



# ING Investor Update 2022

## Retail Banking

13 June 2022

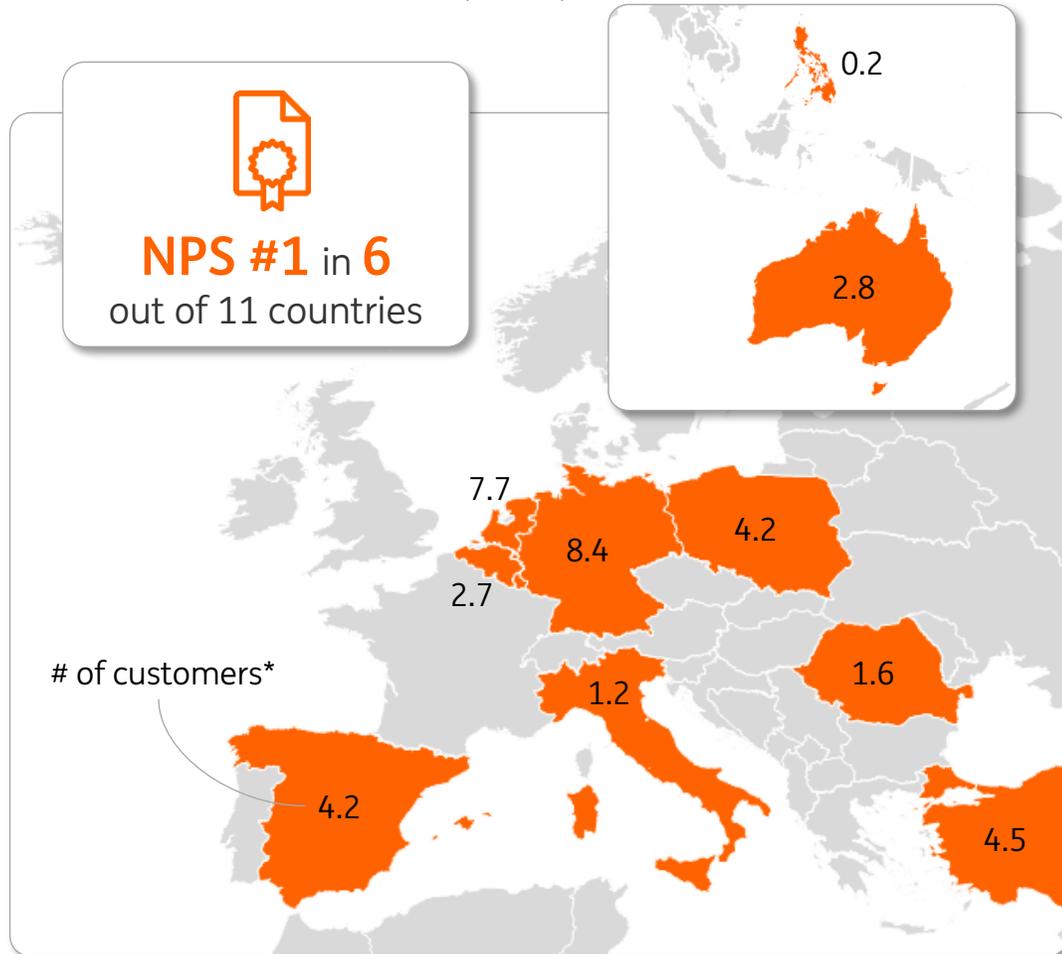


do your thing

# Serving 37 million customers in 11 countries

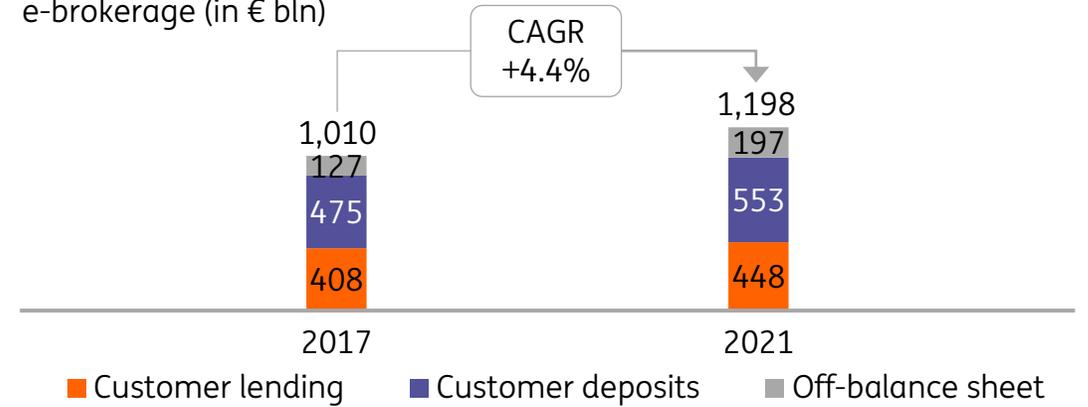
## A diversified footprint

Total retail customers\* 1Q2022 (in mln)



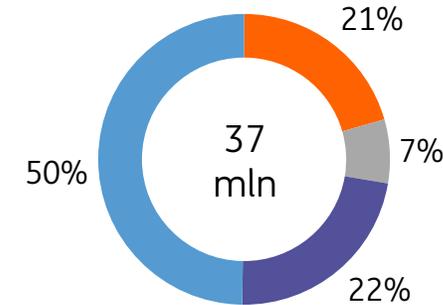
## Provides for well-balanced growth

Total customer balances including assets under management and e-brokerage (in € bln)

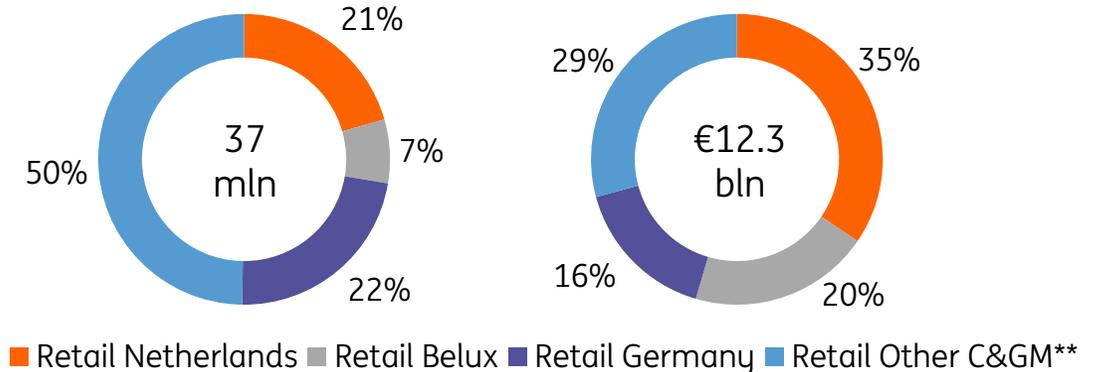


## With all geographies contributing

Total retail customers\* 1Q2022



Total income 2021



\* Private individual customers

\*\* Retail Other Challengers & Growth Markets includes Spain, Italy, Poland, Romania, Turkey, Philippines and Australia

# A track record of delivering value

## Superior customer experience

**+2.9 mln primary customers**

+5.8% CAGR 2017-2021

## Digital leadership

**91% interactions via mobile**

in 2021, versus **63%** in 2017

## Non-liability income\*

**€+2.0 bln**

+5.6% CAGR 2017-2021, helping to absorb loss of liability NII

## Cost discipline

**-6 bps costs over customer balances\*\***

in 2021 versus 2017



## Return on equity

**15.8%**

average over 2017-2021  
based on 12.5% CET1

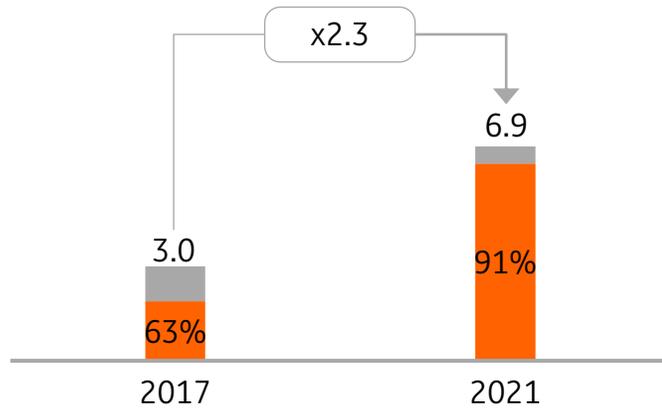
\* Total income excluding net interest income on liabilities

\*\* Total expenses excluding regulatory costs and incidental items over average customer balances

# Mastering digital leadership is our bread and butter

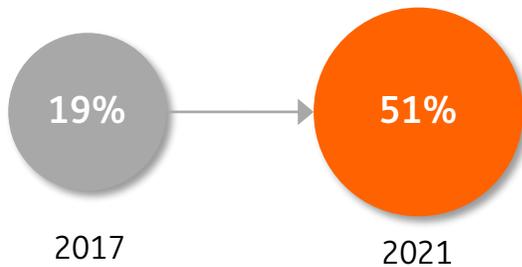
## Mobile is the main channel

Total number of interactions with ING (in bln)



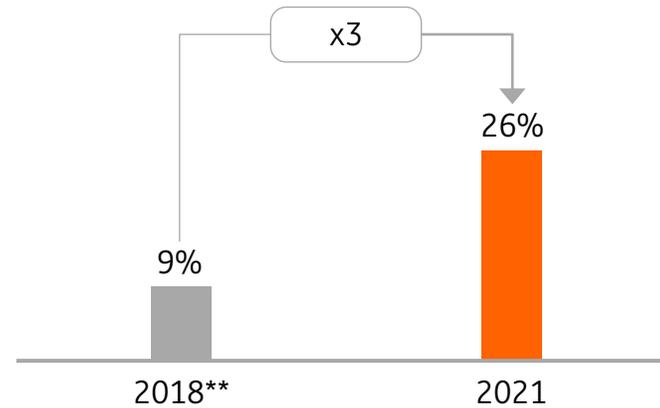
■ Mobile

## Mobile-only active customers



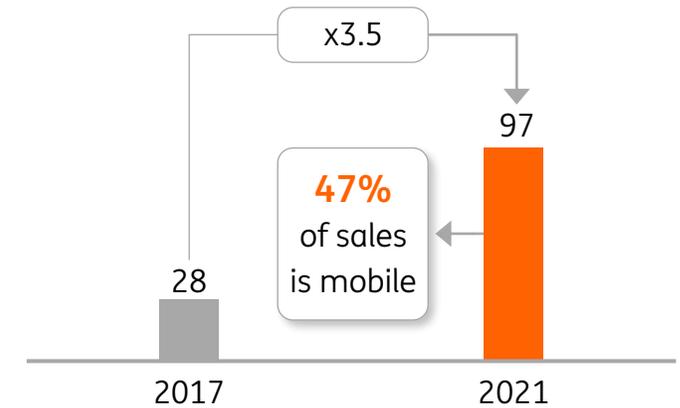
## And is becoming more personalised

% personalised customer interactions

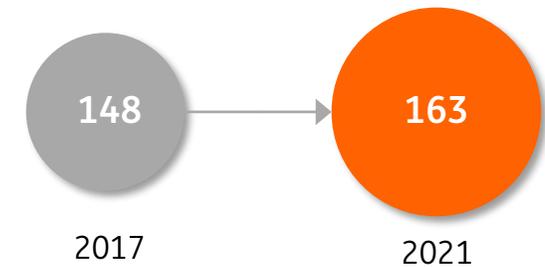


## Helping to boost mobile sales

Mobile sales\*



## Digital sales\*



\* Number of non-deposit sales per 1,000 active customers

\*\* First year when measurement was introduced

# Providing a superior customer experience is in our DNA

## A superior customer experience

**Relevant**

**Easy**

**Personal**

**Instant**

## Supported by digital capabilities

Personalised interactions  
Green products

Mobile onboarding  
Mobile engagement and sales  
Chat

Mobile first, assisted channels  
where needed

Straight-through-processing  
24/7 availability

## Leads to a higher NPS and more primary customers

**NPS ambition**

**#1 NPS in all countries**

**Primary customers**

**>17 mln by 2025**

5% annual growth

## Creating more value

Primary customers...

- ...interact **4x** more
- ...buy **2x** more products
- ...are **10x** more loyal
- ...are **3x** more profitable

# Income diversification strengthens our revenue resilience

## Strong fee growth

**+9.4%**  
CAGR 2017-2021  
**€+700 mln**  
in 2021 versus 2017

## With additional runway

### Growing primary customers

- Primary customers buy 2x more products, including fee-products such as investment products and insurance

### Growing fee generating products

- Investment products: core advice and e-brokerage
- Mortgage brokerage (Interhyp)
- Insurance products

### Further optimise daily banking fees

- Optimise pricing gap to local peers
- Introduce behavioral fees
- Introduce new value propositions (e.g. premium accounts)
- Further normalisation of international transactions

## Leading to continued growth

**Fee income target**  
**5-10% annual growth**

# Retail Netherlands – a digitally led universal bank

## Digitally led bank

### Digital customer base\*

**>80%**  
of **4.5 mln** primary  
customers uses mobile

**>8 mln**  
daily digital interactions

### Superior customer experience

**4.6** ★★★★★  
app rating\*\*

**Top 10**  
in iOS apps ranking\*\*\*

## Delivering value

### Fee income

**+7%**  
CAGR 2019-2021

**67%**  
daily banking/total fee  
income

### Cost-to-serve

**63%**  
less branches

**35%**  
less call volumes  
versus 2019

## Focus

### Sustainability

- Supporting energy transition of our clients with launch of sustainable products
- Improving our impact on financial health

### Income

- Regain liability margin
- Continued fee growth in daily banking, insurance and investment products
- Expand our digital proposition to business banking

### Operating expenses

- Increase digitalisation of key customer journeys
- Consolidation of activities in hubs
- Decommission legacy IT systems
- Continued optimisation of assisted channels

**Cost/income ratio <50% by 2025 versus 56% in 2021**

\* As per 1Q2022

\*\* iOS and Android rating per 1Q2022

\*\*\* Source: data.ai, ranking by number of active users

# Retail Belgium – transforming our franchise to make banking easier

## Digital transformation

### Digital customer base\*

**>70%**  
of **1.1 mln** primary  
customers uses mobile

**~2 mln**  
daily digital interactions

### Improving customer experience

**4.3 ★★★★★**  
app rating\*\*  
versus **3.2** in 2019

## Delivering value

### Fee income

**+18%**  
CAGR 2019-2021

**27%**  
daily banking/total fee  
income

### Cost-to-serve

**30%**  
less branches  
versus 2019

## Focus

### Sustainability

- Supporting energy transition of our clients with launch of sustainable products

### Income

- Regain liability margin
- Continued fee growth in insurance and investment products
- Expand our digital proposition to business banking

### Operating expenses

- Increase digitalisation of key customer journeys
- Consolidation of activities in hubs
- Decommission legacy IT systems
- Continued optimisation of assisted channels

**Cost/income ratio <58% by 2025 versus 67% in 2021**

\* As per 1Q2022

\*\* iOS and Android rating per 1Q2022

# Retail Germany – a market leading digital bank with further room to grow

## A growth engine

### Digital customer base\*

**~85%**  
of **2.3 mln** primary  
customers uses mobile

### Superior customer experience

**4.8 ★★★★★**  
app rating\*\*

**#1 NPS**

### Primary customers

**+0.9 mln**  
+14% CAGR since 2017

## Delivering value

### CAGR 2017-2021

**+23%**  
fee income

**+5%**  
mortgages balances

**+10%**  
mortgage brokerage  
(Interhyp)

**+26%**  
assets under  
management

**+18%**  
e-brokerage volumes

**+7%**  
consumer lending

## Focus

### Sustainability

- Scale up green mortgage and investment product offering

### Income

- Leverage large customer and deposit base to increase primary customers
- Regain liability margin
- Grow daily banking, investment and brokerage fee businesses
- Scale up digital-only SME business segment

### Operating expenses

- Increasing digitalisation of key customer journeys

**Cost/income ratio <50% by 2025 versus 58% in 2021**

\* As per 1Q2022

\*\* iOS and Android rating per 1Q2022

# Retail Other Challengers & Growth Markets – fast growing digital challenger banks

## Fast growing banks

### Digital customer base\*

**~90%**  
of **6.1 mln** primary  
customers uses mobile

### Superior customer experience

**#1 NPS**  
in 5 out of 7 countries\*\*

### Primary customers

**+1.8 mln**  
+9% CAGR since 2017

### Net core lending growth

**€+28 bln**  
+8% CAGR since 2017

## The power of diversification

### Our 3 largest non-eurozone countries



### Primary Customers

**+1.3 mln**  
+12% CAGR since 2017

### Total income

**€+682 mln**  
+9% CAGR since 2017

### Fee income

**€+123 mln**  
+14% CAGR since 2017

## Focus

### Sustainability

- Supporting energy transition of our clients with launch of sustainable products

### Income

- Grow primary customers
- Grow consumer lending, investment and insurance products
- Regain liability margin
- Further optimise daily banking fees

### Operating expenses

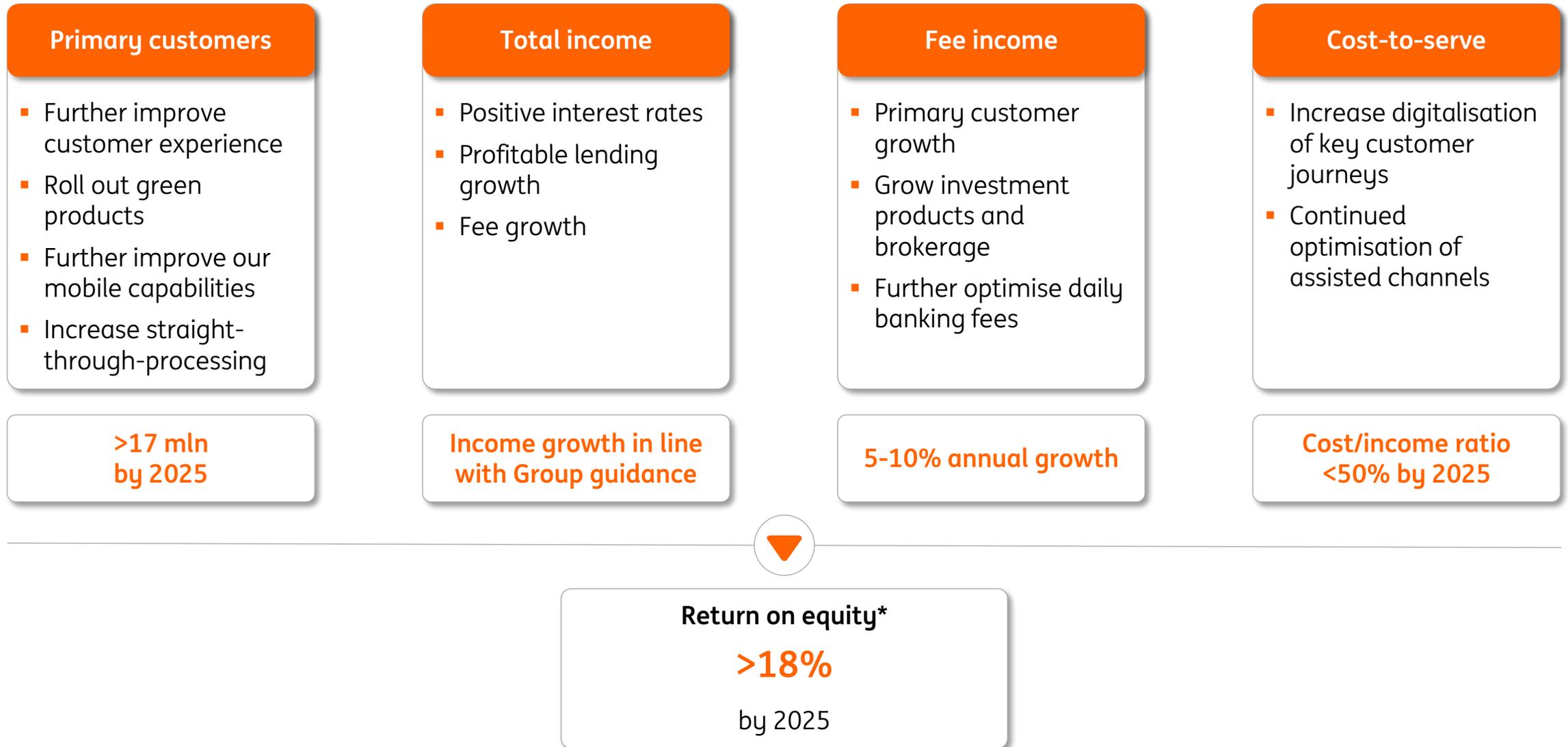
- Leverage scalable Tech and Operations
- Continued optimisation of assisted channels

**Cost/income ratio <59% by 2025 versus 68% in 2021**

\* As per 1Q2022

\*\* #1 NPS in Poland, Australia, Spain, Romania and Philippines

# Roadmap to 2025 targets



\* Based on 12.5% CET1

# 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 2021 ING Group consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to a number of factors, including, without limitation: (1) changes in general economic conditions and customer behaviour, in particular economic conditions in ING's core markets, including changes affecting currency exchange rates and the regional and global economic impact of the invasion of Russia into Ukraine and related international response measures (2) effects of the Covid-19 pandemic and related response measures, including lockdowns and travel restrictions, on economic conditions in countries in which ING operates, on ING's business and operations and on ING's employees, customers and counterparties (3) changes affecting interest rate levels (4) any default of a major market participant and related market disruption (5) changes in performance of financial markets, including in Europe and developing markets (6) fiscal uncertainty in Europe and the United States (7) discontinuation of or changes in 'benchmark' indices (8) inflation and deflation in our principal markets (9) changes in conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness (10) failures of banks falling under the scope of state compensation schemes (11) non-compliance with or changes in laws and regulations, including those concerning financial services, financial economic crimes and tax laws, and the interpretation and application thereof (12) geopolitical risks, political instabilities and policies and actions of governmental and regulatory authorities, including in connection with the invasion of Russia into Ukraine and related international response measures (13) legal and regulatory risks in certain countries with less developed legal and regulatory frameworks (14) prudential supervision and regulations, including in relation to stress tests and regulatory restrictions on dividends and distributions, (also among members of the group) (15) regulatory consequences of the United Kingdom's withdrawal from the European Union, including authorizations and equivalence decisions (16) ING's ability to meet minimum capital and other prudential regulatory requirements (17) changes in regulation of US commodities and derivatives businesses of ING and its customers (18) application of bank recovery and resolution regimes, including write-down and conversion powers in relation to our securities (19) outcome of current and future litigation, enforcement proceedings, investigations or other regulatory actions, including claims by customers or stakeholders who feel misled or treated unfairly, and other conduct issues (20) changes in tax laws and regulations and risks of non-compliance or investigation in connection with tax laws, including FATCA (21) operational and IT risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business (22) risks and challenges related to cybercrime including the effects of cyberattacks and changes in legislation and regulation related to cybersecurity and data privacy (23) changes in general competitive factors, including ability to increase or maintain market share (24) inability to protect our intellectual property and infringement claims by third parties (25) inability of counterparties to meet financial obligations or ability to enforce rights against such counterparties (26) changes in credit ratings (27) business, operational, regulatory, reputation, transition and other risks and challenges in connection with climate change and ESG-related matters (28) inability to attract and retain key personnel (29) future liabilities under defined benefit retirement plans (30) failure to manage business risks, including in connection with use of models, use of derivatives, or maintaining appropriate policies and guidelines (31) changes in capital and credit markets, including interbank funding, as well as customer deposits, which provide the liquidity and capital required to fund our operations, and (32) the other risks and uncertainties detailed in the most recent annual report of ING Groep N.V. (including the Risk Factors contained therein) and ING's more recent disclosures, including press releases, which are available on [www.ING.com](http://www.ING.com).

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