

## ING deal bags best sustainability securitisation award

**Singapore/Seoul, 20 February 2023** – ING's €194.8 million social asset-backed securities (social ABS) issuance for Woori Card has been recognised as the best sustainability securitisation deal in Korea. This was awarded as part of The Asset's Triple A Country Awards for Sustainable Finance 2022.

ING acted as sole arranger, lender, cross-currency swap provider and sustainability advisor in this transaction with the South Korean card issuer. Closed during the Covid-19 pandemic, funding proceeds from the social ABS supports SMEs adversely affected and yet lacked adequate access to South Korea's banking system.

Anju Abrol, CEO and head of Wholesale Banking ING APAC said: "We are honoured that this deal has been recognised as best-in-class. It's clear that there is appetite in the market for innovative financing solutions which more importantly, create meaningful impact on communities and the environment. Sustainability is at the heart of what we do at ING, and we are proud to pioneer new ways to make real progress."

Although the ABS market in Korea is mature and well established, the emergence of social ABS is a relatively new market development, whereby the use of proceeds from the ABS must be used for projects with social goals. This type of ABS therefore offers borrowers both an effective channel for fund raising, and an ability to achieve a specific social impact.

Martijn Hoogerwerf, head of Sustainable Finance ING APAC said: "Although social ABS deals remain relatively uncommon in the region, the Woori Card transaction represents an important step forward in the sustainability conversation. As we saw during the pandemic, companies can make a difference to social issues. We are optimistic that this transaction will be part of a larger wave of efforts to finance real and tangible change for communities."

Given the critical role of SMEs in job creation and how financing is the lifeblood of SMEs' growth, this social transaction will dovetail with the Korean government's efforts to narrow the gap between large enterprises and SMEs.

Crucially, the social ABS sits under Woori Card's broader ESG Financing Framework – the firm's commitment to create more sustainable and inclusive financing. This includes focus areas to help SMEs with financing when they are in circumstances such as being affected by crises and disasters, or if the SME operates in regions that are below national average income levels.

Lee Jae-Il, CFO, Woori Card, said: "The recognition from this award is an affirmation of our vision to deepen financial inclusion through ESG management in Korea. When ING approached us with the idea of issuing a social ABS, it was certainly a meeting of the minds and we had absolutely no hesitation in sealing the deal."

### **Sustainability pioneer in Korea and beyond**

Since introducing the world's first sustainability-linked loan in 2017, ING continues to lead the sustainability agenda globally and in the Korean market. We closed Asia's first social covered bond for the Korea Housing Finance Corporation in 2018, with the aim of providing stable and long-term housing finance in Korea.

More recently, ING was involved in the closure of the first healthcare social bond in ASEAN. Issued by First REIT and in partnership with CGIF, the S\$100 million bond was also recognised as the best social bond in Singapore by The Asset in this same awards. Another deal closed during the Covid-19 pandemic, the social bond ties financing with specific social benefit outcomes, and includes supporting better healthcare provision in Indonesia.

While the green component in ESG has largely been the focus in sustainable financing, these deals closed by ING demonstrates that the social aspect of ESG is fast becoming an important part of the conversation. In 2019, the volume of social bonds issued globally was around US\$17.9 billion – this surged more than 8 times to reach US\$152 billion in 2020, as issuers responded to the fallout caused by the pandemic. This is a similar trend in Korea, where the growth of social bonds has outpaced green bonds in terms of issuance size – indicating the stronger interest and demand from issuers and investors.

Philippe van Hoof, Country Manager ING Korea added: "Sustainability is becoming top of mind for corporates in Korea. Last year, almost half of all Korean bonds issued and denominated in foreign currencies were ESG bonds. While the trajectory is positive, there is definitely more room for growth. This is where social bonds are an area of great potential, with banks like ING well-poised to contribute with its sector expertise and innovative sustainable financing solutions."

The Asset's annual Triple A recognition represents the industry's most prestigious awards for banking, finance, treasury and the capital markets.

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### **Press enquiries**

#### **Singapore**

Christine Kam  
Head of Communications and Brand Experience  
ING APAC  
+65 91458708  
Christine.Kam@asia.ing.com

#### **Seoul**

Jimmy Choi  
Account Manager,  
Access Communication & Consulting  
+82 10 3200 2061  
jchoi@accesspr.co.kr



#### **About ING**

ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank. The purpose of ING Bank is empowering people to stay a step ahead in life and in business. ING Bank's more than 57,000 employees offer retail and wholesale banking services to customers in over 40 countries.

ING Group shares are listed on the exchanges of Amsterdam (INGA NA, INGA.AS), Brussels and on the New York Stock Exchange (ADRs: ING US, ING.N).

When it comes to sustainability, we facilitate and finance society's shift to a low-carbon future and pioneer innovative forms of finance to support a better world. As such, we're ranked first in the banks industry group by Sustainalytics and have an 'AA' rating in MSCI's ratings universe. ING Group shares are included in major sustainability and Environmental, Social and Governance (ESG) index products of leading providers STOXX, Morningstar and FTSE Russell.

#### **ING in Asia Pacific**

In Asia Pacific, ING offers wholesale banking across 11 markets, namely Australia, China, Hong Kong SAR, India, Indonesia, Japan, the Philippines, Singapore, South Korea, Taiwan and Vietnam.

ING offers both retail and wholesale banking services in Australia. ING's regional presence includes a 13% stake in Bank of Beijing, China and a 23% stake in TMBThanachart Bank in Thailand.

#### **IMPORTANT LEGAL INFORMATION**

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