Opening speech
19 September 2019

TFI-CEPR event

Mark Cliffe, ING Group Chief Economist
8-10 Moorgate, London, EC2R 6DA
Major accomplishments creating value in period 2018 – August 2019

- **PUBLICATIONS AND EVENTS**
  ~90 TFI-related articles published and presented at 24 external and ING internal events.

- **REACH**
  Reached 16.6 million consumers in 8 European countries with TFI research insights.

- **COMMUNITY**
  Expanded our external research community worldwide from 240 to 900 members. Positive reputation for TFI in consumer research field.

- **COLLABORATIONS TO EMPOWER PEOPLE, ALSO BY USING DATA**
  Expanded research collaborations with institutions from 8 to 39, of which 8 use customers data as approved by ING Data Protection Board NL.

- **FROM RESEARCH TO LOCAL INNOVATION**
  Making research relevant to innovation e.g. via 12 fintech start-ups participating in Growth track programme of TFI.

- **“A FORMULA THAT WORKS”**
  Our main activities are about insights leading to innovation & thought leadership (PR).
TFI’S PLANNED JOURNEY TOWARDS SELF-SUSTAINABILITY

2016 – 2017
Creating the right setup
• Set up the organization – establishing initial network of partners
• Tested approaches to most effective impact making method

2018 – Mid 2019
Proving first impact
• Significant reach (16 million individuals) and first relevance
• Degree of maturity in conducting core activities

Mid 2019 – End 2019
Scale the impact
• Further increase TFI’s impact effectiveness (beyond reach: relevance to people’s lives via next stage of innovation activities)

2020 – Mid 2021
Make TFI self-sustainable
• Increase organizational robustness via a self sustaining business model with a legal structure to support that
• Further increase TFI’s impact effectiveness
TFI CALL FOR RESEARCH PROPOSALS

Funding for short-term and long-term research projects.

Empirical (interdisciplinary) research encouraged. Especially those providing new insights into economic, social, technical or behavioural factors.

The research insights should inspire effective interventions or solutions to the 1) day-to-day money stress problems and 2) financial future challenges faced by the not financially empowered population in developed countries.

PRIORITY THEMES 2019

1. Negative life events, financial shocks, problematic debt, insurance.
2. Social networks, moral and social norms, small groups/local communities, peer effects on spending and borrowing.
3. Digital technologies, digital identity, data privacy, opportunities & risks for people’s money management.
4. Dynamics in (financial) decision-making between or across generations.
5. Human financial behaviours across space and time.
6. The sharing and circular economy.

Wildcard submission
As long as proposal is original & relevant for people’s (financial) decision-making, financial health and well-being.

SPECIFICATIONS FOR SUBMISSIONS

SHORT-TERM RESEARCH TRACK
Project duration max. 6 months and funding up to EUR 10,000.

LONG-TERM RESEARCH TRACK
Project duration max. 2 years and funding up to EUR 100,000.

✓ Proposals by research teams or individual researchers affiliated to institutions. Not from private individuals.

✓ Survey data from the ING International Survey can be made available. Access to ING Netherlands anonymised client data for research-only purposes, subject to approval from Data Protection Board.

How to apply?
www.thinkforwardinitiative.com/research/news/

SUBMIT YOUR PROPOSAL BEFORE 6 OCTOBER 2019
## TFI HEAT MAP

<table>
<thead>
<tr>
<th>Spending and Budgeting</th>
<th>Borrowing</th>
<th>Saving</th>
<th>Investing</th>
<th>Pensions</th>
<th>Planning and Ensuring</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frequency/Time Scale</strong></td>
<td>High frequency / habitual</td>
<td>Low Frequency &quot;Big Ticket&quot;</td>
<td>Overdrafts, short term loans</td>
<td>Consumer credit, including auto loans</td>
<td>Long term loans, mortgages</td>
</tr>
<tr>
<td><strong>Transactions/Life Moments</strong></td>
<td>Groceries, transport, utilities</td>
<td>Leisure, durables, trips</td>
<td>Holidays, Cars, weddings, homes</td>
<td>Temporary/ recurrent income shortfalls</td>
<td>Purchases of cars or other consumer durables</td>
</tr>
</tbody>
</table>

### Macro
- Income
- Inflation
- Jobs / wages
- Interest rates
- Asset Prices
- Taxes/Benefits
- Pensions
- Regulations
- Demographics

### Meso
- Peers
- Social Networks
- Advisers-firms
- Friends
- Families
- Partners
- Geo-spatial mobility/localisation
- Communication
- Technology

### Micro
- Age
- Gender / Family composition
- Education
- SE background
- Financial Literacy
- Personality (traits)
- Economic preferences & identity
- Subjective expectations/perceptions
- Values and Emotions
- Intuition and Experience
FROM ING RESEARCH REPORT: ING INTERNATIONAL SURVEY

Tech in banking: in strong demand but adopted with care (May 2019)

- 90% of those using different money management devices to check their account balance, simply use whichever is most accessible.
- 66% think fingerprint log-in is secure; just 35% think voice recognition is secure.
- 61% say they wouldn’t want a computer program making investment decisions on their behalf; just 35% say the same about having their spending habits analysed.
- 73% agree that banks should deliver the latest technologies to their customers; 36% think their bank is over-ambitious in delivering more digital ways to interact.

FROM SAME ‘TECH IN BANKING REPORT’

Keeping closer track of finances with devices

My financial goals are .. clear

- Less: 6%
- No more or less: 46%
- More: 43%
- Don't know: 5%

I view my account balance ... frequently

- Less: 8%
- No more or less: 27%
- More: 63%
- Don't know: 2%

I think about money ...

- Less: 32%
- No more or less: 52%
- More: 33%
- Don't know: 3%

I take ... risk with my money

- Less: 28%
- No more or less: 51%
- More: 16%
- Don't know: 5%

I take ... time to make financial decisions

- Less: 28%
- No more or less: 46%
- More: 21%
- Don't know: 9%

Sample size: 11,902

HOW CAN BANKS COMPETE WITH BIG TECH PLATFORMS?

Reimagining banks as ‘decision-making services’ companies
1. Capital and **regulatory requirements** (including KYC)
   - Tech companies focus more on retail payments than lending
   - Amazon, Alibaba are partial exceptions

2. Expertise in **risk management** (maturity transformation) - lending as the banks’ ‘moat’

3. Data advantages - **transactional data** (esp. off-line), income, housing…

4. Data **regulation of tech** may help to level the playing field

5. **Trust** - an opportunity to become data guardians in a new world of ‘data democracy’