FitchRatings

ING Groep N.V.

Ratings

Foreign Currency	
Long-Term IDR	A+
Short-Term IDR	F1
Derivative Counterparty Rating	A+(dcr)
Viability Rating	a+
Support Rating	5
Support Rating Floor	NF
Sovereign Risk	
Long-Term Local- and Foreign-Currency IDRs	AAA
Country Ceiling	AAA

Outlooks

Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Local- and Foreign-Currency IDRs	Negative

Applicable Criteria

Bank Rating Criteria (February 2020)

Related Research

Fitch Affirms ING Groep at 'A+'; Outlook Negative (September 2020)

Global Economic Outlook - September 2020 (September 2020)

Large European Banks Quarterly Credit Tracker - 2Q20 (September 2020)

Major Benelux Banks: 1H20 Results

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Key Rating Drivers

Robust Company Profile, Solid Capitalisation: ING Groep N.V.'s ratings are supported by its leading franchise in retail and commercial banking in the Benelux region and adequate diversification in selected countries. The bank's resilient and diversified business model emphasises lending operations with moderate exposure to volatile businesses, and it has a sound record of earnings generation. The ratings also reflect the group's sound capital ratios and balanced funding profile.

Pandemic Stress: ING has enough rating headroom to absorb the deterioration in financial performance due to the economic fallout from the coronavirus crisis. The Negative Outlook reflects the downside risks to Fitch's baseline scenario, as pressure on the ratings would increase substantially if the downturn is deeper or more prolonged than we currently expect.

Asset Quality: The Stage 3 loan ratio remained sound at 2% at end-June 2020 despite the economic disruption generated by the lockdowns in the countries where ING operates. Fitch expects higher inflows of impaired loans from 4Q20 as the various support measures mature, driven by SMEs and mid-corporate borrowers and more vulnerable sectors such as oil and gas, shipping and transportation. However, under Fitch's baseline scenario the four-year average for the Stage 3 loan ratio should not increase above 3% in the following two years.

Profitability Affected by Higher Impairments: The operating profit/risk-weighted assets (RWA) decreased to 1.2% in 1H20 from 2.1% in 2019 due to the surge in loan impairment charges (LICs). About 40% of LICs was related to collective provisions on performing loans. We expect short-term pressure on profitability from a temporary increase in LICs above the group's through-the-cycle average of 25bp. The profitability should revert to pre-crisis levels with an operating profit/RWA of about 2% from 2022 as LICs normalise.

Sound Capitalisation: The group's common equity Tier 1 (CET1) ratio was 15% at end-June 2020. This provides a robust buffer of about 450bp above the revised minimum CET1 requirement. ING has already absorbed most of the expected RWA inflation resulting from regulatory changes such as the targeted review of internal models (TRIM), the new definition of default, and the Basel III "end-game" input floor, which was delayed to January 2023.

Stable Funding, Strong Liquidity: The stable funding profile reflects a strong franchise in some deposit-rich jurisdictions, such as Belgium and Germany, and ready access to the wholesale markets. Wholesale funding maturities are reasonably spread over time and the group's ample liquidity buffer further mitigates refinancing risk.

ING Bank N.V. Notched Up: ING Bank's Long-Term Issuer Default Rating (IDR; AA-/Negative) is one notch above its Viability Rating (VR; a+). Fitch believes external senior creditors benefit from resolution funds ultimately raised by the holding company and designated to protect ING Bank's creditors in a group failure scenario.

Rating Sensitivities

Weaker Financial Profile: We will downgrade ING's ratings if its impaired loan ratio is higher than 3% over a prolonged period, or if the operating profit/RWA does not revert to 2% as expected under our assumptions. The ratings are also sensitive to a material decrease in the CET1 ratio below 15% on a sustained basis. ING's IDRs could also be downgraded in the event of a significant build-up of double leverage at the holding company, although this is not our baseline.

Outlook Back to Stable: Fitch would revise the Outlook to Stable if economic conditions normalise and ING's financial performance is in line with our baseline expectations.

Related Issuer Ratings

Rating Level	ING Bank N.V.	ING Belgium NV/SA
Long-Term IDR	AA-	AA-
Short-Term IDR	F1+	F1+
Derivative Counterparty Rating	AA-(dcr)	AA-(dcr)
Viability Rating	a+	a-
Support Rating	5	1
Support Rating Floor	No Floor	
Outlook	Negative	Negative

Source: Fitch Ratings

Fitch assesses the group on a consolidated basis. ING Bank, the main operating company, is ING's only significant asset, and the probabilities of default of the two entities are highly correlated. ING acts as the holding company and its VR is equalised with that of ING Bank. The group is regulated on a consolidated basis, there is no double leverage at the holding company level, liquidity is managed centrally, and the fungibility of capital between the holding company and the bank is high.

ING Belgium NV/SA's Long-Term IDR is one notch above ING's VR because its external senior creditors will benefit from resolution funds raised by the bank's ultimate parent, ING, and designed to protect its senior creditors in a group failure scenario. This is because ING Belgium is a material foreign subsidiary of ING Bank, the main operating entity of ING, which also benefits from a one-notch uplift on its Long-Term IDR.

Debt Rating Classes

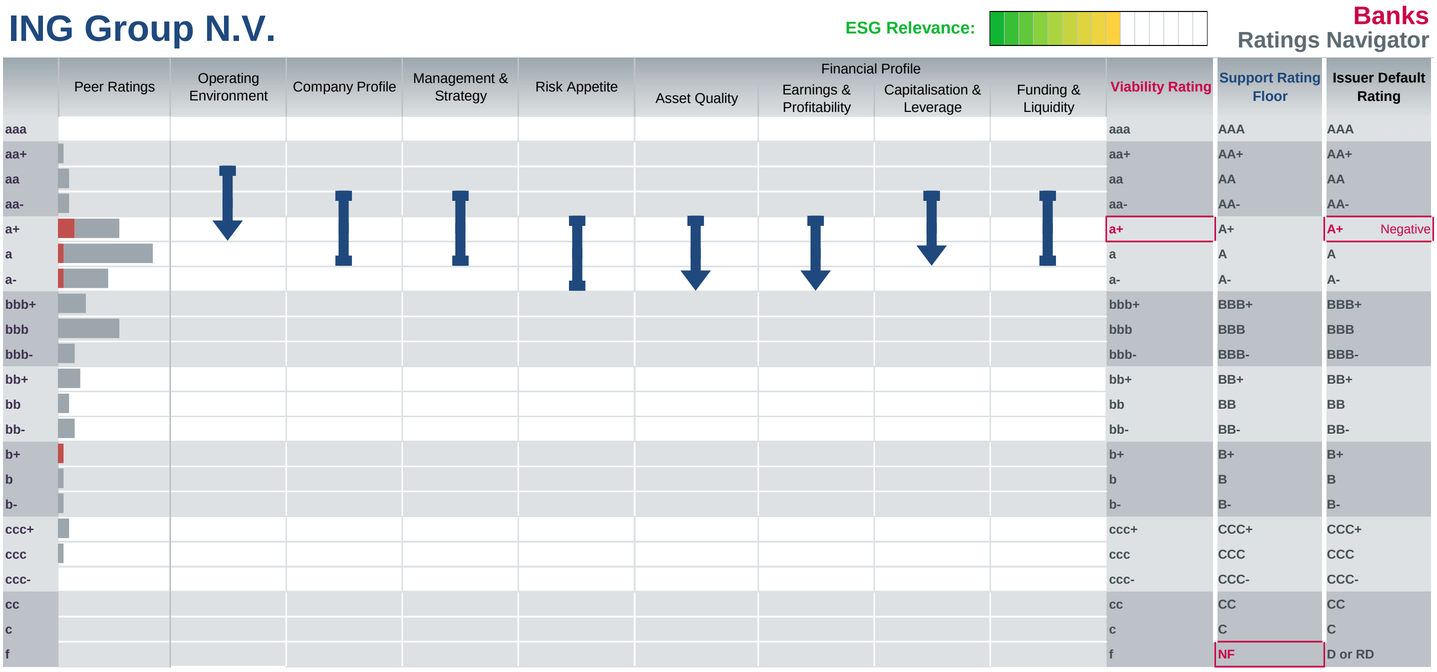
Rating Level	ING Group N.V.	ING Bank N.V.
Deposits Rating		AA-/F1+
Senior unsecured debt	A+/F1	AA-/F1+
Tier 2 debt	A-	A-
Additional Tier 1 notes	BBB	

Source: Fitch Ratings

ING's and ING Bank's senior unsecured debt is rated in line with their respective IDRs. ING Bank's deposits are rated 'AA-/F1+' as deposits rank pari passu with senior preferred debt and derivatives claims in the Netherlands.

The Tier 2 debt issued by these entities is rated two notches below their VRs, reflecting the higher-than-average loss severity of this type of debt. The additional Tier 1 notes are four notches below ING's VR reflecting the higher-than-average loss severity risk of these securities (two notches) as well as the high risk of non-performance (two notches).

Ratings Navigator



Significant Changes

Weaker Operating Environment

ING's three largest markets are the Netherlands, Belgium and Germany. Fitch expects the eurozone GDP to contract by 9% in 2020 followed by a rebound of about 5.5% in 2021. Fitch's baseline scenario sees the health crisis contained by 2H20, leading to a recovery as lockdowns are removed and policy stimulus takes effect. However, there are downside risks in the event of a second wave of infections and a resumption of lockdown measures.

Government support measures for private sectors are sizeable relative to the GDP, particularly in the Netherlands and Germany and moderate in Belgium. We expect these measures to mitigate the impact, at least temporarily, of the direct coronavirus-related losses on the bank's financial metrics in these markets.

The Dutch government has voted for a large fiscal package accounting for about 10% of GDP, which should partly cushion the impact on the banks' asset quality. It includes government guarantees on new bank loans for companies, wage subsidies and support to self-employed workers and a temporary tax suspension.

The policy response to the coronavirus pandemic will adversely affect governments' public debt ratios. This has not led to a negative rating action so far on the Dutch sovereign (AAA/Stable; affirmed in April 2020), but it has contributed to the change of the Outlook on the Belgium sovereign's 'AA-' rating to Negative from Stable.

Bar Chart Legend

Vertical bars – VR range of Rating Factor

Bar Colors – Influence on final VR

- Higher influence
- Moderate influence
- Lower influence

Bar Arrows – Rating Factor Outlook

⇧	Positive	⇩	Negative
⇳	Evolving	▫	Stable

Company Summary and Key Qualitative Assessment Factors

Strong Franchise in Core Markets, Diversified Business Model

ING is the largest Dutch bank by total assets and has the highest international presence among domestic peers. The group's leading position in retail and commercial banking in the Netherlands and Belgium results in good pricing power. The company profile is underpinned by the geographic diversification, skewed towards developed European countries where the group has satisfactory market positions. ING has built an adequate retail franchise in Germany where it operates through its online platform. Germany (including wholesale banking) has become the largest contributor to revenue after the Benelux region, representing 15% of revenue in 1H20.

The business model is highly weighted towards traditional banking with a low proportion of volatile businesses in the business mix. The wholesale banking business focuses on lending and transaction services in more than 40 countries. This results in solid and recurrent revenue generation through the cycle, and at the same time in high dependence on net interest income (NII), which typically accounts for around 75% of revenue. To reduce its reliance on NII, ING continues to focus on increasing fee income (about 15% of revenue).

Weaker Economic Environment to Challenge Profitability Targets

ING's current strategic plan focuses on growth in its retail customer base and efficiency gains through digitalisation. We do not expect a significant shift in the group's strategy under the new chief executive (appointed in July 2020, the former CRO).

ING has a good record of organically growing its retail banking franchise outside its home countries. The group was successful in building fully-fledged online banks in Germany, Poland and Romania with adequate market shares. It has also managed to increase the number of retail primary customers, who bank mainly with ING, to 13.5 million at end-June 2020. This provides high cross-selling revenue compared with non-primary clients. It plans to pursue the growth to reach more than 16.5 million primary clients by 2022.

Profitability and cost efficiency targets should be more difficult to meet by end-2020 given the earnings pressure resulting from the sharp deterioration in the economic environment. The group aims to generate cost efficiencies mainly by creating cross-border banking platforms with shared support functions and harmonised product offering. This entails some execution risk and cost benefits will take time to materialise due to necessary IT investments. The group no longer targets to centralise the Dutch and Belgian core banking systems, however it continues to work on the harmonisation of the digital customer proposition which should be achieved before 2022. France, Spain, Italy and the Czech Republic are set to share one platform from 2021.

Sound Underwriting

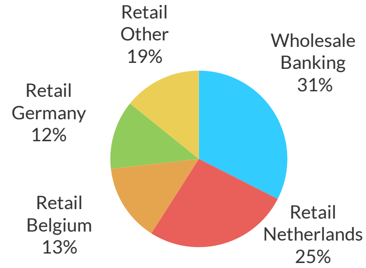
Underwriting standards are in line with similarly rated peers' and we expect them to remain consistent over economic cycles. In wholesale banking, lending is predominantly secured, with conservative limits on single-name, sector and country concentrations. More than half of the wholesale exposure relates to investment grade borrowers. The broad international footprint results in exposures to more volatile countries, such as Turkey, although these appear to be well managed.

The pockets of risk relating to cyclical sectors such as oil and gas, commodities and trade finance, shipping and commercial real estate (CRE) together account for about 2.2x the group's CET1 capital at end-June 2020. But moderate credit risk is present. Trade and commodity exposure is typically short term, related to financing trade flows and the main risk faced by the bank is fraud. In oil and gas, ING has limited appetite for financing borrowers directly exposed to oil price changes. Stricter underwriting standards over the recent years in CRE lending should translate into better resilience during economic downturns.

Limited Market Risk

ING is mainly exposed to structural interest rate risk in the banking book, which is moderate. It is hedged after accounting for customer behaviour in relation to savings repricing and loan prepayments, and measured against the sensitivity of earnings and value of equity to interest rate changes. Market risk in the trading book is low.

Operating income[a]



[a] Excluding EUR123m in Corporate Line
Source: Fitch Ratings, ING Group

ING Group Financial Targets

(%)	End-June 2020	Ambition
CET1 ratio[a]	15	13.5%
Leverage ratio	4.3	>4%
Return on equity[b]	6.1	10-12%
Cost/income[b]	58.9	50-52%

[a] The target is post-Basel III "endgame" and includes a management buffer (incl. Pillar 2 guidance) of 300bp above the 10.5% current CET1 requirement
[b] Four-quarter rolling average and based on underlying income
Source: Fitch Ratings, ING Group

Summary Financials and Key Ratios

	30 Jun 20		31 Dec 19	31 Dec 18	31 Dec 17
	6 months - interim (USDm)	6 months - interim (EURm)	Year end (EURm)	Year end (EURm)	Year end (EURm)
	Unaudited	Unaudited	Audited - unqualified	Audited - unqualified	Audited - unqualified
Summary income statement					
Net interest and dividend income	7,761	6,931	14,194	14,018	13,794
Net fees and commissions	1,686	1,506	2,868	2,798	2,710
Other operating income	834	745	1,127	1,484	977
Total operating income	10,282	9,182	18,189	18,300	17,481
Operating costs	5,953	5,316	10,352	9,908	9,829
Pre-impairment operating profit	4,329	3,866	7,837	8,392	7,652
Loan and other impairment charges	2,237	1,998	1,120	656	682
Operating profit	2,092	1,868	6,717	7,736	6,970
Other non-operating items (net)	-347	-310	117	-898	298
Tax	620	554	1,954	2,027	2,281
Net income	1,124	1,004	4,880	4,811	4,987
Other comprehensive income	n.a.	n.a.	684	-474	-1,772
Fitch comprehensive income	1,124	1,004	5,564	4,337	3,215
Summary balance sheet					
Assets					
Gross loans	697,342	622,738	616,175	596,421	578,629
- Of which impaired	14,252	12,727	11,477	11,102	12,481
Loan loss allowances	6,751	6,029	4,590	4,491	4,515
Net loans	690,590	616,709	611,585	591,930	574,114
Interbank	34,338	30,664	26,193	23,736	24,174
Derivatives	2,786	2,488	23,951	24,774	29,675
Other securities and earning assets	224,493	200,476	163,771	182,420	178,830
Total earning assets	952,207	850,337	825,500	822,860	806,793
Cash and due from banks	133,224	118,971	53,202	49,987	21,989
Other assets	17,395	15,534	13,042	14,183	17,434
Total assets	1,102,826	984,842	891,744	887,030	846,216
Liabilities					
Customer deposits	678,372	605,798	574,433	555,812	539,799
Interbank and other short-term funding	88,071	78,649	77,874	89,567	80,468
Other long-term funding	154,348	137,835	122,294	123,434	104,340
Trading liabilities and derivatives	101,500	90,641	34,508	40,143	42,956
Total funding	1,022,291	912,923	809,109	808,956	767,563
Other liabilities	18,580	16,592	14,904	15,984	19,279
Preference shares and hybrid capital	n.a.	n.a.	13,069	10,355	8,253
Total equity	61,955	55,327	54,662	51,735	51,121
Total liabilities and equity	1,102,826	984,842	891,744	887,030	846,216
Exchange rate		USD1 = EUR0.893017	USD1 = EUR0.89015	USD1 = EUR0.873057	USD1 = EUR0.83382

Source: Fitch Ratings, Fitch Solutions, ING

Summary Financials and Key Ratios

	30 Jun 20	31 Dec 19	31 Dec 18	31 Dec 17
Ratios (annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	1.2	2.1	2.5	2.3
Net interest income/average earning assets	1.7	1.7	1.7	1.7
Non-interest expense/gross revenue	57.9	57.1	54.6	56.5
Net income/average equity	3.7	9.1	9.5	9.8
Asset quality				
Impaired loans ratio	2.0	1.9	1.9	2.2
Growth in gross loans	1.1	3.3	3.1	1.7
Loan loss allowances/impaired loans	47.4	40.0	40.5	36.2
Loan impairment charges/average gross loans	0.6	0.2	0.1	0.1
Capitalisation				
Common equity Tier 1 ratio	15.0	14.6	14.5	14.7
Fully loaded common equity Tier 1 ratio	14.9	14.6	14.5	14.7
Tangible common equity/tangible assets	5.5	5.9	5.6	5.9
Basel leverage ratio	4.3	4.6	4.4	4.7
Net impaired loans/common equity Tier 1	13.9	14.5	14.5	17.5
Funding and liquidity				
Loans/customer deposits	102.8	107.3	107.3	107.2
Liquidity coverage ratio	n.a.	n.a.	n.a.	n.a.
Customer deposits/funding	66.5	71.9	69.9	72.2
Net stable funding ratio	n.a.	n.a.	n.a.	n.a.

Source: Fitch Ratings, Fitch Solutions, ING

Key Financial Metrics – Latest Developments

Resilient Mortgage Loans, Exposure to Cyclical Sectors

ING's Stage 3 loan ratio (calculated by Fitch as Stage 3 loans, guarantees and letters of credit to gross loans) increased by about 20% in 1H20 and represented 2% of gross loans at end-June 2020. This was related to a few individual corporate files, two suspected external fraud cases and the further deterioration in US reserve-based oil and gas exposure. But this ratio is still below major Dutch peers' and most similarly rated European peers'. This is explained by the high proportion of low-risk residential mortgage loans (about half of the lending book), and well-managed exposures to cyclical sectors.

The Stage 2 loan ratio increased to 9% of gross loans at end-June 2020 from 6% at end-2019. Fitch believes inflows into Stage 2 were cushioned at some extent by the different government support measures and the credit repayment moratorium granted by ING in most countries where it operates. At end-June 2020, EUR16.8 billion or less than 3% of gross loans benefitted from a payment holiday and we expect them to perform reasonably when the grace period ends in 2H20. These loans are not automatically classified as forborne loans.

We believe SME lending (about 15% of gross loans at end-June 2020) and commodities and trade-related industries exposure (about 1.1x the group's CET1 capital) present downside risks to asset quality. The oil and gas exposure directly linked to oil price risk was small at EUR4.5 billion (about 9% of CET1 capital) and includes weak-performing reserve-based lending and offshore financing. This pocket of risk explains the high Stage 3 loan ratio of 7.8% in the oil and gas exposure at end-June 2020.

The performance of the EUR52 billion CRE exposure remained sound with a Stage 3 loan ratio at 1% at end-June 2020. The average loan/value is satisfactory at 50%, providing a cushion for collateral devaluation.

Profitability Pressure from Higher LICs

ING's profitability has been stronger and more stable through-the-cycle than Dutch peers' because of its healthy product and geographical diversification. ING's results are particularly underpinned by its resilient retail banking (about two-thirds of revenue) and well-entrenched Benelux franchise.

We believe ING's earnings in the near-term will be hurt by above average LICs and lower revenue. We expect impairments to decrease in 2H20 in the absence of further macroeconomic deterioration. Revenue is highly depended on net interest income and will suffer from weaker lending volumes (due to the recession) and persistently low interest rates. At the same time, continued price discipline on loans, stricter deposit pricing, and cheap drawings of targeted long-term refinancing operations (TLTRO) should mitigate the pressure on net interest income in the Netherlands. ING has already announced a lower threshold of EUR250,000 for charging retail deposits from January 2021 (currently: EUR1 million) to defend its deposit margins.

ING has historically managed its costs well and we expect relatively flat operating expenses in 2020 as wage inflation and know-your-customer related costs should be offset by cost-saving initiatives. Additional cost savings from the harmonisation of the Belgian and Dutch digital platforms, and also from the further streamlining of the branch network in the Netherlands, should come through in 2021.

Downside Risk to Capitalisation from Credit Risk Migration

The group's capitalisation is sound, although risk-weighted capital ratios are at the lower end of similarly or higher-rated peers. ING's CET1 ratio increased to 15% at end-June 2020, mainly due to lower RWA in the sovereign exposure, which was moved to the standardised approach, and on other specific loans. ING could increase its CET1 ratio by about 50bp if it decided to cancel the 2019 dividend, which was suspended until at least January 2021.

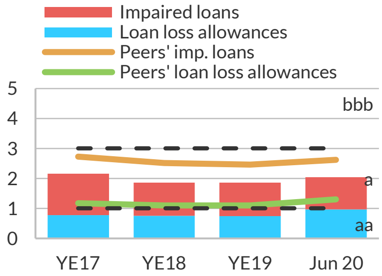
ING has a sufficient buffer above the minimum requirement. This requirement was revised downwards to 10.5%, from 11.8% at end-2019, after the reduction of the systemic risk buffer in the Netherlands, the removal of the countercyclical buffer in several countries and the decrease of the Pillar 2 requirement .

Black dashed lines represent indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category.

Peer average includes ING Groep N.V. (VR: 'a+'), Cooperatieve Rabobank U.A. (a+), ABN AMRO Bank N.V. (a), BNP Paribas Fortis (a), Nordea Bank Abp (aa-), Groupe BPCE (a+) and Danske Bank A/S (a).

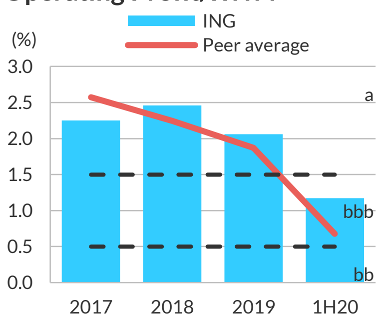
The latest period average calculation uses end-June 2019/1H19 data for BNP Paribas Fortis SA/NV, Cooperatieve Rabobank U.A. and Groupe BPCE

Asset Quality



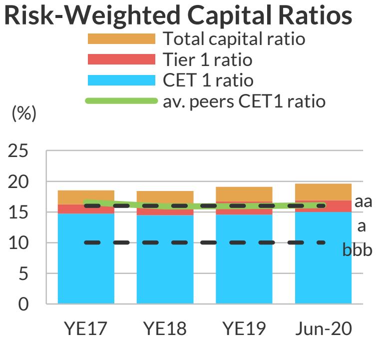
Source: Fitch Ratings, ING

Operating Profit/RWA



Source: Fitch Ratings, ING

Risk-Weighted Capital Ratios



Source: Fitch Ratings, ING

Good Funding Mix, Stable Liquidity

The stable funding profile is supported by strong franchises in deposit-rich markets, such as Belgium and Germany, offsetting the structural deposit shortage in the Netherlands. Customer deposits were about 70% of ING's funding mix at end-June 2020. Wholesale debt maturities are reasonably well spread and short-term funding (including interbank) accounted for about 14% of funding at end-June 2020. The buffer of high-quality liquid assets was at EUR137.5 billion or about 14% of total assets at end-June 2020.

Sovereign Support Assessment

Support Rating Floor			Value
Typical D-SIB SRF for sovereign's rating level (assuming high propensity)			A+ to A-
Actual country D-SIB SRF			NF
Support Rating Floor:			**NF**
Support Factors	**Positive**	**Neutral**	**Negative**
Sovereign ability to support system			
Size of banking system relative to economy			✓
Size of potential problem	✓		
Structure of banking system			✓
Liability structure of banking system		✓	
Sovereign financial flexibility (for rating level)		✓	
Sovereign propensity to support system			
Resolution legislation with senior debt bail-in			✓
Track record of banking sector support		✓	
Government statements of support			✓
Sovereign propensity to support bank			
Systemic importance		✓	
Liability structure of bank		✓	
Ownership		✓	
Specifics of bank failure		✓	
Policy banks			
Policy role			
Funding guarantees and legal status			
Government ownership			

ING's Support Rating of '5' and Support Rating Floor of 'No Floor' reflect Fitch's view that senior creditors can no longer rely on receiving full extraordinary support from the sovereign in the event that ING becomes non-viable. The EU's Bank Recovery and Resolution Directive and the Single Resolution Mechanism for eurozone banks provide a framework for resolving banks that is likely to require senior creditors participating in losses, if necessary, instead of, or ahead of, a bank receiving sovereign support.

Environmental, Social and Governance Considerations

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Credit-Relevant ESG Derivation

ING Group N.V. has 5 ESG potential rating drivers
- ING Group N.V. has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	4	issues	2
	5	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Company Profile; Management & Strategy; Risk Appetite; Asset Quality	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Company Profile; Management & Strategy; Risk Appetite	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Company Profile; Management & Strategy; Risk Appetite	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile; Management & Strategy	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Company Profile; Financial Profile	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Management & Strategy	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Management & Strategy; Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Management & Strategy	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board(SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

CREDIT-RELEVANT ESG SCALE
How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

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The highest level of ESG credit relevance is a score of '3' – ESG issues are credit neutral or have only a minimal credit impact on ING Group, either due to their nature or the way in which they are being managed by ING Group. For more information on our ESG Relevance Scores, visit www.fitchratings.com/esg.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.