



**Growing the difference**

**Accelerating growth, increasing impact, delivering value**

**Capital Markets Day 2024**

Andrew Bester, Wholesale Banking

17 June 2024



do your thing

# A leading European Wholesale Bank, powered by a global network



## The ING difference #1



Our global reach, with local experts



- **35 countries**, a global network tailored to our clients' needs
- **Serves as gateway** to Europe for American and Asian multinationals
- **58%** of income is cross-border
- **Global cash pooling** through Transaction Services including Bank Mendes Gans

## The ING difference #2



We are sector experts



- Deep expertise in our **7 chosen sectors**
- **72 NPS** and consistently increasing
- **Prudent risk management**, proactively adapting to sector trends and developments
- **Strong diversification**, <3% of Group RWA per sector per country

## The ING difference #3




We are sustainability pioneers

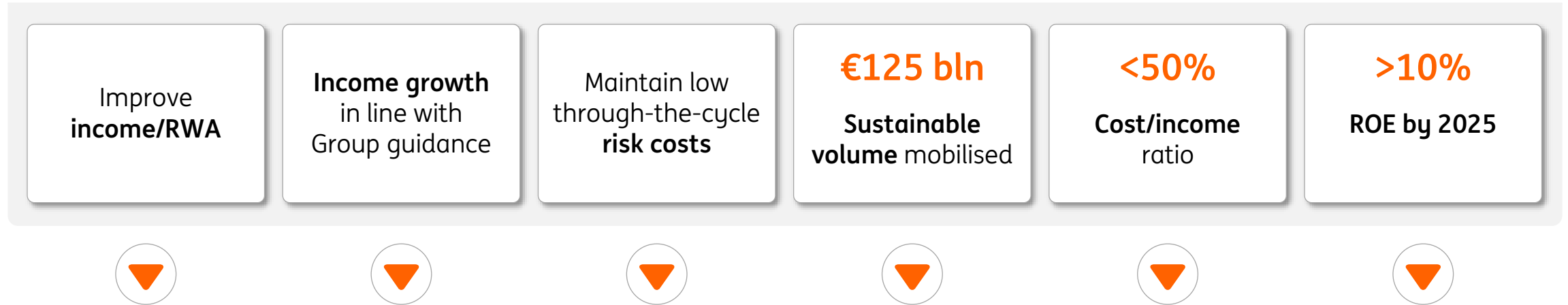


- Managing our portfolio to **net-zero** by 2050
- **€115 bln volume mobilised** to support our clients' transitions in 2023
- Committed to triple our annual **renewable energy financing** by 2025 to €7.5 bln
- Engaging with our largest clients on their **transition planning**

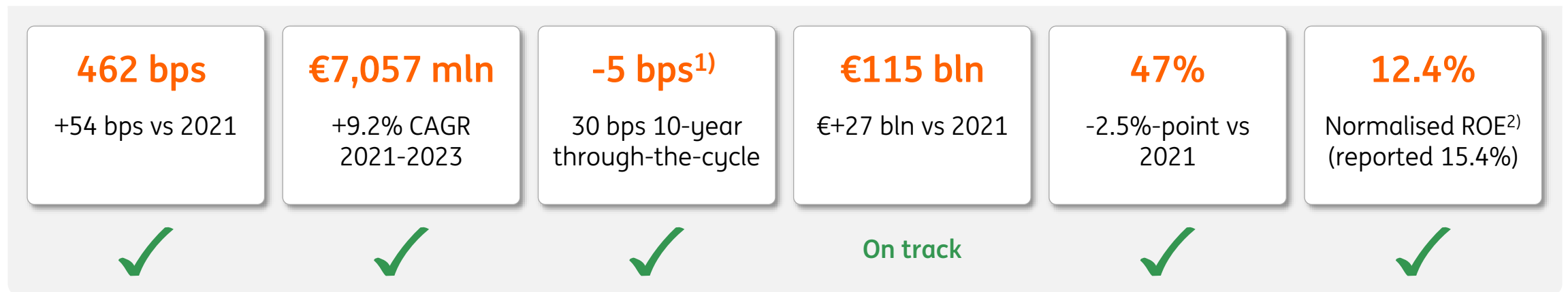
# Delivered our 2025 targets

 Where we are now

## Financial targets 2025



## Results 2023



<sup>1)</sup> Risk costs over average customer lending

<sup>2)</sup> Return on equity normalised for through the cycle risk costs of 30 bps

# Progressing strongly on strategic priorities

 Where we are now



Increase  
**capital efficiency**



Ensure efficient and  
**seamless digital delivery**



Support the  
**green transition finance** need

Client portfolio  
optimisation

**↓35%**

# of clients vs 2019

Average income  
per client

**↑110%**

vs 2019

Portal customer  
interactions

**5% CAGR**

since 2019

Net  
Promoter Score

**72 points**

vs 50 points in 2019

Sustainable  
deals

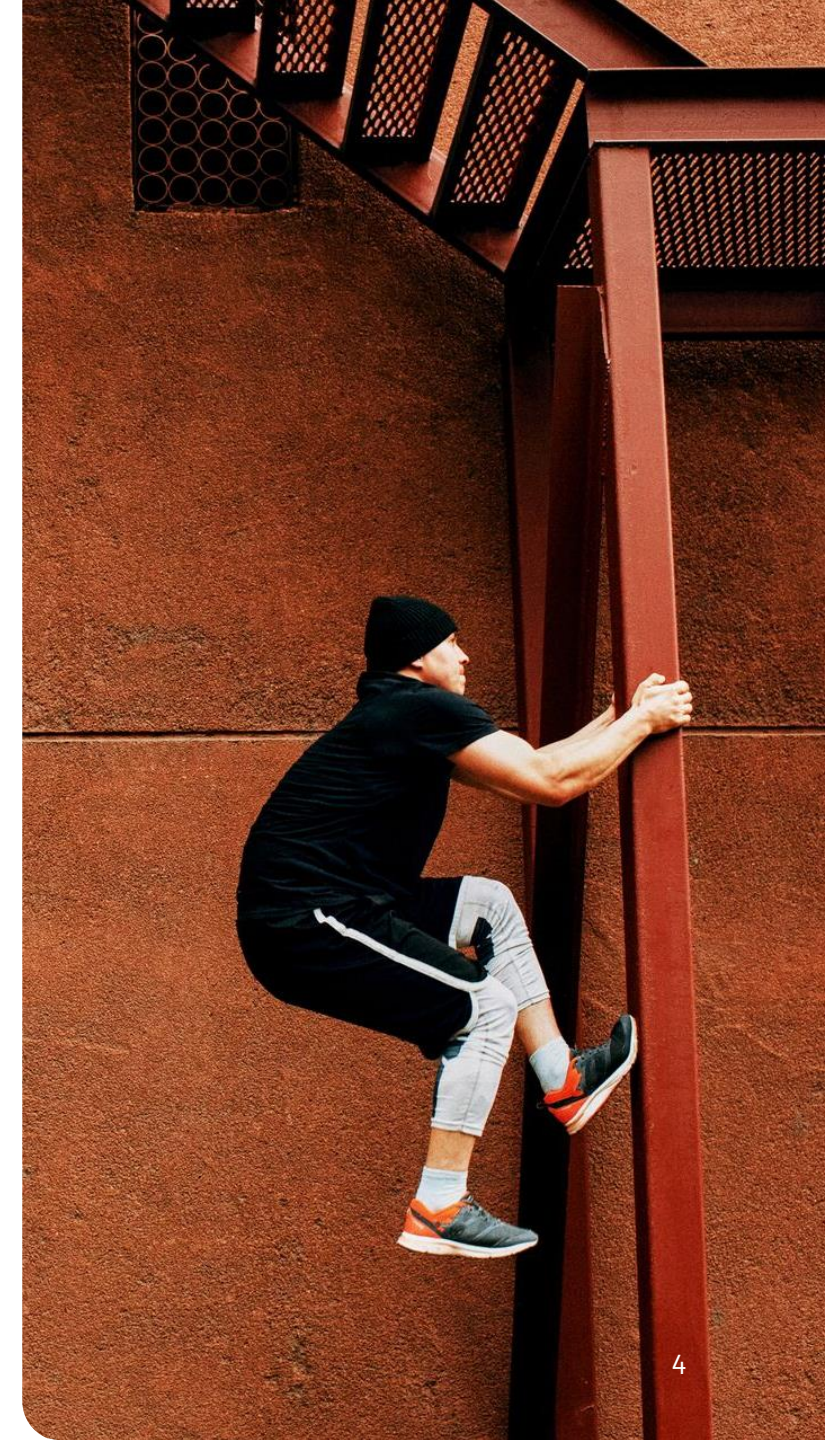
**792**

vs 123 in 2019

Client transition plans  
added to digital tool

**>2,000**

of our largest clients

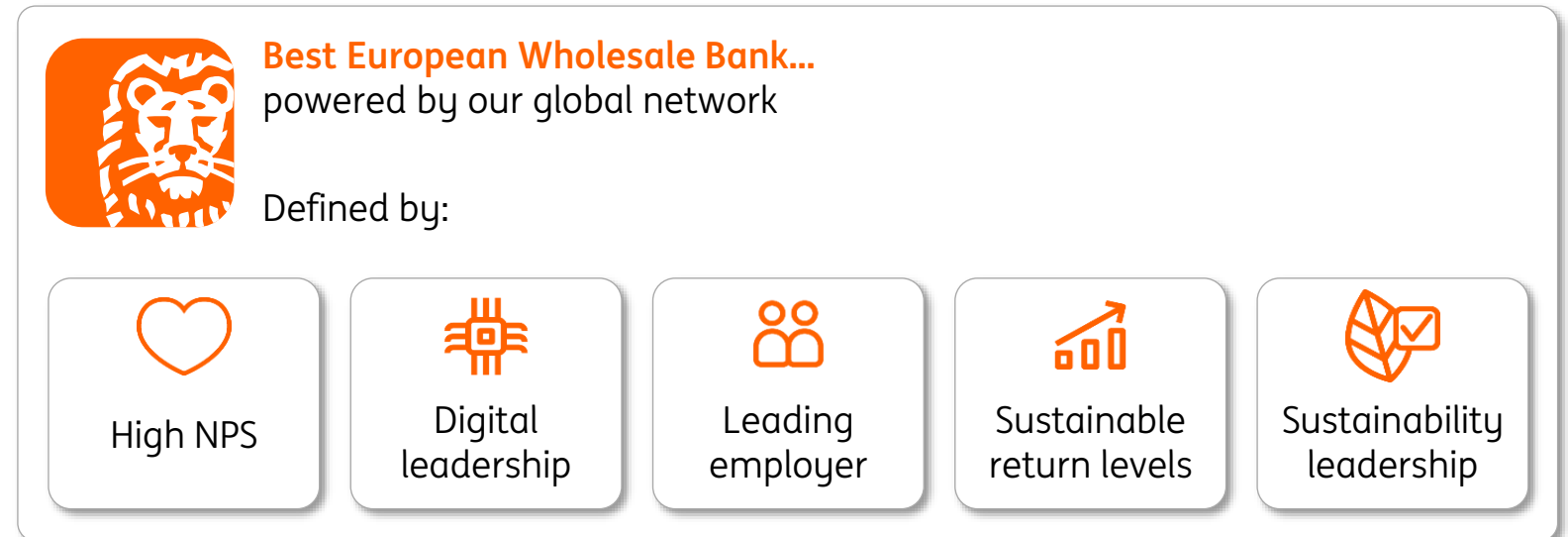




# Continuous focus on execution

▶ Our strategic priorities

We defined these must-wins



# Leading the transition finance opportunity

## Our strategic priorities

Continue managing our portfolio to net-zero by 2050

4 sectors on track to meet 2030 intermediate targets<sup>1)</sup>



3 sectors tracking within 5% of benchmark<sup>2)</sup>



Thought leader on standards and practices

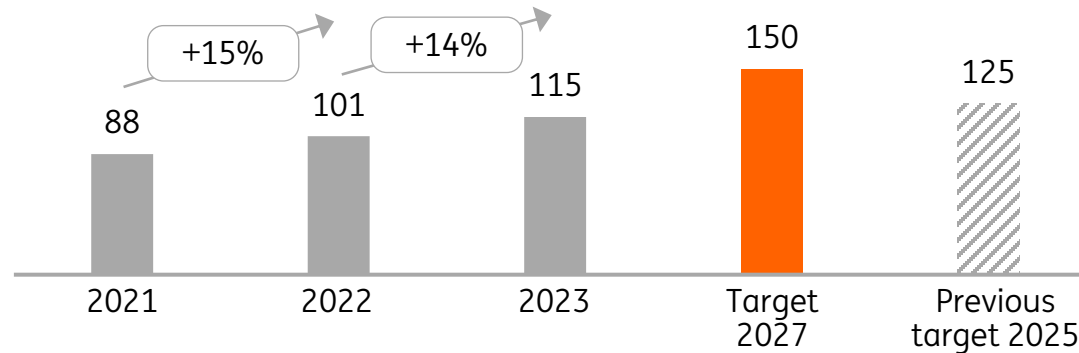


POSEIDON PRINCIPLES



Center for Climate Aligned Finance

Frontrunner in financing the transition



Net-zero targets for most carbon-intensive sectors

Phase out financing of upstream Oil & Gas by 2040

Triple our annual renewable energy financing to €7.5 bln by 2025

€150 bln Sustainable volume mobilised by 2027

<sup>1)</sup> Power Generation, Shipping, Upstream Oil & Gas, Automotive

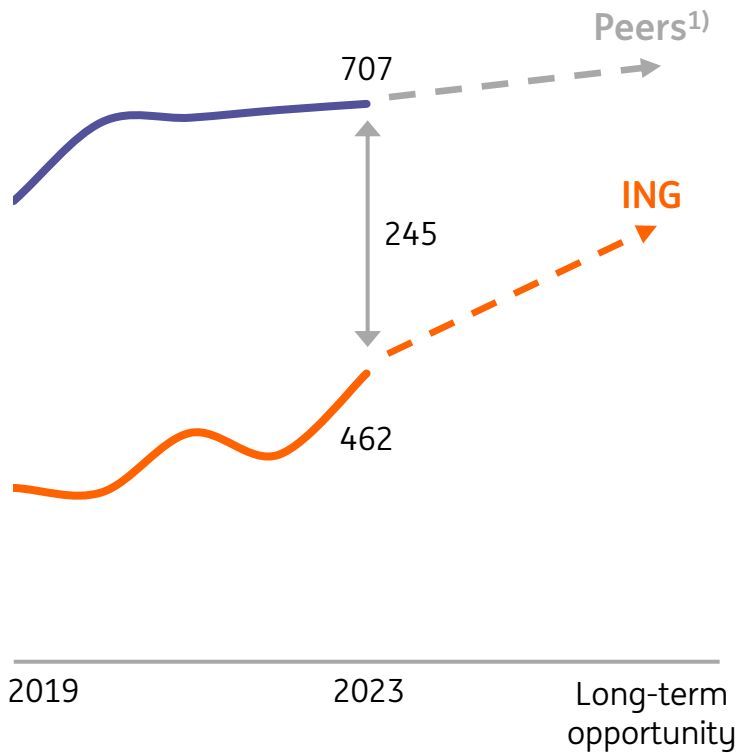
<sup>2)</sup> Aviation, Steel, Cement

# We see further opportunities

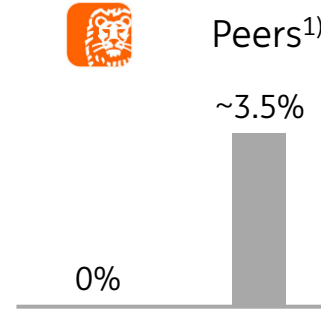
▶ Our strategic priorities

## Optimising capital efficiency

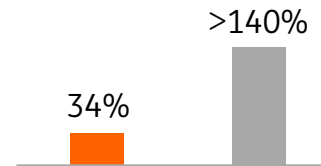
Income/average RWA



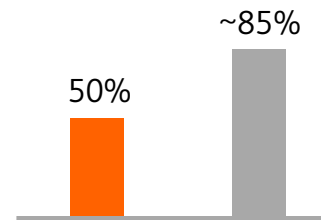
**Broaden risk distribution tools**  
SRT<sup>2)</sup> outstanding as % of total loans



**Increase deposit / Transaction Services**  
Deposit-to-loan ratio



**Increase income diversification**  
Non-lending income



Figures per 2023

<sup>1)</sup> Representative international Wholesale Banking peer group based on data availability

















<sup>2)</sup> Significant risk transfer



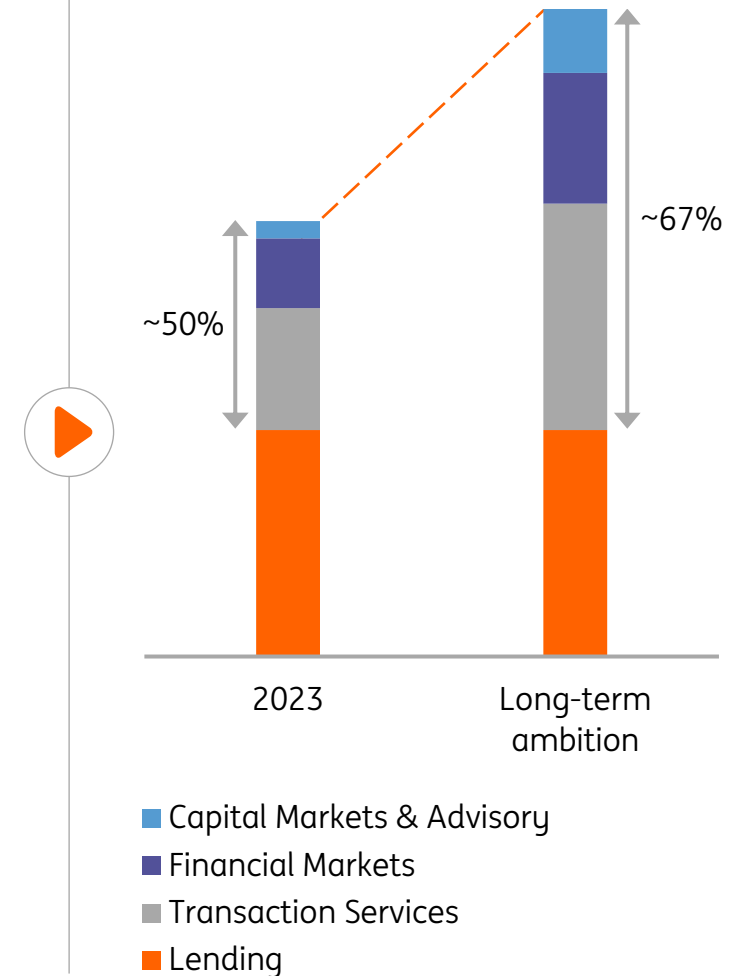
# Scaling our product foundations to further diversify income

▶ Our strategic priorities

## Shifting growth to fee generating and capital light products

	Capital intensity	Cost density	Income growth	
 Lending				<ul style="list-style-type: none"> <li>▪ Increase capital velocity with SRT</li> <li>▪ Expand lead arranger roles</li> </ul>
 Transaction Services				<ul style="list-style-type: none"> <li>▪ Diversify product mix and grow trade finance</li> <li>▪ Target underserved geographies</li> <li>▪ Grow deposit volumes</li> </ul>
 Financial Markets				<ul style="list-style-type: none"> <li>▪ Harmonise product suite</li> <li>▪ Increase green product offering</li> <li>▪ Scale up capabilities to financial institutions</li> </ul>
 Capital Markets & Advisory				<ul style="list-style-type: none"> <li>▪ Focus on enhancing loan distribution</li> <li>▪ Broaden capital markets product mix</li> <li>▪ Grow Corporate Finance in core sectors</li> </ul>

## To further diversify income





# Digital delivery supporting our products and services

▶ Our strategic priorities

## Driving efficiency through radical digitalisation & standardisation



Lending



- One digital platform
- Further digitalisation of deal execution processes
- (Gen)AI based credit packs review



Transaction Services



- Strengthen payment platforms
- Enhance product features
- Supplement (Gen)AI based transaction screening



Financial Markets



- Enhanced pricing tools
- Further automate compliance and payments activities
- Boost adoption and data driven insights



KYC



- Further increasing structural automation of processes
- Striving for zero touch end-to-end customer experience



**50-52%**

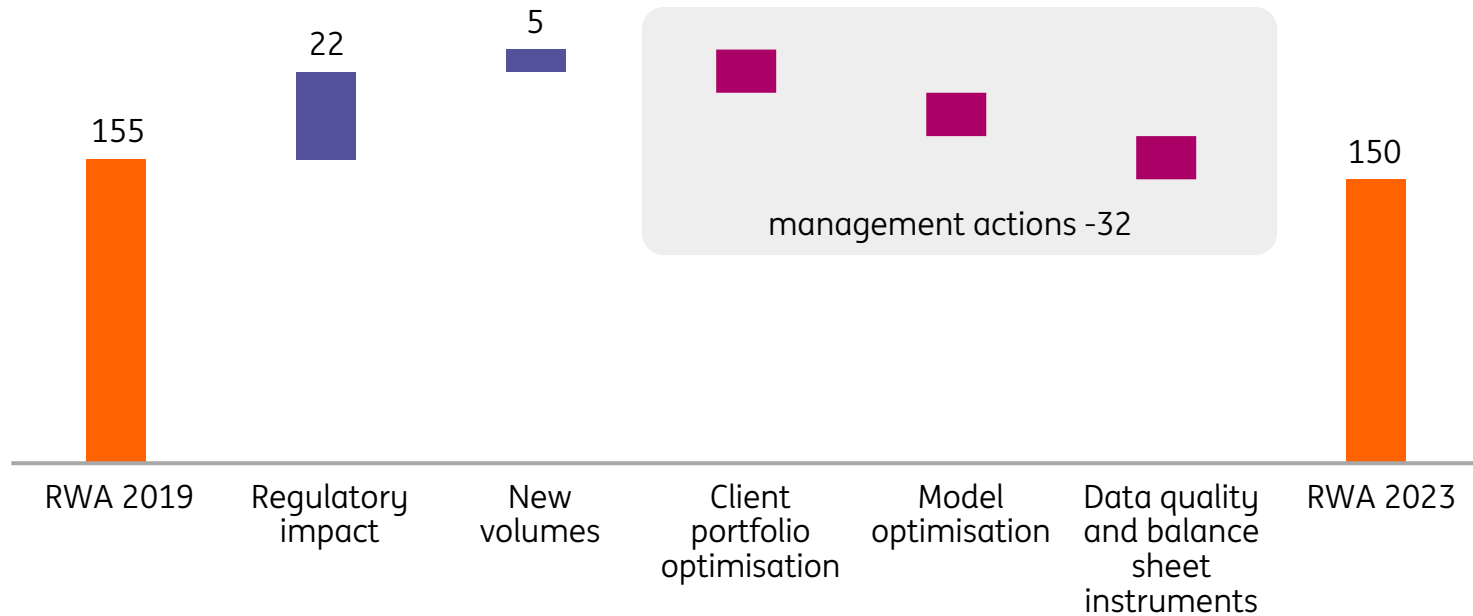
**Cost/income ratio**  
by 2027

# Continue focusing on capital management

▶ Our strategic priorities

## Management actions have absorbed regulatory add-on and volume growth

RWA (in € bln)



## With further potential ahead

Grow capital light products

Maximise sell-down in primary

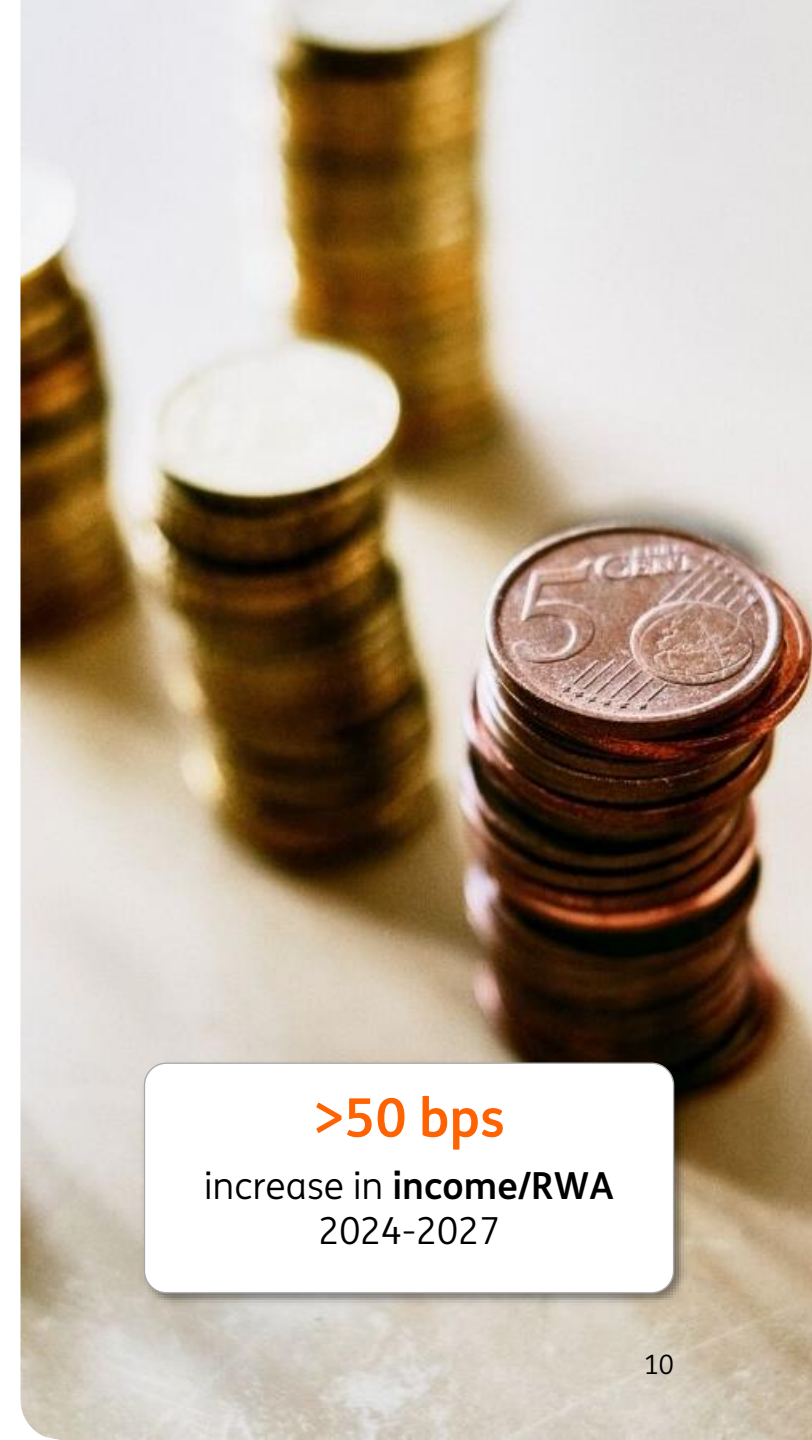
Expand synthetic risk distribution (SRT & CPRI<sup>1)</sup>)

Client portfolio optimisation

Expand secondary loan distribution

Additional partnerships with institutional lenders

<sup>1)</sup> Credit and political risk insurance



**>50 bps**

increase in **income/RWA**  
2024-2027

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

 Our targets



by growing the **difference**



<b>Income growth</b> in line with Group guidance	<b>Risk costs</b> maintained low through-the-cycle	<b>Sustainable volume mobilised</b> by 2027 <b>€150 bln</b>	<b>Cost/income ratio</b> by 2027 <b>50-52%</b>	<b>Increase income/RWA</b> 2024-2027 <b>&gt;50 bps</b>	<b>Return on equity<sup>1)</sup></b> by 2027 <b>&gt;12%</b>
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Structurally improved profitability and continued attractive shareholder returns

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

# 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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