## ING Green Bond issuance

### Green Bond issuance objectives

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meet future MREL/TLAC requirements</td>
</tr>
<tr>
<td>2</td>
<td>First Green HoldCo issuance for ING</td>
</tr>
<tr>
<td>3</td>
<td>Align with the HoldCo resolution strategy and the recycling of ING Bank senior unsecured instruments</td>
</tr>
<tr>
<td>4</td>
<td>Fund significant growth in our green asset portfolio since 2015</td>
</tr>
<tr>
<td></td>
<td>Underline the zero coal exposure 2025 ambition by focusing on renewable energy</td>
</tr>
<tr>
<td></td>
<td>Continued leadership in the Green Bond market</td>
</tr>
<tr>
<td></td>
<td>Development of the USD Green Bond market</td>
</tr>
</tbody>
</table>

### 2015 Green Bond vs. 2018 Green Bond

<table>
<thead>
<tr>
<th>Comparison</th>
<th>2015 Green Bond</th>
<th>2018 Green Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer</td>
<td>ING Bank N.V.</td>
<td>ING Group N.V.</td>
</tr>
<tr>
<td>(Expected) Issue Rating</td>
<td>Aa3 / A+ / A+</td>
<td>Baa1 / A- / A+</td>
</tr>
<tr>
<td>Currency / Size</td>
<td>€500 mln &amp; $800 mln</td>
<td>€ &amp; $ Benchmark</td>
</tr>
<tr>
<td>Second party opinion</td>
<td>ISS-oekom</td>
<td>ISS-oekom</td>
</tr>
</tbody>
</table>

### Verification

- ISS-oekom
- Climate Bond Certified
- CFP Green Bond
- NAVIGANT
A history of Climate Action leadership

ING's Climate Action journey so far...

- **2005**: Starts Disclosing Carbon Footprint
- **2007**: Carbon neutral operations
- **2008**: Lending to coal and renewable generation equal
- **2011**: Launch Sustainability Strategy - Sustainable Transitions is one of two key pillars
- **2014**: ING Economic Bureau starts to publish annual climate-related research
- **2015**: ING publishes Climate Action Statement
- **2016**: ING joins RE100 with commitment to 100% renewable energy by 2020
- **2017**: ING meets 2020 target for CO₂ reduction ahead of schedule, sets new target at −50%
- **2018**: ING joins the Ellen MacArthur Foundation CE100 programme
- **2018**: Launch 'Project Terra' to develop climate impact methodology
- **2019**: New Key Performance Indicator for 100% growth of Climate Finance portfolio by 2022 ($14.6 bln in 2017)
- **2020**: ING partners with 2 Degrees Investing Initiative for research project to develop 2 degrees portfolio benchmarking capabilities
- **2021**: ING has asked clients to hand over a refurbishment plan
- **2022**: ING develops innovative financial product linked to ESG performance
- **2023**: ING meets 2020 target for CO₂ reduction ahead of schedule, sets new target at −50%
- **2024**: ING partners with 2 Degrees Investing Initiative for research project to develop 2 degrees portfolio benchmarking capabilities
- **2025**: ING has asked clients to hand over a refurbishment plan
- **2026**: ING develops innovative financial product linked to ESG performance
- **2027**: ING partners with 2 Degrees Investing Initiative for research project to develop 2 degrees portfolio benchmarking capabilities

- Advocacy/Thought Leadership, Partnerships & Policies
- Products & Services
- Climate Impact Measurement
- Target Setting & Strategy
- Green Bond
## Our objectives and ambitions

<table>
<thead>
<tr>
<th>Theme</th>
<th>Objectives</th>
<th>Ambitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low carbon</td>
<td>Steer ING’s lending portfolio to align to well-below 2°C goal</td>
<td>2°C alignment</td>
</tr>
<tr>
<td></td>
<td>Reduce carbon intensity of mortgage portfolio</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reduce ING’s direct footprint</td>
<td>50% CO₂</td>
</tr>
<tr>
<td></td>
<td>Increase Climate Finance portfolio two-fold by 2022</td>
<td>100% growth</td>
</tr>
<tr>
<td></td>
<td>Streamline ESR and innovate externally</td>
<td>Zero coal by 2025</td>
</tr>
<tr>
<td></td>
<td>Increase # of customers feeling financially empowered</td>
<td>34 mln people</td>
</tr>
<tr>
<td></td>
<td>Empower people to make better financial decisions with</td>
<td>100 mln people</td>
</tr>
<tr>
<td></td>
<td>Empower adolescent with UNICEF</td>
<td>335 k adolescents</td>
</tr>
</tbody>
</table>

**Self-reliant**

- Empower people to make better financial decisions with

**Think Forward Initiative**
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

* 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

ING has a strong Sustainability track record

<table>
<thead>
<tr>
<th>ESG Rating provider</th>
<th>ESG Rating</th>
<th>Prime - 26 out of 246 companies rated</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISS-oekom</td>
<td>82 / 100</td>
<td>(No 1 in Global ESG real estate debt asset management)</td>
</tr>
<tr>
<td>SUSTAINLYTICS</td>
<td>Pending</td>
<td></td>
</tr>
<tr>
<td>GRESB</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG Rating provider</td>
<td>ESG Rating</td>
</tr>
<tr>
<td>ING Bank NV</td>
<td>A</td>
</tr>
</tbody>
</table>

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

INNOVATIVE FINANCIAL STRUCTURE
- Inclusive approach

NEW INVESTOR BASE
- 70% allocation to green investors

DRIVE PROGRESS IN GREEN BONDS
- Biggest FIG green bond in FY15

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.”

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
   - Total number of loans: 2,556
   - 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*

3. **Management of Proceeds**
   - Portfolio based allocation approach
   - Single pool of eligible green loans:
     - Renewable energy: €2.935 bln
     - Green buildings: €1.596 bln
   - Total Eligible Green Loan Portfolio: €4.531 bln

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

Use of Proceeds: green buildings

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

ING green buildings loan portfolio

Average building stock in the Netherlands

Group composition ING green buildings loan portfolio in the Netherlands

<table>
<thead>
<tr>
<th>#</th>
<th>m²</th>
<th>Refurbished</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>142</td>
<td>429,999</td>
<td>65%</td>
</tr>
<tr>
<td>Office</td>
<td>149</td>
<td>272,597</td>
<td>82%</td>
</tr>
<tr>
<td>Retail</td>
<td>556</td>
<td>388,263</td>
<td>84%</td>
</tr>
<tr>
<td>House</td>
<td>1,482</td>
<td>210,746</td>
<td>27%</td>
</tr>
<tr>
<td>Other</td>
<td>93</td>
<td>97,134</td>
<td>68%</td>
</tr>
<tr>
<td>Total</td>
<td>2,422</td>
<td>1,398,739</td>
<td>47%</td>
</tr>
</tbody>
</table>

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 CO₂eq*
Avoided / reduced emissions per mil € invested by ING: 15.8 ton CO₂eq/ mil €

<table>
<thead>
<tr>
<th>CO₂-emission (ton CO₂)</th>
<th>Number</th>
<th>%</th>
<th>Original building (ton CO₂)</th>
<th>-Reduction (ton CO₂)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refurbished buildings</td>
<td>1,150</td>
<td>47%</td>
<td>36,478</td>
<td>-18,981</td>
</tr>
<tr>
<td>New buildings</td>
<td>1,272</td>
<td>53%</td>
<td>19,171</td>
<td>-6,170</td>
</tr>
<tr>
<td>Total</td>
<td>2,422</td>
<td>100%</td>
<td>55,649</td>
<td>-25,151</td>
</tr>
</tbody>
</table>

25,000 (ton CO₂eq) ~ 10,400 vehicles per year or 4,000 trees for 100 years

* ING is sole financier for the green buildings portfolio, 100% stake
** For refurbished buildings, the CO2-emission Reduction is 34.2%
Impact report: renewable energy (Global)

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

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

* Legend exclusive of other with share smaller than 1%
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”
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