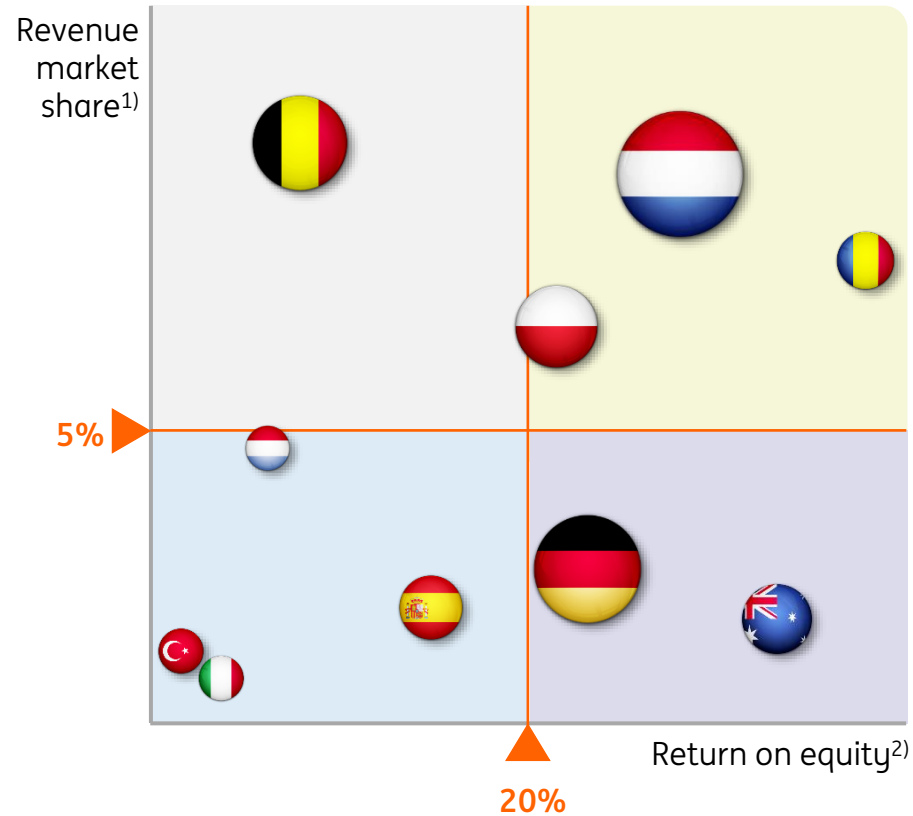
	Easy	Guided	Relationship
	No-frills, on demand digital banking	Digital banking and event-driven remote or f2f advice	Relationship banking with tailored solutions and advice
<b>Service</b>			
<b>Segment</b>	Self employed & micro businesses	Small & medium-sized enterprises	Mid-corporates
<b>Client split</b>	~85%	~13%	~2%

<sup>1)</sup> Figures per FY2023  
<sup>2)</sup> Equity based on 12.5% of RWA

# Our footprint offers significant opportunities for growth

 Where we are now

Retail banking revenue pools in our footprint<sup>1)</sup>  
**>€350 bln**



**Private Individuals** has growth potential across our footprint



**Business Banking** has a high return model with significant potential for deployment in other countries



**Private Banking** will be built further as a third pillar in existing markets



Putting the RWAs from **increased capital allocation** to work

Size of country flags represents average total income over 2021-2023

<sup>1)</sup> Based on McKinsey Panorama

<sup>2)</sup> Based on average over 2021-2023, with equity based on 12.5% of RWA. For comparability, country profitability figures are adjusted for interest rate differentials, with capital returns based on eurozone interest rates. Countries with a negative return on equity over 2021-2023 are shown at 0% for illustrative purposes



# Private Individuals: accelerating growth and delivering value

▶ Our strategic priorities

Private

Individuals

We make banking simple to create value for our customers



Make banking frictionless and relevant

- Create superior customer value with **leading NPS**
- Obsessively **simplify customer journeys**
- Lead in using **data and (Gen)AI**



Grow with the Affluent and GenZ opportunity

- Expand offering to adjacent segments not yet fully penetrated **with more tailored offering and service model**



Grow the subscription model

- Design products and services with **new value propositions and bundled offers** to increase share of recurring revenues



Claim the retrofitting opportunity

- Capture the **renovation potential of houses** supporting net-zero pathway
- Build retrofitting **ecosystems and journeys** to ease experience with digital



Diversify our lending income

- Enhance **consumer finance** propositions
- Largest opportunity in **Germany, Australia, Italy and Spain**

# Business Banking: deploying our high return model in other countries

▶ Our strategic priorities

Business

Banking

We make banking simple and expertise accessible to grow entrepreneurs



Make banking frictionless and relevant

- Enable full digital self-service for basic needs
- Focus on digital acquisition



Grow our fee business with segment-focused packages

- Targeted Daily Banking packages
- Increase cross-selling in Merchant Services, Insurance, Financial Markets and Trade Finance



Leadership in financing the transition

- Support financing the sustainable transition
- Accelerate Sustainable Finance new production



Build new markets: Germany, Australia, Italy

- Attractive revenue pools in Germany €41 bln, Australia €15 bln and Italy €15 bln
- Focus on digital daily banking for self-employed and micro companies followed by (instant) lending

# Private Banking: building a third pillar based on strong synergies

▶ Our strategic priorities

Private

Banking

We are the bank to  
grow the wealth of  
entrepreneurs



Lead the digital way to  
redefine Private Banking

- **Leverage digital and data** to ensure scalable management of wealth
- Drive step-change in customer experience with **interactive, digital and enabling tools**



Become the leader in  
business originated  
wealth

- **One-stop solution** with segmented approach
- Further develop **collaboration model with Business Banking**



Target NextGen wealth  
inflow from Private  
Individuals

- **Dedicated offer** for NextGen segment
- **Omni-channel experience** with seamless digital features

# Germany: become the digital primary bank and expand presence

▶ Our strategic priorities

## We are delivering on our promises



**Growing our customer base**

**Number of customers**

**+200 k**

in 2023 vs 2021



**Increasing primary share**

**Primary customer share**

**31%**

in 2023 vs 27% in 2021



**Growing fee business**

**Daily banking fees**

**More than doubled**

in 2023 vs 2021

Since launch of Business Banking savings in December 2023:



**Savings balance**

**+€500 mln**



**Customers**

**>4,000**

## Priorities for 2024-2027

### Grow in Private Individuals with a focus on mobile primary customers and increased product penetration

- Accelerate growth with >250 k additional mobile primary customers per year
- Continue to make banking frictionless and relevant to ensure higher share of mobile and retain number 1 NPS
- Launch new daily banking and protection propositions to grow our subscription business
- Extend consumer lending capabilities to capture fair market share

### Expand into adjacent customer segments

- Tailored offering for selected segments, focusing on underpenetrated segments Affluent and GenZ

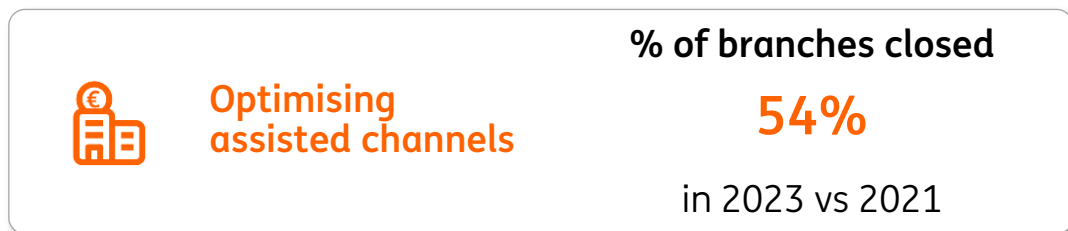
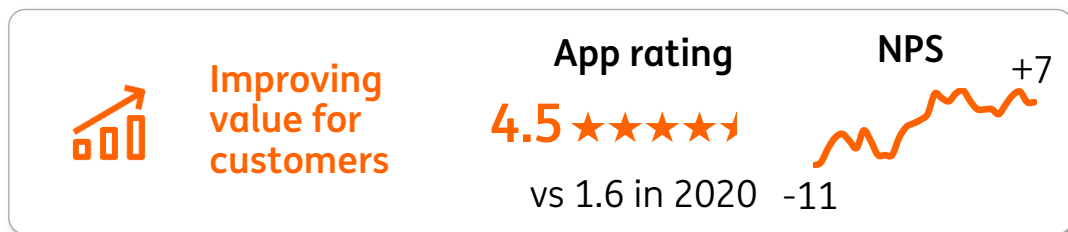
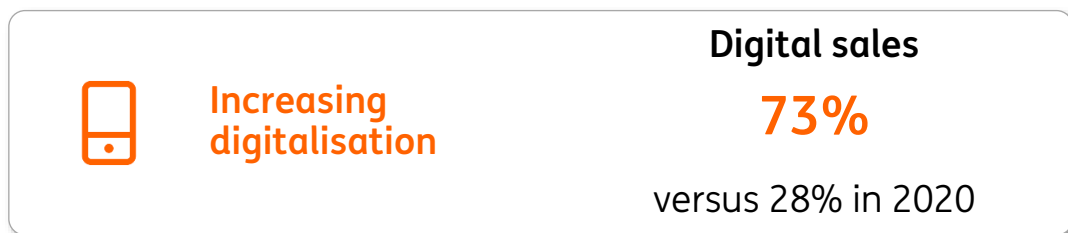
### Expand our offering in Business Banking

- Launch current accounts in 2024 and expand digital lending proposition in 2025

# Belgium: progress towards higher levels of profitability

▶ Our strategic priorities

## We are delivering on our promises



Financials based on Belgium including Luxembourg

<sup>1)</sup> Equity based on 12.5% of RWA

## Priorities for 2024-2027

### Profitable growth in Private Individuals

- Growth of >50 k mobile primary customers per year
- Further strengthen 3+ product ownership (today 37%, highest in the group) with enhanced capabilities

### Profitable growth in Business Banking

- Accelerate client growth with leading digital propositions such as instant lending and digital onboarding
- Value-focused growth in lending, with cross-sell in liabilities, daily banking and insurance

### Significant step up on Private Banking

- Leverage leading client relationships in Business Banking and Affluent segment to further build Private Banking

### Scalable operations and technology

- Strong leverage of digitalisation, with strong cost management versus local competition
- Leverage ING's scale in operations by using hubs

**Return on equity of >14%** by 2027 versus 11% in 2023

# Netherlands: driving growth towards a sustainable future

## ▶ Our strategic priorities

### We are delivering on our promises



**Improving  
value for  
customers**

**Primary client share**

**62%**

vs 40% group average



**Increasing  
digitalisation**

**Customers using mobile  
as preferred channel**

**90%**

versus 85% in 2021



**Optimising  
assisted channels**

**% of branches closed**

**51%**

in 2023 vs 2021



**Sustainability  
at the heart**

**Mortgage production**

**>40%**

Label A or better<sup>1)</sup>

### Priorities for 2024-2027

#### **Growth of Private Individuals on superior digital platform**

- Growth of >200 k of mobile primary customers per year
- Grow penetration of investments products and insurance with improved product and platform capabilities
- Enhance value propositions for the Affluent, GenZ and Expat segments
- Be first in offering proposition for retrofitting of homes and lead on mortgage production for high quality housing

#### **Growth of Business Banking with deep sustainability expertise and digital capabilities**

- Further enhance digital propositions (e.g. instant lending and digital onboarding) and expand subscription model (e.g. FX platform and e-commerce options)
- Support clients in the transition to net-zero based on insight-advise-product methodology to decarbonise our Business Banking portfolio

#### **Growth of Private Banking segment**

- Grow Private Banking using strong position in both Private Individuals and Business Banking

<sup>1)</sup> Share of EPC label A or better in 1Q2024 new mortgage production

# Our targets confirm our ambition to be the best European bank

 Our targets



by growing the **difference**



**Mobile primary customers**  
annual growth

**+1 mln**

**Income growth**  
in line with  
Group guidance

**Fee income**  
CAGR 2024-2027

**5-10%**

**Cost/income ratio**  
by 2027

**50-52%**

**Return on equity<sup>1)</sup>**  
by 2027










**>20%**



**Structurally improved profitability and continued attractive shareholder returns**

<sup>1)</sup> Equity based on 12.5% of RWA

# Annex - Retail Banking per country (FY2023)

Retail Banking										
	Total	Netherlands	Belgium <sup>1)</sup>	Germany	Spain	Italy	Australia	Poland	Romania	Türkiye
<b>Scale</b>										
Customers (mln)	38.7	7.7	2.5	8.7	4.2	1.2	2.9	4.3	1.7	5.6
o.w. primary (mln)	15.3	4.7	1.1	2.7	1.5	0.4	1.1	2.2	0.9	0.7
o.w. mobile primary (mln)	13.3	4.0	0.9	2.3	1.4	0.4	1.0	1.9	0.8	0.6
Customer lending (€ bln)	459.8	152.8	94.3	102.9	26.1	9.3	38.7	27.9	6.0	1.8
Customer deposits (€ bln)	585.5	199.7	91.2	143.6	48.1	13.9	33.1	41.8	11.4	2.7
<b>Commercial performance (YoY)</b>										
Mobile primary growth (in k)	903	161	37	245	135	30	66	111	72	47
Net core lending growth (€ bln)	9.7	2.3	1.4	1.7	1.0	0.7	1.7	0.1	0.2	0.5
Net core deposit growth (€ bln)	18.5	-1.6	-1.3	8.5	4.2	0.9	1.8	3.8	1.1	1.1
<b>Profitability</b>										
Return on equity <sup>2)</sup>	24.8%	33.4%	11.2%	33.3%	23.2%	Non-material	30.2%	24.9%	46.9%	Non-material
Cost/income ratio	51.2%	42.7%	69.1%	39.4%	52.6%	83.8%	51.0%	50.3%	48.3%	>100% <sup>3)</sup>
Risk-weighted assets (€ bln)	154.4	50.7	34.6	24.0	8.9	4.5	7.6	17.9	3.9	2.3

For comparability, country profitability figures are adjusted for interest rate differentials, with capital returns based on eurozone interest rates

<sup>1)</sup> Including Luxembourg

<sup>2)</sup> Equity based on 12.5% of RWA

<sup>3)</sup> Cost/income ratio in Türkiye in 2023 affected by hyperinflation and market conditions



# Important legal information

ING Group's annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS- EU'). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2023 ING Group consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

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