



ING Bank N.V. (NL)

7Y EUR Participation Notes 02/27

Linked to the STOXX Global ESG Leaders Select 50 Price EUR index (SGESGSEP)

Participation Notes



7 years



Repayment of the capital at 100% (excluding fees) of the nominal value (EUR 100) in EUR at maturity².



Possibility of a single gross coupon at maturity, capped at 14% (before tax)³

Main characteristics

ING emphasises sustainability in its corporate management, the services it provides and its investment products. Anyone who invests in **ING Bank N.V. (NL) 7Y EUR Participation Notes 02/27** makes the choice of a 7-year investment. The Notes offer investors the opportunity to invest in a product whose performance is linked to the change in the STOXX Global ESG Leaders Select 50 Price EUR index. The composition of the index is based on Environmental, Social, Governance (ESG) and financial criteria.

You are about to buy a product that is not simple and can be difficult to understand.

The money you transfer to the issuer is not specifically invested in assets that meet sustainability criteria. Only the return is linked to an index that includes sustainability criteria.

These Notes are intended for customers looking for an investment:

- for a period of 7 years;
- that is linked to the STOXX Global ESG Leaders Select 50 Price EUR index (SGESGSEP) (the "Index"¹). As this price index is not adjusted to reflect dividends, the investor does not benefit from the distribution of dividends relating to the shares which constitute it;
- which entitles the investor to the repayment of capital at 100% of the nominal value (EUR 100) (excluding fees) at maturity and to the payment of a single gross coupon, corresponding to 100% of the positive performance, if any, of the index, capped at 14%³. The positive performance, if any, of the index will be equal to the difference between the Average Final Level and the Initial Level. The Average Final Level, calculated on the Final Observation Date (12 February 2027), corresponds to the average of the closing prices on 24 monthly Observation dates (between 12 March 2025 and 12 February 2027);
- The probability of receiving the maximum gain is low.

and who accept:

- a subscription price of 102% of the nominal value (EUR 100);
- a gross actuarial return (equal to the net actuarial return) of at least -0.28% on an annual basis.

The product offered is a structured note issued by ING Bank N.V. By subscribing to it, the investor lends money to the issuer who undertakes to pay him a single coupon linked to the positive performance, if any, of the STOXX Global ESG Leaders Select 50 Price EUR Index and to repay the notes at 100% at maturity (excluding fees) of the capital invested. The capital is not invested directly in assets meeting ESG criteria. Only the potential return is associated with the performance of an index composed of such assets. **In the event of the bankruptcy and/or the risk of bankruptcy of the Issuer, investors risk not collecting the sums to which they are entitled and losing the invested capital.** This complex financial instrument is intended for investors with sufficient experience to understand the characteristics of the product offered and who have sufficient knowledge to assess, based on their financial situation, the benefits and risks inherent in an investment in this complex instrument, and who understand the concepts of Index and of interest rates.

¹ For all data, the definitions of Index, Initial Level, Average Final Level and all the data, please refer to the Technical Data at the end of the document.

² Except in the event of default and/or potential default by the Issuer.

³ The single coupon, if any, is a gross amount, before deduction of any taxes and duties (see "Tax Treatment" below).

The Stoxx Global ESG Leaders Select 50 Price EUR

The STOXX Global ESG Leaders Select 50 Price EUR Index (SGESGSEP) is composed of 50 international equities, conscientiously and transparently selected on the basis of environmental, social and governance (ESG) criteria on the one hand, and financial criteria on the other. The composition of the SGESGSEP Index is reviewed once a quarter to ensure that it is comprised of equities meeting these criteria.

Investment universe: shares in the STOXX Global 1800 Index

1st stage: selection based on ESG filters

As a first step, companies that do not comply with one or more of the ten principles of the United Nations Global Compact⁴ are excluded. Sustainalytics⁵ determines the risk of companies not complying with the Compact by assigning them a risk level ranging from 1 (low risk) to 5 (very high risk). Companies with a level of 5 are excluded. Also excluded are companies involved in controversial weapons and companies that are or are more than 10% owned by companies involved in controversial weapons. These shares are then evaluated by Sustainalytics, which assigns them a score from 0 to 100 in terms of Environmental, Social and Governance (ESG) criteria. To be selected, companies must be ranked in the top quarter for at least one of the three ESG criteria and in the top half for all three ESG criteria. This selection process results in the STOXX Global ESG Leaders index, which is composed of 439 stocks as of 16/12/2019.

2nd stage: selection based on volatility

Exclusion of the most volatile shares (for each share, the historical **volatility**⁶ is calculated over 3 months and 12 months and the highest measure is used). At the end of this filter, 141 shares remain this number may not be fixed in time (it depends on the number of shares having obtained a sufficient Sustainalytics score to be selected).

3rd stage: selection based on dividends

Selection of the 50 shares with the highest historical **dividend** yields over a 12-month period. The dividend yield corresponds to the ratio of the amount of dividends paid to the share price.

4th stage: weighting

These 50 shares are then **weighted** according to the inverse of their volatility (the less volatile the share, the greater its weight in the Index). No share may exceed 10% of the total weight of the Index.

Final Index

The **final Index** is of the "Price Return" type. As this is a price index, the dividends paid by the constituent shares are not reinvested in the Index. The investor does not benefit from the distribution of dividends by the shares.

For more information: <https://www.stoxx.com/index-details?symbol=SGESGSEP>

Conclusion

This transparent selection methodology, provides shares that are potentially, compared to other stocks included in the initial universe, both:

- ethical, socially responsible and sustainable as defined by the methodology developed by Sustainalytics;
- liquid;
- and potentially relatively less risky (low historical volatility)

⁴ The United Nations Global Compact is a framework for voluntary commitments by which companies, associations or non-governmental organisations are invited to comply with ten universally accepted principles relating to human rights, labour standards, the environment and the fight against corruption.

⁵ Sustainalytics is an independent non-financial rating agency specialising in environmental, social and governance research and analysis (www.sustainalytics.com).

⁶ Volatility measures the amplitude of the daily, weekly and monthly fluctuations of a financial asset. It is normally calculated based on historical data. High volatility means that significant fluctuations in the financial asset were recorded in the past and, therefore, indicates higher risk.

Index composition (at 16/12/2019)

Name	Sector	Country
AKZO NOBEL	Chemicals	The Netherlands
ASSICURAZIONI GENERALI	Finance	Italy
AUST AND NZ BANKING GROUP	Finance	Australia
AVIVA PLC	Finance	Great Britain
AXA SA	Finance	France
BANK OF NOVA SCOTIA	Finance	Canada
BAYERISCHE MOTOREN WERKE AG	Automobile	Germany
BCE INC	Telecommunication	Canada
CNP ASSURANCES	Finance	France
COMMONWEALTH BANK OF AUSTRALIA	Finance	Australia
CORPORACION MAPFRE SA	Finance	Spain
COVIVIO SA	Real estate	France
DEUTSCHE TELEKOM AG-REG	Telecommunication	Germany
DNB ASA	Finance	Norway
E.ON AG	Energy	Germany
ENDESA S.A.	Energy	Spain
ENERGIAS DE PORTUGAL SA	Energy	Portugal
ENGIE	Energy	France
ENI SPA	Energy	Italy
GAS NATURAL SDG SA	Energy	Spain
GLAXOSMITHKLINE PLC	Telecommunication	Great Britain
HK ELECTRIC INVESTMENTS	Energy	Hong Kong
ICADE	Real estate	France
KONINKLIJKE KPN NV	Telecommunication	The Netherlands
LAGARDERE S.C.A.	Media	France
LAND SECURITIES GROUP PLC	Real estate	Great Britain
MIZUHO FINANCIAL GROUP INC	Finance	Japan
NATIONAL AUSTRALIA BANK LTD	Finance	Australia
NATIONAL GRID TRANSCO PLC	Energy	Great Britain
ORANGE SA.	Telecommunication	France
QBE INSURANCE GROUPE LIMITED	Finance	Australia
RED ELECTRICA DE ESPANA	Energy	Spain
SINGAPOUR TELECOMMUNICATIONS	Telecommunication	Singapore
SUEZ	Energy	France
SUNCORP GROUP LTD	Finance	Australia
SVENSKA HANDELSBANKEN-A SHS	Finance	Sweden
SWISS RE LTD	Finance	Switzerland
SWISSCOM AG-REG	Telecommunication	Switzerland
TELEFONICA S.A. MMO2	Telecommunication	Spain
TELENOR ASA	Telecommunication	Norway
TELIASONERA AB	Telecommunication	Sweden
TELSTRA CORP LTD	Telecommunication	Australia
TELUS CORP USD	Telecommunication	Canada
THOMSON REUTERS CORP - CAD	Media	Canada
TOTAL SA	Energy	France
UNIBAIL-RODAMCO SE & WFD	Real estate	France
VENTAS INC USD0.25	Real estate	USA
WESFARMERS LTD	Distribution	Australia
WESTPAC BANKING CORP	Finance	Australia
ZURICH INSURANCE GROUP AG	Finance	Switzerland

Evolution of the STOXX Global ESG Leaders Select 50 Price EUR Index (SGESGSEP) December 2012 - December 2019



Past performance does not necessarily predict future results.
Source: Bloomberg, 17 December 2019

Mechanism (except in the event of bankruptcy and/or risk of bankruptcy of the Issuer)

On the Final Observation Date: Is the Average Final Level equal to or higher than the Initial Level?

↓ YES

Redemption of the Notes at 100% of their nominal value (excluding fees) in euros, plus 100% of the positive performance of the Index with a maximum of 14%.

↓ NO

Redemption of the Notes at 100% of their nominal value (excluding fees) in euros.

Risk factors

Before subscribing to the Notes, it is recommended that potential investors read the Key Investor Information Document, the Technical Data on the last page, the Prospectus (the "Risk Factors" section in particular), its summary and the Issue Summary.

▪ Risk of Issuer insolvency

In the event of ING Bank N.V.'s bankruptcy and/or potential bankruptcy and/or bail-in⁷, the Notes may be cancelled in whole or in part or converted into equity instruments (shares), depending on the decision of the supervisory authority. In this case, investors run the risk of not recovering the amounts to which they were entitled and may lose all or part of the amounts invested and potentially any interest due.

▪ Risk class

We invite you to carefully read over the summary risk indicator calculated on the basis of the PRIIPs regulation methodology (EU Regulation 1286/2014) included in the Key Information Document and related explanatory texts.

▪ Risk of fluctuations in the value of the Notes (market risk)

Certain parameters such as:

- **changes in the Index:** a drop in its level will entail a drop in the value of the Notes and a rise will have a positive impact on the value of the Notes before their maturity;
- **changes in interest rates on the financial markets:** a rise in market interest rates has a negative impact on the value of the Notes over the course of their life and a fall in market interest rates has a positive effect on the value of the Notes before their maturity;
- **the prospect of a change in the Issuer's rating,** will have a positive or negative impact on the value of the Notes over their lifetime and result in a capital gain or loss if the investor resells the Notes before their Maturity.

▪ Liquidity risk

These Notes will not be listed on a regulated market. ING Bank N.V. will offer investors liquidity, on a best efforts basis, by proposing a redemption price. The redemption price is set by ING Bank N.V. based on its own models and taking into account market parameters at the time (see "Risk of fluctuations in the value of the Notes" above), and the difference between the purchase price and the mid-price ("bid-mid spread"). The redemption price could be lower than the nominal value of the Notes (**capital loss risk**). Under normal market conditions, the difference between the redemption price and the market price (known as the "bid-mid spread") will be around 1.00%. Furthermore, the price offered by ING Bank N.V. does not include brokerage fees, tax on stock market trades or any other taxes (see "Technical Details").

⁷ A bail-in can be defined as a series of measures imposed by the supervisory authorities intended to pass on the losses of a credit institution in difficulty to all or some of its creditors, including investors who have subscribed to structured notes. These measures can result in a decrease in the nominal amount of the structured notes or in their conversion into shares of this credit institution in order to absorb its losses and/or recapitalise it (in some cases, the decrease in the nominal amount can result in a nil value for these structured notes).

Other important information

This Promotional Document has been produced and distributed by ING Belgique SA. It is not therefore, and may not be interpreted as, a recommendation to subscribe, or as advice or a recommendation to conclude any trade whatsoever. This Promotional Document is aimed solely at use by the original recipient and may not be reproduced, redistributed or forwarded to any other person, or published, in full or in part. The financial instruments concerned shall be registered by virtue of the 1933 United States Securities Act, as amended (the "Securities Act"), and may not be offered or sold in the United States, or to persons with American nationality, a postal address for legal or tax purposes in the United States, a telephone number in the United States, or an American permanent residence permit ("Green Card"), even outside the territory of the United States.

Legal documentation

The "Base Prospectus for the Issuance of Reference Asset Notes (Level 2)" of 6 May 2019 (the "Base Prospectus"), including the supplements of 5 August 2019 and 1 November 2019 and any future supplements, has been approved by the AFM in the Netherlands. The Prospectus consists of [the Base Prospectus](#), the [Final Terms](#) (06/01/2020) and the Issue Summary. Approval of the prospectus should not be considered a positive opinion on the Notes.

The Base Prospectus is only available in English. The Issue Summary and the Key Investor Information Document are also available in French. The Base Prospectus can be found at www.ingmarkets.com > ING Markets > Downloads > Global Issuance Programme. The Final Terms, the Issue Summary and the Key Investor Information Document can be viewed at www.ingmarkets.com > XS2090055497 and www.ing.be > Investing > Bonds and derivative products > Discover our current offer of Structured Notes > Final Terms. Copies of each of the documents are available free of charge at all ING branches in Belgium, or on request by telephone. Before subscribing to the Notes, potential investors are invited to read all of these documents.

Additional information about Belgian law

The issuer declares that it complies with the Belgian Code of Economic Law, and in particular the provisions relating to unfair terms. In this respect, the Issuer states that it has made any unfair terms included in the Base Prospectus non-applicable via definitive terms and conditions.

Informations postérieures à la souscription

Investors who hold their Notes in a custody account with ING Belgique SA can monitor the changes in the value of the Notes on a daily basis on Home'Bank. After the close of the subscription period, other important information relating to the Notes will be available on www.ingmarkets.com.

In the event of a complaint, you can contact ING – Complaint Management – Cours Saint Michel, 60 – 1040 Brussels or send an email to plaintes@ing.be. If you do not feel that the issue has been resolved to your satisfaction and you are acting on your own behalf, you can contact the financial disputes ombudsman at North Gate II, Avenue Roi Albert II 8, bte.2, 1000 Brussels (ombudsman@ombudsfin.be).

Technical data of ING Bank N.V. (NL) 7Y EUR Participation Notes 02/27



Issuer

ING Bank N.V., Foppingadreef 7, Amsterdam,
1102 CT The Netherlands
(Dutch-registered company)
www.ingmarkets.com

Applicable law

Dutch law

Distributor

ING Belgique S.A.,
Avenue Marnix 24, B-1000 Brussels

Current Issuer rating

Standard and Poor's: A+ (stable outlook); Moody's: Aa3 (stable outlook); Fitch: AA- (stable outlook). A rating is given for information purposes only and does not represent a recommendation to buy, sell or keep the Issuer's securities. It may be suspended, modified or withdrawn at any time by the rating agency. An explanation of the ratings and their scales can be found on the following website:
<https://www.wikifin.be/fr/thematiques/epargner-et-investir/questions-cles/notation>



Subscription period

From 06 January 2020 to 14 February 2020 inclusive (assuming no early closure)

Denomination/Nominal value

EUR 100/100 %

Issue price

100% of the nominal value (EUR 100)

Subscription price

102% of the nominal value (EUR 100)

Issue and payment date

19 February 2020

Maturity

19 February 2027

ISIN code

XS2090055497



Initial Level

The closing level of the Index on 14 February 2020 ("Initial Observation Date")

Average Final Level

Arithmetic mean of the closing levels of the Index on each of the Observation Dates

Observation Dates

12 March 2025; 14 April 2025; 12 May 2025; 12 June 2025; 14 July 2025; 12 August 2025; 12 September 2025; 13 October 2025; 12 November 2025; 12 December 2025; 12 January 2026; 12 February 2026; 12 March 2026; 13 April 2026; 12 May 2026; 12 June 2026; 13 July 2026; 12 August 2026; 14 September 2026; 12 October 2026; 12 November 2026; 14 December 2026; 12 January 2027; 12 February 2027

Final Observation Date

12 February 2027

Sale before maturity

See "Liquidity risk" on page 4 and "Commissions and fees" on page 7.

Redemption on the maturity date

If, on the Final Observation Date, the Average Final Level of the Index is equal to or higher than the Initial Level, the Notes will be redeemed at 100% of their nominal value (EUR 100), plus 100% of any positive performance in the Index with a maximum of 14%. If, on the Final Observation Date, the Average Final Level of the Index is lower than its Initial Level, the Notes will be redeemed at 100% of their nominal value and no coupon will be paid.



Fees and costs

Fees included in the issue price, related to the structuring and management of the securities:

- **One-time structuring and securities management fees:** 1.00% of the nominal amount subscribed. These fees are indicative and may increase (up to a maximum of 2.00%) or decrease depending on changes in market conditions during the subscription period.

Fees not included in the issue price: Entry costs: 2.00% of the nominal amount subscribed, collected by ING Belgique SA/NV as distributor;

Costs of selling the Notes prior to maturity: under normal market conditions, 1.00% (see Bid-Mid Spread in "Liquidity Risk"). The Notes may be sold below the price paid by the investor at the time of issue (capital loss risk). In addition, the price offered by ING Bank N.V. does not include brokerage fees (0.50%), the tax on stock market transactions or any taxes. In the case of resale of the Notes before their Maturity, brokerage fees will be applied to the price established by ING Bank N.V. (www.ing.be > Charges and regulations > Charges applied to the main securities transactions).

Taxation (The tax treatment depends on the individual situation of each investor and is subject to change over time)

- **Private individuals with their tax residence in Belgium**

Withholding tax

Income from the Notes is liable to withholding tax, currently standing at 30%. In the case of sale on the secondary market, Personal Income Tax at the separate rate of 30% will be due on the total income collected on this occasion and declared. Income from the Notes which has been liable to withholding tax of 30% does not have to be declared in relation to Personal Income Tax.

Tax on stock market trades

In the case of sale on the secondary market, a tax on stock market trades (TOB) will be levied, currently at the rate of 0.12% (maximum of €1,300 per trade).

- **Regarding natural persons whose residence for tax purposes is situated in a State party to the Information Standard for the Automatic Exchange of Financial Account Information (Common Reporting Standard, CRS) and/or who are Specified U.S. Persons within the meaning of the Foreign Account Tax Compliance Act (FATCA):**

This Note falls within the scope of the CRS and FATCA. Belgium will send information conforming to the principles defined by the CRS and FATCA to the country participating in the CRS in which the tax residence of the private individual is located and/or to the United States of America.