

ING Green Bond issuance

7 November 2018

thinkforward



ING Green Bond issuance

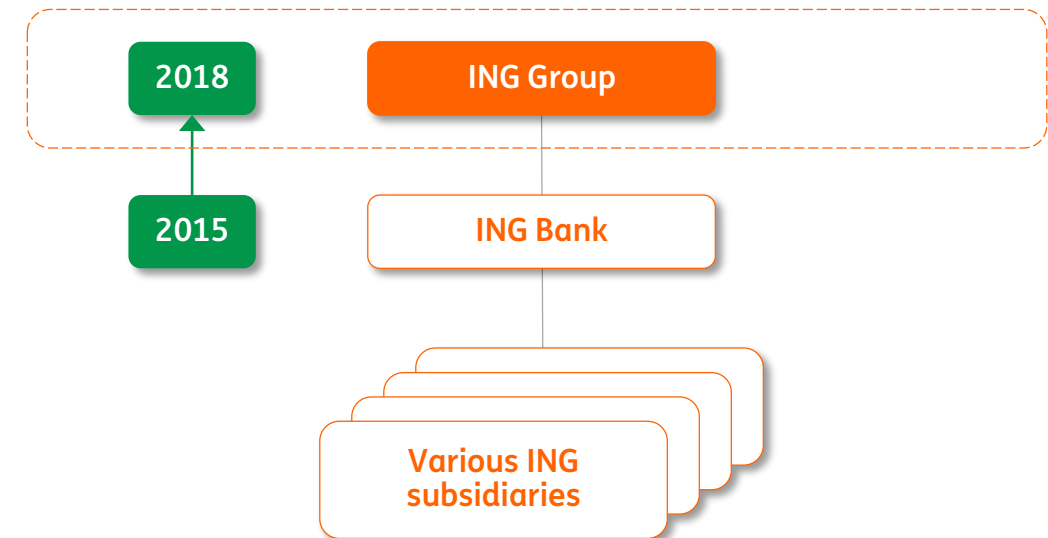
Green Bond issuance objectives

①	<ul style="list-style-type: none"> Meet future MREL/TLAC requirements First Green HoldCo issuance for ING
②	<ul style="list-style-type: none"> Align with the HoldCo resolution strategy and the recycling of ING Bank senior unsecured instruments
③	<ul style="list-style-type: none"> Fund significant growth in our green asset portfolio since 2015 Underline the zero coal exposure 2025 ambition by focusing on renewable energy
④	<ul style="list-style-type: none"> Continued leadership in the Green Bond market Development of the USD Green Bond market

Verification



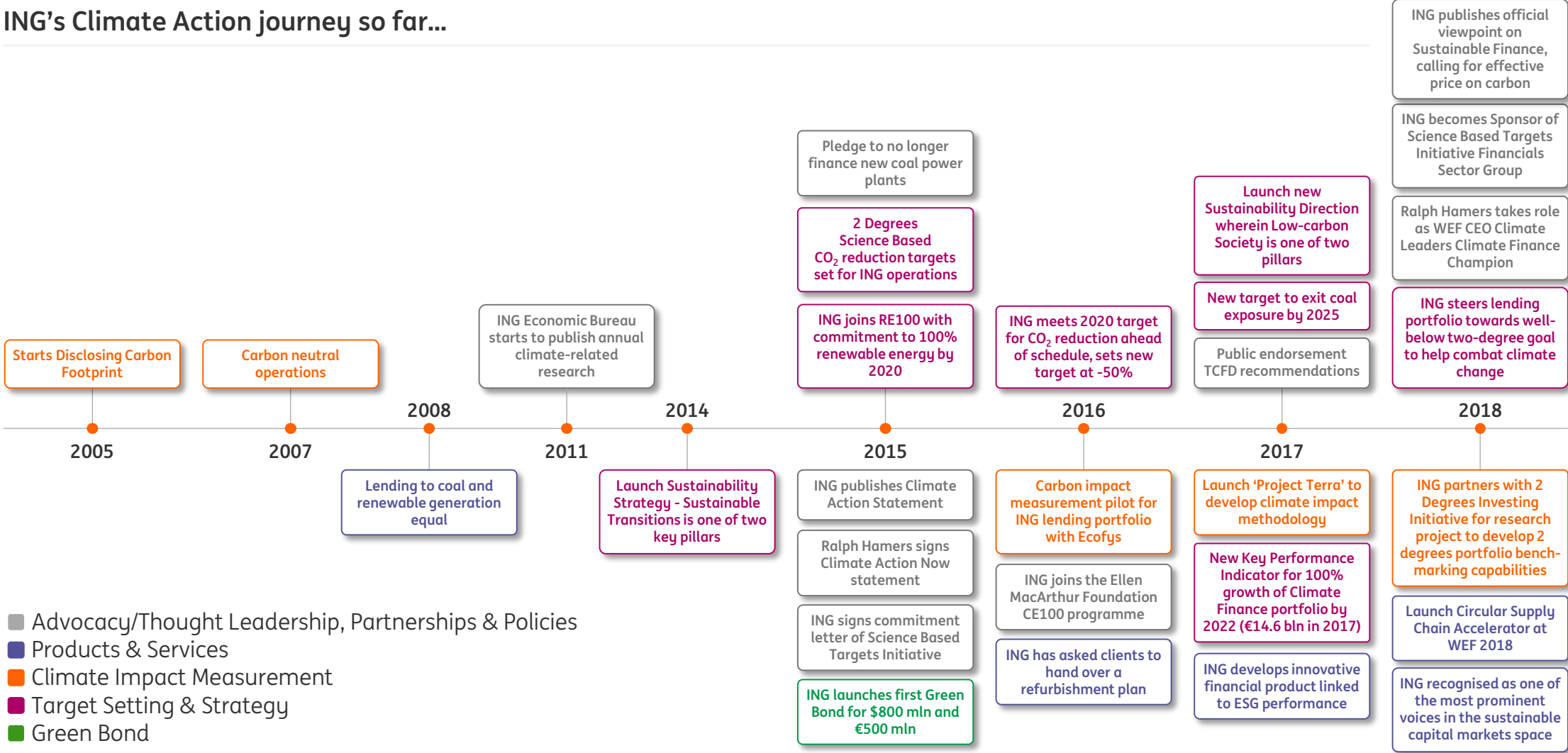
	2015 Green Bond	2018 Green Bond
Issuer	ING Bank N.V.	ING Group N.V.
(Expected) Issue Rating	Aa3 / A+ / A+	Baa1 / A- / A+
Currency / Size	€500 mln & \$800 mln	€ & \$ Benchmark
Second party opinion	ISS-oekom	ISS-oekom




ING Sustainability Strategy

A history of Climate Action leadership

ING's Climate Action journey so far...



Our objectives and ambitions

Theme	Objectives	Ambitions		
 <div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: #2e8b57; color: white; padding: 5px; writing-mode: vertical-rl; transform: rotate(180deg);">Low carbon</div> <div style="background-color: #800040; color: white; padding: 5px; writing-mode: vertical-rl; transform: rotate(180deg);">self-reliant</div> </div>	Steer ING's lending portfolio to align to well-below 2°C goal	2°C alignment		
	Reduce carbon intensity of mortgage portfolio			
	Reduce ING's direct footprint	50% CO₂	100% renewable	20% water
	Increase Climate Finance portfolio two-fold by 2022	100% growth		
	Streamline ESR and innovate externally	Zero coal by 2025		
	Increase # of customers feeling financially empowered	34 mln people		
	Empower people to make better financial decisions with THINK FORWARD INITIATIVE	100 mln people		
	Empower adolescent with UNICEF POWER FOR YOUTH	335 k adolescents		

ING supports clients in the transition to a low carbon economy (1)

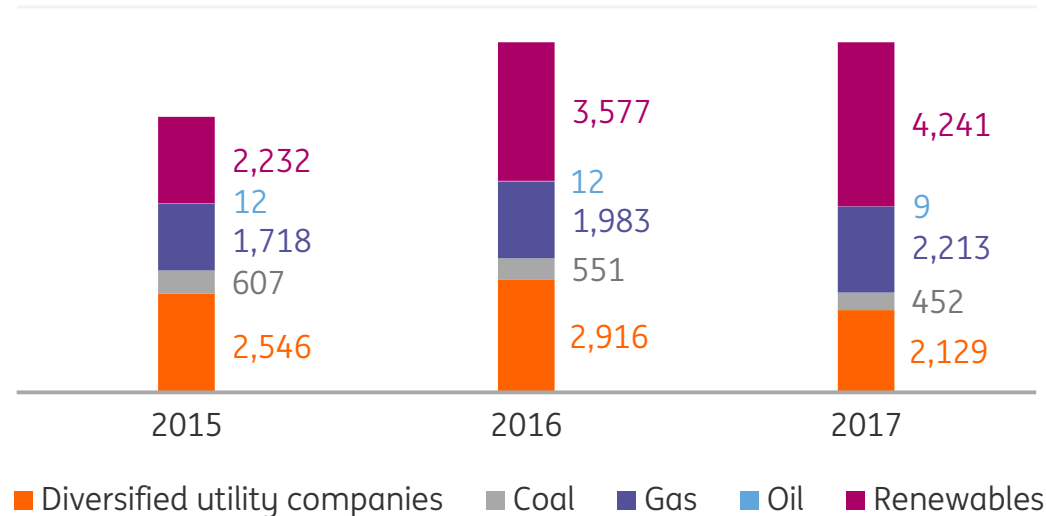


- September 2018: Start aligning >€600 bln lending portfolio with the Paris Agreement's well-below two degree goal through the Terra approach. ING is the first global bank to commit to using science-based scenarios to steer business strategy*
- December 2017: ING accelerated reduction of financing coal power generation, reducing exposure to ~zero by 2025



- International team of 50 dedicated professionals to finance renewable energy projects
- Innovator in the Americas project finance market by providing financings in emerging renewable energy sectors, including residential rooftop solar, community choice aggregator solar, and community solar

Total Power Generation lending outstandings (in € mln)



* <https://www.ing.com/Newsroom/All-news/ING-will-steer-portfolio-towards-two-degree-goal-to-help-combat-climate-change.htm>

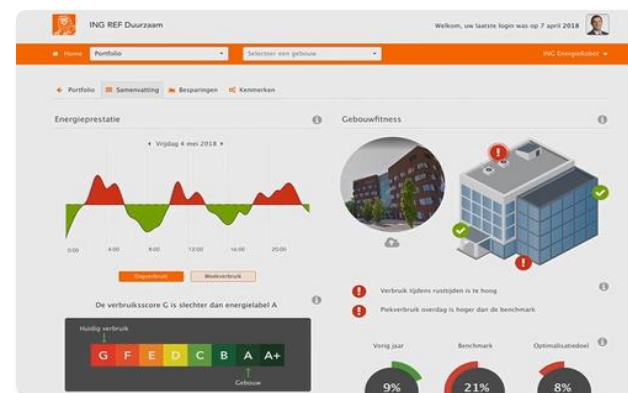
ING supports clients in the transition to a low carbon economy (2)

- ING's ambition: a fully sustainable commercial real estate portfolio in the Netherlands in 2023
- ING asked commercial real estate customers to provide concrete plans to make their office buildings more sustainable
- Targeting 4,000 Dutch clients and 28,000 buildings
- ING clients in the Netherlands can reduce CO₂ emissions of real estate by 10-20% – €50 mln of annual energy cost savings

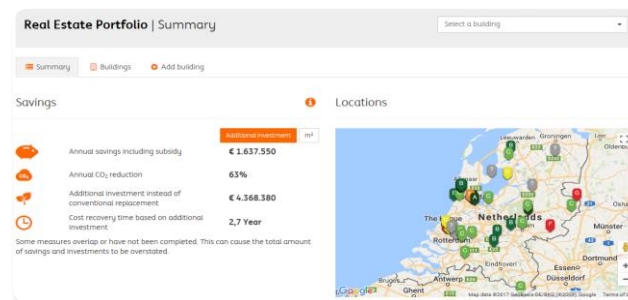
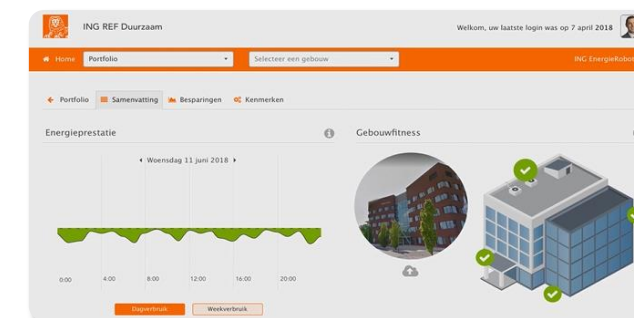


- Starting 2017 ING only offers new financing in the Netherlands for office buildings with an A, B or C energy label*
- Energy efficiency analysis of the client's commercial real estate
- "ING energy robot" compares data from the smart meter of the building with a benchmark of that specific building
- Free on-site BREEAM and Energy check by an expert

Energy consumption after first scan










Energy consumption after energy advice and adjustment




* <https://www.ing.com/Newsroom/All-news/ING-will-only-finance-green-office-buildings-in-the-Netherlands-after-2017.htm>

ING has a strong Sustainability track record

	ESG Rating provider	ESG Rating
2018	 ISS-ekom	Prime - 26 out of 246 companies rated
	 Dow Jones Sustainability Indexes	82 / 100
	 SUSTAINALYTICS	Pending
	 G R E S B	83 (No 1 in Global ESG real estate debt asset management)
2017	 CDP DRIVING SUSTAINABLE ECONOMIES	A and part of the 'Climate A list'
	 FTSE4Good	Constituent
	 MSCI	A

“ We use sustainability criteria in our capital allocation choices to help stimulate the transition to a sustainable economy. ”

Ralph Hamers
Chief Executive Officer of ING Group



ING's award winning Green Bond



Ban Ki-moon speaks of ING's Green bond
 “[...] ING has committed to allocate at least 20 per cent of the proceeds from the issuance of a five-year €500 mln and three-year \$800 mln green bond to fund new projects, including for resilience.”

- Innovative financial structure**
 - Inclusive approach
- New investor base**
 - 70% allocation to green investors
- Drive Progress in green bonds**
 - Biggest FIG green bond in FY15

Netherlands 11/15

ING Bank NV
EUR 500m
 0.750% Green Bond due Nov 2020
US\$ 800m
 2.000% Green Bond due Nov 2018




December 2015 Source: www.un.org & ING.com

ING Green Bond

ING Green Bond Framework

1 Use of proceeds

- Eligible Green Loan Portfolio includes:
 - Renewable energy (global)
 - Wind and Solar
 - Green buildings (Netherlands)
 - EPC label A
- At the moment no loans are added to the Eligible Green Loan Portfolio from the other categories in the Green Bond Framework

3 Management of Proceeds

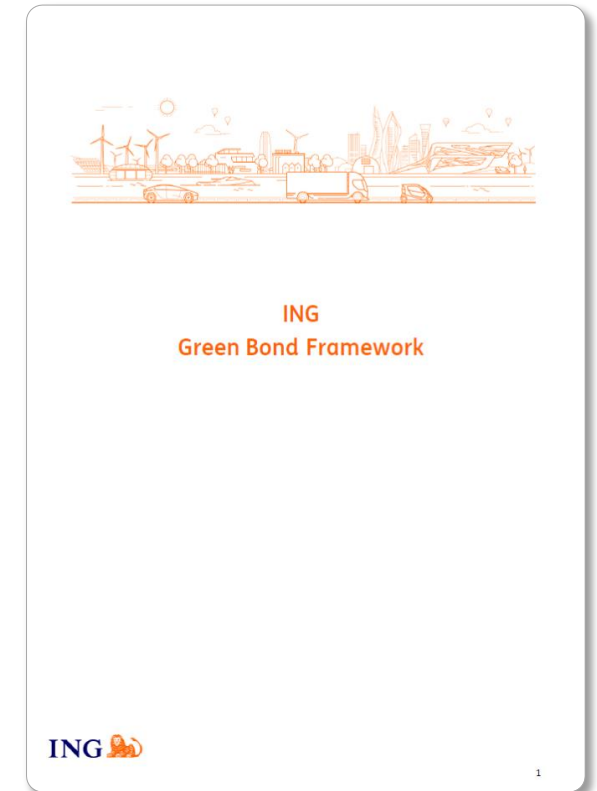
- Portfolio based allocation approach
- Total number of loans 2,556
- Single pool of eligible green loans:
 - Renewable energy €2.935 bln
 - Green buildings €1.596 bln
 - Total Eligible Green Loan Portfolio €4.531 bln

2 Project Evaluation and Selection

- When identifying eligible projects and their non-financial impacts ING may rely on external consultants and their data sources
- A Green Bond Committee will manage any future updates to the Framework, including expansions to the list of Eligible Categories
- ING's Environmental and Social Risk policies transaction approval process ensures that loans comply with environmental and social policies*

4 Reporting

- Aggregated (multiple Green Bonds possible)
- Allocation report: number of eligible loans, balance of unallocated proceeds, amount or the percentage of new financing and refinancing
- Impact report: total installed renewable energy capacity in MWh, estimated energy consumption in kWh/m², estimated annual avoided / reduced CO₂ emissions in tons
- GHG Emissions avoided / reduced for Eligible Green Loan portfolio: 4,288,000 ton CO₂eq



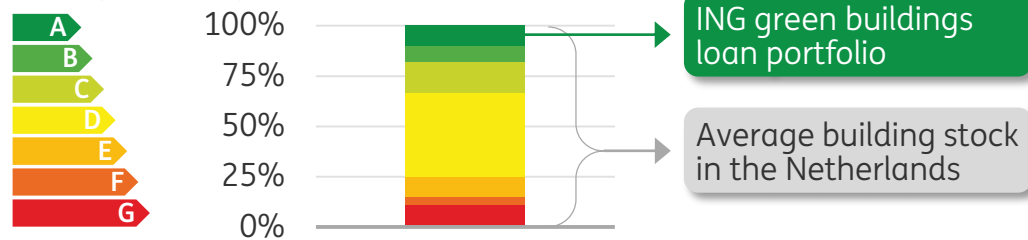
* <https://www.ing.com/Sustainability/Sustainable-business/Environmental-and-social-risk-policies.htm>

Eligible Green Loan Portfolio: green buildings (Netherlands)

Use of Proceeds: green buildings



Comparison of energy label in ING Green Buildings Loan Portfolio and average building stock in the Netherlands



Group composition ING green buildings loan portfolio in the Netherlands

	#	m ²	Refurbished	New
Industry	142	429,999	65%	35%
Office	149	272,597	82%	18%
Retail	556	388,263	84%	16%
House	1,482	210,746	27%	73%
Other	93	97,134	68%	32%
Total	2,422	1,398,739	47%	53%

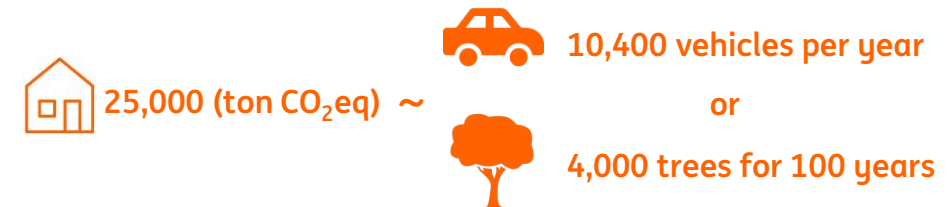
Definition: The assets in the ING green building portfolio have energy label A, and belong to the top 10% of the Dutch real estate market. The portfolio is dynamic and may be expanded in the future with similar buildings in other countries

Impact report: green buildings**



Total portfolio size	€1.596 bln
Avoided / reduced emissions	25,000 ton CO ₂ eq*
Avoided / reduced emissions per mil € invested by ING	15.8 ton CO ₂ eq/ mil €

	Number	%	CO ₂ -emission (ton CO ₂)	CO ₂ -emission Original building code (ton CO ₂)	CO ₂ -emission Reduction (ton CO ₂)
Refurbished buildings	1,150	47%	36,478	55,459	-18,981
New buildings	1,272	53%	19,171	25,342	-6,170
Total	2,422	100%	55,649	80,801	-25,151



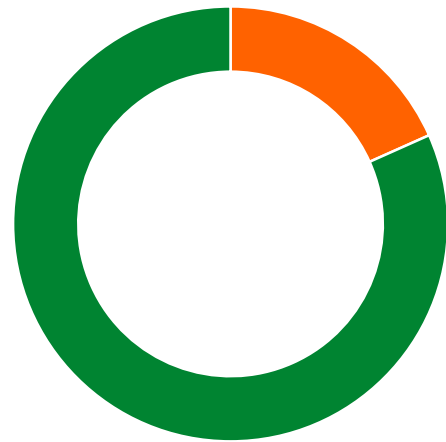
* ING is sole financier for the green buildings portfolio, 100% stake
 ** For refurbished buildings, the CO₂-emission Reduction is 34.2%

Eligible Green Loan Portfolio: renewable energy (Global)

Use of Proceeds: renewable energy



Number of Projects by Technology



Total avoided Emissions (ton CO₂eq) (number of projects in parentheses)

Wind	3,482,000 (96)
Solar	781,000 (38)

Deal as a percentage of total portfolio*



- United Kingdom
- Italy
- United States
- Germany
- Portugal
- France
- Spain
- Belgium
- Netherlands
- Australia

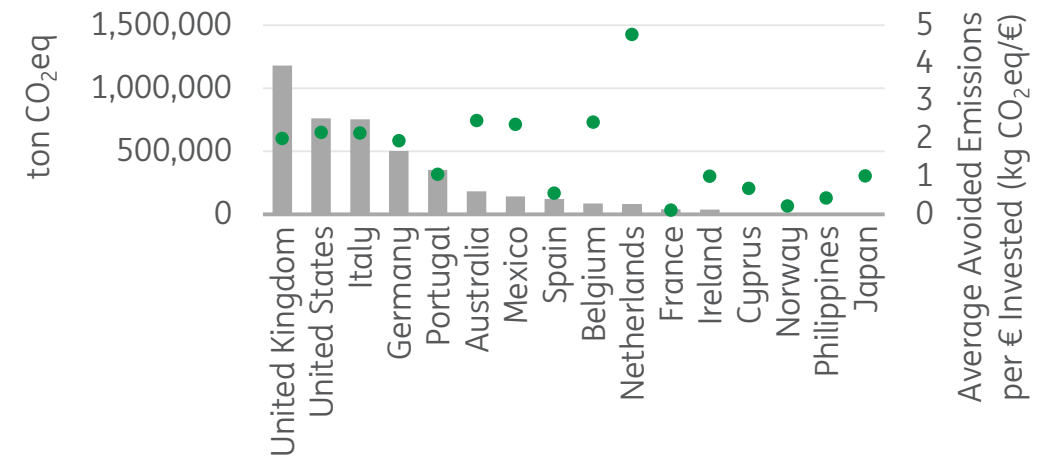
* Legend exclusive of other with share smaller than 1%

Impact report: renewable energy (Global)



Total portfolio (share ING)	€2.935 bln
Avoided emissions solar + wind	4,263,000 ton CO ₂ eq
Avoided emissions per mil € invested by ING	1452.4 ton CO ₂ eq/ mil €

Avoided emissions (lhs) and avoided emissions per euro invested (rhs) by project country



3,482,000 (ton CO₂eq)
 1.8 million vehicles per year

781,000 (ton CO₂eq)
 682,000 trees for 100 years

~ or

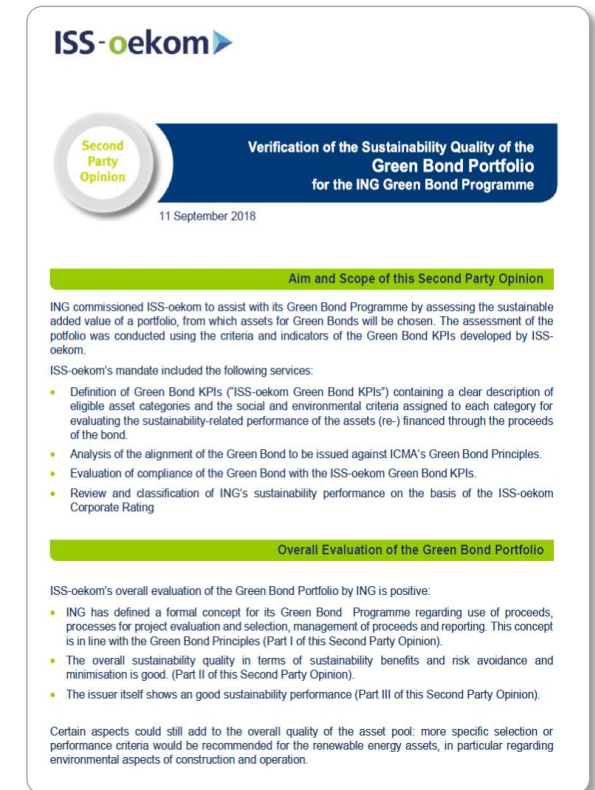
ISS-oekom Second party opinion and CBI certification

Opinion on the Green Bond

- ISS-oekom's overall evaluation of the Green Bond Portfolio by ING is positive
- ING Green Bond is in line with the Green Bond Principles
- ING has provided ISS-oekom with detailed information describing eligibility criteria for the assets to be included in its Green Bonds, the processes of selecting eligible assets, the management of proceeds and the future reporting to investors
- All assets are required, according to ING's ESR Policies, to have minimum environmental mitigation measures in place during construction and operation
- All projects underwent an appropriate and detailed selection process that ensures good standards regarding energy efficiency
- The overall sustainability quality in terms of sustainability benefits and risk avoidance and minimisation is good
- ING has obtained the pre-issuance certification from the Climate Bonds Initiative

Opinion on issuer sustainability

- ING was awarded a score of C and classified as "Prime". This means that the company performed well in terms of sustainability, both compared against others in the industry and in terms of the industry-specific requirements defined by ISS-oekom. In ISS-oekom's view, the securities issued by the company thus all meet the basic requirements for sustainable investments
- ING achieved a rating that was above the average for the sector. A very significant outperformance was achieved in "Sustainable investment criteria"



Disclaimer

This document has been prepared by or on behalf of ING Wholesale Banking ('ING') solely for information purposes and as a platform for discussion and by accepting this document you agree to be bound by the following limitations and obligations. Copyright and intellectual property right protection of this presentation is reserved by ING. It may therefore not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved.

While ING has taken reasonable care to ensure that the information contained herein is not untrue or misleading at the time of presentation to the client, ING makes no representation with regard to the accuracy or completeness of the information, part of which was obtained from the client and public sources and relied upon as such. The information contained in this presentation is subject to change without notice. Neither ING nor any of its officers or employees accepts any liability for any loss arising from any use of this presentation or its contents.

The information is further subject to there having been, in the sole opinion of ING, no material adverse change in the international capital or loan markets prior to the implementation of this proposal.

None of the information should be interpreted as an offer to sell securities or as investment advice of any kind, and this presentation does not constitute a commitment, or an offer to commit, to any transaction or financing by ING or any of its affiliates and subsidiaries. The provision of any such commitment, or the making of such an offer, is subject to, amongst other things, commercial and internal credit and underwriting approvals, satisfactory completion of due diligence, execution of legal documentation acceptable to ING and receipt by ING of satisfactory conditions precedent.

ING calls for attention to the fact that it is part of ING Groep N.V. ("ING Group"). Members of ING Group may advise or provide services (including investment advice) and act as an active investor in equity shares and other securities. Please be informed that in order to avoid any possible conflicts of interest, investment decisions in securities are taken fully independently by the investment portfolio professionals.

This document is not investment advice and does not constitute 'investment research' as defined in article 36(1) of Commission Delegated Regulation 2017/565 supplementing Directive 2014/65/EU, as amended. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. It is not an offer or solicitation for the purchase or sale of any financial instrument. Neither ING nor any of its officers or employees accepts any duty of care to the recipient or any liability for any direct or consequential loss arising from any use of this document or its contents. Only investors with sufficient knowledge and experience in financial matters to evaluate the merits and risks should consider an investment in any issuer or market discussed herein and other persons should not take any action on the basis of this report. Before making an investment decision you should seek advice from such independent advisers as you deem necessary. Copyright and database rights protection exists in this document and it may not be altered, reproduced, sold or distributed by any person for any purpose without the prior express consent of ING. ING Wholesale Banking is the marketing name for the corporate and investment banking business of ING Bank N.V. and certain of its subsidiary companies.

You should not construe the contents of this presentation as legal, tax, accounting, investment or other specialist advice or a personal recommendation. You are expected to rely on your own due diligence if you wish to proceed further in connection with a possible transaction and should consult your own counsel, tax, financial or other specialist advisers as to legal and related matters concerning any transaction described herein. No investment, divestment or other financial decisions or actions should be based solely on the information in this presentation.

This presentation serves as a basis for further discussion and is not intended to be legally binding.

ING is authorised by the Dutch Central Bank.