

Dated 9 September 2013

**ING BANK N.V.**

# **SECURITIES NOTE AND SUMMARY**

**€50,000,000,000**

**Global Issuance Programme**

**Series No: 5408**

**Admission to Trading and Listing of 6,000 Units SEK Express Certificates linked to BREC Indices due  
March 2018**

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## INTRODUCTION

This document comprises two parts. Part One is a summary of the Registration Document and Securities Note (the “**Summary**”) and Part Two is a securities note (the “**Securities Note**”), both prepared for the purposes of Article 5.3 of Directive 2003/71/EC, as amended from time to time (the “**Prospectus Directive**”). The Summary and Securities Note have been prepared in connection with the admission to trading and listing on NASDAQ OMX by ING Bank N.V. (the “**Issuer**”) of 6,000 Units SEK Express Certificates linked to BREC Indices due March 2018 (the “**Notes**”). The Notes have been issued on 28 March 2013 by the Issuer under its €50,000,000,000 Global Issuance Programme (the “**Programme**”).

On 28 June 2012, the Issuer published a base prospectus (the “**Original Base Prospectus**”) in respect of the Programme. On 10 August 2012, 4 September 2012, 11 October 2012, 13 November 2012, 22 November 2012, 19 February 2013, 25 February 2013 and 13 May 2013 respectively, the Issuer published a supplement to the Original Base Prospectus (the “**BP Supplements**” and, together with the Original Base Prospectus, the “**Base Prospectus**”). On 13 May 2013, the Issuer published a registration document (the “**Original Registration Document**”). On 9 August 2013, the Issuer published a supplement to the Original Registration Document (the “**RD Supplement**” and together with the Original Registration Document the “**Registration Document**”).

This Securities Note and Summary should be read and construed in conjunction with the Registration Document, each of the sections headed “Summary of the Programme”, “Risk Factors” (Parts 1 and 2), “Form of Notes”, “Use of Proceeds”, “Taxation”, “Subscription and Sale” and “General Information” of Chapter 1 of the Base Prospectus, “General Terms and Conditions of the Notes” of Chapter 2 of the Base Prospectus, “Terms and Conditions of Notes Linked to a Single Share” of Chapter 3, Part 1(A) of the Base Prospectus, “Terms and Conditions of Notes Linked to a basket of Indices” of Chapter 4, Part 1(B) of the Base Prospectus and the details of relevant parties to the Programme on the last four pages of the Base Prospectus (the “**List of Parties**”) (all of which are incorporated by reference in the Securities Note as described below), in each case where and to the extent such section refers to “Global Issuer” and to “Notes” (as defined in the Base Prospectus). Together, the Registration Document and this Securities Note and Summary comprise a “prospectus” (the “**Prospectus**”) for the Notes, prepared for the purposes of Article 5.1 of the Prospectus Directive.

The Issuer accepts responsibility for the information contained in the Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of this Securities Note and Summary, the Base Prospectus, the Registration Document and/or any document incorporated by reference in the Securities Note as specified in the paragraph below may be obtained free of charge from the Issuer at Bijlmerplein 888, 1102 MG Amsterdam Zuid-Oost, The Netherlands, and/or on the website of the Issuer [www.ingmarkets.com](http://www.ingmarkets.com) under the section “Products” and “Downloads” respectively.

This Securities Note and Summary and the Registration Document have each been filed with, and approved by, the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) (the “**AFM**”) in its capacity as competent authority under the *Wet op het financieel toezicht* (Dutch Financial Supervision Act). The Original Base Prospectus was filed with the AFM and approved by it on 28 June 2012. The BP Supplements were filed with the AFM and approved by it on 10 August 2012, 4 September 2012, 11 October 2012, 13 November 2012, 22 November 2012, 19 February 2013, 25 February 2013 and 13 May 2013 respectively. The Original Registration Document was filed with the AFM and approved by it on 13 May

2013. The RD Supplement was filed with the AFM and approved by it on 9 August 2013. The Prospectus should be read and construed in conjunction with the following documents (or part thereof) as listed in (a) to (g) below, which (a) have previously been published (or are published simultaneously with the Prospectus) and (b) have been approved by the AFM or filed with it, and shall be deemed to be incorporated in, and to form part of, the Prospectus:

- (a) the following parts of the Base Prospectus:
  - (i) the List of Parties;
  - (ii) the section headed “Summary of the Programme” in Chapter 1 of the Base Prospectus;
  - (iii) Parts 1 and 2 of the section headed “Risk Factors” in Chapter 1 of the Base Prospectus;
  - (iv) the section headed “Form of Notes” in Chapter 1 of the Base Prospectus;
  - (v) the section headed “Use of Proceeds” in Chapter 1 of the Base Prospectus;
  - (vi) the section headed “Taxation” in Chapter 1 of the Base Prospectus;
  - (vii) the section headed “Subscription and Sale” in Chapter 1 of the Base Prospectus;
  - (viii) the section headed “General Information” in Chapter 1 of the Base Prospectus;
  - (ix) Part 1 headed “General Terms and Conditions of the Notes” of Chapter 2 of the Base Prospectus;
  - (x) Part 1(A) headed “Terms and Conditions of Notes Linked to a Single Share” of Chapter 3 of the Base Prospectus; and
  - (xi) Part 1(B) headed “Terms and Conditions of Notes Linked to a Basket of Indices” of Chapter 4 of the Base Prospectus;
- (b) the Articles of Association (*statuten*) of the Issuer;
- (c) the publicly available annual reports of the Issuer in respect of the years ended 31 December 2010, 2011 and 2012, including the audited financial statements and auditors' reports in respect of such years;
- (d) the press release published by ING on 19 November 2012 entitled “ING reaches agreement on amended EC Restructuring Plan”;
- (e) pages 11 and 13 to 28 (inclusive) of the unaudited ING Group 2013 quarterly report for the first quarter of 2013, as published by ING Group on 8 May 2013 (the “**Q1 Report**”). The Q1 Report contains, among other things, the consolidated unaudited interim results of ING Group as at, and for the three month period ended, 31 March 2013, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through the Issuer and its consolidated group;
- (f) pages 13 to 28 (inclusive) of the unaudited ING Group 2013 quarterly report for the second quarter of 2013, as published by ING Group on 7 August 2013 (the “**Q2 Report**” and, together with the Q1 Report, the “**Quarterly Reports**”). The Q2 Report contains, among other things, the consolidated unaudited interim results of ING Group as at, and for the three month period and the six month period ended, 30 June 2013, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through the Issuer and its consolidated group; and

- (g) the Interim Financial Report containing the Issuer's condensed consolidated unaudited results as at, and for the six month period ended, 30 June 2013, as published by the Issuer on 7 August 2013 (the **"ING Bank Interim Financial Report"**),

in each case where and to the extent such document refers to the Issuer and to Notes (as defined in the Base Prospectus). Terms used but not defined herein shall have the meanings given to them in the Base Prospectus. References in the Base Prospectus to "Final Terms" shall be deemed to be references to the Terms and Conditions of the Notes as set out in this Securities Note and Summary.

With respect to the Quarterly Reports, prospective investors should note that the Issuer's consolidated operations, while materially the same, are not identical with the reported financial and statistical information on a segment basis for the banking business of ING Group as described in the Quarterly Reports. ING Group is not responsible for the preparation of this Prospectus.

The Issuer has requested the AFM to provide Finansinspektionen (*Swedish Financial Supervisory Authority*) in Sweden in its capacity as competent authority in Sweden as host Member State for the purposes of the Prospectus Directive, with a certificate of approval in accordance with Article 18 of the Prospectus Directive attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Securities Note and Summary, the Registration Document and the relevant sections of the Base Prospectus and the List of Parties incorporated by reference into the Prospectus as described above, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

This document (i) is not intended to provide the basis of any evaluation of the financial condition, creditworthiness or affairs of the Issuer and (ii) should not be considered as a recommendation by the Issuer that any recipient of this Securities Note and Summary or the Registration Document should purchase the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This document does not constitute an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase the Notes.

Structured securities such as the Notes involve a high degree of risk and are intended for sale only to those investors capable of understanding the risk entailed in such instruments. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk, and that they understand the nature of the Notes as an investment in the light of their own circumstances and financial condition. Prospective purchasers of the Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, should form their own views of the merits of an investment related to the Notes based upon such investigations and not in reliance upon any information given in the Prospectus. If in doubt potential investors are strongly recommended to consult with their financial advisers before making any investment decision.

The delivery of this document shall not in any circumstances imply that the information contained herein concerning the Issuer or the Notes is correct at any time subsequent to the date hereof. Potential investors should carefully review and evaluate, inter alia, the most recent financial statements of the Issuer when deciding whether or not to purchase the Notes.

The Issuer does not represent that the Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public

offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither the Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction where such offer, sale, distribution and/or publication would be prohibited.

The distribution of the Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession the Prospectus or the Notes come must inform themselves about, and observe, any such restrictions. In particular, the restrictions set out in the “Subscription and Sale” section of Chapter 1 of the Base Prospectus (incorporated by reference into the Prospectus) on the distribution of the Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Austria, The Netherlands, France, Italy, Ireland, Australia, India, Mexico, People’s Republic of China, Brazil, Chile, Switzerland, Japan, Hong Kong, Korea, Norway and Singapore also apply to the Securities Note and the Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Notes may not be offered, sold, pledged or otherwise transferred within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or the adequacy of the Prospectus. Any representation to the contrary is a criminal offence in the United States.

## PART ONE: SUMMARY

*The summary is comprised of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7). This Summary includes all the Elements required to be included for the Notes and the Issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in this summary because of the nature of the Notes and the Issuer, it is possible that no relevant information can be given regarding each Element. In this case, a short description of the Element is included in the summary and marked as “Not Applicable”.*

Section A – Introduction and warnings		
A.1	Warning:	<p>This Summary must be read as an introduction to the Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole by the investor, including the documents incorporated by reference.</p> <p>Civil liability in respect of this Summary, including any translation thereof, will attach to the Issuer in any Member State of the EEA in which the relevant provisions of the Prospectus Directive have been implemented, but only if this Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering to invest in the Notes.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court in such Member State, the plaintiff investor may, under the national legislation of that Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p>
A.2	Consent to use the Prospectus for subsequent resales or final placement of the Notes by financial intermediaries	The Issuer has not expressed its consent to the use of the Prospectus for subsequent resales or placements of the Notes.
Section B – Issuer		
B.1	The legal and commercial name of the Issuer:	ING Bank N.V. (the “ <b>Issuer</b> ”)
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation:	The Issuer is a public limited company ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands on 12 November 1927 with its corporate seat ( <i>statutaire zetel</i> ) in Amsterdam, The Netherlands. The Issuer is registered at the Chamber of Commerce of Amsterdam under no. 33031431.

B.4b	A description of any known trends affecting the Issuer and the industries in which it operates:	<p>The information provided under this item which refers to ING (as defined under item B.5) applies equally to the Issuer.</p> <p>The results of operations of the Issuer are affected by demographics and by a variety of market conditions, including economic cycles, banking industry cycles and fluctuations in stock markets, interest and foreign exchange rates.</p> <p>In 2012 the external environment continued to have an impact on the Issuer as the euro sovereign debt crisis in the Eurozone maintained a challenging economic and financial market environment for a major part of the year. This led to international capital and money markets not functioning in the manner they would in more normal circumstances. This had repercussions (for the Issuer, its industry and the broader economy) especially in Europe where funding for governments and financial institutions continues to be difficult in certain markets.</p> <p>The operations of the Issuer are exposed to fluctuations in equity markets. The Issuer maintains an internationally diversified and mainly client-related trading portfolio. Accordingly, market downturns are likely to lead to declines in securities trading and brokerage activities which it executes for customers and therefore to a decline in related commissions and trading results. In addition to this, the Issuer also maintains equity investments in its own non-trading books. Fluctuations in equity markets may affect the value of these investments.</p> <p>The operations of the Issuer are exposed to fluctuations in interest rates. The Issuer's management of interest rate sensitivity affects the results of its operations. Interest rate sensitivity refers to the relationship between changes in market interest rates on the one hand and future interest earnings and economic value of its underlying banking portfolios on the other hand. Both the composition of the Issuer's assets and liabilities and the fact that interest rate changes may affect client behaviour in a different way than assumed in the Issuer's internal models may result in a mismatch which causes the banking longer term operations' net interest income and trading results to be affected by changes in interest rates.</p> <p>The Issuer is exposed to fluctuations in exchange rates. The Issuer's management of exchange rate sensitivity affects the results of its operations through the trading activities for its own account and because ING prepares and publishes its consolidated financial statements in euros. Because a substantial portion of the Issuer's income and expenses is denominated in currencies other than euros, fluctuations in the exchange rates used to translate foreign currencies into euros will impact its reported results of operations and cash flows from year to year. This exposure is mitigated by the fact that realised results in non-euro currencies are translated into euros by monthly hedging.</p>
B.5	Description of the Group and the Issuer's position within the Group:	The Issuer is part of ING Groep N.V. (" <b>ING Group</b> "). ING Group is the holding company for a broad spectrum of companies (together, " <b>ING</b> "), offering banking, investments, life insurance and retirement services to meet the needs of a broad customer base. The Issuer is a wholly-owned, non-listed subsidiary of ING Group and is a large international player with an extensive global network in over 40 countries. Since 2011, the Issuer has been operating as a stand-alone business under the umbrella of ING Group.
B.9	Profit forecast or estimate:	Not Applicable; no profit forecasts or estimates have been made by the Issuer.
B.10	Qualifications in the auditors' report:	Not Applicable; Ernst & Young Accountants LLP has issued an unqualified auditors' report on the financial statements for each of the financial years ended 31 December 2012, 31 December 2011 and 31 December 2010.



B.12	Selected financial information:	<b>Key Consolidated Figures ING Bank N.V.<sup>(1)</sup></b>			
		<b>(In EUR million)</b>		<b>2012</b>	<b>2011</b>
		<b>Balance sheet<sup>(2)</sup></b>			
		Total assets.....		<b>836,068</b>	<b>961,165</b>
		Total equity .....		<b>37,512</b>	<b>35,060</b>
		Deposits and funds borrowed(3).....		<b>633,756</b>	<b>682,523</b>
		Loans and advances		<b>541,546</b>	<b>577,569</b>
		<b>Results(4)</b>			
		Total income .....		<b>16,298</b>	<b>17,195</b>
		Operating expenses.....		<b>9,843</b>	<b>10,226</b>
		Additions to loan loss provisions.....		<b>2,125</b>	<b>1,670</b>
		Result before tax.....		<b>4,330</b>	<b>5,299</b>
		Taxation .....		<b>1,124</b>	<b>1,216</b>
		Net result (before minority interests) .....		<b>3,206</b>	<b>4,083</b>
		Attributable to Shareholders of the parent .....		<b>3,115</b>	<b>4,005</b>
		<b>Ratios (in %)</b>			
		BIS ratio(5).....		<b>16.91</b>	<b>14.26</b>
		Tier-1 ratio(6) .....		<b>14.35</b>	<b>11.69</b>
		Notes:			
		(1) These figures have been derived from the audited annual accounts of ING Bank N.V. in respect of the financial years ended 31 December 2012 and 2011, respectively.			
		(2) At 31 December.			
		(3) Figures including Banks and Debt securities.			
		(4) For the year ended 31 December.			
		(5) BIS ratio = BIS capital as a percentage of Risk Weighted Assets. Note: These Risk Weighted Assets are based on Basel II.			
		(6) Tier-1 ratio = Available Tier-1 capital as a percentage of Risk Weighted Assets. Note: These Risk Weighted Assets are based on Basel II.			
		<b>Significant or Material Adverse Change:</b>			
		At the date hereof, there has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since 30 June 2013.			
At the date hereof, there has been no material adverse change in the prospects of the Issuer since 31 December 2012, except for:					
(i) the dividends totalling EUR 1.8 billion paid by the Issuer to ING Group, as disclosed on page 6 and page 41 of the ING Bank Interim Financial Report.					
B.13	Recent events material to the evaluation of the Issuer's solvency:	Not Applicable. There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the solvency of the Issuer.			

B.14	Dependency upon entities within the group of the Issuer:	The description of the group and the Issuer's position within the group is given under item B.5. Not applicable. The Issuer is not dependent upon other entities within ING Group.
B.15	Principal activities:	<p>ING Bank is a large international player in the financial services industry with an extensive global network in over 40 countries.</p> <p>Since 1 January 2011, the Issuer has been operating as a stand-alone business under the umbrella of ING Group.</p> <p>The Issuer is active through the following business lines: Retail Banking, including ING Direct and Commercial Banking.</p>
B.16	Control/ownership:	The Issuer is a wholly-owned, non-listed subsidiary of ING Groep N.V.
<b>Section C – Securities</b>		
C.1	Type and Class: ISIN:	<p>The Notes described in this summary are financial instruments which are issued under the EUR 50,000,000,000 Global Issuance Programme.</p> <p>The Notes qualify as Basket Linked Notes.</p> <p>Aggregate Nominal Amount: 6,000 Units</p> <p>Specified Denomination: 1 unit per Note</p> <p>Series Number: 5408</p> <p>Form of Notes: Swedish Notes, see under C.17 below.</p> <p>ISIN Code: NL0010387478</p>
C.2	Currency:	The Notes are denominated in SEK.
C.5	Description of any restrictions on the free transferability of the Notes:	There are no restrictions on the free transferability of the Notes except for certain selling restrictions with respect to the offer, sale and delivery of the Notes, which include amongst others but not limited to, offer, sale and delivery of the Notes within the United States or to, or for the account of benefit of, U.S. persons.
C.8	Description of the rights attaching to the Notes:	<p><b>Status of the Notes:</b></p> <p>The Notes are Senior Notes and will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank pari passu among themselves and (subject as aforesaid and save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.</p> <p><b>Interest:</b></p> <p>The Notes bear Interest at a variable rate as specified in C.9 below.</p> <p><b>Events of Default:</b></p> <p>The Conditions contain Events of Default pertaining to the Issuer, including those relating to (a) non-payment, (b) breach of other obligations, (c) bankruptcy or moratorium, (d) emergency measures and (e) winding-up or liquidation. The provisions include certain minimum thresholds and grace periods.</p> <p><b>Withholding tax:</b></p> <p>All payments made by the Issuer in respect of the Notes shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. Noteholders will not be entitled to receive grossed-up amounts to compensate for any such tax, duty, withholding or other payment. The Issuer may also elect to redeem the Notes if it would be required, on the occasion of the next payment due in respect of the Notes, to withhold or account for tax in respect of the Notes.</p>

		<p><b>Meetings of Noteholders:</b></p> <p>The Conditions contain provisions for convening meetings of Noteholders to consider any matters affecting their interests. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not vote on the relevant resolution and Noteholders who voted in a manner contrary to the majority. Actions may also be taken by means of written resolution.</p> <p><b>Modification of the Notes:</b></p> <p>The Issuer may agree, without the consent of the Noteholders, any modification of the Notes, which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.</p> <p><b>Governing law:</b></p> <p>English law.</p> <p><b>Issue Price:</b></p> <p>SEK 10,000 per Unit.</p>								
C.9	Interest: The nominal interest rate, the date from which interest becomes payable and the due dates for interest, a description of the underlying on which it is based, maturity date and arrangements for amortisation including repayment procedures, an indication of yield and the name of the representative of debt security holders	<p><b>Interest</b></p> <p>The Notes bear interest at a variable rate which will be determined in respect of an Interest Period and its related Specified Interest Payment Date in accordance with the conditions as specified below:</p> <p>(i) If, on the relevant Observation Date<sub>(t)</sub>, the Level of each and every Equity in the Basket is equal to or higher than its relevant Initial Level, an amount per Note calculated in accordance with the following formula: SEK 10,000 × t × Step Up Coupon; or</p> <p>(ii) If, on the relevant Observation Date<sub>(t)</sub>, (i) the Level of at least one of the Equities in the Basket is lower than its relevant Initial Level and (ii) the Level of each and every Equity in the Basket is equal to or higher than its relevant Upper Barrier Level, an amount per Note calculated in accordance with the following formula: SEK 10,000 × 8%; or</p> <p>(iii) If, on the relevant Observation Date<sub>(t)</sub>, (i) the Level of at least one of the Equities in the Basket is lower than its relevant Upper Barrier Level and (ii) the Level of each and every Equity in the Basket is equal to or higher than its relevant Barrier Level, an amount per Note calculated in accordance with the following formula: SEK 10,000 × 5%; or</p> <p>(iv) If, on the relevant Observation Date<sub>(t)</sub>, the Level of at least one of the Equities in the Basket is lower than its relevant Barrier Level, an amount per Note equal to SEK 0.00 (ZERO), in which case no Interest shall be paid on the Notes.</p> <p>Step-Up Coupon, Specified Interest Payment Dates, Upper Barrier Level, t, Initial Level, Level, Barrier Level, the Observation Dates, Price and Index Level are specified in the table below:</p> <table><tr><th>Step Up Coupon</th><th>Specified Interest Payment Date</th><th>Upper Barrier Level</th><th>t</th></tr><tr><td>9.6 per cent.</td><td>28 March 2014, 30 March 2015, 29 March 2016, 28 March 2017 and the Maturity Date</td><td>80% of the Initial Level</td><td>The number 1 to 5 corresponding to the relevant Observation Date<sub>(t)</sub>.</td></tr></table>	Step Up Coupon	Specified Interest Payment Date	Upper Barrier Level	t	9.6 per cent.	28 March 2014, 30 March 2015, 29 March 2016, 28 March 2017 and the Maturity Date	80% of the Initial Level	The number 1 to 5 corresponding to the relevant Observation Date <sub>(t)</sub> .
Step Up Coupon	Specified Interest Payment Date	Upper Barrier Level	t							
9.6 per cent.	28 March 2014, 30 March 2015, 29 March 2016, 28 March 2017 and the Maturity Date	80% of the Initial Level	The number 1 to 5 corresponding to the relevant Observation Date <sub>(t)</sub> .							

		<table><tr><th>Initial Level</th><th>Level</th><th>Barrier Level</th></tr><tr><td>(a) in respect of Equity<sub>(1)</sub>, USD 55.72, (b) in respect of Equity<sub>(2)</sub>, 1,044.192; (c) in respect of Equity<sub>(3)</sub>, 1,060.572; and (d) in respect of Equity<sub>(4)</sub>, 6,612.534</td><td>(a) in respect of Equity<sub>(1)</sub>, the Price and (b) in respect of Equity<sub>(2)</sub>, Equity<sub>(3)</sub> and Equity<sub>(4)</sub>, the Index Level</td><td>Means in respect of Equity<sub>(i)</sub>, 60% of the Initial Level of such Equity<sub>(i)</sub>.</td></tr></table> <table><tr><th>Observation Date<sub>(t)</sub></th><th>Price</th><th>Index Level</th></tr><tr><td>17 March 2014, 16 March 2015, 15 March 2016, 15 March 2017 and 15 March 2018</td><td>The price of the Share on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing)</td><td>The level of the Index on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing)</td></tr></table>	Initial Level	Level	Barrier Level	(a) in respect of Equity <sub>(1)</sub> , USD 55.72, (b) in respect of Equity <sub>(2)</sub> , 1,044.192; (c) in respect of Equity <sub>(3)</sub> , 1,060.572; and (d) in respect of Equity <sub>(4)</sub> , 6,612.534	(a) in respect of Equity <sub>(1)</sub> , the Price and (b) in respect of Equity <sub>(2)</sub> , Equity <sub>(3)</sub> and Equity <sub>(4)</sub> , the Index Level	Means in respect of Equity <sub>(i)</sub> , 60% of the Initial Level of such Equity <sub>(i)</sub> .	Observation Date <sub>(t)</sub>	Price	Index Level	17 March 2014, 16 March 2015, 15 March 2016, 15 March 2017 and 15 March 2018	The price of the Share on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing)	The level of the Index on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing)	
Initial Level	Level	Barrier Level													
(a) in respect of Equity <sub>(1)</sub> , USD 55.72, (b) in respect of Equity <sub>(2)</sub> , 1,044.192; (c) in respect of Equity <sub>(3)</sub> , 1,060.572; and (d) in respect of Equity <sub>(4)</sub> , 6,612.534	(a) in respect of Equity <sub>(1)</sub> , the Price and (b) in respect of Equity <sub>(2)</sub> , Equity <sub>(3)</sub> and Equity <sub>(4)</sub> , the Index Level	Means in respect of Equity <sub>(i)</sub> , 60% of the Initial Level of such Equity <sub>(i)</sub> .													
Observation Date <sub>(t)</sub>	Price	Index Level													
17 March 2014, 16 March 2015, 15 March 2016, 15 March 2017 and 15 March 2018	The price of the Share on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing)	The level of the Index on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing)													
C.11	Listing and admission to trading:	A request will be made to have the Notes admitted to trading on the regulated market of the NASDAQ OMX.													
C.16	Expiration date or maturity date – the exercise date or final reference date:	<b>Expiration Date:</b> The Expiration Date (for the purposes of determining the Final Level) is 15 March 2018. <b>Maturity Date:</b> Unless redeemed early, the Notes will be redeemed on the Maturity Date (28 March 2018).													
C.17	A description of the settlement procedures of the derivative securities:	<b>Settlement procedures:</b> The Notes will be redeemed on the Maturity Date unless redeemed early in accordance with (a) the Automatic Early Redemption provisions as specified in C.18 or (b) following an early redemption event, as specified below: <b>Settlement procedures in case an early redemption event has occurred:</b> The Notes may be redeemed early in the following circumstances: (i) an event of default by the Issuer; (ii) if 90 per cent. or more in nominal amount of the Notes issued have already been redeemed or purchased and cancelled (at the discretion of the Issuer); and (iii) a change in the tax treatment of payments due under the Notes. If the Notes are to be redeemed in the circumstances described in (i), (ii) or (iii) above, the Issuer shall redeem each Note at an amount equal to the fair market value of a Note determined by the Calculation Agent in its sole and absolute discretion, acting reasonably. <b>Specific information for Swedish Notes:</b> The Notes qualify as “Swedish Notes” and will therefore be issued in uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act ( <i>Sw. lag (1998:1479) om kontoföring av finansiella instrument</i> ) and all other applicable Swedish laws, regulations and operating procedures applicable to and/or issued by the Swedish central securities depository ( <i>Sw. central värdepappersförvarare</i> ) from time to time (the “ <b>Swedish CSD Rules</b> ”) which is Euroclear Sweden AB (the “ <b>Swedish CSD</b> ”). No physical global or definitive Notes or certificates will be issued in respect of Swedish Notes and the provisions relating to presentation, surrender or replacement of such physical bearer instruments shall not apply. Payments of principal, interest (if any) or any other amounts on any Swedish Note will be made through the Swedish CSD in accordance with the Swedish CSD Rules.													

C.18	A description of how the return on derivative securities takes place:	<p><b>Automatic Early Redemption Amount</b> Unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date(t) the Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date(t) immediately following such Automatic Early Redemption Valuation Date(t).</p> <p>The Automatic Early Redemption Event shall occur where the Level of each and every Equity in the Basket is equal to or higher than its relevant Initial Level.</p> <p>Level means (a) in respect of Equity<sub>(1)</sub>, the Price and (b) in respect of Equity<sub>(2)</sub>, Equity<sub>(3)</sub> and Equity<sub>(4)</sub>, the Index Level;</p> <p>Price means the price of the Share on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing);</p> <p>Index Level means the level of the Index on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing);</p> <p>Initial Level means (a) in respect of Equity<sub>(1)</sub>, USD 55.72, (b) in respect of Equity<sub>(2)</sub>, 1,044.192; (c) in respect of Equity<sub>(3)</sub>, 1,060.572; and (d) in respect of Equity<sub>(4)</sub>, 6,612.534</p> <p>The Automatic Early Redemption Valuation Date(t) are 17 March 2014, 16 March 2015, 15 March 2016 and 15 March 2017; and</p> <p>The Automatic Early Redemption Date(t) 28 March 2014, 30 March 2015, 29 March 2016 and 28 March 2017.</p> <p><b>Final Redemption Amount</b></p> <p>The Final Redemption Amount of the Notes will depend on the following predefined criteria:</p> <p>(A) if the Final Level of each and every Equity in the Basket is equal to or higher than its relevant Barrier Level, the Final Redemption Amount will be an amount per Note equal to SEK 10,000 ;or</p> <p>(B) if the Final Level of at least one of the Equities in the Basket is lower than its relevant Barrier Level, the Final Redemption Amount will be an amount per Note calculated in accordance with the following: (I) SEK 10,000 multiplied by (II) the performance of the Worst Performing Equity (calculated on the basis of the Final Level divided by the Initial Level).</p> <p>Final Level means (a) in respect of Equity<sub>(1)</sub>, the Final Share Price and (b) in respect of Equity<sub>(2)</sub>, Equity<sub>(3)</sub> and Equity<sub>(4)</sub>, the Final Index Level.</p> <p>Price represents, the price of the Share on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing);</p> <p>Index Level represents, the level of the Index on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing);</p> <p>Final Share Price represent the Price on the Expiration Date;</p> <p>Final Index Level represent the Index Level on the Expiration Date</p> <p>Initial Level represents (a) in respect of Equity<sub>(1)</sub>, USD 55.72, (b) in respect of Equity<sub>(2)</sub>, 1,044.192; (c) in respect of Equity<sub>(3)</sub>, 1,060.572; and (d) in respect of Equity<sub>(4)</sub>, 6,612.534</p> <p>Barrier Level means in respect of Equity<sub>(i)</sub>, 60% of the Initial Level of such Equity<sub>(i)</sub>;</p> <p>Worst Performing Equity means the Equity with the worst performance compared to the other Equities in the Basket, where the performance of each of the Equities in the Basket will be calculated in accordance with the following equation:</p> $\text{(Final Level / Initial Level)}$ <p>For the avoidance of doubt, Worst Performing Equity will be the Equity for which the outcome of the above mentioned formula has the lowest value.</p>
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		<p><b>EXAMPLES of the determination of the Final Redemption Amount</b></p> <p><i>A. Positive Scenario</i></p> <p>If the Final Level of each and every Equity is equal to or higher than its relevant Barrier Level, The final redemption will be: SEK 10,000</p> <p><i>B. Negative Scenario</i></p> <p>If the Final Level of at least of the Equities is lower than its relevant Barrier Level, and taking into account the following assumptions; Equity<sub>(1)</sub> is the Worst Performing Equity and:</p> <ul style="list-style-type: none"> <li>• Final Level of the Worst Performing Equity is: USD 25.-</li> <li>• Initial Level of the Worst Performing Equity is: USD 55.-</li> </ul> <p>The final redemption will be: (a) SEK 10,000 multiplied by (b) USD 25.- divided by USD 55 (= 0.4545 rounded), is <b>SEK 4,545.45</b></p> <p><b>The examples set out in this paragraph C.18 are no indication, prediction or guarantee of future performance of the Notes. No rights may be derived from these examples.</b></p>
C.19	The exercise price or the final reference price of the underlying:	The Notes do not contain an exercise option. The final value of the Equities is determined by looking at the price and/or level of the relevant equity at the closing time of the relevant stock exchange (subject to adjustment for early closing) on the Expiration Date.
C.20	A description of the type of the underlying and where the information on the underlying can be found:	<p>The return on the Notes is linked to the performance of (a) iShares MSCI Brazil Index Fund ISIN: US4642864007, Bloomberg code: EWZ UP &lt;Equity&gt; (“<b>Equity<sub>(1)</sub></b>”); (b) Russian Depositary Index (USD), Bloomberg code: RDXUSD &lt;Index&gt; (“<b>Equity<sub>(2)</sub></b>”); (c) CECE Composite Index (EUR), Bloomberg code: CECEEUR &lt;Index&gt; (“<b>Equity<sub>(3)</sub></b>”); and (d) Hang Seng China Enterprises Index, Bloomberg code: HSCEI &lt;Index&gt; (“<b>Equity<sub>(4)</sub></b>”) (each a “<b>Equity</b>” and together the “<b>Equities</b>”).</p> <p>Details of the past and further performance of the Equities and the volatility can be obtained from:</p> <ul style="list-style-type: none"> <li>- in respect of Equity<sub>(1)</sub>, Bloomberg (EWZ UP&lt;Equity&gt;) and the website: <a href="http://us.ishares.com/product_info/fund/overview/EWZ.htm">http://us.ishares.com/product_info/fund/overview/EWZ.htm</a>;</li> <li>- in respect of Equity<sub>(2)</sub>, Bloomberg (RDXUSD &lt;Index&gt;) and the website: <a href="http://en.indices.cc/indices/details/rdu">http://en.indices.cc/indices/details/rdu</a>;</li> <li>- in respect of Equity<sub>(3)</sub>, Bloomberg (CECEEUR &lt;Index&gt;) and the website: <a href="http://en.indices.cc/indices/details/cxe">http://en.indices.cc/indices/details/cxe</a>; and</li> <li>- in respect of Equity<sub>(4)</sub>, Bloomberg (HSCEI &lt;Index&gt;) and the website: <a href="http://www.hsi.com.hk/HSI-Net/HSI-Net">http://www.hsi.com.hk/HSI-Net/HSI-Net</a>.</li> </ul>
<b>Section D – Risks</b>		
D.2	Key information on the key risks that are specific to the issuer:	<ul style="list-style-type: none"> <li>• Because the Issuer is part of a financial services company conducting business on a global basis, the revenues and earnings of the Issuer are affected by the volatility and strength of the economic, business and capital markets environments specific to the geographic regions in which it conducts business. The ongoing turbulence and volatility of such factors have adversely affected, and may continue to adversely affect the profitability and solvency of the Issuer.</li> <li>• Adverse capital and credit market conditions may impact the Issuer’s ability to access liquidity and capital, as well as the cost of credit and capital.</li> </ul>

		<ul style="list-style-type: none"> <li>• The default of a major market participant could disrupt the markets.</li> <li>• Because the Issuer's businesses are subject to losses from unforeseeable and/or catastrophic events, which are inherently unpredictable, the Issuer may experience an abrupt interruption of activities, which could have an adverse effect on its financial condition.</li> <li>• The Issuer operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing the Issuer's business.</li> <li>• Continued turbulence and volatility in the financial markets and the economy generally have adversely affected the Issuer, and may continue to affect its business and results of operations.</li> <li>• Because the Issuer operates in highly competitive markets, including its home market, it may not be able to increase or maintain its market share, which may have an adverse effect on its results of operations.</li> <li>• Because the Issuer does business with many counterparties, the inability of these counterparties to meet their financial obligations could have a material adverse effect on the Issuer's results of operations.</li> <li>• Market conditions observed over the past few years may increase the risk of loans being impaired. The Issuer is exposed to declining property values on the collateral supporting residential and commercial real estate lending.</li> <li>• Interest rate volatility and other interest rate changes may adversely affect the Issuer's profitability.</li> <li>• The Issuer may incur losses due to failures of banks falling under the scope of state compensation schemes.</li> <li>• The Issuer may be unable to manage its risks successfully through derivatives.</li> <li>• The Issuer may be unable to retain key personnel.</li> <li>• The Issuer may not be able to protect its intellectual property and may be subject to infringement claims.</li> <li>• Because the Issuer uses assumptions to model client behaviour for the purpose of its market risk calculations, the difference between the realisation and the assumptions may have an adverse impact on the risk figures and future results.</li> <li>• The Issuer may incur further liabilities in respect of its defined benefit retirement plans if the value of plan assets is not sufficient to cover potential obligations, including as a result of differences between results and underlying actuarial assumptions and models.</li> <li>• The Issuer's risk management policies and guidelines may prove inadequate for the risks it faces.</li> <li>• The Issuer is subject to a variety of regulatory risks as a result of its operations in certain countries.</li> <li>• Because the Issuer is continually developing new financial products, it might be faced with claims that could have an adverse effect on its operations and net results if clients' expectations are not met.</li> <li>• Ratings are important to the Issuers' businesses for a number of reasons. A downgrade or a potential downgrade in the Issuer's credit ratings could have an adverse impact on its operations and net result.</li> <li>• The Issuer's business may be negatively affected by a sustained increase in inflation.</li> <li>• Operational risks are inherent in the Issuer's business.</li> <li>• The Issuer's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to such businesses, other well-known companies or the financial</li> </ul>
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		<p>services industry in general.</p> <ul style="list-style-type: none"> <li>• The implementation of ING's restructuring plan and the divestments anticipated in connection with the Restructuring Plan have and will significantly alter the size and structure of ING and involve significant costs and uncertainties that could materially impact the Issuer.</li> <li>• The limitations required by the European Commission on ING's ability to compete and to make acquisitions or call certain debt instruments could materially impact the Issuer.</li> <li>• Upon the implementation of its restructuring plan, ING will be less diversified and the Issuer may experience competitive and other disadvantages.</li> <li>• ING's Restructuring Plan may not yield intended reductions in costs, risk and leverage.</li> <li>• ING's agreements with the Dutch State impose certain restrictions regarding the issuance or repurchase of its shares and the compensation of certain senior management positions.</li> <li>• Whenever the overall return on the (remaining) Core Tier 1 Securities issued to the Dutch State is expected to be lower than 10 per cent. per annum, and/or in the event that ING does not repay the remaining Core Tier 1 Securities in accordance with the repayment schedule that was submitted to the European Commission as part of the Amended Restructuring Plan, the European Commission may consider the imposition of additional behavioural constraints.</li> </ul>
D.6	<p>Risk warning that investors may lose value of entire investment or part of it and key information on the key risks that are specific to the Notes:</p>	<p><b>The capital invested in the Notes may be at risk. Consequently, the amount a prospective investor may receive on redemption of its Notes may be less than the amount invested by it and may be zero.</b></p> <p>Investors may lose up to the entire value of their investment if (a) the investor sells their Notes prior to the scheduled redemption in the secondary market at an amount that is less than the initial purchase price; (b) the Issuer is subject to insolvency or bankruptcy proceedings or some other event which negatively affects the Issuer's ability to repay amounts due under the Notes; (c) the Notes are redeemed early for reasons beyond the control of the Issuer (such as a change of applicable law or market event in relation to the underlying asset(s)) and the amount paid or delivered is less than the initial purchase price; and/or (d) the Notes are subject to certain adjustments or alternative valuations following certain disruptive market events that result in the amount to be paid or delivered being reduced to an amount or value that is less than the initial purchase price; and/or (e) the payout conditions do not provide for full repayment of the initial purchase price upon redemption or specified early redemption and the underlying asset(s) perform(s) in such a manner that the amount due under the Notes is less than the initial purchase price.</p> <p>The following key risks may arise in relation to the Notes: (a) the value of the Notes and any principal repayment in relation to them may be affected by, but may not necessarily correlate to, movements and fluctuations in the levels of the underlying equities; (b) the Issuer may enter into activities that present conflicts of interest and adversely affect the value of the Notes; (c) the Issuer may have the option to early redeem the Notes, which may affect their value in the secondary market.</p> <p>Furthermore, the terms of the Notes provide that: (a) the interest and redemption amount will be determined by reference to specified preconditions; and (b) the interest and redemption amount are linked to the performance of a basket of underlying equities.</p>
<b>Section E – Offer</b>		
E.2b	<p>Reasons for the offer and use of proceeds:</p>	<p>The net proceeds of the offer will be applied by the Issuer for its general corporate purposes.</p>
E.3	<p>A description of the terms and</p>	<p>The Notes have already been the subject of a public offer in Sweden for which the subscription period closed on 1 March 2013 (17:00 CET).</p>



	conditions of the offer:	
E.4	Interests of natural and legal persons involved in the offer and issue of the Notes, including conflicting interests:	So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
E.7	Estimated expenses charged to investors by the Issuer:	Not Applicable; no expenses are charged to investors by the Issuer.

## **PART TWO: SECURITIES NOTE**

### **RISK FACTORS**

*Investing in the Notes involves risks. The Notes are not principal protected and investors may lose their entire investment (see paragraph below “No principal protection”) and the market value of the Notes may fluctuate during their term. Prospective investors risk losing their entire investment or part of it. See Parts 1 and 2 of the “Risk Factors” section of Chapter 1 of the Base Prospectus (incorporated by reference into this Securities Note) and, in addition, the risk factors below for information on the risk factors to be taken into account when considering an investment in the Notes. Potential investors are strongly recommended to consult with their independent financial advisers before making any investment decision.*

#### **Risk Factor in relation to Share/Index Linkage**

*Terms used but not defined below are as defined in (i) the General Terms and Conditions, as set out in Chapter 2, Part 1; (ii) the Terms and Conditions of the Single Share Linked Notes, as set out in Chapter 3, Part 1(A); and (iii) the Terms and Conditions of the Index Basket Linked Notes, as set out in Chapter 4, Part 1(B) of the Base Prospectus.*

The return on the Notes is linked to the performance of the underlying Equities. Each of the levels of the Equities, may go down as well as up throughout the life of the Notes. Fluctuations in the levels of the Equities will affect the value of the Notes. The Interest Amount and/or the Final Redemption Amount of the Notes will depend on predetermined criteria. If the Final Level of at least one Equity in the Basket is lower than its relevant Barrier Level the return on the Notes will fully depend on the worst performing Equity and may be zero and in such case no interest will be paid.

#### **A credit rating reduction may result in a reduction in the trading value of the Notes**

The value of the Notes may be expected to be affected, in part, by Noteholders’ general appraisal of the creditworthiness of the Issuer and/or the ING Group. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of the Issuer by standard statistical rating services, such as Moody’s, Standard & Poor’s and Fitch. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these or other rating agencies could result in a reduction in the trading value of the Notes.

#### **No principal protection**

The Notes are not capital protected and investors may therefore lose up to 100 per cent. of their investment in the Notes.

#### **Conflicts of Interest**

The Issuer and its affiliates may engage in trading activities (including hedging activities) related to securities composing the underlying Share the Notes (the “**Securities**”) and other instruments or derivative products based on or related to the Securities for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also issue other derivative instruments in respect of the Securities. The Issuer and its affiliates may also act as underwriter in connection with future offerings of the Securities or may act as financial adviser to companies whose Securities impact the return on Notes. Such activities could present certain conflicts of interest, could influence the prices of such Securities and could adversely affect the value of such Notes.

The Issuer and its affiliates may have acquired, or during the term of Notes may acquire, non-public information with respect to Securities (or their issuers) which will not be provided to holders of such Notes. The Issuer makes no representation or warranty about, give no guarantee of, the performance of the Share underlying the Notes. Past performance of the Share cannot be considered to be a guarantee of, or guide to, future performance.

**Limited Liquidity and Restrictions on Transfer**

Though Application will be made for the Notes to be admitted to trading on NASDAQ OMX and to be listed on the Official List of NASDAQ OMX, there may not be any market for the Notes and, as a result, a purchaser must be prepared to hold such Notes for an indefinite period of time or until the maturity thereof. It is unlikely that an active secondary market for the Notes will develop and purchasers of the Notes may find it difficult or uneconomic to liquidate their investment at any particular time. The Notes may be subject to certain transfer restrictions and may only be transferable to certain transferees and in limited circumstances. Such transfer restrictions may further limit the liquidity of the Notes.

**Early Redemption**

The Notes may redeem prior to their Maturity Date due to certain events set forth in the conditions applicable to the Notes, which events include events of default in respect of the Issuer. In such instances, amounts payable to the Noteholders will be dependent, among other factors, the prevailing fair market value of the notes, taking into account (without limitation) the cost or gain to the Issuer in amending or liquidating any related hedging or trading position(s) and any additional costs, fees or taxes relating thereto. It should be understood that in such circumstances, it is likely that the amount due to holders of the Notes may be less than the outstanding principal amount of the Notes.

**Taxation and no gross-up**

Each investor in the Notes will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority including, without limitation, any state or local taxes or other similar assessment or charges that may be applicable to any payment to such holder in respect of the Notes.

In the event that any withholding tax or deduction for tax is imposed on payments on the Notes by the Issuer to the Noteholders, it should be understood that such Noteholders will not be entitled to receive amounts to compensate for such withholding tax.

All payments made by the Issuer in respect of the Notes shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. Noteholders will not be entitled to receive grossed-up amounts to compensate for any such tax, duty, withholding or other payment.

## DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus should be read and construed in conjunction with the following documents (or part thereof) as listed in (a) to (g) below, which (a) have previously been published (or are published simultaneously with the Prospectus) and (b) have been approved by the AFM or filed with it, and shall be deemed to be incorporated in, and to form part of, the Prospectus:

- (a) the following parts of the Base Prospectus:
  - (i) the List of Parties;
  - (ii) the section headed “Summary of the Programme” in Chapter 1 of the Base Prospectus;
  - (iii) Parts 1 and 2 of the section headed “Risk Factors” in Chapter 1 of the Base Prospectus
  - (iv) the section headed “Form of Notes” in Chapter 1 of the Base Prospectus;
  - (v) the section headed “Use of Proceeds” in Chapter 1 of the Base Prospectus;
  - (vi) the section headed “Taxation” in Chapter 1 of the Base Prospectus;
  - (vii) the section headed “Subscription and Sale” in Chapter 1 of the Base Prospectus;
  - (viii) the section headed “General Information” in Chapter 1 of the Base Prospectus;
  - (ix) Part 1 headed “General Terms and Conditions of the Notes” of Chapter 2 of the Base Prospectus;
  - (x) Part 1(A) headed “Terms and Conditions of Notes Linked to a Single Share” of Chapter 3 of the Base Prospectus; and
  - (xi) Part 1(B) headed “Terms and Conditions of Notes Linked to a Basket of Indices” of Chapter 4 of the Base Prospectus;
- (b) the Articles of Association (*statuten*) of the Issuer;
- (c) the publicly available annual reports of the Issuer in respect of the years ended 31 December 2010, 2011 and 2012, including the audited financial statements and auditors' reports in respect of such years;
- (d) the press release published by ING on 19 November 2012 entitled “ING reaches agreement on amended EC Restructuring Plan”;
- (e) pages 11 and 13 to 28 (inclusive) of the unaudited ING Group 2013 quarterly report for the first quarter of 2013, as published by ING Group on 8 May 2013 (the “**Q1 Report**”). The Q1 Report contains, among other things, the consolidated unaudited interim results of ING Group as at, and for the three month period ended, 31 March 2013, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through the Issuer and its consolidated group;
- (f) pages 13 to 28 (inclusive) of the unaudited ING Group 2013 quarterly report for the second quarter of 2013, as published by ING Group on 7 August 2013 (the “**Q2 Report**” and, together with the Q1 Report, the “**Quarterly Reports**”). The Q2 Report contains, among other things, the consolidated unaudited interim results of ING Group as at, and for the three month period and the six month period ended, 30 June 2013, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through the Issuer and its consolidated group; and

- (g) the Interim Financial Report containing the Issuer's condensed consolidated unaudited results as at, and for the six month period ended, 30 June 2013, as published by the Issuer on 7 August 2013 (the **"ING Bank Interim Financial Report"**),

in each case where and to the extent such document refers to the Issuer and to Notes (as defined in the Base Prospectus). Terms used but not defined herein shall have the meanings given to them in the Base Prospectus. References in the Base Prospectus to "Final Terms" shall be deemed to be references to the Terms and Conditions of the Notes as set out in this Securities Note and Summary.

With respect to the Quarterly Reports, prospective investors should note that the Issuer's consolidated operations, while materially the same, are not identical with the reported financial and statistical information on a segment basis for the banking business of ING Group as described in the Quarterly Reports. ING Group is not responsible for the preparation of this Prospectus.

The non-incorporated parts of the Base Prospectus and the Quarterly Reports are not relevant for investors in the Notes.

## TERMS AND CONDITIONS OF THE NOTES

### Part A – Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the general terms and conditions of the Notes set forth in Chapter 2, Part 1 (the “**General Conditions**”) and the terms and conditions of share linked notes set forth in Chapter 3, Part 1(A) (the “**Single Share Linked Conditions**”) and the terms and conditions of index linked notes set forth in Chapter 4, Part 1(B) (the “**Basket Index Linked Conditions**”) of the Base Prospectus.

References in the Base Prospectus to “Final Terms” shall be deemed to be references to the Terms and Conditions of the Notes as set out in this Securities Note.

Prospective investors should carefully consider the sections entitled “Risk Factors” in the Base Prospectus and within this Securities Note.

### GENERAL DESCRIPTION OF THE NOTES

1.	Issuer:	ING Bank N.V.
2.	Series Number:	5408
3.	Specified Currency or Currencies:	SEK
4.	Aggregate Nominal Amount:	6,000 Units.
5.	Issue Price:	SEK 10,000 per Unit
6.	Offer price, offer period and application process:	The Notes have already been the subject of a public offer in Sweden for which the subscription period closed on 1 March 2013.
7.	Details of minimum and maximum amount of application:	Not Applicable
8.	(i) Specified Denominations:	1 Unit per Note
	(ii) Calculation Amount:	Not Applicable
9.	Issue Date and Interest Commencement Date:	28 March 2013
10.	Maturity Date:	28 March 2018
11.	Interest Basis:	Variable-linked Interest (further particulars as specified in paragraph 18 below)
12.	Redemption/Payment Basis:	As specified in paragraph 23, 40 and 41 below.
13.	Change of Interest Basis or Redemption/Payment Basis:	As specified in paragraph 18, 23, 40 and 41 below.
14.	Put/Call Options:	Not Applicable
15.	Status of the Notes:	Senior
16.	Method of distribution:	Non-syndicated

<b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b>		
17.	<b>Fixed Rate Note Provisions:</b>	Not Applicable
18.	<b>Variable-Linked Interest Note Provisions:</b>	Applicable
	(i) Specified Period(s)/Specified Interest Payment Dates:	28 March 2014, 30 March 2015, 29 March 2016, 28 March 2017 and the Maturity Date.
	(ii) Business Day Convention:	Following Business Day Convention (Unadjusted)
	(iii) Additional Business Centre(s):	TARGET
	(iv) Manner in which the Rate of Interest and Interest Amount(s) is/are to be determined for Variable-linked Interest Notes:	<p>The Interest Amount payable, if any, on the Specified Interest Payment Date, immediately following the relevant Observation Date<sub>(t)</sub>, shall be determined in accordance with the following:</p> <p>(i) If, on the relevant Observation Date<sub>(t)</sub>, the Level of each and every Equity in the Basket is equal to or higher than its relevant Initial Level, an amount per Note calculated in accordance with the following formula: <math>\text{SEK } 10,000 \times t \times \text{Step Up Coupon}</math>; or</p> <p>(v) If, on the relevant Observation Date<sub>(t)</sub>, (i) the Level of at least one of the Equities in the Basket is lower than its relevant Initial Level and (ii) the Level of each and every Equity in the Basket is equal to or higher than its relevant Upper Barrier Level, an amount per Note calculated in accordance with the following formula: <math>\text{SEK } 10,000 \times 8\%</math>; or</p> <p>(vi) If, on the relevant Observation Date<sub>(t)</sub>, (i) the Level of at least one of the Equities in the Basket is lower than its relevant Upper Barrier Level and (ii) the Level of each and every Equity in the Basket is equal to or higher than its relevant Barrier Level, an amount per Note calculated in accordance with the following formula: <math>\text{SEK } 10,000 \times 5\%</math>; or</p> <p>(vii) If, on the relevant Observation Date<sub>(t)</sub>, the Level of at least one of the Equities in the Basket is lower than its relevant Barrier Level, an amount per Note equal to SEK 0.00 (ZERO), in which case no Variable-linked Interest shall be paid on the Notes.</p>

		<p>Where:</p> <p>“<b>Step Up Coupon</b>” means 9.6%;</p> <p>“<b>Upper Barrier Level</b>” means in respect of Equity<sub>(i)</sub>, 80% of the Initial Level of such Equity<sub>(i)</sub>;</p> <p>“<b>Level</b>” means (a) in respect of Equity<sub>(1)</sub>, the Price and (b) in respect of Equity<sub>(2)</sub>, Equity<sub>(3)</sub> and Equity<sub>(4)</sub>, the Index Level;</p> <p>“<b>Initial Level</b>” means (a) in respect of Equity<sub>(1)</sub>, USD 55.72, (b) in respect of Equity<sub>(2)</sub>, 1,044.192; (c) in respect of Equity<sub>(3)</sub>, 1,060.572; and (d) in respect of Equity<sub>(4)</sub>, 6,612.534</p> <p>“<b>t</b>” means the number 1 to 5 corresponding to the relevant Observation Date(t).</p>
19.	<b>Zero Coupon Note Provisions:</b>	Not Applicable
20.	<b>Dual Currency Interest Note Provisions:</b>	Not Applicable
<b>PROVISIONS RELATING TO REDEMPTION</b>		
21.	Issuer Call:	Not Applicable
22.	Noteholder Put:	Not Applicable
23.	Final Redemption Amount of each Note:	<p>(1) If the Final Level of each and every Equity in the Basket is equal to or higher than its relevant Barrier Level, by payment of the Final Redemption Amount, which shall be an amount per Note equal to SEK 10,000; or</p> <p>(2) If the Final Level of at least one of the Equities in the Basket is lower than its relevant Barrier Level, by payment of the Final Redemption Amount, which shall be an amount per Note calculated in accordance with the following formula: SEK 10,000 ×</p> $\left( \frac{\text{Final Level of Equity}_{(\text{worst})}}{\text{Initial Level of Equity}_{(\text{worst})}} \right)$ <p>Where:</p> <p>“<b>Equity<sub>(worst)</sub></b>” means the Equity with the worst performance compared to the other Equities in the Basket, where the performance of each of the Equities in the Basket will be calculated in accordance with the following equation:</p> $(\text{Final Level} / \text{Initial Level})$ <p>For the avoidance of doubt, Equity<sub>(worst)</sub> will be the Equity</p>



		for which the outcome of the above mentioned formula has the lowest value; and  “ <b>Final Level</b> ” means (a) in respect of Equity <sub>(1)</sub> , the Final Share Price and (b) in respect of Equity <sub>(2)</sub> , Equity <sub>(3)</sub> and Equity <sub>(4)</sub> , the Final Index Level.
24.	Other:  (i) Early Redemption Amount of each Note payable on redemption for taxation reasons or on Issuer event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(f) of the General Conditions):	Early Redemption Amount to be equal to Fair Market Value as set out in Condition 6(f) of the General Conditions.
	(ii) Notice period (if other than as set out in the General Conditions):	As set out in the General Conditions.
	(iii) Other (Condition 6(m) of the General Conditions):	Not Applicable
<b>GENERAL PROVISIONS APPLICABLE TO THE NOTES</b>		
25.	Form of Notes:	Swedish Notes
	New Global Note:	No
26.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	TARGET
27.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and, if different from those specified in the Temporary Global Note, consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29.	Details relating to Instalment Notes:	
	(iv) Instalment Amount(s):	Not Applicable
	(v) Instalment Date(s):	Not Applicable

30.	Redenomination:	Redenomination not applicable
31.	Other final terms:	<p>For the purpose of the Notes:</p> <p>(i) in respect of Equity<sub>(1)</sub>, General Conditions 6(n), 6(o), 6(p) and 6(q) as amended by Conditions 3, 4, 5 and 6 of the Single Share Linked Conditions respectively shall apply; and</p> <p>(ii) in respect of Equity<sub>(2)</sub>, Equity<sub>(3)</sub>, Equity<sub>(4)</sub>, General Conditions 6(n), 6(o) and 6(p) as amended by Conditions 3, 4 and 5 of the Basket Index Linked Conditions respectively shall apply.</p>
<b>DISTRIBUTION</b>		
32.	If syndicated, names of Managers:	Not Applicable
33.	If non-syndicated, name of relevant Dealer:	Applicable. The Notes are being issued (in)directly by the Issuer to investors and may from time to time be sold via one or more Dealer(s).
34.	Total commission and concession:	<p>Distribution fee: 5.2% upfront;</p> <p>A commission may be charged to investors by the distributor and/or financial intermediary. Further information can be obtained from the distributor.</p>
35.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA not applicable
36.	Additional selling restrictions:	Not Applicable
37.	(i) Simultaneous offer:	Not Applicable
	(ii) Non-exempt offer:	The Notes have already been the subject of a public offer in Sweden for which the subscription period closed on 1 March 2013.
38.	Process for notification to applicants of amount allotted and indication whether dealing may begin before notification is made:	Investors have been notified of the amount of Notes allotted to them either directly by the Issuer or through their financial intermediaries.
39.	<b>FX, BENCHMARK, FX CONVERTIBILITY EVENT, FX TRANSFERABILITY EVENT AND TAX EVENT PROVISIONS</b>	
	<b>(i) FX Provisions:</b>	Not Applicable
	<b>(ii) Benchmark Provisions:</b>	Not Applicable
	<b>(iii) FX Convertibility Event Provisions:</b>	Not Applicable
	<b>(iv) FX Transferability Event Provisions:</b>	Not Applicable
	<b>(v) Tax Event Provisions:</b>	Not Applicable

<b>40. SHARE LINKED PROVISIONS</b>		
	Definition of Additional Disruption Event:	
	Change in Law:	Applicable
	Hedging Disruption:	Applicable
	Insolvency Filing:	Applicable
	Exchange Traded Fund Disruption Event:	In respect of Equity <sub>(1)</sub> , Applicable
	Underlying Index Disruption Event:	In respect of Equity <sub>(1)</sub> , Applicable
	Other Additional Disruption Events, if any:	None
	Automatic Early Redemption:	Applicable
	- Automatic Early Redemption Amount:	An amount per Note equal to SEK 10,000
	- Automatic Early Redemption Dates:	28 March 2014, 30 March 2015, 29 March 2016 and 28 March 2017.
	- Automatic Early Redemption Event:	The Level of each and every Equity in the Basket is equal to or higher than its relevant Initial Level.
	- Automatic Early Redemption Price:	Not Applicable
	- Automatic Early Redemption Rate:	Not Applicable
	- Automatic Early Redemption Valuation Date:	17 March 2014, 16 March 2015, 15 March 2016 and 15 March 2017.
	Averaging Dates:	Not Applicable
	Barrier Level:	Means in respect of Equity <sub>(i)</sub> , 60% of the Initial Level of such Equity <sub>(i)</sub> .
	Business Day:	A day (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Stockholm and (ii) on which the TARGET System is operating.
	Constant Monitoring:	Not Applicable
	Exchange:	In respect of Equity <sub>(1)</sub> , "Exchange" shall have the meaning given to it in Chapter 3, Part 1 (A).
	Expiration Date:	15 March 2018
	Final Share Price:	Shall have the meaning given to it in Chapter 3, Part 1 (A).
	Initial Share Price:	Shall have the meaning given to it in Chapter 3, Part 1 (A).
	Observation Date(s):	17 March 2014, 16 March 2015, 15 March 2016, 15 March 2017 and the Expiration Date.
	Observation Period:	Not Applicable
	Share Amount:	Not Applicable

	Share Currency:	USD
	Share Delivery:	Not Applicable
	Share Delivery Date:	Not Applicable
	Share Issuer:	iShares MSCI Brazil Index Fund
	Shares:	<p>The shares issued by the Share Issuer (ISIN: US4642864007, Bloomberg code: EWZ UP &lt;Equity&gt;) (“<b>Equity<sub>(1)</sub></b>”).</p> <p>For the avoidance of doubt, each Equity may be referred to as Equity<sub>(i)</sub>, where “i” is the number 1 to 4 corresponding to the Equities identified in this paragraph and identified in the table in paragraph 41 below.</p>
	Exchange Traded Fund:	Applicable
	Strike Date:	15 March 2013
	Strike Price:	Not Applicable
	Valuation Time Only:	Applicable
<b>41. INDEX LINKED PROVISIONS</b>		
	Definition of Additional Disruption Event:	
	- Change in Law	Applicable
	- Hedging Disruption	Applicable
	- Other Additional Disruption Events, if any:	None
	Automatic Early Redemption:	Applicable
	- Automatic Early Redemption Amount:	As specified in paragraph 40 above.
	- Automatic Early Redemption Date:	As specified in paragraph 40 above.
	- Automatic Early Redemption Event:	As specified in paragraph 40 above.
	- Automatic Early Redemption Price:	As specified in paragraph 40 above.
	- Automatic Early Redemption Rate:	As specified in paragraph 40 above.
	- Automatic Early Redemption Valuation Date:	As specified in paragraph 40 above.
	Averaging Dates:	Not Applicable
	Barrier Level:	As specified in paragraph 40 above.
	<p>Basket:</p> <p>Basket means a basket composed of the following Equities (including Equity<sub>(1)</sub> as specified in paragraph 40 above):</p>	
	<b>Index</b>	<b>i</b>
	Russian Depository Index (USD) (“ <b>Equity<sub>(2)</sub></b> ”)	2
		<b>Bloomberg code</b>
		RDXUSD <Index>

	CECE Composite Index (EUR) ("Equity <sub>(3)</sub> ")	3	CECEEUR <Index>
	Hang Seng China Enterprises Index ("Equity <sub>(4)</sub> ")	4	HSCEI <Index>
	For the avoidance of doubt, each Equity may be referred to as Equity <sub>(i)</sub> , where "i" is the number 1 to 4 corresponding to the Equities identified in the table above and identified in paragraph 40 above.		
	Business Day:	As specified in paragraph 40 above.	
	Constant Monitoring:	Not Applicable	
	Expiration Date:	As specified in paragraph 40 above.	
	Final Index Level:	Shall have the meaning given to it in Chapter 4, Part 1(B).	
	Index Sponsor:	Shall have the meaning given to it in Chapter 4, Part 1(B).	
	Initial Index Level:	Shall have the meaning given to it in Chapter 4, Part 1(B).	
	Observation Date(s):	As specified in paragraph 40 above.	
	Observation Period:	Not Applicable	
	Official Closing Level Only:	Applicable	
	Strike Date:	As specified in paragraph 40 above.	
	Strike Price:	Not Applicable	

## PART B – OTHER INFORMATION

### 1 LISTING

(i) Listing:	NASDAQ OMX
(ii) Admission to trading:	Application will be made for the Notes to be admitted to trading on NASDAQ OMX with effect from the Issue Date or as soon as possible thereafter.

### 2 RATINGS

Ratings:	The Notes will not be rated.
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### 3 NOTIFICATION

The Netherlands Authority for Financial Markets has provided the competent authorities in each of Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Norway, Spain and Sweden with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. Notwithstanding the foregoing, no offer of Notes to the public may be made in any Relevant Member State which requires the Issuer to undertake any action in addition to the filing of the Final Terms with the Netherlands Authority for the Financial Markets unless and until the Issuer advises such action has been taken.

#### 4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

Save as discussed in “Subscription and Sale” in Chapter 1 of the Base Prospectus in respect of any appointed Dealer, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

#### 5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer:	See “Use of Proceeds” wording in Chapter 1 of the Base Prospectus
(ii) Estimated total expenses related to admission to trading:	SEK 5,000 Annual fee SEK 1,500 Listing fee

#### 6 DETAILS OF UNDERLYING EQUITY

The return on the Notes is linked to the performance of the underlying Equities. Each of the levels of the Equities, may go down as well as up throughout the life of the Notes. Fluctuations in the levels of the Equities will affect the value of the Notes.

Details of the past and further performance of the underlying Equities in the Basket and their volatility can be obtained from:

- in respect of Equity<sub>(1)</sub>, Bloomberg (EWZ UP<Equity>) and the website: [http://us.ishares.com/product\\_info/fund/overview/EWZ.htm](http://us.ishares.com/product_info/fund/overview/EWZ.htm);
- in respect of Equity<sub>(2)</sub>, Bloomberg (RDXUSD <Index>) and the website: <http://en.indices.cc/indices/details/rdu>;
- in respect of Equity<sub>(3)</sub>, Bloomberg (CECEEUR <Index>) and the website: <http://en.indices.cc/indices/details/cxe>; and
- in respect of Equity<sub>(4)</sub>, Bloomberg (HSCEI <Index>) and the website: <http://www.hsi.com.hk/HSI-Net/HSI-Net>.

##### **Description of how the return on the Notes takes place:**

**Automatic Early Redemption Amount** Unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date(t) the Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date(t) immediately following such Automatic Early Redemption Valuation Date(t).

The Automatic Early Redemption Event shall occur where the Level of each and every Equity in the Basket is equal to or higher than its relevant Initial Level.

Level means (a) in respect of Equity<sub>(1)</sub>, the Price and (b) in respect of Equity<sub>(2)</sub>, Equity<sub>(3)</sub> and Equity<sub>(4)</sub>, the Index Level;

Price means the price of the Share on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing);

Index Level means the level of the Index on a specified day at the closing time of the relevant stock exchange (subject to adjustment for early closing);

Initial Level means (a) in respect of Equity<sub>(1)</sub>, USD 55.72, (b) in respect of Equity<sub>(2)</sub>, 1,044.192; (c) in respect of Equity<sub>(3)</sub>, 1,060.572; and (d) in respect of Equity<sub>(4)</sub>, 6,612.534

The Automatic Early Redemption Valuation Date(t) and the Automatic Early Redemption Date(t) are specified in the table below:

Automatic Early Redemption Valuation Date(t)	Automatic Early Redemption Date(t)
17 March 2014, 16 March 2015, 15 March 2016 and 15 March 2017.	28 March 2014, 30 March 2015, 29 March 2016 and 28 March 2017.

### Final Redemption Amount

The Final Redemption Amount of the Notes will depend on predefined criteria as specified in the examples below:

#### *EXAMPLES of the determination of the Final Redemption Amount*

##### *A. Positive Scenario*

If the Final Level of each and every Equity is equal to or higher than its relevant Barrier Level, the final redemption will be: SEK 10,000

##### *B. Negative Scenario*

If the Final Level of at least of the Equities is lower than its relevant Barrier Level, and taking into account the following assumptions Equity<sub>(1)</sub> is the Worst Performing Equity and::

- Final Level of the Worst Performing Equity is: USD 25.-
- Initial Level of the Worst Performing Equity is: USD 55.-

The final redemption will be: (a) SEK 10,000 multiplied by (b) USD 25.- divided by USD 55 (= 0.4545 rounded), is **SEK 4,545.45**

**The examples set out above are no indication, prediction or guarantee of future performance of the Notes. No rights may be derived from these examples.**

## 7 RESULTS OF THE OFFER

Results of the offer have been published by the Issuer on [www.ingmarkets.com](http://www.ingmarkets.com) following the close of the subscription period (results of the offer are expected to be published on or about the Strike Date, although the Issuer reserves the right to close the subscription period earlier).

## 8 POST-ISSUANCE INFORMATION

Post-issuance information in relation to the Notes will be made available on [www.ingmarkets.com](http://www.ingmarkets.com). There is no assurance that the Issuer will continue to provide such information for the life of the Notes.

## 9 OPERATIONAL INFORMATION

(i) Intended to be held in a manner which would allow Eurosystem eligibility:	No
(ii) ISIN CODE:	NL0010387478
(iii) Common Code:	Not Applicable
(iv) Other relevant code:	Not Applicable
(v) Clearing system(s):	Euroclear Sweden AB Box 191 101 23 Stockholm Sweden.
(vi) Delivery:	Delivery against payment.
(vii) Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
(viii) Name and address of Calculation Agent (if other than the Issuer):	Not Applicable
(ix) Name and address of Finnish Registrar/ Norwegian Registrar/Swedish Registrar:	Euroclear Sweden AB Box 191 101 23 Stockholm Sweden
(x) Name and address of Finnish Issuing Agent/ Norwegian Issuing Agent/Swedish Issuing Agent:	Skandinaviska Enskilda Banken AB (publ.) Kungsträdgårdsgatan 106 40 Stockholm Sweden.

## 10 SWEDISH TAXATION

*The following summary of certain tax issues that may arise as a result of holding Notes is based on current Swedish tax legislation and is intended only as general information for holders of Notes who are resident in Sweden for tax purposes, unless otherwise indicated. This description does not deal comprehensively with all tax consequences that may occur for holders of Notes, nor does it cover the specific rules where Notes are held by a partnership or as current assets in a business operation. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies and mutual funds. Prospective applicants for Notes should consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of holding Notes, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable.*

### ***Taxation of Individuals Resident in Sweden***

#### ***Capital Gains and Losses***

Individuals who sell their Notes, or have their Notes redeemed or bought back, are subject to capital gains tax. The tax rate is 30 per cent.

The capital gain or loss is calculated as the difference between the sales (or redemption) proceeds, after deduction of sales costs, and the Notes' acquisition cost for tax purposes. The acquisition cost is determined according to the "average method". This means that the costs of acquiring all Notes of the



same type and class as the sold Notes are added together and the average acquisition cost is calculated collectively, with respect to changes to the holding.

Gains or losses on currency exchange rate fluctuations may arise in relation to Notes where the sales proceeds received are in a foreign currency. However, no special calculations are required if the sales proceeds are exchanged into SEK within 30 days from the time of disposal. In such case, the exchange rate on the date of exchange shall be used when calculating the value of the sales proceeds. The exchange rate on the date of acquisition is generally used when determining the acquisition cost for tax purposes.

The Notes could be defined as;

- (a) receivables (*Sw. fordringsrätt*);
- (b) listed shares and other listed securities that are taxed in the same manner as shares (*Sw. delägar rätt*); or
- (c) non-financial items (*Sw. andra tillgångar*).

As a general rule, 70 per cent. of a capital loss is deductible against any other taxable income from capital. However, capital losses on listed Swedish receivables are fully deductible in the income from capital category. According to Swedish case law, full deductibility also applies to capital losses on listed foreign receivables.

Capital losses on listed shares and other listed securities that are taxed in the same manner as shares (except for listed shares in mutual funds containing only Swedish receivables), are fully deductible against taxable gains on such assets and on non-listed shares in Swedish limited liability companies and foreign legal entities. On non-listed shares in Swedish limited liability companies and foreign legal entities only five sixths of capital losses are deductible. If capital losses pertain to both listed and non-listed shares, the losses pertaining to the listed shares are deductible prior to the losses on the non-listed shares. 70 per cent. of any excess amount is deductible according to the general rule or five sixths of 70 per cent. is deductible if the capital loss relates to non-listed shares. Capital losses on listed shares in mutual funds containing only Swedish receivables are fully deductible in the income from capital category.

If a deductible deficit arises in the income from capital category, a reduction of the tax on income from employment and from business operations, as well as the tax on real estate and the municipal real estate fee, is allowed. The tax reduction is 30 per cent. of any part of the deficit not exceeding SEK 100,000 and 21 per cent. of any part of the deficit in excess of SEK 100,000. Deficits may not be carried forward to a subsequent fiscal year.

### **Interest/Dividends**

Any interest income received by an individual holder during the life of a financial instrument is subject to Swedish tax at a tax rate of 30 per cent. in the income from capital category. Interest is taxable when the income can be disposed of. The same applies to dividends.

There are no specific Swedish tax rules defining what constitutes debt or equity, nor is there a definition of interest. However, where a payment during the life of the instrument is made at the discretion of the Issuer, such payment should generally be considered a dividend. It is further generally held, that where the terms and conditions of the instrument provide for payments to be made under predetermined circumstances established by the terms and conditions and no shareholder meeting is required to determine the payment, such payment should be considered interest.

## **Taxation of Swedish Legal Entities**

Limited liability companies and other legal entities (except partnerships and estates of deceased persons) are normally taxed on all income (including income from the sale, redemption or repayment of the Notes) as income from business operations at a flat rate of 22 per cent. (the tax rate is 26.3 per cent. for fiscal years commencing prior to 1 January 2013).

Regarding the calculation of capital gains or losses, see section “Taxation of Individuals Resident in Sweden” above. However, for legal entities, interest income and currency exchange fluctuations are normally taxable, or deductible, as the case may be, on an accrual basis. Note that capital losses on non-financial items (*Sw. annan tillgång*) are fully deductible for tax purposes when the holder is a legal entity.

Tax deductible capital losses on receivables incurred by a limited liability companies and certain other legal entities are normally fully deductible against any taxable income.

Specific rules may apply to Notes held as a hedge for foreign currency exposure.

## **Taxation of holders of Notes residing outside of Sweden**

Payments of any principal amount or any amount that is considered to be interest or dividends for Swedish tax purposes to holders of Notes who are not fiscally resident in Sweden and who are not engaged in trade or business in Sweden through permanent establishments are not subject to Swedish income tax. A person is resident in Sweden for Swedish tax purposes if it (a) is domiciled in Sweden; (b) has its habitual abode in Sweden; or (c) has been domiciled earlier in Sweden and, after having moved abroad, continues to have an essential connection with Sweden.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of Notes.

Unless an exemption applies, Swedish dividend withholding tax (*Sw. kupongskatt*) at a rate of 30 per cent. is payable on dividends paid by companies incorporated and duly registered in Sweden under the Swedish Companies Act to non-resident shareholders who are entitled to receive the dividends. Depending on the shareholder’s circumstances and residency, it may be possible to reduce the withholding tax rate or exempt dividends from withholding tax under Swedish domestic law or the applicable tax treaty.

Holders of Notes who are not fiscally resident in Sweden and who are not carrying on business operations from a permanent establishment in Sweden are generally not liable for Swedish capital gains taxation on the disposal of Notes. The holders may be subject to tax in their country of residence.

As far as non-resident individuals are concerned, capital gains on the sale of certain securities may in some cases be subject to Swedish tax if the individual has been resident or permanently lived in Sweden at any time during the calendar year of the sale or any of the ten preceding calendar years. The application of this tax rule is, in many cases, limited by tax treaties for the avoidance of double taxation, which Sweden has concluded with other countries.

## **Other**

Sweden does not levy any net wealth tax and there are no transfer taxes on transfers of financial instruments.