

ING Facing digital disruption

Banking S2

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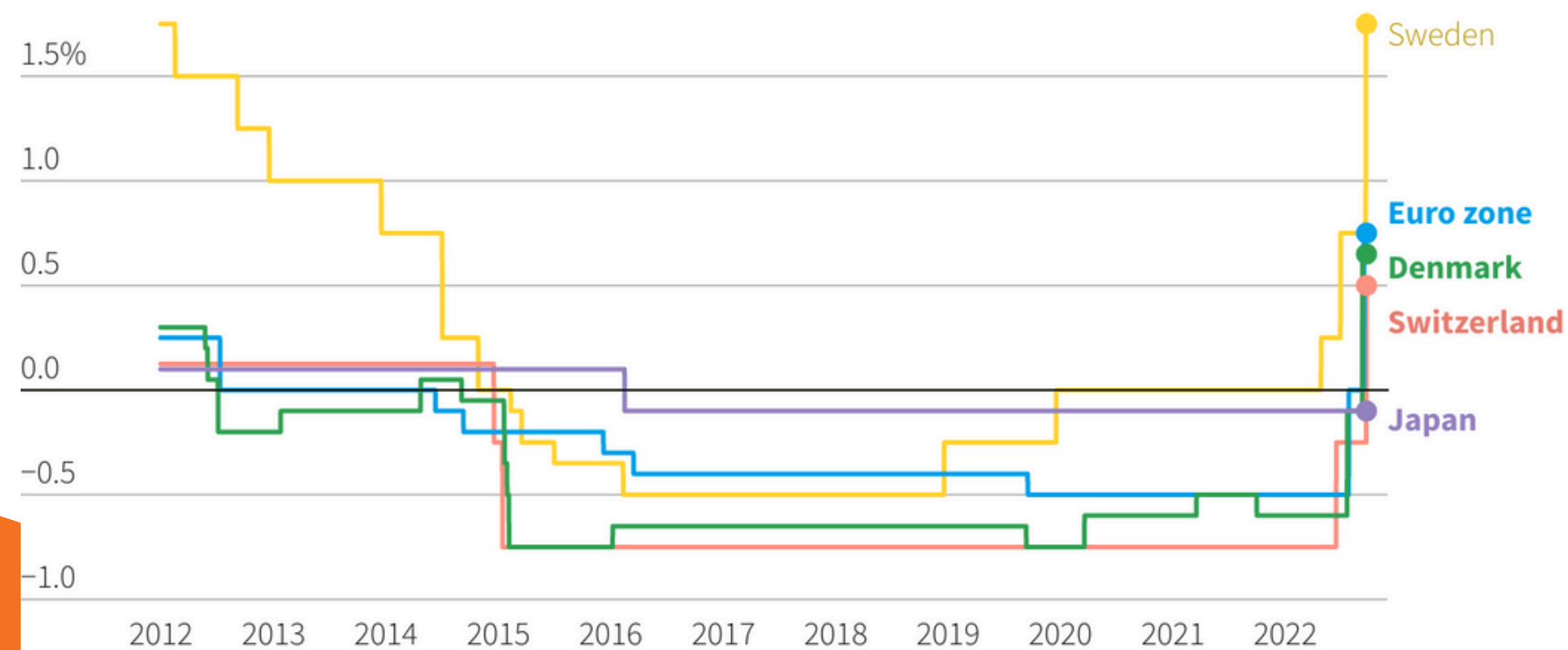
1. How has Digital Disruption Impacted the Banking Industry
2. What are the Advantages and Disadvantages?
3. ING's Current SWOT
4. What should ING do?
5. How will Digital Disruption affect ING's Internationalization?

Let's Set Some Context...

Digital disruption is changing things up...

Europe ends its negative rate experiment

Policy rates, last 10 years



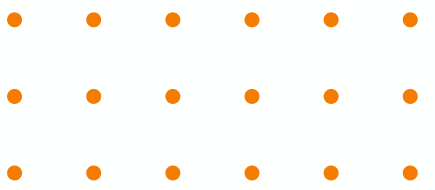
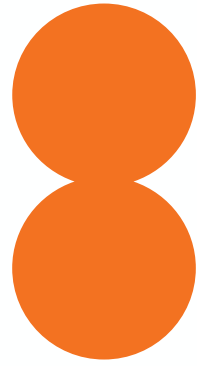
Source: Refinitiv Datastream | Reuters, Sept. 22, 2022 | By Vincent Flasseur



A Shift in Focus

From branch-centric to customer-centric.





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Internationale Nederlanden Groep



Venmo and
Square Cash



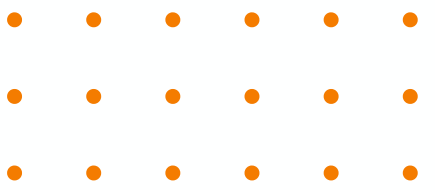
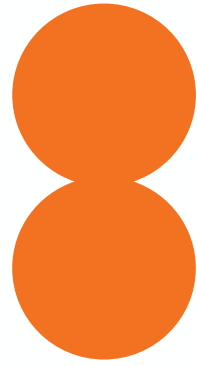
ClearXchange;
Zelle



Mondo and N26



Apple Pay and
WeChat Pay



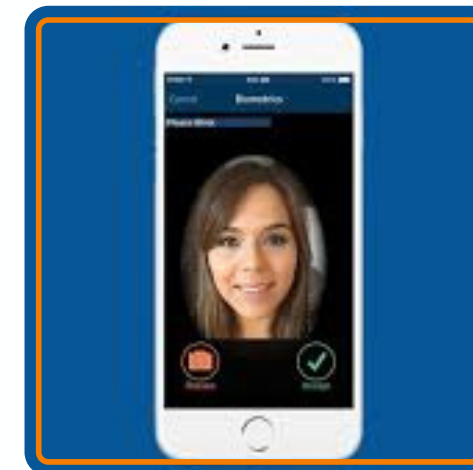
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AI



Bitcoin



Biometric
recognition



Schwab
Intelligent
Portfolios



ING Group
Annual Report
2016

Accelerate

Reported Data

98 %

Contact with
customers on
digital channels

50 %

Mobile
interactions
increased

100 %

Citigroup Inc.
From 1.8
Billion in
2010 to 19
Billions in
2015

Advantages of Digital Tech for Banks

01



Enhanced
Customer
Experience

02



Increased
Efficiency & Cost
Reduction

03



Expansion of
Services through
Fintech
Integration

04



Stronger Risk
Management &
Security

05



Greater Market
Reach &
Financial
Inclusion

Disadvantages of Digital Tech for Banks



Increased
Cybersecurity
Risks



High
Implementation
& Maintenance
Costs



Job Reductions
and Workforce
Challenges



Competition
from Fintech &
Big Tech
Companies



Digital Divide &
Customer
Adaptation
Issues

ING's Current SWOT



STRENGTHS

- Strong brand recognition
- Solid financial position
- Early investment in digital banking
- Successful omni-channel strategy
- Global presence & market leadership

WEAKNESSES

- Dependence on interest income
- Need for greater agility & efficiencies
- Operational complexity across markets
- Inconsistent market positions

OPPORTUNITIES

- Digital transformation
- Partnerships and acquisitions
- Expansion in growth markets

THREATS

- Increased competition from fintech & new entrants
- Cybersecurity risks
- New regulatory & compliance challenges
- Declining customer loyalty & trust

Haimers' Vision for ING

Innovation must be at the forefront of ING's strategy.



**“A Tech
Company
with a
Banking
License.”**

€800 M



ING's Digital Strategy

Recommendations on how ING should move forward...



Enhance Digital Touchpoints

Develop and refine digital advisory services.

Leverage data-driven insights.

Create an agile, frictionless customer experience.



Integrate Digital Platforms

Various platforms exist across global markets.

Integrate them into a single, scalable system.

Increased operational efficiency and cost savings.

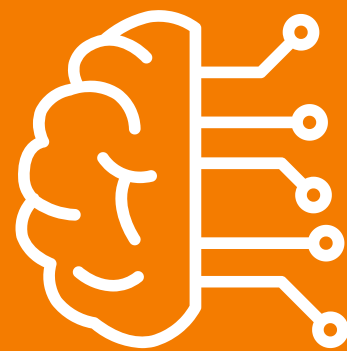
ING's Digital Strategy

Recommendations on how ING should move forward...



Strengthen Cybersecurity

Crucial to ensure consumers' financial safety.
Invest in fraud detection, secure transactions
and data privacy.



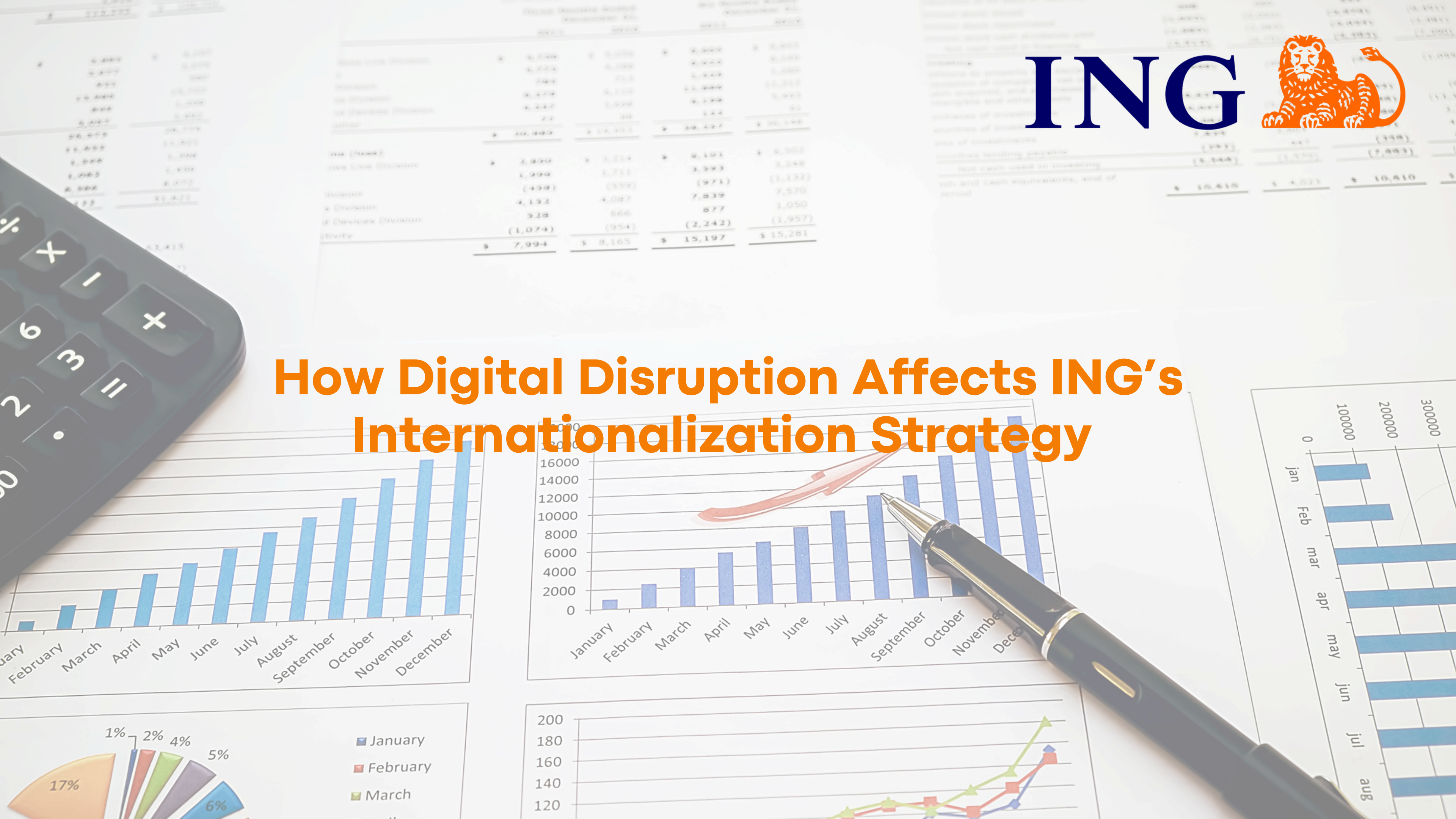
Attract Digital Talent

Interesting projects and company culture.
Implement attractive compensation plans.
Sustain innovation and drive transformation.

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How Digital Disruption Affects ING's Internationalization Strategy



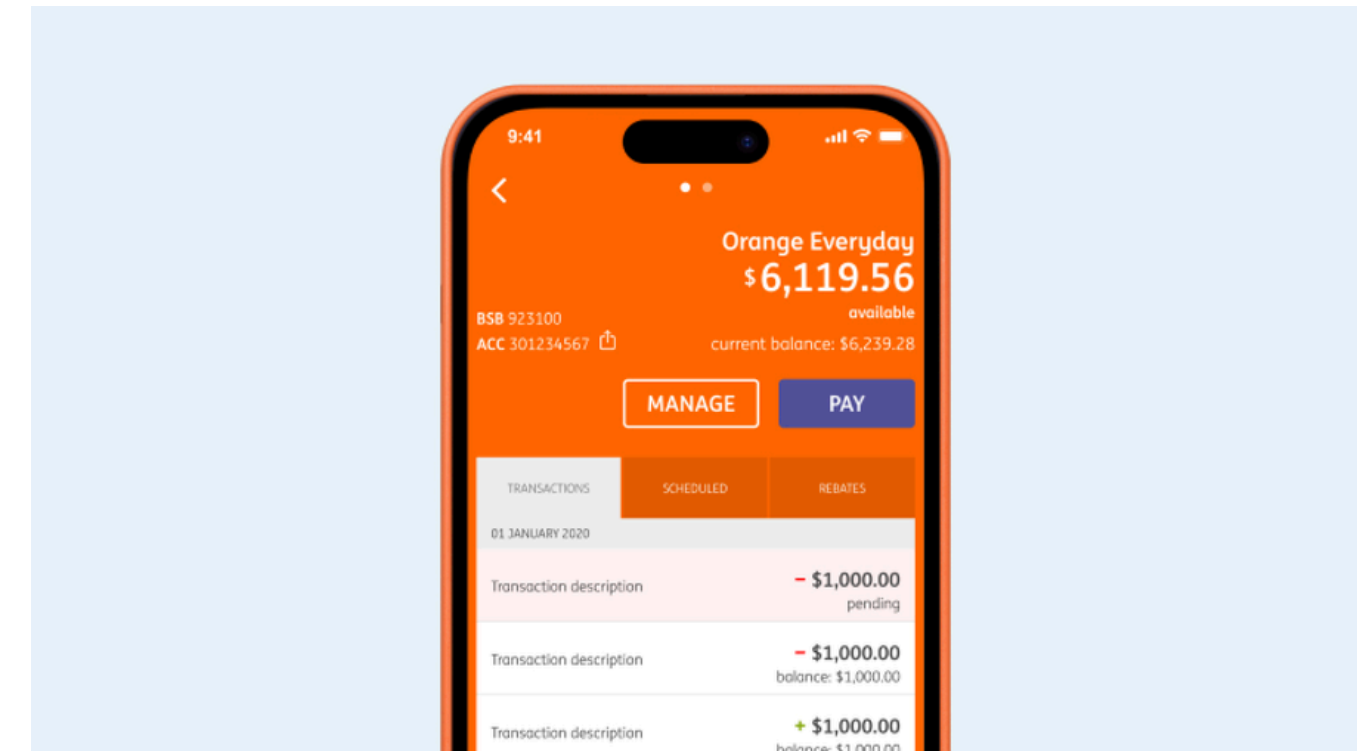
Digital Banking as a Key Driver for Growth



98% of ING's interactions are digital - fewer physical branches needed

Digital-first strategy -> faster, cost efficient global expansion

Competition from fintechs & neobanks requires constant innovation

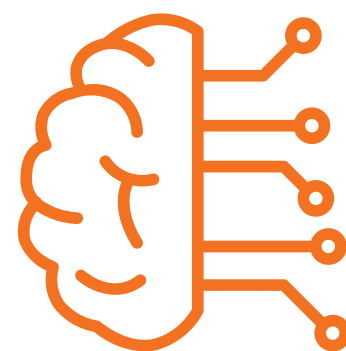




Challenges - Regulations & Workforce Transformation



Complex regulations in different countries - compliance is key



Automation & AI



ING must reskill employees to stay competitive

Conclusion & ING's Future Strategy

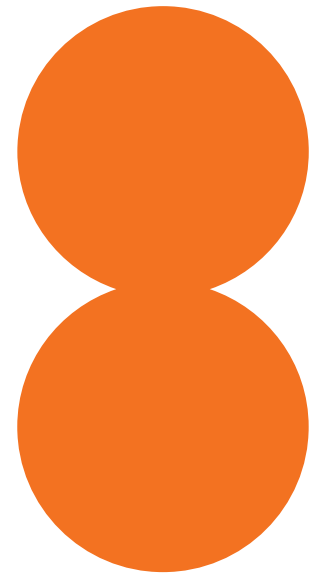


1. ING's expansion is digital, not physical

2. Competing with fintechs requires continuous innovation

3. Navigating global regulations is crucial

4. Workforce transformation is inevitable - reskilling is key



THANKS FOR LISTENING!

Got any questions?

