Dated 8 April 2011

**ING BANK N.V.**

**SECURITIES NOTE**

**€50,000,000,000**
**Global Issuance Programme**

**Series No: 3979**

**Issue of a minimum of SEK 50,000,000 5 Year Fund Linked Participation Notes due April 2016**

Issue Price: 110 per cent.

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## INTRODUCTION

This Securities Note (the "**Securities Note**") has been prepared in connection with the issue by ING Bank N.V. (the "**Issuer**") of a minimum of SEK 50,000,000 5 Year Fund Linked Participation Notes due April 2016 (the "**Notes**") under its €50,000,000,000 Global Issuance Programme (the "**Programme**").

This Securities Note constitutes a securities note and, together with the Registration Document and the Summary Note (each as defined below), a prospectus (the "**Prospectus**") for the purposes of Article 5 of Directive 2003/71/EC (the "**Prospectus Directive**") for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and of the rights attached to the Notes.

The Issuer accepts responsibility for the information contained in this Securities Note. 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 this Securities Note, when read together with the Registration Document and the Summary Note, is in accordance with the facts and does not omit anything likely to affect the import of such information.

On 31 March 2011, the Issuer published a Base Prospectus (the "**Base Prospectus**") in respect of the Programme.. On 18 May 2010, the Issuer published a Registration Document (the "**Original Registration Document**"). On 13 August 2010, 11 November 2010, 17 February 2011 and 8 March 2011 respectively the Issuer published a supplement to the Original Registration Document (each a "**RD Supplement**", together the "**RD Supplements**" and together with the Original Registration Document, the "**Registration Document**"). On the date hereof, the Issuer published a Summary Note in respect of the issue of the Notes (the "**Summary Note**"). This Securities Note should be read and construed in conjunction with the Summary Note, the Registration Document, each of the sections headed "Summary of the Programme", "Risk Factors" (Parts 1 and 2), "Taxation", "Subscription and Sale" and "General Information" of Chapter 1 of the Base Prospectus and the details of relevant parties to the Programme on the last five pages of the Base Prospectus (the "**List of Parties**") (all of which are incorporated by reference in this Securities Note as described in the paragraph below), in each case where and to the extend such section refers to Global Issuer and to Notes (as defined in the Base Prospectus). Copies of this Securities Note, the Base Prospectus, the Summary Note and the Registration Document may be obtained free of charge from the Issuer. Written or oral requests for such documents should be directed to the Issuer at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands, telephone number +31 (0)20 501 3477.

This Securities Note, the Registration Document and the Summary Note have each been filed with, and approved by, the *Autoriteit Financiële Markten* (the "**AFM**") in its capacity as competent authority under the *Wet op het financieel toezicht* (Dutch Financial Supervision Act). The Base Prospectus was filed with the AFM and approved by it on 31 March 2011. The Registration Document was filed with the AFM and approved by it on 18 May 2010. The RD Supplements were filed with the AFM and approved by it on 13 August 2010, 11 November 2010, 17 February 2011 and 8 March 2011 respectively. The following documents, which have previously been published or are published simultaneously with the Base Prospectus and have been approved by the AFM or filed with it, and shall be deemed to be incorporated in, and to form part of, this Securities Note; this Securities Note should be read and construed in conjunction with such documents:

(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 "Taxation" in Chapter 1 of the Base Prospectus;
  (v) the section headed "Subscription and Sale" in Chapter 1 of the Base Prospectus; and
  (vi) the section headed "General Information" in Chapter 1 of the Base Prospectus;

(b) the Articles of Association (*statuten*) of the Global Issuer;

(c) the publicly available annual reports of the Global Issuer in respect of the years ended 31 December 2007, 2008 and 2009, including the audited financial statements and auditors' reports in respect of such years;

(d) pages 2 to 26 (inclusive) of the unaudited ING Group 2010 quarterly report for the first quarter of 2010, as published by ING Groep N.V. on 12 May 2010 (the "**ING Group Q1 Report**"). The Q1 Report contains, among other things, the consolidated unaudited interim results of ING Groep N.V. as at, and for the three month period ended, 31 March 2010, as well as information about recent developments

during this period in the banking business of ING Groep N.V., which is conducted substantially through the Global Issuer and its consolidated group;

(e) pages 1 to 26 (inclusive) of the unaudited ING Group 2010 quarterly report for the second quarter of 2010, as published by ING Groep N.V. on 11 August 2010 (the "**ING Group Q2 Report**"). The ING Group Q2 Report contains, among other things, the consolidated unaudited interim results of ING Groep N.V. as at, and for the three and six month period ended, 30 June 2010, as well as information about recent developments during this period in the banking business of ING Groep N.V., which is conducted substantially through the Global Issuer and its consolidated group;

(f) the Interim Financial Report containing the Global Issuer's consolidated unaudited results as at, and for the six month period ended, 30 June 2010, as published by the Global Issuer on 11 August 2010;

(g) pages 1 to 28 (inclusive) of the unaudited ING Group 2010 quarterly report for the third quarter of 2010, as published by ING Groep N.V. on 10 November 2010 (the "**ING Group Q3 Report**"). The ING Group Q3 Report contains, among other things, the consolidated unaudited interim results of ING Groep N.V. as at, and for the three and nine month period ended, 30 September 2010, as well as information about recent developments during this period in the banking business of ING Groep N.V., which is conducted substantially through the Global Issuer and its consolidated group;

(h) pages 1 to 30 (inclusive) of the unaudited ING Group 2010 quarterly report for the fourth quarter of 2010, as published by ING Groep N.V. on 16 February 2011 (the "**ING Group Q4 Report**"). The ING Group Q4 Report contains, among other things, the consolidated unaudited interim results of ING Groep N.V. as at, and for the three and twelve month period ended, 31 December 2010, as well as information about recent developments during this period in the banking business of ING Groep N.V., which is conducted substantially through the Global Issuer and its consolidated group; and

(i) the press release (the "**Early Repurchase Press Release**") published by ING Bank N.V. on 7 March 2011 entitled "ING to repurchase EUR 2 bn core Tier 1 securities from Dutch State on 13 May".

In each case where and to the extend such document refers to Global 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 full in this Securities Note.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Securities Note, the Registration Document, the Summary Note and the relevant sections of Chapter 1 of the Base Prospectus and the List of Parties incorporated by reference into this Securities Note 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 Securities Note (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 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 Securities Note 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 this Securities Note, the Summary Note, the Registration Document or the Base Prospectus. If in doubt potential investors are strongly recommended to consult with their financial advisers before making any investment decision.

The delivery of this Securities Note 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. 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.

Other than in Sweden, Norway and Luxembourg, the Issuer does not represent that this Securities Note 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, other than in Sweden, Norway and Luxembourg. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Securities Note 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 this Securities Note and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Securities Note 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 this Securities Note) 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 this 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 this Securities Note. Any representation to the contrary is a criminal offence in the United States.

In relation to any non-exempt offer of the Notes made in Sweden and/or Norway prior to the date of publication of this Prospectus, investors have the right to withdraw their acceptances within two working days commencing from the date of publication of this Prospectus.

## RISK FACTORS

*Investing in the Notes involves risks. The Notes are partially principal protected at maturity, however the market value of the Notes may fluctuate during their term and hence, if sold in the secondary market or redeemed prior to maturity, prospective investors risk losing their entire investment as a result of an Event of Default or part of it otherwise. 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 the risk factors below for information on the risk factors to be taken into account when considering an investment in the Notes.*

**The Notes may not be a suitable investment for all investors**

A prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in the Notes. Any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of the Notes. If a prospective investor does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, the investor should consult with its financial adviser prior to deciding to make an investment as to the suitability of the Notes.

The Notes are complex financial instruments. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Prospective investors risk losing their entire investment as a result of an Event of Default or part of it otherwise.

**The return on the Notes is linked to the performance and volatility of the underlying Fund**

The return on the Notes is linked to the performance and the volatility of the underlying Fund. The levels of the Fund Interest Price may go down as well as up throughout the life of the Notes. Fluctuations in the levels of the Fund Interest Price will affect the value of the Notes. An increase or a decrease of the volatility of the Fund Interest Price will affect the value of the Notes

Accordingly, before investing in the Notes, prospective investors should carefully consider the performance and volatility of the Fund. Results of the Fund achieved in the past are no guarantee of future performances and volatility. Prospective investors risk losing their entire investment as a result of an Event of Default or part of it otherwise.

**No gross-up**

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.

**Redemption amounts consist of a Bond Component and an Option Component.**

Redemption payments can be divided in (i) a Bond Component and (ii) an Option Component. The value of the Bond Component will accrue to 100 per cent. of the Specified Denomination on the Maturity Date. The Bond Component constitutes the partially principal protected nature of the Note on the Maturity Date. If the Notes are redeemed prior to the Maturity Date, the value of the Bond Component will be less than 100% of the Specified Denomination. Redemption of the Option Component is subject to postponement provisions. The value of the Option Component or the value of the Bond Component will never be less than zero.

**Postponement of redemption**

Redemption payment of the Option Component of the Notes on the Maturity Date or the Early Redemption Date (as applicable) is subject to a holder of Fund Interests receiving the proceeds of redemption of such Fund Interests deemed to have submitted for redemption to the Fund. Should such redemption of Fund Interests and/or the receipt of proceeds of redemption of Fund Interests be postponed, redemption payment of the Option Component of the Notes will be postponed accordingly. In case such redemption of Fund Interests or the receipt of the proceeds of redemption of such Fund Interests be postponed for a period of 2 years or more following the Maturity Date or the Early Redemption Date (as applicable), the value of the Option Component of the Notes shall be zero or such other amount as the Issuer determines in its sole and absolute discretion.

## DESCRIPTION OF THE NOTES

*Capitalised terms used in this section but not defined shall be deemed to be defined as such for the purposes of the Conditions set forth in the "Terms and Conditions of the Notes" section of this Securities Note. In the event of any inconsistency between the "Terms and Conditions of the Notes" section of the Securities Note, as set out below, and this section "description of the notes", the "Terms and Conditions of the Notes" section set out below shall prevail. This section is provided for convenience only.*

The Final Redemption Amount of this Note consists of the combination of (i) the Bond Component and (ii) the Option Component.

Save for the occurrence of an Early Redemption Event, the Bond Component of the Note will be redeemed at 100% of the Specified Denomination per Note on the Maturity Date, being the partial principal protection at maturity. The Issue Price is 110% of the Specified Denomination per Note.

The Option Component of the Note reflects the possible upside exposure in the Master Portfolio. The value of the Option Component is determined on the basis of the average value of the Master Portfolio over the last 13 months of the tenor of the Notes, for a total of 13 observations compared to the value of the Master Portfolio on the Strike Date. If the average value of the Master Portfolio across all Averaging Dates is lower than or equal to the value of the Master Portfolio on the Strike Date, the value of the Option Component equals zero. The value of the Option Component shall never be lower than zero. The Final Redemption Amount of the Note equals the value of the Bond Component plus the value of the Option Component.

The Master Portfolio is composed of a Reference Portfolio, a Deposit Portfolio and a Leverage Portfolio. Within the Master Portfolio, notional investments may be allocated to the Reference Portfolio and/or the Deposit Portfolio and a Leverage Notional Amount may be established which shall be applied towards the notional subscription of additional Reference Portfolio Interests. The Master Portfolio may be rebalanced on a daily basis between the Reference Portfolio the Deposit Portfolio and the Leverage Portfolio. Application of allocation adjustments within the Master Portfolio commences on the Strike Date. No interest will accrue on any amounts allocated to the Deposit Portfolio and no interest is paid by the Master Portfolio on the Leverage Notional Amount (if any). Allocation to the Reference Portfolio in the Master Portfolio is dependent on the historical realized volatility of the Fund Interest Price which is measured as the weighted standard deviation of the Fund Interest Price over the past 40 Fund Business Days.

If the historic realized volatility increases, allocations within the Master Portfolio to the Reference Portfolio may be reduced, and subsequently the Leverage Notional Amount may be repaid in full or in part and the assets allocated (if any) to the Deposit Portfolio may be increased with any remains after any notional repayment of the Leverage Notional Amount. Allocations within the Master Portfolio to the Deposit Portfolio will not be higher than 100% of the Master Portfolio Value.

If the historic realized volatility decreases, allocations within the Master Portfolio to the Reference Portfolio may be increased, and subsequently the Leverage Notional Amount may be increased or established (as the case may be) and the assets (if any) allocated to the Deposit Portfolio may be decreased. Allocations within the Master Portfolio to the Reference Portfolio will not be higher than 130% (indicative) of the Master Portfolio Value.

The Leverage Notional Amount may only be increased in case no assets are allocated to the Deposit Portfolio. The Deposit Portfolio may only be increased in case the Leverage Notional Amount is reduced to zero.

Reallocations within the Master Portfolio only will occur if the Scaled Realized Volatility of the Master Portfolio is lower than 23% (indicative) or higher than 27% (indicative). In that case the allocation to the Reference Portfolio shall be equal to the ratio of (a) 25% (indicative) and (b) the Realized Volatility of the Fund Interest Price.

EXAMPLE 1:
If the allocation within the Master Portfolio to the Reference Portfolio is 100% (and thus the allocation to the Deposit Portfolio is 0%) at a certain Fund Business Day and the Realized Volatility is 35%, as a result the allocation to the Reference Portfolio becomes 25% / 35% = 71.43%. In that case the remaining 28.57% of the Master Portfolio will be allocated to the Deposit Portfolio.

EXAMPLE 2:
In case the Realized Volatility on a certain Fund Business Day is 21%, the allocation to the Reference Portfolio will be equal to 25% / 21% = 119.05%. Allocation to the Deposit Portfolio will be -19.05%.

EXAMPLE 3:
In case the Realized Volatility on a certain Fund Business Day is 18%, the allocation to the Reference Portfolio will be equal to 25% / 18% = 138.89%. However, allocations within the Master Portfolio can never be higher than 130% (indicative), the allocation to the Reference Portfolio will be 130%. Allocation to the Deposit Portfolio is -30.00%.

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

**All above mentioned indicative values will be fixed by the Issuer on or about 21 March 2011 and shall be announced on www.ingstructuredproducts.com in accordance with the Terms and Conditions of the Notes as set out in the Terms and Conditions section of this Securities Note.**

**An investment in the Notes is a notional investment in the Master Portfolio and is not a direct investment in the Fund. Due to the reallocation mechanism, based on observations of the volatility of the Fund Interest Price, an investment in the Notes (and subsequently, a notional investment in the Master Portfolio) may generate different returns compared to a direct investment in the Fund.**

## TERMS AND CONDITIONS OF THE NOTES

This Note is one of a series of Notes issued by ING Bank N.V. (the "**Issuer**", which expression shall include any Substituted Debtor pursuant to Condition 14) pursuant to the Agency Agreement (as defined below). References herein to the "**Notes**" shall be references to the Notes of this Series (as defined below). The Notes (as defined below) also have the benefit of an agency agreement dated as of 31 March 2011 (as modified, supplemented and/or restated as at the date of issue of the Notes, the "**Agency Agreement**") and made among ING Bank N.V., ING Bank N.V. Sydney Branch, ING Groenbank N.V., ING Bank (Australia) Limited, ING (US) Issuance LLC, ING Americas Issuance B.V., The Bank of New York Mellon, London Branch, in alliance with ING Bank N.V. acting through its subdivision ING Commercial Banking Securities Services, as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

The Notes are Swedish Notes (as defined below) and do not have interest coupons attached. Any reference herein to "**Noteholders**" shall mean the holders of the Notes.

The Swedish Notes will be registered in uncertificated book entry form with a Swedish Central Securities Depository which is Euroclear Sweden AB, Regeringsgatan 65, Box 7822, SE-103 97 Stockholm, Sweden ("**Euroclear Sweden**"). Swedish Notes registered in Euroclear Sweden are negotiable instruments and not subject to any restrictions on free negotiability under Swedish law.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) except for their respective Issue Dates and/or Issue Prices.

Copies of the Agency Agreement applicable to this Note may be obtained from and are available for inspection at the specified offices of each of the Agent and the other Paying Agents and from the Issuer. Written or oral requests for such documents from the Issuer should be directed to it at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands, telephone number +31 (0)20 501 3477. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement which are binding on them.

The Issuer shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the Notes.

Words and expressions defined in the Agency Agreement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated.

### 1. Form, Denomination and Title

The Notes are in uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*) ("**Swedish Notes**"), denominated in the lawful currency of the Kingdom of Sweden (the "**Specified Currency**" or "**SEK**"), in denominations of SEK 10,000 per Note (the "**Specified Denomination**"). The Notes are senior Notes ("**Senior Notes**") and the Issuer intends to issue the Notes on 11 April 2011 (the "**Issue Date**"). The aggregate nominal amount is a minimum of SEK 50,000,000 (the "**Aggregate Nominal Amount**"). The final Aggregate Nominal Amount shall be determined by the Issuer on or about 21 March 2016 and shall be announced on www.ingstructuredproducts.com.

The Swedish Notes shall be regarded as registered notes for the purposes of the Conditions save to the extent the Conditions are inconsistent with Swedish Laws, regulations and operating procedures applicable to and/or issued by the Swedish central securities depository from time to time (the "**Swedish CSD Rules**" or the "**Rules**") designated as registrar (*Sw.: central värdepappersförvarare*) for the Swedish Notes, Euroclear Sweden AB (the "**Swedish Registrar**"). No physical notes or certificates will be issued in respect of Swedish Notes and provisions relation to presentation, surrender or replacement of such bearer instruments shall not apply. In respect of Swedish Notes, "**Noteholder**" and "**holder**" means the person in whose name a Swedish Note is registered in the Register and the reference to a person in whose name a Swedish Note is registered shall include also any person duly authorised to act as a nominee (*Sw. förvaltare*) and registered for the Notes. In respect of the Swedish Notes,

"**Register**" means the register maintained by the Swedish Registrar on behalf of the Issuer in accordance with the Swedish CSD Rules and title to Swedish Notes shall pass by registration in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined above) of any Swedish Notes shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the holder. The Issuer shall be entitled to obtain information from the Register in accordance with the Swedish CSD Rules.

**2. Status of the Notes**

The Senior Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves 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.

**3. Interest**

The Notes do not bear interest.

**4. Payments**

*(a) Method of Payment*

Subject as provided below, payments will be made by credit or transfer to an account in the Specified Currency maintained and specified by the payee with a bank in the principal financial centre of the country of the Specified Currency. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

*(b) Presentation of Notes*

Payments of principal and/or any other amount payable under the Conditions in respect of the Swedish Notes shall be made to the Noteholders recorded as such on the fifth business day (as defined in the Swedish CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as may then be stipulated in said Rules. Such day shall be the "**Record Date**" in respect of the Swedish Notes.

*(c) Payment Day*

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means (subject to Condition 7) any day 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.

*(d) Interpretation of Principal*

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) the amount, in the Specified Currency, at which each Note will be redeemed on the Maturity Date of the Notes (''**Final Redemption Amount**'');

(ii) the redemption amount in respect of Notes payable following an Event of Default or an Early Redemption Event (''**Early Redemption Amount**''); and

(iii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

**5. Redemption and Purchase**

*(a) At Maturity*

Subject to Condition 19(*b)* and unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed on 11 April 2016 (the "**Maturity Date**") by the Issuer at the Final Redemption Amount. The Final Redemption Amount shall be calculated in accordance with the following formula:

Bond Component + Option Component

Where:

"**Bond Component**" means the outcome of the following formula:

Specified Denomination x Minimum Redemption

"**Option Component**" means the outcome of the following formula:

Specified Denomination x Participation x $\mathrm{MAX}\left[0;\frac{\mathrm{MPV(End)}}{\mathrm{MPV(Start)}}-1\right]$

If the Final Redemption Receipt Date falls on or after the Latest Permissible Receipt Date, then the Issuer may, notwithstanding Condition 19(*b*), postpone the payment of the Option Component of the Final Redemption Amount to the date that is seven Business Days following the earlier of (i) the Final Redemption Receipt Date and (ii) the Long Stop Date (the "**Final Payment Date**"). For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment from the Maturity Date to the Final Payment Date. If the Calculation Agent determines that the Final Redemption Receipt Date falls on or after the Long Stop Date, the value of the Option Component of the Final Redemption Amount of the Notes shall be redeemed at zero or such other amount as the Issuer determines in its sole and absolute discretion. The Bond Component of the Notes will be redeemed on the Maturity Date in case of postponement (if any) of redemption of the Option Component.

Where:

"**Averaging Date**" means the 25th calendar day of each month in the period from and including 25 March 2015 to and including the Expiration Date, in each case subject to adjustment in accordance with the Fund Business Day Convention and Condition 19(*b*). There are 13 Averaging Dates.

"**Expiration Date**" means 29 March 2016, in each case subject to adjustment in accordance with the Fund Business Day Convention and Condition 19(*b*).

"**Minimum Redemption**" means 100%.

"**MPV(End)**" means the arithmetic mean of the Master Portfolio Value across all Averaging Dates.

"**MPV(Start)**" means the Master Portfolio Value on Strike Date.

"**Participation**" means 100% (indicative, the final Participation shall be determined by the Issuer on or about 21 March 2011 and shall be announced on www.ingstructuredproducts.com. The final Participation shall not be less than 80%).

"**Strike Date**" means 25 March 2011, in each case subject to adjustment in accordance with the Fund Business Day Convention and Condition 19(*b*).

*(b) Redemption for Tax Reasons*

If the Issuer, on the occasion of the next payment due in respect of the Notes, would be required to withhold or account for tax in respect of the Notes, then the Issuer shall forthwith give notice of such circumstance to Noteholders. In such event, the Issuer may, but shall not be obliged to, on giving not more than 30 nor less than 15 days' notice to the Noteholders, and upon expiry of such notice, redeem all but not some of the Notes at their Early Redemption Amount.

Notwithstanding the foregoing, if any of the taxes referred to above arises (i) by reason of any Noteholder's connection with any particular jurisdiction otherwise than by reason only of the holding of any Note or receiving or being entitled to principal in respect thereof; or (ii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar

claim for exemption from such tax, then to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Noteholder and all other Noteholders shall receive the due amounts payable to them.

*(c) Early Redemption*

Notwithstanding Condition 5(*b*), Condition 5(*f*) and Condition 8, if (a) the Calculation Agent determines that an Early Redemption Event has occurred or is continuing, the Calculation Agent shall forthwith give notice as soon as reasonably practicable to the Noteholders in accordance with Condition 11, and each Note shall fall due for redemption on the Early Redemption Date at its Early Redemption Amount, or (b) for the purposes of Condition 8, an Event of Default occurs and is continuing and a Note held by a Noteholder is declared to be due and payable, the same shall become due and payable on the Early Redemption Date at its Early Redemption Amount.

If the Calculation Agent determines that the Early Redemption Receipt Date falls on or after the Latest Permissible Receipt Date, then the Issuer may postpone the payment of the Early Redemption Amount to the date that is seven Business Days following the earlier of the Early Redemption Receipt Date and the Long Stop Date (the "**Final Early Redemption Date**"). For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment from the Early Redemption Date to the Final Early Redemption Date. If the Calculation Agent determines that the Early Redemption Receipt Date falls on or after the Long Stop Date, the Notes shall be redeemed at zero or such other amount as the Issuer determines in its sole and absolute discretion.

Any notice to Noteholders in respect of such a payment shall specify the expected date of that payment, which date shall be confirmed by the Issuer in a later separate notice to Noteholders.

Where:

"**Associated Costs**" means an amount per Note equal to the *pro rata* share (on the basis of the principal amount of the Note and the aggregate principal amount of all Notes which have not been redeemed or cancelled as at the date for early redemption) of the total amount of any and all costs associated or incurred by the Issuer in connection with such early redemption including, without limitation, any costs associated with liquidating or amending any financial instruments or transactions entered into by the Issuer in connection with the Notes, together with costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions and any costs associated with any market disruption, all as determined by the Calculation Agent.

"**Early Redemption Amount**" means, in respect of each Note, an amount in the Specified Currency equal to the fair market value of such Note less the Associated Costs, with such fair market value being determined on the Early Redemption Receipt Date (taking into account the occurrence of the Early Redemption Event or Event of Default, as the case may be), as determined by the Calculation Agent by reference to such factor(s) as it may deem appropriate.

"**Early Redemption Date**" means the Business Day falling seven Business Days following the Early Redemption Receipt Date.

"**Early Redemption Event**" means:

(I) an event as described in Condition 5(*b*) or Condition 5(*f*); and

(II) a determination by the Issuer pursuant to (iii) of Condition 18(*e*) below.

"**Early Redemption Receipt Date**" means the date on which a holder of a Fund Interest would have received the proceeds of a redemption of such Fund Interest deemed to have been made on or as soon as reasonably practicable after the date, either (a) in the case of an Early Redemption Event, notice of redemption of the Notes given to the Noteholders or, if no such date is specified, on which such notice is given or (b) in the case of an Event of Default, on which the Notes are declared due and payable, all as determined by the Calculation Agent.

"**Long Stop Date**" means the date falling two years after the Early Redemption Date or the Maturity Date, as the case may be.

*(d)* *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

*(e)* *Cancellation*

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph *(d)* above shall be forwarded to the Agent and cannot be re-issued or resold.

*(f)* *Redemption – Other*

The Issuer may at any time, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 11, redeem all but not some only of the Notes for the time being outstanding at their Early Redemption Amount if, prior to the date of such notice, 90 per cent. or more in nominal amount of the Notes hitherto issued have been redeemed.

No Noteholder may require the transfer of a Swedish Note to be registered during the period from (and including) the Record Date in respect of the due date for redemption of such Note and through such due date or during a period which is equivalent to such closed period pursuant to the then applicable Swedish CSD Rules.

The Final Redemption Amount or the Early Redemption Amount (as the case may be) payable in respect of the Notes shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

The Final Redemption Amount payable in respect of the Notes shall never be less than the value of the Bond Component. The Early Redemption Amount (as the case may be) payable in respect of the Notes shall never be less than zero. If the formula or other method for determining the value of the Option Component with respect to the Final Redemption Amount or the Early Redemption Amount (as the case may be) applicable to the Notes would result in a negative figure, the Option Component with respect to the Final Redemption Amount or the Early Redemption Amount (as the case may be) will be deemed to be zero.

**6. Taxation**

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation or surrender for payment or enforcement of any Note and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

**7. Prescription**

Claims against the Issuer for payment of principal and/or any other amount payable in respect of the Swedish Notes shall be prescribed and become void unless made within a period of five years after the date on which such payment first becomes due.

**8. Events of Default relating to the Notes**

If any one or more of the following events (each an "**Event of Default**") shall have occurred and be continuing:

(i) default is made for more than 30 days in the payment of principal in respect of the Notes; or

(ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or

(iii) the Issuer is declared bankrupt (*failliet verklaard*) or granted a moratorium (*surceance van betarling*); or

(iv) a declaration in respect of the Issuer is made to apply the emergency regulation (*noodregeling*) under Chapter 3, section 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*); or

(v) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company, the terms of which merger, consolidation or combination (A) have the effect of the emerging or such other surviving company assuming all obligations contracted for by the Issuer in connection with the Notes or (B) have previously been approved by an Extraordinary Resolution of the Noteholders,

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Note held by the holder to be forthwith on such later date on which the relevant Notes have been transferred to the account designated by the Swedish Issuing Agent and blocked for further transfer by the Swedish Issuing Agent (such date will be the first date of a closed period for the purposes of the second paragraph of Condition 5(*f*)) due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 5*(c)*), without presentment, demand, protest or other notice of any kind, provided that such right to declare Notes due and payable shall terminate if the situation giving rise to it has been cured before the relevant notice has become effective.

**9. Transfer of Notes**

Transfers between participants in Euroclear Sweden will be effected in the ordinary way in accordance with the rule and operating procedures for the time being of Euroclear Sweden, as the case may be.

**10. Agent and Paying Agents**

The Issuer is entitled to vary or terminate the appointment of the Agent, any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which the Agent or any Paying Agent acts, provided that:

(i) so long as the Notes are admitted to trading or listed on any stock exchange or admitted to trading or listed by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange.

(ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;

(iii) there will at all times be an Agent;

(iv) there will at all times be a Paying Agent with a specified office situated outside The Netherlands;

(v) there will at all times be a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000; and

(vi) there will at all times be a Swedish Registrar duly authorised as a central securities depository under the Swedish Financial Instruments Accounts Act and an issuing agent duly authorised as such under the Swedish CSD Rules (the "**Swedish Issuing Agent**"), in respect of the relevant Tranche of Notes.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30, nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 11.

**11. Notices**

All notices to holders of Swedish Notes will be valid if mailed to their registered addresses appearing on the register and published and, for so long as the Notes are admitted to trading on the market of the Luxembourg Stock

Exchange appearing on the list of regulated markets issued by the European Commission and the rules of such exchange so require, either in *Luxemburger Wort* in Luxembourg or on www.bourse.lu. Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same with the Agent.

**12. Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes, reducing or cancelling the amount of principal in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

The Agent and the Issuer may agree, without the consent of the Noteholders, to:

(i) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes or the Agency Agreement 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.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 11 as soon as practicable thereafter.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same for, each signed by or on behalf of one or more Noteholders.

**13. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having the same terms and conditions as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

**14. Substitution of the Issuer**

*(a)* The Issuer may, without any further consent of the Noteholders being required, when no payment of principal of any of the Notes is in default, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the "**Substituted Debtor**") as principal debtor in respect of the Notes provided that:

(i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each

Noteholder to be bound by the Terms and Conditions of the Notes and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Guarantee**") in favour of each Noteholder the payment of all sums payable in respect of the Notes;

(ii) the Documents shall contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder against all liabilities, costs, charges and expenses (provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation on the date such substitution becomes effective) which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder by any political subdivision or taxing authority of any country in which such Noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

(iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;

(iv) each stock exchange which has Notes listed or admitted to trading thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Notes would continue to be listed or admitted to trading (as the case may be) on such stock exchange;

(v) the Substituted Debtor shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent;

(vi) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent;

(vii) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of English lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under English law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent;

(viii) the Substituted Debtor (if not incorporated in England) shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes and the Documents; and

(ix) the Swedish Registrar has given its consent to the substitution (which consent shall not be unreasonably withheld or delayed).

*(b)* In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders

resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder, except as provided in Condition 14*(a)*(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes any indemnification or payment in respect of any tax or other consequences arising from such substitution.

*(c)* Upon the execution of the Documents as referred to in paragraph *(a)* above, and subject to the notification as referred to in paragraph *(e)* below having been given, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes save that any claims under the Notes prior to release shall enure for the benefit of Noteholders.

*(d)* The Documents shall be deposited with and held by the Agent for so long as any Notes remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder to the production of the Documents for the enforcement of any of the Notes or the Documents.

*(e)* Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 11.

**15. Governing Law and Jurisdiction**

The Notes, and any non-contractual obligations arising out of in connection with them, are governed by, and shall be construed in accordance with, English law.

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes and accordingly any legal action or proceedings arising out of or in connection with any Notes ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

The Issuer irrevocably appoints the General Manager for the time being of its London Branch, currently at 60 London Wall, London EC2M 5TQ as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 11. Nothing shall affect the right to serve process in any manner permitted by law.

Notwithstanding the provisions set out in the paragraphs above, the legal effects of registration of Swedish notes in Euroclear Sweden will be regulated by the Financial Instruments Accounts Act (*Sw: Lag (1998:1479) om kontoföring av finansiella instrument*).

**16. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

**17. Determinations by the Calculation Agent and/or the Issuer**

For the purposes of the Notes, any determinations, calculations or other decisions made by the Calculation Agent and/or the Issuer under or pursuant to the terms of the Notes shall be made in its/their sole and absolute discretion. All such determinations, calculations or other decisions of the Calculation Agent and/or the Issuer shall (save in the

case of manifest error) be final, conclusive and binding on all parties, and neither the Calculation Agent nor the Issuer shall have any liability to any person therefore.

**18. Dynamic Portfolio Conditions**

*(a) Master Portfolio*

The Issuer will establish and maintain a notional master portfolio (the "**Master Portfolio**") in respect of the Notes that shall notionally comprise certain assets (and liabilities) that are notionally allocated to such Master Portfolio. The initial and all subsequent allocations of notional assets (and liabilities) of the Master Portfolio will be sub-divided into the Reference Portfolio, the Deposit Portfolio and the Leverage Portfolio, such assets (and liabilities) shall be determined in accordance with Condition 18(*e*). The Master Portfolio will be notionally subdivided into interests (each a "**Master Portfolio Interest**"). The value from time to time of a Master Portfolio Interest (the "**Master Portfolio Interest Price**") will be equal to the Master Portfolio Value divided by the Number of Master Portfolio Interests. The value of the Master Portfolio shall initially equal the Aggregate Nominal Amount of the Notes and subsequently shall be equal to the sum of the value of the Reference Portfolio, the Deposit Portfolio and the Leverage Portfolio (the "**Master Portfolio Value**"). On each occasion on which there is a notional redemption or subscription of Master Portfolio Interests, the Number of Master Portfolio Interests will be increased (in the case of a subscription) or decreased (in the case of a redemption) by the amount of such subscription or redemption divided by the Master Portfolio Interest Price.

*(b) Reference Portfolio*

The "**Reference Portfolio**" comprises the notional investment of the Master Portfolio in an asset as determined in accordance with the provisions of the Fund Linked Conditions. References in these Conditions to "Reference Portfolio Interests", "Reference Portfolio Interest Price" and "Reference Portfolio Business Day" means a reference to units in the relevant asset, the price of such units and the Business Day applicable to such asset, all as determined in accordance with the provisions of the Fund Linked Conditions.

*(c) Deposit Portfolio*

(i) The Master Portfolio will contain a deposit portfolio (the "**Deposit Portfolio**"). The Issuer will make notional allocations to the Deposit Portfolio in accordance with Condition 18(*e*). The Deposit Portfolio comprises the aggregate amount of deposits (the "**Deposits**" and each a "**Deposit**") notionally made by the Master Portfolio in respect of the Deposit Portfolio.

(ii) On each occasion on which the Deposit is required to be notionally made or liquidated, it shall be treated as having been notionally accepted by the Issuer in a nominal amount in the Specified Currency equal to the sum of (i) the sum so deposited, and (ii) the notional amount of the existing Deposit. The Deposit shall notionally mature on the Business Day following the date of its deemed notional deposit. No interest shall accrue on the notional amount of the Deposit. For the avoidance of doubt, the Deposit will be reinvested in another Deposit on the same terms on the day that it matures, unless an Allocation Adjustment requires that all or part of such Deposit is required to be allocated to another portfolio in the Master Portfolio.

*(d) Leverage Portfolio*

The Master Portfolio will contain a Leverage Portfolio as set out below:

(i) The leverage portfolio (the "**Leverage Portfolio**") is a notional borrowing by the Master Portfolio from the Issuer (the "**Leverage Counterparty**"), whereby on each Specified Date (save for the final Specified Date) the Master Portfolio will, if required pursuant to Condition 18(e), notionally borrow an amount equal to the Leverage Notional Amount for the Reference Period commencing with such

Specified Date and, at the end of that Reference Period, will notionally repay that Leverage Notional Amount.

(ii) The Leverage Notional Amount of any such notional borrowing will be notionally invested in the Reference Portfolio, with such notional investment being made for value as of the Specified Date commencing that notional borrowing. Any repayment of such notional borrowing (that is a reduction of the Leverage Notional Amount, in whole or in part, as specified in Condition 18(e) will be made in the manner set out in Condition 18(e)), with any disinvestments from the Reference Portfolio to fund such notional repayment being made for value as of the Specified Date ending the Reference Period relating to such notional borrowing.

(iii) No interest is paid by the Master Portfolio on the Leverage Notional Amount (if any).

*(e) Allocation Adjustments*

(i) Initial Allocation:

The Calculation Agent will, as of the Strike Date, notionally allocate an amount equal to the Master Portfolio Investment Proceeds to the Master Portfolio. Of the Master Portfolio Investment Proceeds, an amount equal to the product of the Initial Reference Portfolio Allocation and the Master Portfolio Investment Proceeds will be allocated to the Reference Portfolio for the purpose of notionally investing in Reference Portfolio Interests and, if Deposit Portfolio is specified as being applicable and the Initial Reference Portfolio Allocation is equal to or less than 100 per cent., any remainder will be allocated to the Deposit Portfolio. If the Initial Reference Portfolio Allocation is greater than 100 per cent., a Leverage Notional Amount equal to the product of (i) the Master Portfolio Investment Proceeds and (ii) the Initial Reference Portfolio Allocation less 100% will be established which shall be applied towards the notional subscription of additional Reference Portfolio Interests.

(ii) Allocation Adjustments

The Calculation Agent will notionally increase (or decrease) the allocation of the assets of the Master Portfolio to the Reference Portfolio and the Deposit Portfolio and the Leverage Portfolio (each, an "**Allocation Adjustment**"), from time to time, based on the Allocation Adjustment Criteria, by, as applicable, notionally redeeming or selling (as the case may be) or subscribing or purchasing (as the case may be) an appropriate number of Reference Portfolio Interests and by increasing or reducing Deposits and by adjusting the Leverage Notional Amount. At any time, up to the Ceiling Percentage and no less than the Floor Percentage of the Master Portfolio Value may be notionally allocated to the Reference Portfolio. As of any Reference Portfolio Business Day from (and including) the Strike Date to (but excluding) the Expiration Date, the Issuer will increase (or decrease) the allocation to the Reference Portfolio and the Deposit Portfolio and the Leverage Portfolio as follows:

(A) If the Target Reference Portfolio Allocation is less than or equal to the Reference Portfolio Allocation by a percentage equal to or greater than the Allocation Threshold, as estimated by the Calculation Agent, as of any time on any Reference Portfolio Business Day, then a deleverage (a "**Deleverage**") will be initiated as of that Reference Portfolio Business Day by notionally redeeming or selling (as the case may be) Reference Portfolio Interests and repaying all, or some only, as necessary, of any Leverage Notional Amount and/or increasing the assets allocated to the Deposit Portfolio by an amount equal to the notional proceeds of such redemption or sale (as the case may be) of Reference Portfolio Interests remaining after any notional repayment of Leverage Notional Amount.

(B) If the Target Reference Portfolio Allocation is greater than or equal to the Reference Portfolio Allocation by a percentage equal to or greater than the Allocation Threshold, as estimated by the Calculation Agent, as of any time on any Reference Portfolio Business Day, then a releverage (a "**Releverage**") will be initiated on the Reference Portfolio Business Day following such Reference Portfolio Business Day by notionally subscribing or purchasing (as the case may be) Reference Portfolio Interests and increasing any Leverage Notional Amount

and/or decreasing the allocation to the Deposit Portfolio by an amount equal to the notional proceeds of such subscription or purchase (as the case may be) of Reference Portfolio Interests not notionally attributable to the increase in any Leverage Notional Amount.

(C) Allocation Adjustment Criteria

The Calculation Agent shall, on each Volatility Observation Date(t) determine the Scaled Realized Volatility(t). Following the occurrence of a Reallocation Event on such Volatility Observation Date(t), the corresponding Target Reference Portfolio Allocation shall be equal to Target Exposure(t-1).

Where:

"**Cap**" means 27% (indicative, the final Cap shall be determined by the Issuer on or about 21 March 2011 and shall be announced on www.ingstructuredproducts.com. The final Cap shall not be less than 24%)

"**Ceiling Percentage**" means 130% (indicative, the final Ceiling Percentage shall be determined by the Issuer on or about 21 March 2011 and shall be announced on www.ingstructuredproducts.com. The final Ceiling Percentage shall not be less than 100%)

"**Current Exposure(0)**" means Ceiling Percentage

"**Current Exposure(t)**" means, in respect of a Volatility Observation Date(t),

(I) If no Reallocation Event occurred, Current Exposure(t) is equal to Current Exposure(t-1); or

(II) If a Reallocation Event occurred, Current Exposure(t) is equal to Target Exposure(t-1).

"**Current Exposure(t-1)**" means Current Exposure on Volatility Observation Date(t-1).

"**Floor**" means 23% (indicative, the final Floor shall be determined by the Issuer on or about 21 March 2011 and shall be announced on www.ingstructuredproducts.com. The final Floor shall not be less than 20%)

"**Floor Percentage**" means 0%.

"**j**" means, in respect of the Volatility Observation Period immediately preceding Volatility Observation Date(t), the Volatility Observation Dates in that Volatility Observation Period in chronological order (i.e. j=1 means the first Volatility Observation Date in the Volatility Observation Period and j=40 means the last Volatility Observation Date in the Volatility Observation Period).

"**$NAV_t$**" means the net asset value of the Fund on Volatility Observation Date(t), as published and calculated by the Fund Manager, in each case subject to Condition 19(*b*).

"**Realized Volatility(t)**" means, in respect of a Volatility Observation Date(t), the annualised exponentially weighted standard deviation of the Fund's official net asset value over the last Volatility Observation Period, calculated in accordance with the following formula:

$$\sqrt{254} \times \sqrt{\frac{\sum_{j=1}^{40}\left[\left(1-\frac{3}{40}\right)^{j} \times \left(\frac{NAV_{t-j}}{NAV_{t-j-1}}-1\right)^{2}\right]}{\sum_{j=1}^{40}\left(1-\frac{3}{40}\right)^{j}}}$$

"**Reallocation Event**" means, on Volatility Observation Date(t),

(I) Scaled Realized Volatility(t-1) < Floor; or

(II) Scaled Realized Volatility(t-1) > Cap

"**Scaled Realized Volatility(t)**" means the outcome of the following formula, expressed as a percentage:

Realized Volatility(t) $\times$ Current Exposure(t);

"**Scaled Realized Volatility(t-1)**" means the Scaled Realized Volatility on the Volatility Observation Date immediately preceding Volatility Observation Date(t).

"**Target Exposure(t)**" means the outcome of the following formula:

$$\text{MIN}\left[\frac{\text{Target Volatility}}{\text{Realized Volatility(t)}}\text{; Ceiling Percentage}\right].$$

"**Target Exposure(t-1)**" means Target Exposure on Volatility Observation Date(t-1)."

"**Target Volatility**" means 25% (indicative, the final Target Volatility shall be determined by the Issuer on or about 21 March 2011 and shall be announced on www.ingstructuredproducts.com. The final Target Volatility shall not be less than 22%)

"**Volatility Observation Period**" means period consisting of the forty Fund Business Days immediately preceding Volatility Observation Date(t).

"**Volatility Observation Date(t)**" means any Fund Business Day in the period from (and including) Strike Date to (and including) Expiration Date, where Strike Date shall be "**Volatility Observation Date(0)**".

"**Volatility Observation Date(t-1)**" means the Volatility Observation Date immediately preceding Volatility Observation Date(t).

(iii) In each case, the Allocation Adjustment will be made to the extent necessary so that the revised allocation of assets of the Master Portfolio to the Reference Portfolio equals the Target Reference Portfolio Allocation. Where the Target Reference Portfolio Allocation is less than 100 per cent., the balance of the assets of the Master Portfolio will be notionally allocated to the Deposit Portfolio. If this results in all the assets of the Master Portfolio being notionally allocated to the Deposit Portfolio there will be no further notional allocation of assets to the Reference Portfolio. Where the Target Reference Portfolio Allocation is more than 100 per cent., a Leverage Notional Amount equal to the product of (i) the Master Portfolio Value and (ii) the Target Reference Portfolio Allocation less 100 per cent. will be established or maintained.

(iv) Clean-up Call Percentage
If, upon an Allocation Adjustment, the Target Reference Portfolio Allocation formula would result in the percentage value of the assets of the Master Portfolio allocated to the Reference Portfolio being equal to or lower than the Clean-up Call Percentage, the Target Reference Portfolio Allocation will be deemed to be zero. In such circumstances, all of the assets of the Master Portfolio will be allocated to the Deposit Portfolio and no further allocation of assets to the Reference Portfolio will occur.

(v) Determination of Allocation Adjustments
The determination as to whether an Allocation Adjustment is necessary and as to the level of each such Allocation Adjustment will be made based on the determination of the relevant formulaic variables as of the Reference Portfolio Business Day of calculation. For the avoidance of doubt, the subsequent publication of official Reference Portfolio Interest Prices or any subsequent correction of a previously determined variable shall in no way retrospectively affect the need for, or the amount of, any Allocation Adjustments that have been initiated or settled in accordance with the foregoing provisions. In addition, although the Calculation Agent is required to effect Allocation Adjustments with the aim described in these Conditions, the exact value of the transactions effected as a result of the Allocation Adjustment cannot be determined until after they have been completed and all relevant Reference Portfolio Interest Prices determined.

(vi) Timing of Allocation Adjustment
An Allocation Adjustment may require the notional redemption or purchase (as the case may be) or subscription or sale (as the case may be), as the case may be, of all or some only of the Reference Portfolio Interests notionally held in the Reference Portfolio. Although the Allocation Adjustment will be initiated on the Fund Business Day immediately following the day on which the Target Reference Portfolio Allocation is determined (such date, the "**Allocation Adjustment Effective Date**"), the precise timing of the Allocation Adjustment (to the extent that such Allocation Adjustment requires the notional liquidation of Reference Portfolio Interests or notional further investment in Reference Portfolio Interests) will be dependent upon the time it would actually take to effect a liquidation or investment of an equivalent amount in the relevant asset(s) in the Reference

Portfolio (as determined by the Calculation Agent in its absolute discretion). Specifically (but subject to Condition 18(d)) in respect of a Leverage Portfolio) in respect of a Deleverage (or Releverage), the notional redemption or sale (as the case may be) (or subscription or purchase, as the case may be) of Reference Portfolio Interests will be settled as of, and for value, the next following Reference Portfolio Business Day in which an investment (or disinvestment) would next be capable of being made in the relevant Reference Portfolio Interest given the timing restraints specified above (such date, the "**Allocation Adjustment Settlement Date**") and the corresponding deposit into (or withdrawal from) the Deposit Portfolio (if any) will be made on the Allocation Adjustment Settlement Date using prevailing forward rates for such date, with such forward rates being calculated as of the Allocation Adjustment Effective Date (such forward rate determined by the Calculation Agent from prevailing swap market rates at its absolute discretion).

(vii) Cash Balance

A certain percentage of the Reference Portfolio may be held as a cash balance (the "**Cash Balance**") at the determination of the Issuer. The Issuer may determine to hold or increase the Cash Balance in order to fund any liabilities of the Reference Portfolio, which shall include the value of all accrued premia, fees and expenses notionally attributable to the Reference Portfolio and interest that has notionally accrued, whether or not such sums are currently due and payable. Where the Issuer determines it necessary to hold a Cash Balance in the Reference Portfolio, such Cash Balance will be funded by the notional redemption of Master Portfolio Interests and, if necessary following redemption of all Master Portfolio Interests attributable to the Reference Portfolio, by the notional redemption of Deposits. No interest will be payable on any Cash Balance.

(viii) Deductions of Additions to the Reference Portfolio.

Where a payment or a deduction is specified to be made from the Reference Portfolio, such payment or deduction will be effected by a reduction of the Cash Balance (if any) by the amount of such payment or deduction. Should the Cash Balance not be sufficient to fund such payment or deduction, the Cash Balance will be reduced to zero and the additional amount required will be met through a redemption of Master Portfolio Interests notionally attributed to the Master Portfolio (payment or deduction or such additional amount being subject to the time it would take to make a redemption of the requisite number of Master Portfolio Interests). If, following the redemption of all Master Portfolio Interests notionally attributable to the Master Portfolio, such payment or deduction still has not been fully met then the remainder of such payment will be met from the Deposit Portfolio (if any). Where an amount is to be notionally credited to the Reference Portfolio, such amount will be applied towards a notional purchase of Master Portfolio Interests, save that the Issuer may determine that all or some only of that amount may be held as part of the Cash Balance.

*(f) Definitions*

For the purposes of these Conditions, the following terms shall have the meanings set out below:

"**Allocation Threshold**" means 0%.

"**Allocation Adjustment Criteria**" means the criteria as set out in Condition 18(*e*)(ii)(C).

"**Clean-Up Call Percentage**" means 0%.

"**Initial Reference Portfolio Allocation**" means Ceiling Percentage.

"**Leverage Notional Amount**" means an amount calculated as of each Specified Date that commences a Reference Period and calculated after all other calculations, determinations and adjustments required to be made as of that Specified Date have been made. The Leverage Notional Amount shall be an amount equal to (a) the Master Portfolio Value minus (b) the sum of (i) the value of the Reference Portfolio and (ii) the value of the Deposit Portfolio.

"**Master Portfolio Investment Proceeds**" means the Aggregate Nominal Amount of the Notes.

"**Number of Master Portfolio Interests**" means the number of Master Portfolio Interests comprising the Master Portfolio, to be determined by dividing Aggregate Nominal Amount of the Notes by the Specified Denomination.

"**Reference Period**" means a period from (and including) a Specified Date to (but excluding) the next following Specified Date, with the final Reference Period ending on the Master Portfolio Valuation Date.

"**Reference Portfolio Allocation**" means the portion of the Master Portfolio notionally allocated to the Reference Portfolio, expressed as a percentage.

"**Specified Date**" means each of (i) the Issue Date, (ii) each Allocation Adjustment Settlement Date (as defined in Condition 18(e)(vi), (iii) such other Reference Portfolio Business Day as may be specified by the Calculation Agent and (iv) the Expiration Date.

"**Target Reference Portfolio Allocation**" has the meaning specified in Condition 18(*e*)(ii)(C).

## 19. Fund Linked Conditions

### *(a) Definitions*

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"**Applicable Fund Centres**" means Stockholm.

"**Business Day**" means any day 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.

"**Calculation Date**" means an Averaging Date, a Volatility Observation Date, the Strike Date, the Valuation Date or any other date on which a value of a Fund Interest is required to be calculated.

"**Calculation Determination Date**" means the Business Day following the date on which the Interest Price for the Valuation Date or final Averaging Date, as the case may be, is either notified, published or (if the proviso to the definition of "Fund Interest Price" applies) the Final Redemption Receipt Date or the Early Redemption Receipt Date, as the case may be.

"**Disrupted Day**" means any Fund Business Day on which a Market Disruption Event has occurred.

"**Final Redemption Receipt Date**" means the date on which a holder of a Fund Interest would have received the proceeds of a redemption of such Fund Interest deemed to have been submitted for redemption on or as soon as reasonably practicable after the Valuation Date or final Averaging Date, as the case may be, all as determined by the Calculation Agent.

"**Fund**" means East Capital – Russia Fund or any Replacement Fund.

"**Fund Business Day**" means a day 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 the Applicable Fund Centres.

"**Fund Business Day Convention**" means if the relevant day is not a Fund Business Day, such day shall be postponed to the next day which is a Fund Business Day.

"**Fund Manager**" means (a) East Capital Asset Management AB, (b) any other person responsible from time to time for notifying the holders of Fund Interests of the relevant net asset value of the Fund or Fund Interests, or (c) the relevant manager or person as described in (b) above in respect of any Replacement Fund as determined by the Calculation Agent in accordance with Condition 19(*c*) below.

"**Fund Interest**" means a unit, share, partnership interest, or other similar direct interest in the Fund that entitles the holder of such interest to a share in the net assets of that Fund (ISIN SE0000777708, Bloomberg code: EACRUSS SS <EQUITY>), or such relevant interests in any Replacement Fund as determined by the Calculation Agent in accordance with Condition 19(*c*) below.

"**Fund Interest Price**" means, on any Fund Business Day, the price of one Fund Interest in the Specified Currency as at that Fund Business Day (subject to the provisions of Condition 19(*b*)), which shall be equal to the available official net asset value of a Fund per Fund Interest for that Fund Business Day, as either notified to the Calculation Agent by the relevant Fund Manager or published by or on behalf of such Fund, less any applicable costs, expenses or taxes that would be incurred by a holder of a Fund Interest in redeeming such

Fund Interest, determined by the Calculation Agent; provided that if an Investing Entity either makes an investment in, or redeems, Fund Interests as of such Fund Business Day at a price per Fund Interest that is different from the one so notified or published, the net price per Fund Interest at which such investment or redemption is effected shall be treated as the Fund Interest Price.

"**Fund Rules**" means, with respect to a Fund, the terms of the bye-laws and other associated documentation relating to such Fund and any other rules or regulations relating to such Fund and the relevant Fund Interests (including any prospectus in respect of such) existing on the Issue Date of the Notes, including its investment guidelines and restrictions.

"**Hedge Counterparty**" means any party to a contract with the Issuer or any of its Affiliates under which the Issuer obtains a derivative exposure to Fund Interests and includes hedge counterparties of such hedge counterparties.

"**Interest Price**" means the Fund Interest Price.

"**Investing Entity**" means the Issuer, any Affiliate of the Issuer or any Hedge Counterparty that holds, redeems or subscribes Fund Interests and references in the Fund Linked Conditions to an Investing Entity are to any such entity acting in that capacity.

"**Latest Permissible Receipt Date**" means, in respect of any payment, the date that falls seven Business Days before the Maturity Date or the Early Redemption Date, as the case may be.

"**Market Disruption Event**" means, in respect of a Fund Business Day, the occurrence or continuation, as determined by the Calculation Agent, of:

(a) a failure or postponement that is, in the determination of the Calculation Agent, material by a Fund Manager to publish the official net asset value of a Fund per Fund Interest in respect of that Fund Business Day (provided that such Fund Business Day is a day for which such official net asset value is scheduled to be published); or

(b) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on that Fund Business Day (provided that such Fund Business Day is a day for which subscriptions or redemptions are scheduled to be permissible (in accordance with the Fund Rules)); or

(c) a postponement or failure of a Fund to make any payment in respect of the redemption of Fund Interests on any day for which such payment is scheduled to be made (in accordance with the Fund Rules).

"**Valid Date**" means a Fund Business Day which the Calculation Agent determines is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**Valuation Date**" means Expiration Date.

*(b) Disrupted Days*

If the Calculation Agent determines that, subject as provided below, any Calculation Date on which a Fund Interest Price is to be determined is a Disrupted Day, then such Calculation Date shall be the first succeeding Fund Business Day that is not a Disrupted Day, unless each of the Fund Business Days falling in the Disrupted Period is a Disrupted Day. In that case:

(I) that final Fund Business Day of the Disrupted Period shall be deemed to be such Calculation Date in respect of the related Fund Interests, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Calculation Agent shall determine the Fund Interest Price as its good faith estimate of the Fund Interest Price that would have prevailed, but for the occurrence of a Disrupted Day, on that final Fund Business Day of the Disrupted Period.

If the Calculation Agent determines that any Averaging Date is a Disrupted Day, then the provisions above will apply for the purposes of determining the relevant Fund Interest Price for that Averaging Date as if such Averaging Date were a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date.

Notwithstanding the provisions of Condition 5, if the Calculation Agent determines that the Calculation Determination Date for any payment falls after the Latest Permissible Determination Date, such payment shall be postponed to the date that is seven Business Days following the Calculation Determination Date. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment.

The Issuer shall give notice to the holders of the Notes, in accordance with Condition 11, of any delay that results in the postponement of any payment in respect of the Notes.

For the purpose of this Condition 19(*b*):

"**Cut-off Period**" means the Disrupted Period.

"**Disrupted Period**" means the period comprising seven Business Days, commencing on (and including) the day immediately following the original date that, but for the determination by the Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, an Observation Date, the Valuation Date or such Averaging Date, as the case may be."

"**Latest Permissible Determination Date**" means, in respect of any payment, the date that falls seven Business Days before the relevant payment falls due.

*(c) Inclusion Conditions and Substitution Events*

If at any time the Calculation Agent determines that an applicable Substitution Event has occurred or is continuing with respect to a Fund, the Calculation Agent may:

(i) waive such Substitution Event; or

(ii) as soon as is practicable after such determination, replace such Fund for the purposes of the Notes with an appropriate alternative fund (a "**Replacement Fund**"), as determined by the Calculation Agent and following any such replacement, the Calculation Agent may make any adjustments to the terms and conditions of the Notes as it deems appropriate to reflect such replacement; or

(iii) determine that the Notes shall become due for redemption in accordance with Condition 5(*d*) of these Fund Linked Conditions; or

(iv) determine that the effect of the Substitution Event can be compensated by an adjustment to the terms and conditions of the Notes and following any such determination, the Calculation Agent may make any adjustments to the terms and conditions of the Notes as it deems appropriate to reflect such compensation.

The following Substitution Event (stated immediately below) are applicable in respect of the Notes:

"**Audit Event**" means the making of any reservation in an audit report of a Fund by the auditor of that Fund that is, in the determination of the Calculation Agent, material;

"**Charging Change**" means the increase of, or introduction by a Fund of (a) a bid/offer spread or (b) charges for subscription or redemption orders made by an Investing Entity, for Fund Interests in addition to any such spread or charge specified in the Fund Rules as applicable on the Issue Date;

"**Corporate Event**" means a declaration by or on behalf of a Fund of a subdivision, consolidation, reclassification or distribution of the relevant Fund Interests which has a diluting or concentrative effect on the theoretical value of such Fund Interests;

"**Cross-contamination**" means any cross-contamination or other failure by a Fund to effectively segregate assets between the different classes of Fund Interests and different classes, series or compartments of that Fund;

"**Currency Change**" means the currency in which (a) Fund Interests are denominated or (b) the net asset value of a Fund is calculated, is no longer the currency specified in the Fund Rules; "Distribution In-kind" means a redemption of Fund Interests in the form of a distribution of non-cash assets;

"**Fund Accounting Event**" means any changes in the accounting principles or policies applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;

"**Fund Constitution Breach**" means any failure to observe any of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;

"**Fund Constitution Change**" means any modification of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;

"**Fund Regulatory Event**" means any changes in the regulatory treatment applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;

"**Fund Rules Breach**" means (i) any material failure of the Fund Manager of a Fund to comply with any terms set out in the Fund Rules of that Fund, (ii) any failure to observe any of the objects, constitution, conditions, nature or Fund Rules of a Fund that is in the determination of the Calculation Agent material, or (iii) any failure to observe or any modification of the investment objectives, policies that is, in the determination of the Calculation Agent, material;

"**Fund Tax Event**" means any changes in the tax treatment applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;

"**Hedging Event**" means the Issuer is unable, or would incur an increased cost (compared with that on the Issue Date), to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of, in such size and upon such timing as it determines appropriate, any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) upon such timing and in such form as it determines appropriate, whether or not in accordance with the Fund Rules;

"**Investor Tax Event**" means any changes in the regulatory, tax, accounting and/or any other treatment applicable to the holder of Fund Interests, which could have an economic or legal or regulatory impact for such holder;

"**Litigation Event**" means the commencement or continuation of litigation involving a Fund, Fund Manager or other service provider of that Fund that is, in the determination of the Calculation Agent, material;

"**Management Change**" means the occurrence of any event or the making of any changes affecting the structure of a Fund, its management, its material service providers, its reputation or solvency and/or the structure of, or rights attaching to, any shares in the capital of a Fund, which, in the reasonable opinion of the Calculation Agent is likely to have a significant impact on the value of the Fund Interests of such Fund, whether immediately or later;

"**Mandatory Disposal**" means any event or circumstance (whether or not imposed by the Fund, or in accordance with the Fund Rules) that obliges the holder of Fund Interests to sell or otherwise dispose of such Fund Interests;

"**NAV Suspension**" means suspension of the calculation or publication of the net asset value of a Fund, or failure by its Fund Manager, its administrator or any relevant entity duly appointed in that respect to deliver when due any relevant report detailing the net asset value of that Fund;

"**Performance Failure**" means any failure of the Fund Manager, administrator and/or the custodian (and/or other relevant service provider, as determined by the Calculation Agent) of a Fund to perform any of its material obligations under the Fund Rules or the liquidation, termination of appointment or resignation of the Fund Manager, administrator, custodian and/or a relevant service provider of such Fund;

"**Potential Regulatory Event**" means an investigation into the activities of a Fund, its Fund Manager, its custodian and/or its administrator being launched, or such activities being placed under review, in each case by their respective regulatory authorities or other competent body, for reason of alleged wrong-doing, alleged breach of any rule or regulation, or other similar reason;

"**Redemption Failure**" means a holder of Fund Interests would be unable to receive redemption payments in respect of such Fund Interests;

"**Regulatory Event**" means the winding-up, the closure or the termination of a Fund or the cancellation of the approval or registration of a Fund or its Fund Manager (or any successor thereto) by any relevant regulatory authority;

"**Subscription/Redemption Alteration**" means any subscription or redemption orders with respect to Fund Interests are not executed as described in the Fund Rules for that Fund;

"**Subscription/Redemption Restriction**" means any suspension of, or any restriction on, the acceptance of subscriptions or redemptions for Fund Interests or any limitation imposed on such subscription or redemptions (whether or not in accordance with the Fund Rules); or

"**Transfer Restriction**" means suspension of, or any restriction on, the ability of a holder of Fund Interests to transfer any such Fund Interests, other than in accordance with the Fund Rules.

## 20. Public offer jurisdiction and listing and admittance to trading

This Securities Note together with the Registration Document and the Summary Note, comprise the Prospectus required for the issue and public offer in Sweden and Norway and the listing and admittance to trading on the Luxembourg Stock Exchange of the Notes described herein pursuant to the €50,000,000,000 Global Issuance Programme of ING Bank N.V., ING Bank N.V., Sydney Branch, ING Groenbank N.V., ING Bank (Australia) Limited, ING Bank of Canada, ING (US) Issuance LLC and ING Americas Issuance B.V.

Signed on behalf of the Issuer:

By: . . . . . .
*Duly authorised*

By: . . . . . .
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. OFFER PERIOD AND APPLICATION PROCESS

The subscription period for the Notes is from and including 16 February 2011 (09:00 CET) to and including 21 March 2011 (15:00 CET). The Issuer reserves the right to close the subscription earlier.

Investors may subscribe for the Notes through branches of the Issuer in Sweden and Norway and any distributor as may be appointed from to time. Investors may not be allocated all of the Notes for which they apply. The offering of the Notes may, at the discretion of the Issuer, be cancelled at any time prior to the Issue Date.

### 2. FORM OF NOTES

New Global Note: No
The Notes are Swedish Notes.

### 3. METHOD OF DISTRIBUTION

| | |
|---|---|
| (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| (ii) If non-syndicated, name and address of relevant Dealer: | Not Applicable. Direct issue by Issuer as principal. |
| (iii) Total commission and concession: | The fees are reflected in the pricing of the Notes and will not be separately charged to investors.<br>A commission fee of 2.00% may be separately charged to investors by the distributor |
| (iv) Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA rules are not applicable |
| (v) Additional selling restrictions: | Not Applicable |
| (vi) Simultaneous offer: | Not Applicable |
| (vii) Process for notification to applicants of amount allotted and indication whether dealing may begin before notification is made: | Investors will be notified of the amount of Notes allotted to them, if any, through their financial intermediaries. No dealing in the Notes may begin before such notification is made. |

### 4. LISTING

| | |
|---|---|
| (i) Listing: | Luxembourg Stock Exchange |
| (ii) Admission to trading: | Application will be made for the Notes to be admitted to trading on the Luxembourg Stock Exchange with effect from the Issue Date or as soon as possible thereafter. |
| (iii) Estimate of total expenses related to admission to trading: | Not Applicable |

## 5. RATINGS

| | |
|---|---|
| Ratings: | The Notes will not be rated |

## 6. NOTIFICATION

The Netherlands Authority for Financial Markets has provided the Finansinspektionen (the "**FI**") (Sweden), the Finanstilsynet (the "**FT**") (Norway) and the Commission de Surveillance du Secteur Financier (the "**CSSF**") (Luxembourg) with a certificate of approval attesting that the Registration Document, Securities Note and Summary Note have been drawn up in accordance with the Prospectus Directive.

## 7. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

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

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

| | |
|---|---|
| Reasons for the offer: | See "Use of Proceeds" wording in Chapter 1 of the Base Prospectus. |

## 9. DETAILS OF UNDERLYING FUND

The return on the Notes is linked to the performance and the volatility of the underlying Fund. The levels of the Fund Interest Price may go down as well as up throughout the life of the Notes. Fluctuations in the levels of the Fund Interest Price will affect the value of the Notes. An increase or a decrease of the volatility of the Fund Interest Price will affect the value of the Notes.

Information and details of the past and future performance of the underlying Fund and its volatility can be obtained from: http://www.eastcapital.com and the Bloomberg information system (EACRUSS SS <EQUITY>).

## 10. POST-ISSUANCE INFORMATION

The Issuer intends to provide post issuance information in relation to the Notes which will be published by the Issuer on www.ingstructuredproducts.com. There is no assurance that the Issuer will continue to provide such information for the life of the Notes.

## 11. RESULTS OF THE OFFER

Results of the offer will be published by the Issuer on www.ingstructuredproducts.com on or about 21 March 2011, although the Issuer reserves the right to close the subscription earlier.

## 12. OPERATIONAL INFORMATION

| | | |
|---|---|---|
| (i) | Intended to be held in a manner which would allow Eurosystem eligibility: | No |
| (ii) | ISIN CODE: | SE0003787209 |
| (iii) | Common Code: | 059161024 |
| (iv) | WKN Code: | Not Applicable |
| (v) | Other relevant code: | Not Applicable |
| (vi) | Clearing system(s): | Euroclear Sweden AB<br>Box 7822<br>103 97 Stockholm<br>Sweden. |
| (vii) | Delivery: | Delivery against payment |
| (viii) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (ix) | Name and address of Calculation Agent (if other than the Issuer): | Not Applicable |
| (x) | Name and address of Swedish Registrar: | Euroclear Sweden AB<br>Box 7822<br>103 97 Stockholm<br>Sweden. |
| (xi) | Name and address of Swedish Issuing Agent: | Skandinaviska Enskilda Banken AB (publ.)<br>Kungsträdgårdsgatan 8<br>106 40 Stockholm<br>Sweden. |

## 13. ISSUE PRICE

The issue price of the Notes is 110 per cent per Note.