

# ING Groep N.V.

*(Incorporated in The Netherlands with its statutory seat in Amsterdam)*

# ING Bank N.V.

*(Incorporated in The Netherlands with its statutory seat in Amsterdam)*

# ING Verzekeringen N.V.

*(Incorporated in The Netherlands with its statutory seat in The Hague)*

# €45,000,000,000

# Programme for the Issuance of Debt Instruments

Under this €45,000,000,000 Programme for the Issuance of Debt Instruments (the "Programme"), each of ING Groep N.V. ("ING" or "ING Group"), ING Bank N.V. ("ING Bank") and ING Verzekeringen N.V. ("ING Insurance") (together the "Issuers" and each an "Issuer", which expression shall include any Substituted Debtor (as defined in Condition 16 of the Terms and Conditions of the Notes)), may from time to time issue notes (the "Notes", which expression shall include Senior Notes and Subordinated Notes (each as defined below)) and, in the case of ING Group only, perpetual hybrid capital securities (the "Capital Securities" and, together with the Notes, the "Instruments") denominated in any currency determined by the relevant Issuer and the relevant Dealer (as defined below).

Subject as set out herein, the Instruments will be subject to such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency (as defined herein). The maximum aggregate nominal amount of all Instruments from time to time outstanding will not exceed €45,000,000,000 (or its equivalent in other currencies calculated as described herein). The Notes will not contain any provision that would oblige the relevant Issuer to gross-up any amounts payable thereunder in the event of any withholding or deduction for or on account of taxes levied in any jurisdiction.

The Instruments will be issued on a continuing basis by the relevant Issuer to the purchasers thereof, which may include any Dealers appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers"). The Dealer or Dealers with whom the relevant Issuer agrees or proposes to agree on the issue of any Instruments is or are referred to as the "relevant Dealer" in respect of those Instruments.

This Base Prospectus was approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) (the "AFM") for the purposes of Directive 2003/71/EC of the European Parliament and of the Council (the "Prospective Directive") on 23 February 2010. The AFM has provided the competent authorities in Austria, Belgium, France, Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain and the United Kingdom with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

Application has been made for the Instruments to be issued under the Programme during the period of 12 months from the date of this Base Prospectus (i) to be admitted to trading on Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V. ("Euronext Amsterdam") and on the market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the European Commission (the "Luxembourg Stock Exchange") and (ii) to be offered to the public in Austria, Belgium, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Switzerland and the United Kingdom. Instruments may be listed on such other or further stock exchange or stock exchanges as may be determined by the Issuer, and may be offered to the public in other jurisdictions also, in each case subject to applicable laws. The Issuers may also issue unlisted and/or privately placed Instruments. References in this Programme to Instruments being "listed" (and all related references) shall mean that such Instruments have been admitted to trading and have been listed on Euronext Amsterdam and/or the Luxembourg Stock Exchange (as the case may be) and/or such other or future regulated market or stock exchange(s) which may be agreed and specified in the applicable Final Terms. The regulated markets of Euronext Amsterdam and the Luxembourg Stock Exchange are regulated markets for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

Prospective investors should note that each of ING Group and ING Insurance will only offer Notes to the public within a member state ("Member State") of the European Economic Area (the "EEA") and will only seek to admit Notes to trading on a regulated market situated or operating within a Member State of the EEA, in circumstances which would require the publication of a prospectus under the Prospectus Directive, upon approval by the AFM of a registration document dated on or after the date hereof relating to it prepared in accordance with Article 5 of the Prospectus Directive.

The Issuers may decide to issue Instruments in a form not contemplated by the Terms and Conditions of the Instruments herein. In such case a supplement to this Base Prospectus, if appropriate, will be made available which will describe the form of such Instruments.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus. ***This Base Prospectus should be read and construed in conjunction with the relevant Registration Document (as defined below).***

This Base Prospectus is dated 23 February 2010 and replaces the base prospectus relating to the Programme dated 19 August 2009 and any supplements thereto.

**Arranger**

**ING COMMERCIAL BANKING**

**Dealer**

**ING COMMERCIAL BANKING**

Each Issuer has a senior debt rating from Standard & Poor's Ratings Services, a division of the McGraw Hill Companies Inc. ("Standard & Poor's"), Moody's Investors Service Limited ("Moody's") and Fitch Ratings Ltd. ("Fitch"), details of which are contained in the relevant Registration Document. Tranches (as defined herein) of Instruments issued under the Programme may be rated or unrated. Where a Tranche of Instruments is to be rated, such rating will not necessarily be the same as any ratings assigned to the Programme or to Instruments already issued. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Switzerland: The Instruments being offered pursuant to this Base Prospectus do not represent units in collective investment schemes. Accordingly, they have not been registered with the Swiss Financial Market Supervisory Authority (the "FINMA") as foreign collective investment schemes, and are not subject to the supervision of the FINMA. Investors cannot invoke the protection conferred under the Swiss legislation applicable to collective investment schemes.**

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## SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Instruments should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference. Civil liability in respect of this summary, including any translation thereof, will attach to the relevant Issuer in any Member State of the EEA in which the relevant provisions of the Prospectus Directive have been implemented, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in such a Member State, the plaintiff investor may, under the national legislation of that Member State, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

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| **Issuers** | ING Groep N.V., ING Bank N.V. and ING Verzekeringen N.V. |
| **ING Groep N.V.** | ING Groep N.V. (ING or ING Group) is the holding company of a broad spectrum of companies offering banking, investments, life insurance and retirement services to about 85 million private, corporate and institutional clients in Europe, the United States, Canada, Latin America, Asia and Australia. Originating from the Netherlands, ING has a workforce of almost 109,000 people worldwide.<br>Based on market capitalisation, ING Group is one of the 25 largest financial institutions in Europe (source: MSCI, Bloomberg, 31 December 2009).<br>ING Group is a listed company and holds all shares of ING Bank N.V. and ING Verzekeringen N.V., which are non-listed 100% subsidiaries of ING Group.<br>ING Group expects to separate its banking and insurance operations and develop towards a mid-sized international bank, anchored in The Netherlands and Belgium, and predominantly focused on the European retail market with selected growth options elsewhere. ING Group also expects to divest its insurance operations (including its investment management operations) over the following four years. |
| **ING Bank N.V.** | ING Bank N.V. (ING Bank) is represented in about 40 countries around the world through a large network of subsidiaries, offices and agencies. It offers its commercial and retail customers a full range of banking and financial services, including lending, stock-broking, insurance broking, fund management, leasing, factoring, investment banking and the provision of funds for venture capital purposes.<br>With almost 71,000 employees, ING Bank is active through three Business Lines: Retail Banking, ING Direct and Commercial Banking (formerly Wholesale Banking). Retail Banking offers retail banking services in the mature markets of The Netherlands, Belgium and Luxembourg, and in the growth markets of Poland, Romania, Turkey, India, Thailand and China. Private Banking is offered in The Netherlands, Belgium, Luxembourg and various countries in Central Europe. ING Direct operates direct retail banking activities for customers in Australia, Canada, France, Germany and Austria, Italy, Spain, the United Kingdom and the United States. The main products offered are savings accounts and |

mortgages, and also mutual funds and payment accounts. Commercial Banking conducts operations for corporations and other institutions with a primary focus on The Netherlands, Belgium, Poland and Romania, where it offers a full range of products. Commercial Banking also manages ING Real Estate, a real estate investment manager.

**ING Verzekeringen N.V.**

ING Verzekeringen N.V. (ING Insurance) is represented in almost 30 countries around the world through a variety of insurance companies, offering life insurance, retirement services and investment and asset management products and services. In a selected number of countries non-life insurance is offered. In approximately 20 countries ING Insurance started life insurance companies from scratch in the 1980s, in Europe, in Asia and in Latin America.

ING Insurance has over 38,000 people active in three Business Lines: Insurance Europe, Insurance Americas and Insurance Asia/Pacific. Insurance Europe operates the insurance and asset management activities in Europe. The main insurance activities are in The Netherlands, Belgium, Spain, Greece, Turkey and Central Europe, where ING offers life insurance with a particular focus on retirement services. In The Netherlands and Belgium, ING also offers non-life insurance. Insurance Americas provides insurance, investment, retirement and asset management products and services in the region. The United States is an important insurance market for retirement services. ING is a leading insurance company in a number of Latin American countries, including Mexico, Chile and Peru. Insurance Asia/Pacific conducts life insurance and asset/wealth management activities in the region and is well-established in Australia, New Zealand, Japan, Hong Kong, Malaysia and South Korea. ING is of the opinion that the activities in China, India and Thailand are high-growth markets.

ING Group has announced that all insurance operations (including investment management operations) conducted by ING Insurance will be divested over the following four years.

***Further information in relation to each Issuer is set out in the relevant Registration Document.***

**Instruments:**

Instruments means Notes and Capital Securities, unless the context requires otherwise. Only ING Group may issue Capital Securities.

**General Risk Factors**

- There are certain factors which are material for the purpose of assessing the risks associated with an investment in Instruments issued under the Programme. If a prospective investor does not have sufficient knowledge and experience in financial, business and investment matters to permit it to make such an assessment, the investor should consult with its independent financial adviser prior to investing in a particular issue of Instruments. Instruments may not be a suitable investment for all investors. Each Issuer, including its branches and any group company, is acting solely in the capacity of an arm's length contractual counterparty and not as a purchaser's financial adviser or fiduciary in any transaction unless such Issuer

has agreed to do so in writing. Investors risk losing their entire investment or part of it if the value of the Instruments does not move in the direction which they anticipate. Instruments are generally complex financial instruments. A potential investor should not invest in Instruments which are complex financial instruments unless it has the expertise (either alone or with an independent financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of the Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

- If application is made to list Instruments on a stock exchange, there can be no assurance that a secondary market for such Instruments will develop or, if it does, that it will provide holders with liquidity for the life of the Instruments.
- Prospective purchasers intending to purchase Instruments to hedge against the market risk associated with investing in an index, currency or other asset or basis of reference, should recognise the complexities of utilising Instruments in this manner. For example, the value of the Instruments may not exactly correlate with the value of the index, currency or other asset or basis.
- The Calculation Agent for an issue of Instruments is the agent of the relevant Issuer and not the agent of the holders of the Instruments. It is possible that the relevant Issuer will itself be the Calculation Agent for certain issues of Instruments. In making determinations and adjustments, the Calculation Agent will be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.
- An investor's total return on an investment in Instruments will be affected by the level of fees charged to the investor, including fees charged to the investor as a result of the Instruments being held in a clearing system. Investors should carefully investigate these fees before making their investment decision.
- Each Issuer and its affiliates may engage in trading activities related to interests underlying any Instruments, may act as underwriter in connection with future offerings of shares or other securities related to an issue of Instruments, or may act as financial adviser to certain companies whose securities impact the return on Instruments. Such activities could present certain conflicts of interest and could adversely affect the value of such Instruments.

***For more details on the general risk factors affecting Instruments to be issued under the Programme, see "Risk Factors — General Risk Factors".***

**Risk Factors Relating to ING Bank**

- Because ING Bank is part of an integrated financial services group conducting business on a global basis, the financial performance of ING Bank is affected by the volatility and strength of the economic, business and capital markets environments specific to the geographic

regions in which it conducts business. The ongoing turbulence and volatility of such factors have adversely affected, and may continue to adversely affect the financial condition of ING Bank.

- Adverse capital and credit market conditions may impact ING Bank's ability to access liquidity and capital, as well as the cost of credit and capital.
- The default of a major market participant could disrupt the markets.
- Because ING Bank's businesses are subject to losses from unforeseeable and/or catastrophic events, which are inherently unpredictable, ING Bank may experience an abrupt interruption of activities, which could have an adverse effect on its financial condition.
- ING Bank operates in a highly regulated industry. There could be an adverse change or increase in the financial services laws and/or regulations governing ING Bank's business.
- Ongoing turbulence and volatility in the financial markets have adversely affected ING Bank, and may continue to do so.
- The implementation of the Restructuring Plan and the divestments anticipated in connection with that plan will significantly alter the size and structure of ING and involve significant costs and uncertainties that could materially impact ING Bank.
- The limitations agreed with the EC on ING's ability to compete and to make acquisitions or call certain debt instruments could materially impact ING Bank.
- Upon the implementation of the Restructuring Plan, ING will be less diversified and ING Bank may experience competitive and other disadvantages.
- ING's Back to Basics program and its Restructuring Plan may not yield intended reductions in costs, risk and leverage.
- Because ING Bank operates in highly competitive markets, including its home market, it may not be able to increase or maintain its market share, which may have an adverse effect on its financial performance.
- ING's agreements with the Dutch State impose certain restrictions regarding the compensation of certain senior management positions.
- Because ING Bank does business with many counterparties, the inability of these counterparties to meet their financial obligations could have a material adverse effect on ING Bank's financial condition.
- Current market conditions have increased the risk of loans being impaired. ING Bank is exposed to declining property values on the collateral supporting residential and commercial real estate lending.

- Interest rate volatility may adversely affect ING Bank's financial condition.
- ING Bank may incur losses due to failures of banks falling under the scope of state compensation schemes.
- ING Bank may be unable to manage its risks successfully through derivatives.
- Because ING Bank uses assumptions to model client behaviour for the purpose of their market risk calculations, the difference between the realisation and the assumptions may have an adverse impact on the risk figures and future financial performance.
- ING Bank's risk management policies and guidelines may prove inadequate for the risks they face.
- ING Bank may incur further liabilities in respect of its defined benefit retirement plans if the value of plan assets is not sufficient to cover potential obligations.
- ING Bank is subject to a variety of regulatory risks as a result of their operations in less developed markets.
- Because ING Bank is a financial services company and is continually developing new financial products, it might be faced with claims that could have an adverse effect on its operations and financial performance if clients' expectations are not met.
- Ratings are important to ING Bank's businesses for a number of reasons. Among these are the issuance of debt, the sale of certain products and the risk weighting of bank assets. Downgrades could have an adverse impact on ING Bank's operations and financial condition.
- ING Bank's businesses may be negatively affected by a sustained increase in inflation.
- Operational risks are inherent in ING Bank's businesses.
- ING Bank's businesses may be negatively affected by adverse publicity, regulatory actions or litigation with respect to such businesses, other well-known companies or the financial services industry in general.

**Risk Factors Relating to the Instruments**

- The relevant Issuer will pay principal and interest on the Instruments in a specified currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency other than the specified currency.
- All payments to be made by the relevant Issuer in respect of the Notes will be made subject to any tax, duty, withholding or other payment which may be required. Holders of Notes will not receive grossed-up amounts to compensate for any such required reduction.

- An optional redemption feature in any Instruments may negatively impact their market value. During any period when the relevant Issuer may elect to redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. Holders of Instruments subject to optional redemption likely will not be able to invest their proceeds of redemption at such an attractive rate of interest.
- The Issuers may issue Instruments with principal or interest determined by reference to a particular index, inflation index formula, currency exchange rate or other factor (each a "Relevant Factor"). In addition, the Issuers may issue Dual Currency Instruments with principal or interest payable in one or more currencies which may be different from the currency in which the Instruments are denominated. Potential investors should be aware that:
  (i) the market price of such Instruments may be very volatile. The market price of the Instruments at any time is likely to be affected primarily by changes in the level of the Relevant Factor to which the Instruments are linked. It is impossible to predict how the level of the Relevant Factor will vary over time;

  (ii) such Instruments may involve interest rate risk, including the risk of holders of the Instruments receiving no interest;

  (iii) payment of principal or interest may occur at a different time or in a different currency than expected;

  (iv) they may lose all or a substantial portion of their principal;

  (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies, securities, indices or funds;

  (vi) if a Relevant Factor is applied to Instruments in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified;

  (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield;

  (viii) Notes are of limited maturity and, unlike direct investments in an index, inflation index or other asset, investors are not able to hold them beyond the Maturity Date in the expectation of a recovery in the price of the underlying; and;

  (ix) the price at which an investor will be able to sell Notes prior to the Maturity Date may be at a substantial discount to the

market value of the Notes at the time they are issued depending on the performance of the Relevant Factor.

- The Issuers may issue fixed rate Instruments. Investment in fixed rate Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Instruments.
- The Issuers may issue partly-paid Instruments, where an investor pays part of the purchase price for the Instruments on the issue date, and the remainder on one or more subsequent dates. Potential purchasers of such Instruments should understand that a failure by a holder of Instruments to pay any portion of the purchase price when due may trigger a redemption of all of the Instruments by the relevant Issuer and may cause such purchaser to lose all or part of its investment.
- The Issuers may issue Instruments under the Programme which are subordinated to the extent described in Condition 3 of the Terms and Conditions of the Notes or Conditions 2 and 3 of the Terms and Conditions of, in the case of ING Group only, the Capital Securities (such Instruments, "Subordinated Instruments"). By virtue of such subordination, payments to a holder of Subordinated Instruments will, in the events described in the relevant Conditions, only be made after, and any set-off by a holder of Subordinated Instruments shall be excluded until, all obligations of the relevant Issuer resulting from higher ranking claims with respect to the repayment of borrowed money (including deposits) and other unsubordinated claims have been satisfied. A holder of Instruments may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the relevant Issuer. Although Subordinated Instruments may pay a higher rate of interest than comparable Instruments which are not subordinated, there is a real risk that an investor in Subordinated Instruments will lose all or some of his investment should the relevant Issuer become insolvent.
- The conditions of the Instruments permit defined majorities at meetings of Holders to bind all Holders, including Holders who did not attend such meetings and Holders who voted in a manner contrary to the majority in such meetings.
- The conditions of the Instruments are based on the law of the Netherlands in effect as at the date of this Base Prospectus and may be affected by judicial decisions or changes to such law or administrative practice.

***For more details on the risk factors relating to the Instruments that the Issuers may issue under the Programme, see "Risk Factors — Risk Factors Relating to the Instruments".***

**Additional Risk Factors Relating to Capital**

- Payments on the Capital Securities will be payable only if no Mandatory Deferral Condition exists at the time of payment and as a

**Securities**

result of such payments no Mandatory Deferral Event would occur immediately thereafter.

- If the Mandatory Deferral Condition is met, ING Group will defer relevant Payments (such term does not include principal) on the Capital Securities. Interest on any such mandatorily deferred Payment or part thereof will only accrue from the date that the Mandatory Deferral Condition no longer exists to (but excluding) the date on which the deferred Payment or part thereof and interest thereon shall have been paid in full, but not for any period during which the Mandatory Deferral Conditions exists.
- ING Group may at its discretion elect to defer any Payment (such term does not include principal) on the Capital Securities for any period of time subject to limited exceptions as described in the Terms and Conditions of the Capital Securities.
- ING Group is under no obligation to satisfy deferred Payments (other than as described in the Terms and Conditions of the Capital Securities) but may elect to satisfy mandatorily or optionally deferred Payments or part thereof if certain conditions are met. ING Group's willingness and ability to satisfy deferred Payments is among others dependent upon its ability to issue Payment Securities.
- ING Group has only a limited obligation to act to prevent Mandatory Payment Events or Mandatory Partial Payment Events, and upon any such Mandatory Payment Event or Mandatory Partial Payment Event, ING Group will have no obligation to satisfy previously deferred Payments.
- During the existence of a Regulatory Deferral Event, the terms of the Capital Securities will be automatically altered**.** See more particulary described in Condition 6(e) of the Terms and Conditions of the Capital Securities.
- ING Group is under no obligation to redeem the Capital Securities at any time and the Holders of the Capital Securities have no right to call for their redemption.
- The Capital Securities constitute direct, unsecured, subordinated securities of ING Group and rank *pari passu* without any preference among themselves. The rights and claims of the Holders under the Capital Securities are subordinated to the claims of Senior Creditors of ING Group, present and future, and rank *pari passu* with the most senior class of ING Group's preference shares then outstanding and, once all Outstanding Parity Instruments have been redeemed and discharged in full, *pari passu* with the most junior class of ING Group's preference shares then provided for in its Articles of Association.
- Upon the occurrence of certain specified tax or regulatory events, or the exercise of an issuer call, the Capital Securities may be redeemed at their Early Redemption Amount together with any Outstanding

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| | Payments, or – in case of a tax event only – converted or exchanged.<br>● There is no restriction on the amount of debt which ING Group may issue which ranks senior to the Capital Securities or on the amount of securities which ING Group may issue which ranks *pari passu* with the Capital Securities. The issue of any such debt or securities may reduce the amount recoverable by Holders on a winding-up (*faillissement* or *vereffening na ontbinding*) of ING Group or may increase the likelihood of a deferral of Payments under the Capital Securities.<br>● The sole remedy against ING Group available to the Trustee for the Capital Securities or any Holder for recovery of amounts owing in respect of any Payment or principal in respect of the Capital Securities will be the institution of proceedings in the Netherlands for the bankruptcy (*faillissement*) of ING Group and/or proving (*indienen ter verificatie*) in such bankruptcy.<br>● Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by ING Group arising under or in connection with the Capital Securities and each Holder shall, by virtue of being the Holder of any Capital Security, be deemed to have waived all such rights of set-off. |
| **Programme** | Programme for the Issuance of Debt Instruments.<br>Under this €45,000,000,000 Programme for the Issuance of Debt Instruments, the Issuers may from time to time issue Notes and, in the case of ING Group only, Capital Securities. These Instruments may or may not be listed on a stock exchange.<br>The applicable terms of any Instruments will be determined by the relevant Issuer and, with respect to issues of Instruments for which one or more Dealers are appointed, the relevant Dealer(s) prior to the issue of the Instruments. Such terms will be set out in the Terms and Conditions of the Instruments endorsed on, or incorporated by reference into, the Instruments, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, or applicable to such Instruments, as more fully described in the "Terms and Conditions of the Notes" and "Terms and Conditions of the Capital Securities" sections of this Base Prospectus.<br>For an overview of the Instruments which may be issued under the Programme, see "Overview of the Programme". |
| **Arranger** | ING Bank N.V. |
| **Dealers** | ING Bank N.V. has been appointed as Dealer under the Programme. One or more other Dealers may be appointed under the Programme in respect of issues of Instruments in the future pursuant to the Programme Agreement (as defined in "Subscription and Sale"). The Issuers may also issue Intruments directly to purchasers thereof. |
| **Ratings** | Each Issuer has a senior debt rating from Standard & Poor's, Moody's and Fitch, details of which are contained in the relevant Registration Document. Tranches of Instruments issued under the Programme may be |

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| | rated or unrated. Where a Tranche of Instruments is rated, such rating will be specified in the relevant Final Terms. Where a Tranche of Instruments is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. |
| **Selling and Transfer Restrictions** | There are selling and transfer restrictions in relation to issues of Instruments as described in "Subscription and Sale" below. Further restrictions may be specified in the applicable Final Terms. |
| **Listing and Public Offers** | Application has been made for the Instruments to be issued under the Programme (i) to be listed on Euronext Amsterdam and on the market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the European Commission and (ii) to be offered to the public in Austria, Belgium, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Switzerland and the United Kingdom. The Instruments may also be listed or admitted to trading on such other or further stock exchange or stock exchanges as may be determined by the relevant Issuer. Instruments issued under the Programme may also be offered to the public in jurisdictions other than Austria, Belgium, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Switzerland and the United Kingdom.<br><br>Unlisted Instruments, and Instruments which are not offered to the public in any jurisdiction, may also be issued.<br><br>The Final Terms relating to each issue will state whether or not the Instruments are to be listed or admitted to trading, as the case may be and, if so, on which exchange(s) and/or market(s).<br><br>Prospective investors should note that each of ING Group and ING Insurance will only offer Notes to the public within a Member State of the EEA and will only seek to admit Notes to trading on a regulated market situated or operating within a Member State of the EEA, in circumstances which would require the publication of a prospectus under the Prospectus Directive, upon approval by the AFM of a registration document dated on or after the date hereof relating to it prepared in accordance with Article 5 of the Prospectus Directive. |
| **Taxation** | This Base Prospectus includes general summaries of certain Dutch, Belgian, Luxembourg, United Kingdom and United States tax considerations relating to an investment in the Instruments. See the "Taxation" section of this Base Prospectus. Such summary may not apply to a particular holder of Instruments or to a particular issue and does not cover all possible tax considerations. In addition, the tax treatment may change before the maturity, exercise or termination date of Instruments. Any potential investor should consult his own tax adviser for more information about the tax consequences of acquiring, owning and disposing of Instruments in its particular circumstances. |
| **Governing Law** | Unless provided otherwise in the applicable Final Terms, the Instruments will be governed by, and construed in accordance with, the laws of the |

Netherlands.

# RISK FACTORS

## General Risk Factors

### Introduction

This Base Prospectus identifies in a general way the information that a prospective investor should consider prior to making an investment in the Instruments. However, 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 Instruments as any evaluation of the suitability for an investor of an investment in the Instruments depends upon a prospective investor's particular financial and other circumstances, as well as on specific terms of the Instruments. This Base Prospectus is not, and does not purport to be, investment advice or an investment recommendation to purchase Instruments. Each Issuer, including its branches and any group company, is acting solely in the capacity of an arms' length contractual counterparty and not as a purchaser's financial adviser or fiduciary in any transaction unless such Issuer has agreed to do so in writing. 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 on the suitability of the Instruments. Investors risk losing their entire investment or part of it.

Each prospective investor of Instruments must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Instruments (i) is fully consistent with its (or if it is acquiring the Instruments in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with any investment policies, guidelines and restrictions applicable to it (whether acquiring the Instruments as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Instruments in a fiduciary capacity, for the beneficiary). In particular, investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the Instruments are legal investments for it, (ii) the Instruments can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Instruments.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

***Each prospective investor in Instruments should refer to the section headed "Risk Factors" in the relevant Registration Document for a description of those factors which could affect the financial performance of the Issuers and thereby affect the Issuers' ability to fulfil their obligations in respect of Instruments issued under the Programme.***

### The Instruments may not be a suitable investment for all investors

Each potential investor in the Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Base Prospectus, any applicable supplement or Final Terms;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including Instruments with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Instruments and be familiar with the behaviour of any relevant indices, securities, assets and/or financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Instruments are generally complex financial instruments. A potential investor should not invest in Instruments which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of the Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

**Limited liquidity of the Instruments**

Even if application is made to list Instruments on a stock exchange, there can be no assurance that a secondary market for any of the Instruments will develop, or, if a secondary market does develop, that it will provide the holders of the Instruments with liquidity or that it will continue for the life of the Instruments. A decrease in the liquidity of an issue of Instruments may cause, in turn, an increase in the volatility associated with the price of such issue of Instruments. Any investor in the Instruments must be prepared to hold such Instruments for an indefinite period of time or until redemption of the Instruments. If any person begins making a market for the Instruments, it is under no obligation to continue to do so and may stop making a market at any time. Illiquidity may have a severely adverse effect on the market value of Instruments.

**Counterparty risk exposure**

The ability of the relevant Issuer to make payments under the Instruments is subject to general credit risks, including credit risks of borrowers. Third parties that owe the relevant Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans granted, trading counterparties, counterparties under swaps and credit and other derivative contracts, agents and other financial intermediaries. These parties may default on their obligations to the relevant Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

**Credit ratings may not reflect all risks**

Each Issuer has a senior debt rating from Standard & Poor's, Moody's and Fitch, details of which are contained in the relevant Registration Document.

Tranches of Instruments issued under the Programme may be rated or unrated and one or more independent credit rating agencies may assign additional credit ratings to the Instruments or the Issuers. Where a Tranche of Instruments is rated, such rating will not necessarily be the same as the ratings assigned to the Programme.

The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments and the ability of an Issuer to make payments under the Instruments (including but not limited to market conditions and funding related and operational risks inherent to the business of each Issuer). A credit rating is not a recommendation to buy, sell or hold securities. There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant.

In the event that a rating assigned to the Instruments or an Issuer is subsequently suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Instruments, the market value of the Instruments is likely to be adversely affected and the ability of the relevant Issuer to make payments under the Instruments may be adversely affected.

In addition, ING Bank's assets are risk weighted. Downgrades of these assets could result in a higher risk weighting which may result in higher capital requirements and thus a need to deleverage. This may impact net earnings and the return on capital, and may have an adverse impact on the relevant Issuer's financial position and ability to make payments under the Instruments.

**Certain considerations regarding hedging**

Prospective purchasers intending to purchase Instruments to hedge against the market risk associated with investing in an index, currency or other asset or basis of reference which may be specified in the applicable Final Terms, should recognise the complexities of utilising Instruments in this manner. For example, the value of the Instruments may not exactly correlate with the value of the index, currency or other asset or basis which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Instruments, there is no assurance that their value will correlate with movements of the index, currency or other asset or basis which may be specified in the applicable Final Terms.

**Actions taken by the Calculation Agent may affect the value of Instruments**

The Calculation Agent for an issue of Instruments is the agent of the relevant Issuer and not the agent of the holders of the Instruments. It is possible that the relevant Issuer will itself be the Calculation Agent for certain issues of Instruments. The Calculation Agent will make such determinations and adjustments as it deems appropriate, in accordance with the terms and conditions of the specific issue of Instruments. In making its determinations and adjustments, the Calculation Agent will be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

**The return on an investment in Instruments will be affected by charges incurred by investors**

An investor's total return on an investment in Instruments will be affected by the level of fees charged to the investor, including fees charged to the investor as a result of the Instruments being held in a clearing system. Such fees may include charges for opening accounts, transfers of securities, custody services and fees for payment of principal, interest or other sums due under the terms of the Instruments. Investors should carefully investigate these fees before making their investment decision.

**Potential conflicts of interest; Information and past performance**

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

Each Issuer may have acquired, or during the term of Instruments may acquire, non-public information with respect to indices (or securities included therein (or their issuers)) or other assets underlying Instruments which will not be provided to holders of such Instruments. The Issuers makes no representation or warranty about, and gives no guarantee of, the performance of indices or other assets underlying Instruments. Past

performance of such indices (or securities included therein) or other assets cannot be considered to be a guarantee of, or guide to, future performance.

**Tax risk**

This Base Prospectus includes general summaries of certain Dutch, Belgian, Luxembourg, United Kingdom and United States tax considerations relating to an investment in the Instruments issued by the Issuer (see "Taxation"). Such summaries may not apply to a particular holder of Instruments or to a particular issue and does not cover all possible tax considerations. In addition, the tax treatment may change before the maturity, exercise or termination date of Instruments. Any potential investor should consult his own independent tax adviser for more information about the tax consequences of acquiring, owning and disposing of Instruments in his particular circumstances.

**Insolvency risk**

In the event that an Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of that Issuer's place of incorporation. The insolvency laws of Issuer's place of incorporation may be different from the insolvency laws of an investor's home jurisdiction and the treatment and ranking of holders of Instruments issued by that Issuer and that Issuer's other creditors and shareholders under the insolvency laws of that Issuer's place of incorporation may be different from the treatment and ranking of holders of those Instruments and that Issuer's other creditors and shareholders if that Issuer was subject to the insolvency laws of the investor's home jurisdiction.

## Risk Factors Relating to the Instruments

*In addition to the risks identified in "Risk Factors — General Risk Factors", the relevant Registration Document and "Risk Factors — Additional Risk Factors Relating to the Capital Securities", potential investors in Instruments should consider the following:*

**Risks related to the structure of a particular issue of Instruments**

A wide range of Instruments may be issued under the Programme. A number of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

***Instruments subject to optional redemption by the Issuer***

An optional redemption feature in any Instruments may negatively impact their market value. During any period when the relevant Issuer may elect to redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Instruments when its cost of borrowing is lower than the interest rate on the Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Index Linked Instruments, Inflation Linked Instruments and Dual Currency Instruments***

The Issuers may issue Instruments with principal or interest determined by reference to a particular index, inflation index, formula, currency exchange rate or other factor (each, a "Relevant Factor"). In addition, the Issuers may issue Dual Currency Instruments with principal or interest payable in one or more currencies which may be different from the currency in which the Instruments are denominated. Potential investors should be aware that:

(i) the market price of such Instruments may be very volatile. The market price of the Instruments at any time is likely to be affected primarily by changes in the level of the Relevant Factor to which the Instruments are linked. It is impossible to predict how the level of the Relevant Factor will vary over time;

(ii) such Instruments may involve interest rate risk, including the risk of holders of the Instruments receiving no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) they may lose all or a substantial portion of their principal;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or indices or other relevant factors;

(vi) if a Relevant Factor is applied to Instruments in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified;

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield;

(viii) Notes are of limited maturity and, unlike direct investments in an index, inflation index or other asset, investors are not able to hold them beyond the Maturity Date in the expectation of a recovery in the price of the underlying; and

(ix) the price at which an investor will be able to sell Notes prior to the Maturity Date may be at a substantial discount to the market value of the Notes at the time they are issued depending on the performance of the Relevant Factor.

***Partly-paid Instruments***

The Issuers may issue Partly-paid Instruments, where an investor pays part of the purchase price for the Instruments on the issue date, and the remainder on one or more subsequent dates. Potential purchasers of such Instruments should understand that a failure by a holder of Instruments to pay any portion of the purchase price when due may trigger a redemption of all of the Instruments by the relevant Issuer and may cause such purchaser to lose all or part of its investment.

***Variable rate Instruments with a multiplier or other leverage factor***

The Issuers may issue Instruments with variable interest rates. Such Instruments can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

***Inverse Floating Rate Instruments***

The Issuers may issue Inverse Floating Rate Instruments. Such Instruments have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR or LIBOR. The market values of those Instruments typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Instruments are more volatile because an increase in the reference rate not only decreases the interest rate of the Instruments, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Instruments.

***Fixed/Floating Rate Instruments***

The Issuers may issue Fixed/Floating Rate Instruments. Such Instruments may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Instruments since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than then prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Instruments.

***Instruments issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Issues of Subordinated Instruments; limited rights to accelerate***

The Issuers may issue Instruments under the Programme which are subordinated to the extent described in Condition 3 of the Terms and Conditions of the Notes and Conditions 2 and 3 of the Terms and Conditions of the Capital Securities (such Instruments, "Subordinated Instruments"). By virtue of such subordination, payments to a holder of Subordinated Instruments will, in the events described in the relevant Conditions, only be made after, and any set-off by a holder of Subordinated Instruments shall be excluded until, all obligations of the relevant Issuer resulting from higher ranking claims with respect to the repayment of borrowed money (including deposits) and other unsubordinated claims have been satisfied. A holder of Instruments may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the relevant Issuer. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to any Subordinated Instruments which may be incurred or assumed by the relevant Issuer from time to time, whether before or after the issue date of the relevant Subordinated Instruments. Although Subordinated Instruments may pay a higher rate of interest than comparable Instruments which are not subordinated, there is a real risk that an investor in Subordinated Instruments will lose all or some of his investment should the relevant Issuer become insolvent.

In addition, the rights of holders of Subordinated Instruments are limited in certain respects. In particular, early redemption of Subordinated Instruments that are included for capital adequacy purposes in Tier 1, Tier 2 or Tier 3 may only be effected after the written consent of the Dutch Central Bank.

***Under certain conditions, payments under Tier 3 Notes must be deferred***

The principal and, if required under the solvency guidelines as applied from time to time by the Dutch Central Bank, interest on Tier 3 Notes will not be payable on a due date thereof, if and to the extent that at the time of, or as a result of, such payment the relevant Issuer's actual Own Funds (as defined in Condition 4(f) in the Terms and Conditions of the Notes) would amount to less than such percentage. of the relevant Issuer's required minimum amount of Own Funds as required under the solvency guidelines as applied from time to time by the Dutch Central Bank. Any principal or interest in respect of the Tier 3 Notes not paid on a date on which such principal or interest would otherwise be payable will constitute arrears of principal ("Arrears of Principal") or arrears of interest ("Arrears of Interest") and will become payable and will be paid by the relevant Issuer as soon as and to the extent that the relevant Issuer will meet the solvency test referred to in the previous sentence. Any Arrears of Principal or Arrears of Interest will also become fully payable on the date of the dissolution of the relevant Issuer, the date on which the relevant Issuer is declared bankrupt or the

date on which a moratorium (*surseance van betaling*) or emergency regulation resulting from the application of emergency measures as referred to in Chapter 3, Section 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) is declared in respect of the relevant Issuer. Where any amount of principal or interest is paid in part, each part payment shall be made pro rata to the Tier 3 Noteholders of the relevant Series and shall be in respect of the interest accrued furthest from the date of payment. Any Arrears of Principal shall continue to bear interest at the rate applicable to the relevant Tier 3 Notes. Any Arrears of Interest shall not themselves bear interest.

Any deferral of principal or interest payments will likely have an adverse effect on the market price of the Tier 3 Notes issued by the relevant Issuer. In addition, as a result of the principal and interest deferral provisions of the Tier 3 Notes, the market price of the Tier 3 Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the relevant Issuer's financial condition.

**Exchange rates and exchange controls**

The Issuers will pay principal and interest on the Instruments in a specified currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency would decrease (1) the Investor's Currency-equivalent yield on the Instruments, (2) the Investor's Currency equivalent value of the principal payable on the Instruments and (3) the Investor's Currency equivalent market value of the Instruments.

The Issuers may also issue Instruments where the amount of principal and/or interest payable is linked to the performance of one or more exchange rates. Movements in such exchange rates will impact the amount of principal and/or interest payable by the Issuers and may result in investors receiving less than they had expected.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

**No gross-up**

All payments made by the Issuers 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. Holders of Notes will not be entitled to receive grossed-up amounts to compensate for any such tax, duty, withholding or other payment and no event of default shall occur as a result of any such withholding or deduction. In addition, the Issuers shall have the right to redeem Notes if, on the occasion of the next payment due in respect of such Notes, the relevant Issuer would be required to withhold or account for tax in respect of such Notes.

**Interest rate risks**

Investment in fixed rate Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Instruments.

**Notes in New Global Note form**

The New Global Note form has been introduced to allow for the possibility of notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "Eurosystem") and intra-day credit operations by the Eurosystem either upon issue or at any or all items during their life. However in any particular case such recognition will depend upon

satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

**Specified Denomination of €50,000 (or its equivalent) plus higher integral multiple**

In relation to any issue of Instruments which have a denomination consisting of €50,000 (or its equivalent) plus a higher integral multiple of another smaller amount, it is possible that the Instruments may be traded in amounts in excess of €50,000 (or its equivalent) that are not integral multiples of €50,000 (or its equivalent). In such a case a holder of an Instrument who, as a result of trading such amounts, holds a principal amount of less than €50,000 (or its equivalent) may not receive a definitive Instrument in respect of such holding (should definitive Instruments be printed) and would need to purchase a principal amount of Instruments such that its aggregate holding amounts to €50,000 (or its equivalent) in order to receive such a definitive Instrument.

**Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Instruments are legal investments for it, (2) Instruments can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

**Modification**

The conditions of the Instruments contain provisions for calling meetings of Holders of the Instruments to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

**Changes in law**

The conditions of the Instruments and the ratings which may be assigned to them are based on the law of the Netherlands in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Netherlands law or administrative practice after the date of this Base Prospectus.

## Additional Risk Factors Relating to the Capital Securities

*In addition to the risks identified in "Risk Factors — General Risk Factors", ING Group's Registration Document and "Risk Factors — Risk Factors Relating to the Instruments", potential investors in Capital Securities should consider the following:*

**Conditions to payment**

Payments on the Capital Securities will be payable only if no Mandatory Deferral Condition exists at the time of payment and as a result of such payments no Mandatory Deferral Event would occur immediately thereafter. See more particularly described in "Terms and Conditions of the Capital Securities — 2. Status — (b)(i) Condition to Payment by the Issuer".

**Deferral - Mandatory deferral**

If the Mandatory Deferral Condition is met, ING Group will defer relevant Payments (such term does not include principal) on the Capital Securities. Interest on any such mandatorily deferred Payment or part thereof will only accrue from the date that the Mandatory Deferral Condition no longer exists to (but excluding) the date on which the deferred Payment or part thereof and interest thereon shall have been paid in full, but not

for any period during which the Mandatory Deferral Condition exists. See more particularly described in "Terms and Conditions of the Capital Securities — 4. Deferrals — (a) Mandatory Deferral of Payments".

**Deferral - Optional deferral**

ING Group may at its discretion elect to defer any Payment (such term does not include principal) on the Capital Securities for any period of time (subject to limited exceptions). Any Payment deferred pursuant to ING Group's optional right to defer will bear interest at the Coupon Rate. See more particulary described in "Terms and Conditions of the Capital Securities — 4. Deferrals — (b) Optional Deferral of Payments".

**No obligation to satisfy deferred Payments**

ING Group is under no obligation to satisfy deferred Payments (other than as described in the Terms and Conditions of the Capital Securities) but may elect to satisfy mandatorily or optionally deferred Payments or part thereof if certain conditions are met. ING Group may only satisfy deferred Payments on the Capital Securities and any interest thereon with the proceeds from the issue of Payment Securities. ING Group's ability or willingness to issue Payment Securities is dependent upon a number of factors, including its financial condition, market conditions and the pricing and other terms on which it would be able to issue and sell Payment Securities. Should ING Group decide not to satisfy deferred Payments, Holders will not be able to compel such payment. See more particularly described in "Terms and Conditions of the Capital Securities – 4.(c) Satisfaction of deferred Payments".

**Prevention of Mandatory (Partial) Payment Events and satisfaction of deferred Payments**

ING Group's obligation to act to prevent Mandatory Payment Events or Mandatory Partial Payment Events, such as making distributions or payments on Junior Securities, including Ordinary Shares in the capital of ING Group, or on Parity Securities, only applies if ING Group has not made the immediately preceding number of Payments on the Capital Securities as specified in the Final Terms. As a result, if ING Group has made such payments, notwithstanding that ING Group continues to defer earlier Payments on the Capital Securities, ING Groupmay make distributions or payments on Junior Securities or Junior Guarantees or on Parity Securities or Parity Guarantees (all as defined in "Terms and Conditions of the Capital Securities — 18. Definitions").

Furthermore, should a Mandatory Payment Event or a Mandatory Partial Payment Event occur, ING Group will have no obligation to satisfy any deferred Payments, and will only be prevented from deferring a number of subsequent Payments. As a result, ING Group may in some circumstances pay dividends or make other payments on securities ranking junior to or *pari passu* with the Capital Securities without incurring any obligation to satisfy Payments that it has previously deferred. This could result in an increased likelihood that ING Groupwill defer Payments, or decrease the amount of any distribution Holders would otherwise receive upon any winding-up of ING Group.

**During the existence of a Regulatory Deferral Event, the terms of the Capital Securities will be automatically altered**

If and for so long as a Regulatory Deferral Event exists, the terms of the Capital Securities will be automatically altered. ING Group's deferral rights will be unchanged except that it may elect, and under certain circumstances it may be required, to defer Payments on the Capital Securities for any period of time subject only to the requirement that ING Group does not declare, pay or distribute a dividend (other than a dividend of Ordinary Shares) or makes other payments on ING Group's Ordinary Shares and/or instruments which are classified as equity under IFRS. Unless a Mandatory Deferral Condition exists, deferred Payments will bear interest for the full period of deferral. If a Mandatory Deferral Condition exists, deferred Payments will not bear interest.

**Perpetual securities**

ING Group is under no obligation to redeem the Capital Securities at any time and the Holders of the Capital Securities have no right to call for their redemption.

**Status, Subordination and Ranking**

The Capital Securities constitute direct, unsecured, subordinated securities of ING Group and rank *pari passu* without any preference among themselves. The claims of the Holders under the Capital Securities are subordinated to the claims of Senior Creditors of ING Group, present and future and, until all outstanding Parity Instruments have been redeemed and discharged in full, rank pari passu with the most senior class of ING Group's preference shares then outstanding and, once all Outstanding Parity Instruments have been redeemed and discharged in full, with the most junior class of ING Group's preference shares then provided for in its Articles of Association, whether or not any such preference shares are outstanding.

**Redemption risk**

Upon the occurrence of certain specified tax or regulatory events, or the exercise of an issuer call, the Capital Securities may be redeemed at their principal amount (and a make whole premium under certain circumstances) together with any Outstanding Payments, or – in case of tax events only – converted or exchanged, in each case subject as provided in "Terms and Conditions of the Capital Securities – 6. Redemption, Conversion, Exchange, Alteration of Terms, Purchases and Cancellation".

**No limitation on issuing debt**

There is no restriction on the amount of debt which ING Group may issue which ranks senior to the Capital Securities or on the amount of securities which ING Group may issue which ranks *pari passu* with the Capital Securities. The issue of any such debt or securities may reduce the amount recoverable by Holders on a winding-up (*faillissement* or *vereffening na ontbinding*) of ING Group or may increase the likelihood of a deferral of Payments under the Capital Securities.

**Restricted remedy for non-payment**

The sole remedy against ING Group available to the Trustee for the Capital Securities or any Holder for recovery of amounts owing in respect of any Payment or principal in respect of the Capital Securities will be the institution of proceedings in the Netherlands for the bankruptcy (*faillissement*) of ING Group and/or proving (*indienen ter verificatie*) in such bankruptcy. Although there is some doubt under Dutch law whether a trustee, such as the Trustee, would be permitted to commence a bankruptcy proceeding in the Netherlands, in all cases any Holder of the Capital Securities with a due and payable claim would be permitted to commence such proceedings in accordance with Dutch bankruptcy law.

**Set-off**

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by ING Group arising under or in connection with the Capital Securities and each Holder shall, by virtue of being the Holder of any Capital Security, be deemed to have waived all such rights of set-off.

## OVERVIEW OF THE PROGRAMME

## PART 1: INTRODUCTION - IMPORTANT INFORMATION

This Base Prospectus replaces and supersedes all previous prospectuses (including supplements) in connection with the Programme. Any Instruments issued under the Programme are issued subject to the provisions set out herein. This does not affect any Instruments issued prior to the date hereof.

This Base Prospectus, when read together with the relevant Registration Document, comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (as implemented in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and implementing regulations) for the purpose of giving information with regard to the Issuers and the Instruments which, according to the particular nature of the relevant Issuer and the Instruments, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the relevant Issuer and the rights attached to the Instruments.

Each Issuer accepts responsibility for the information contained in this Base Prospectus relating to it and ING Group accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each Issuer (which has each taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus (in the case of ING Bank and ING Insurance, as such information relates to it) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information in "DTC Information — Registered Instruments" has been obtained from DTC. The information has been accurately reproduced and, as far as the Issuers are aware and are able to ascertain from DTC, no facts have been omitted which would render the reproduced information inaccurate or misleading. In relation to each separate issue of Instruments, the issue price and the amount of such Instruments will be determined, before filing of the relevant Final Terms (as defined below) of each issue, based on then prevailing market conditions at the time of the issue of the Instruments, and will be set out in the relevant Final Terms. The Final Terms will be provided to investors and filed with the relevant competent authority for the purposes of the Prospectus Directive when any public offer of Instruments is made in the EEA as soon as practicable and if possible in advance of the beginning of the offer.

Prospective investors should note that each of ING Group and ING Insurance will only offer Notes to the public within a Member State of the EEA and will only seek to admit Notes to trading on a regulated market situated or operating within a Member State of the EEA, in circumstances which would require the publication of a prospectus under the Prospectus Directive, upon approval by the AFM of a registration document dated on or after the date hereof relating to it prepared in accordance with Article 5 of the Prospectus Directive.

Final Terms will (if applicable) specify the nature of the responsibility taken by the relevant Issuer for any information relating to an underlying index, other asset or other item(s) to which the Instruments may relate which is contained in such Final Terms.

Notice of the aggregrate nominal amount of Instruments, interest (if any) payable in respect of Instruments, the issue price of Instruments and any other terms and conditions not contained herein which are applicable to each Tranche of Instruments will be set forth in the final terms (the "Final Terms") for the particular issue.

Instruments may be issued in bearer form and registered form. Each Tranche of Instruments in bearer form will generally initially be represented by a temporary bearer global Instrument which (i) (if the global Instrument is stated in the applicable Final Terms to be issued in new global note ("New Global Note" or "NGN") form) will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear Bank S.A./N.V. ("Euroclear"), and Clearstream

Banking, *société anonyme* ("Clearstream, Luxembourg") or (ii) (if the global Instrument is not issued in NGN form ("Classic Global Notes" or "CGNs")) will be deposited on the issue date thereof with a common depositary (the "Common Depositary") on behalf of Euroclear and Clearstream, Luxembourg, with *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("Euroclear Netherlands") and/or any other agreed clearing system, and which (in any such case) will be exchangeable, as specified in the applicable Final Terms, for either a permanent bearer global Instrument or bearer Instruments in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and Regulation S ("Regulation S") under the United States Securities Act of 1933 as amended (the "Securities Act"). A permanent bearer global Instrument will generally only be exchangeable for bearer Instruments in definitive form in certain limited circumstances, unless otherwise specified in the applicable Final Terms, all as further described in "Form of the Instruments" herein.

Unless otherwise provided with respect to a particular Series of Registered Instruments (as defined herein), the Registered Instruments of each Tranche of such Series sold outside the United States in reliance on Regulation S under the Securities Act, will be represented by a permanent global Instrument in registered form, without interest coupons (a "Reg. S Global Instrument"), deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC") for the accounts of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants. Prior to expiry of the period that ends 40 days after completion of the distribution of each Tranche of Instruments, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager (if any), in the case of a syndicated issue (the "Distribution Compliance Period"), beneficial interests in the Reg. S Global Instrument may not be offered or sold to, or for the account or benefit of, a U.S. person (as defined in Regulation S) and may not be held otherwise than through Euroclear and Clearstream, Luxembourg. The Registered Instruments of each Tranche of such Series sold in private transactions to qualified institutional buyers within the meaning of Rule 144A under the Securities Act may only be issued as and will be represented by a restricted permanent global Instrument in registered form, without interest coupons (a "Restricted Global Instrument", and, together with a Reg. S Global Instrument, "Registered Global Instruments"), deposited with a custodian for, and registered in the name of a nominee of, DTC. The Registered Instruments of each Tranche of such Series sold to "accredited investors" (as defined in Rule 501(a) under the Securities Act) will be in definitive form, registered in the name of the holder thereof. Registered Instruments in definitive form will be issued in exchange for interests in the Registered Global Instruments upon compliance with the procedures for exchange as described in "Form of the Instruments" in the circumstances described in the relevant Final Terms. Registered Instruments in definitive registered form from the date of issue may also be sold outside the United States in reliance on Regulation S under the Securities Act.

This Base Prospectus is to be read in conjunction with any supplement and any Final Terms hereto and with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated into, and form part of, this Base Prospectus.

Any Dealers appointed by the Issuers in respect of issues of Instruments have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by such Dealers as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuers. The Dealers do not accept any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuers in connection with the Programme.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme

and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers or any of the Dealers appointed by an Issuer.

Neither this Base Prospectus nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuers or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Instruments. Each investor contemplating purchasing any Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Instruments constitutes an offer or invitation by or on behalf of the Issuers or any of the Dealers to any person to subscribe for or to purchase any Instruments.

Structured securities, including certain of the Instruments which may be issued under the Programme, are sophisticated instruments, can 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 Instruments should ensure that they understand the nature of the Instruments and the extent of their exposure to risk and that they understand the nature of the Instruments as an investment in the light of their own circumstances and financial condition. Prospective purchasers of the Instruments should conduct their own investigations and, in deciding whether or not to purchase Instruments, should form their own views of the merits of an investment related to the Instruments based upon such investigations and not in reliance upon any information given in this Base Prospectus and the applicable Final Terms. In particular, each investor contemplating purchasing any Instruments should make its own appraisal of any index, currency or other asset to which such Instrument may be linked (including the creditworthiness of the issuer of any share or debt or other security to which such Instrument may be linked). If in doubt potential investors are strongly recommended to consult with their financial advisers before making any investment decision.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Instruments shall in any circumstances imply that the information contained herein concerning the Issuers is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers do not undertake to review the financial condition or affairs of the Issuers during the life of the Programme. Investors should carefully review and evaluate, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Instruments.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Instruments in any Member State which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Instruments. Accordingly any person making or intending to make an offer in that Relevant Member State of Instruments which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Instruments may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for

such purpose in such prospectus or Final Terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Instruments in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The distribution of this Base Prospectus and the offer or sale of Instruments may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Instruments come must inform themselves about, and observe, any such restrictions. See "Subscription and Sale".

The Instruments have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Instruments 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. Registered Instruments may be offered and sold in the United States exclusively to persons reasonably believed by the Issuers and the Dealers to be QIBs (as defined herein), who are qualified purchasers, or placed privately with accredited investors as defined in Rule 501(a) of Regulation D under the Securities Act. Each U.S. purchaser of Registered Instruments is hereby notified that the offer and sale of any Registered Instruments to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. To permit compliance with Rule 144A under the Securities Act in connection with the resales of Registered Instruments, the relevant Issuer is required to furnish, upon request of a holder of a Registered Instrument or a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act. Registered Instruments are not transferable to other holders within the United States except upon satisfaction of certain conditions as described under "Subscription and Sale". Certain U.S. tax law requirements may also apply to U.S. holders of the Instruments.

The Instruments 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 Instruments or the accuracy or the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER RSA 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

This Base Prospectus includes general summaries of certain Dutch, Belgian, Luxembourg, United Kingdom and United States tax considerations relating to an investment in the Instruments. See the "Taxation" section of this Base Prospectus. Such summary may not apply to a particular holder of Instruments or to a particular issue and does not cover all possible tax considerations. In addition, the tax treatment may change before the maturity, exercise or termination date of Instruments. Any potential investor should consult his own tax

adviser for more information about the tax consequences of acquiring, owning and disposing of Instruments in its particular circumstances.

All references in this Base Prospectus to "U.S. dollars", "U.S.$" and "$" refer to United States dollars and those to "euro", "€" and "EUR" refer to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union.

**In connection with the issue of any Tranche of Instruments, the Dealer or Dealers named as the stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Instruments is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Instruments and 60 days after the date of the allotment of the relevant Tranche of Instruments. Such stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.**

This Base Prospectus includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding an Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of an Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding an Issuer's present and future business strategies and the environment in which the relevant Issuer will operate in the future. These forward-looking statements speak only as of the date of this Base Prospectus or as of such earlier date at which such statements are expressed to be given. The Issuers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in an Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

## PART 2: OVERVIEW OF THE ISSUERS

*The following is qualified in its entirety by the remainder of this Base Prospectus*

**ING Groep N.V.:**

ING Groep N.V. (ING or ING Group) is the holding company of a broad spectrum of companies offering banking, investments, life insurance and retirement services to about 85 million private, corporate and institutional clients in Europe, the United States, Canada, Latin America, Asia and Australia. Originating from the Netherlands, ING has a workforce of almost 109,000 people worldwide.

Based on market capitalisation, ING Group is one of the 25 largest financial institutions in Europe (source: MSCI, Bloomberg, 31 December 2009).

ING Group is a listed company and holds all shares of ING Bank N.V. and ING Verzekeringen N.V., which are non-listed 100% subsidiaries of ING Group.

ING Group expects to separate its banking and insurance operations and develop towards a mid-sized international bank, anchored in The Netherlands and Belgium, and predominantly focused on the European retail market with selected growth options elsewhere. ING Group also expects to divest its insurance operations (including its investment management operations) over the following four years.

**ING Bank N.V.:**

ING Bank N.V. (ING Bank) is represented in about 40 countries around the world through a large network of subsidiaries, offices and agencies. It offers its commercial and retail customers a full range of banking and financial services, including lending, stock-broking, insurance broking, fund management, leasing, factoring, investment banking and the provision of funds for venture capital purposes.

With almost 71,000 employees, ING Bank is active through three Business Lines: Retail Banking, ING Direct and Commercial Banking (formerly Wholesale Banking). Retail Banking offers retail banking services in the mature markets of The Netherlands, Belgium and Luxembourg, and in the growth markets of Poland, Romania, Turkey, India, Thailand and China. Private Banking is offered in The Netherlands, Belgium, Luxembourg and various countries in Central Europe. ING Direct operates direct retail banking activities for customers in Australia, Canada, France, Germany and Austria, Italy, Spain, the United Kingdom and the United States. The main products offered are savings accounts and mortgages, and also mutual funds and payment accounts. Commercial Banking conducts operations for corporations and other institutions with a primary focus on The Netherlands, Belgium, Poland and Romania, where it offers a full range of products. Commercial Banking also manages ING Real Estate, a real estate investment manager.

**ING Verzekeringen N.V.:**

ING Verzekeringen N.V. (ING Insurance) is represented in almost 30 countries around the world through a variety of insurance companies, offering life insurance, retirement services and investment and asset management products and services. In a selected number of countries non-life insurance is offered. In approximately 20 countries ING Insurance started life insurance companies from scratch in the 1980s, in Europe, in Asia and in Latin America.

ING Insurance has over 38,000 people active in three Business Lines: Insurance Europe, Insurance Americas and Insurance Asia/Pacific. Insurance Europe operates the insurance and asset management activities in Europe. The main insurance activities are in The Netherlands, Belgium, Spain, Greece, Turkey and Central Europe, where ING offers life insurance with a particular focus on retirement services. In The Netherlands and Belgium, ING also offers non-life insurance. Insurance Americas provides insurance, investment, retirement and asset management products and services in the region. The United States is an important insurance market for retirement services. ING is a leading insurance company in a number of Latin American countries, including Mexico, Chile and Peru. Insurance

Asia/Pacific conducts life insurance and asset/wealth management activities in the region and is well-established in Australia, New Zealand, Japan, Hong Kong, Malaysia and South Korea. ING is of the opinion that the activities in China, India and Thailand are high-growth markets.

ING Group has announced that all insurance operations (including investment management operations) conducted by ING Insurance will be divested over the following four years.

## PART 3: OVERVIEW OF THE INSTRUMENTS

*The following is qualified in its entirety by the remainder of this Base Prospectus*

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| **Size:** | Up to €45,000,000,000 (or its equivalent in other currencies calculated as described herein) aggregate nominal amount of Instruments outstanding at any time. The Issuers may increase the amount of the Programme. |
| **Distribution:** | Instruments may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the applicable Final Terms. |
| **Regulatory Matters:** | Each issue of Instruments denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale"). |
| **Agent:** | The Bank of New York Mellon, London Branch, in alliance with ING Bank N.V. acting through its subdivision ING Commercial Banking Securities Services. |
| **U.S. Paying Agent and Registrar:** | The Bank of New York Mellon, in alliance with ING Bank N.V. acting through its subdivision ING Commercial Banking Securities Services. |
| **Trustee (for Capital Securities):** | Amsterdamsch Trustee's Kantoor B.V. |
| **Transfer Agents:** | The Bank of New York Mellon (Luxembourg) S.A., in alliance with ING Bank N.V., ING Belgium N.V./S.A. and ING Bank N.V. |
| **Currencies:** | Subject to any applicable legal or regulatory restrictions, any currency agreed between the relevant Issuer and the relevant Dealer (if any). |
| **Maturities:** | Such maturities as may be determined by the relevant Issuer and the relevant Dealer (if any), subject to such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. Save as provided above, the Instruments are not subject to any maximum maturity. |
| **Issue Price:** | Instruments may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par. |

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| **Form of Instruments:** | The Instruments will be issued in bearer or registered form as described in "Form of the Instruments". |
| **Initial Delivery of Instruments** | On or before the issue date for each Tranche of bearer Instruments by the relevant Issuer, if the relevant global Instrument is intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, the global Instrument will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche of bearer Instruments by the relevant Issuer, if the relevant global Instrument is not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, the global Instrument may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with Euroclear Netherlands. Global Instruments relating to Instruments that are not listed on the market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the European Commission may also be deposited with any other clearing system or may be delivered outside any clearing system. Registered Instruments that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems. |
| **Fixed Rate Instruments:** | Fixed interest will be payable on such date or dates as may be determined by the relevant Issuer and the relevant Dealer (if any) and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer (if any) (as indicated in the applicable Final Terms). |
| **Floating Rate Instruments:** | Floating Rate Instruments will bear interest either at a rate determined:<br>(i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Instruments of the relevant Series); or<br>(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or<br>(iii) on such other basis as may be determined by the relevant Issuer and the relevant Dealer (if any).<br>The Margin (if any) relating to such floating rate will be determined by the relevant Issuer and the relevant Dealer (if any) for each Series of Floating Rate Instruments. |
| **Dual Currency Instruments:** | Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Instruments will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer (if any) may determine (as indicated in the applicable Final Terms). |
| **Other provisions in relation to interest-bearing Instruments** | Instruments may have a maximum interest rate, a minimum interest rate or both. Interest on Instruments in respect of each Interest Period, as |

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| | determined prior to issue by the relevant Issuer and the relevant Dealer (if any), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be determined by the relevant Issuer and the relevant Dealer (if any). |
| **Index Linked Instruments:** | Payments in respect of interest on Index Linked Interest Instruments or in respect of principal on Index Linked Redemption Amount Instruments will be calculated by reference to such index and/or formula(e) or to such other factors as the relevant Issuer and the relevant Dealer (if any) may determine (as indicated in the applicable Final Terms). The specific terms and conditions applicable to a particular issue of Index Linked Instruments will be set out in the applicable Final Terms. |
| **Other provisions in relation to Floating Rate Instruments and Index Linked Interest Instruments:** | Floating Rate Instruments and Index Linked Interest Instruments may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Instruments and Index Linked Interest Instruments in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer (if any), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer (if any). |
| **Inflation Linked Instruments** | Payment of principal and/or interest (if any) in respect of Inflation Linked Instruments will be calculated by reference to such inflation index or indices and/or formula(e) or to such other factors as the relevant Issuer may determine (as indicated in the applicable Final Terms). The specific terms and conditions applicable to a particular issue of Inflation Linked Instruments will be set out in the relevant Final Terms. |
| **Zero Coupon Instruments:** | Zero Coupon Instruments will be offered and sold at a discount to their nominal amount or at par and will not bear interest. |
| **Partly-paid Instruments:** | An investor pays part of the purchase price for Partly-paid Instruments on the issue date of such Instruments, and the remainder on one or more subsequent dates. |
| **Inverse Floating Rate Instruments:** | Inverse Floating Rate Instruments have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR or LIBOR. |
| **Redemption:** | The Final Terms relating to each Tranche of Instruments will indicate either that the Instruments cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Instruments will be redeemable at the option of the relevant Issuer and/or, in the case of Senior Instruments only, the holders of Instruments upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the holders of Instruments or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are |

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| | indicated in the applicable Final Terms. See Condition 6 of the Terms and Conditions of the Notes and Condition 6 of the Terms and Conditions of the Capital Securities for further details.<br>In addition the relevant Issuer may at any time, by notice to Noteholders, redeem all but not some only of the Notes of any Series for the time being outstanding at their Early Redemption Amount (as defined in the terms and conditions for the particular issue) if, prior to the date of such notice, 90 per cent. or more in principal amount of the Notes of such Series hitherto issued have been redeemed.<br>The Final Terms may provide that Instruments may be repayable in two or more instalments of such amounts and on such dates as indicated in the applicable Final Terms.<br>**N.B. Subordinated Instruments that are included for capital adequacy purposes in Tier 1, Tier 2 or Tier 3 may only be redeemed early after the relevant Issuer has obtained written approval of the Dutch Central Bank (*De Nederlandsche Bank N.V.*).** |
| **Denomination of Instruments:** | Instruments will be issued in such denominations as may be determined by the relevant Issuer and the relevant Dealer (if any) and as indicated in the applicable Final Terms save that the minimum denomination of each Instrument will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. |
| **Instruments with a maturity of less than one year:** | Instruments having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "Subscription and Sale". |
| **Taxation:** | The Notes will not contain any provision that would oblige the Issuer to gross-up any amounts payable thereunder in respect of interest or principal in the event of any withholding or deduction for or on account of taxes levied in any jurisdiction. |
| **Cross Default** | No cross default provision. |
| **Negative Pledge** | No negative pledge provision. |
| **Status of the Senior Instruments:** | Unless otherwise specified in the applicable Final Terms, the Senior Instruments will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank *pari passu* among themselves and (subject as aforesaid and save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer from time to time outstanding. |
| **Status and Characteristics relating to Subordinated Instruments:** | The Subordinated Notes and the Capital Securities will constitute direct, unsecured and subordinated obligations of the relevant Issuer, all as described in Condition 3 of the Terms and Conditions of the Notes and |

Conditions 2 and 3 of the Terms and Conditions of the Capital Securities (such Instruments, "Subordinated Instruments"). By virtue of such subordination, payments to a holder of Subordinated Instruments will, in the events described in the relevant Conditions, only be made after, and any set-off by a holder of Subordinated Instruments shall be excluded until, all obligations of the relevant Issuer resulting from higher ranking claims with respect to the repayment of borrowed money (including deposits) and other unsubordinated claims have been satisfied.

For the purposes of the solvency guidelines as applied by the Dutch Central Bank (*De Nederlandsche Bank N.V.*), Subordinated Notes may qualify as tier 2 capital ("Tier 2 Notes") or tier 3 capital ("Tier 3 Notes"), as referred to in such solvency guidelines. If Subordinated Notes are intended to be included for capital adequacy purposes in Tier 2 or Tier 3, this will be indicated and specified in the applicable Final Terms.

## DOCUMENTS INCORPORATED BY REFERENCE

The registration document of ING Bank N.V. dated 23 February 2010 (as supplemented) prepared in accordance with Article 5 of the Prospectus Directive and approved by the AFM (the "ING Bank Registration Document") shall be deemed to be incorporated in, and to form part of, this Base Prospectus and this Base Prospectus should be read and construed in conjunction with such ING Bank Registration Document,

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Prospective investors should note that any document deemed to be incorporated by reference herein may itself incorporate documents by reference therein.

Prospective investors should also note that upon approval by the AFM of a registration document relating to ING Group (the "ING Group Registration Document") and/or a registration document relating to ING Insurance (the "ING Insurance Registration Document" and, together with the ING Bank Registration Document and the ING Group Registration Document, each a "Registration Document" and together the "Registration Documents") dated on or after the date hereof prepared in accordance with Article 5 of the Prospectus Directive for use in connection with the Programme, an application will be made to the AFM for such ING Group Registration Document and/or ING Insurance Registration Document, as the case may be, to be incorporated by reference herein. Until such time, neither the ING Group Registration Document (nor for the avoidance of doubt any other registration document prepared by ING Group prior to the date hereof) nor the ING Insurance Registration Document (nor for the avoidance of doubt any other registration document prepared by ING Insurance prior to the date hereof) shall be considered incorporated by reference herein for purposes of the Prospectus Directive.

The Issuers will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered in accordance with applicable law, upon the oral or written request of such person, a copy of any document which is incorporated herein by reference. Written or oral requests for any such document should be directed to ING Groep N.V., c/o ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209). In addition, this Base Prospectus and any document which is incorporated herein by reference will be made available on the website of ING (www.ing.com) and on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Issuers will, in the event of a significant new factor, material mistake or inaccuracy relating to the information contained in this Base Prospectus which is capable of affecting the assessment of any Instruments, prepare a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Instruments to be admitted to trading on an EU regulated market or to be offered to the public in the EU or in Switzerland.

## NOMINAL AMOUNT OF THE PROGRAMME

This Base Prospectus and any supplement will only be valid for the issue of Instruments in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Instruments previously or simultaneously issued under the Programme, does not exceed €45,000,000,000 or its equivalent in other currencies. For the purpose of calculating the aggregate amount of Instruments issued under the Programme from time to time:

(a) the euro equivalent of Instruments denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the Instruments) shall be determined, at the discretion of the Issuer, as of the date of agreement to issue such Instruments (the "Agreement Date") or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading bank selected by the Issuer on such date;

(b) the amount (or, where applicable, the euro equivalent) of Dual Currency Instruments, Index Linked Instruments, Inflation Linked Instruments and Partly Paid Instruments (each as specified in the applicable Final Terms in relation to the Instruments) shall be calculated (in the case of Instruments not denominated in euro, in the manner specified above) by reference to the original nominal amount of such Instruments (in the case of Partly Paid Instruments, regardless of the subscription price paid); and

(c) the amount (or, where applicable, the euro equivalent) of Zero Coupon Instruments (as specified in the applicable Final Terms in relation to the Instruments) and other Instruments issued at a discount or premium shall be calculated (in the case of Instruments not denominated in euro, in the manner specified above) by reference to the net proceeds received by the relevant Issuer for the relevant issue.

## FORM OF THE INSTRUMENTS

Unless otherwise provided with respect to a particular Series of Registered Instruments (as defined herein), the Registered Instruments of each Tranche of such Series offered and sold in reliance on Regulation S which will be sold to non-U.S. persons outside the United States, will initially be represented by a permanent global Instrument in registered form, without interest coupons, (the "Reg. S Global Instrument") which will be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg.

Subject to the certification requirements discussed below, (i) if a holder of a beneficial interest in the Restricted Global Instrument (as defined herein) wishes at any time to exchange its interest in such Restricted Global Instrument for an interest in the Reg. S Global Instrument, or to transfer its interest in such Restricted Global Instrument to a person who wishes to take delivery thereof in the form of an interest in the Reg. S Global Instrument, or (ii) if a holder of a beneficial interest in the Reg. S Global Instrument deposited with the custodian in the United States wishes at any time to exchange its interest in such Reg. S Global Instrument for an interest in the Restricted Global Instrument, or to transfer its interest in such Reg. S Global Instrument to a person who wishes to take delivery thereof in the form of an interest in the Restricted Global Instrument, in either such case such holder may, subject to the rules and procedures of the Registrar in the United States, exchange or cause the exchange, or transfer or cause the transfer of such interest for an equivalent beneficial interest in the Restricted Global Instrument or the Reg. S Global Instrument, as the case may be, upon compliance with the transfer requirements of the Registrar in the United States and certification to the effect that (a) in the case of the exchange of an interest in a Restricted Global Instrument for an interest in a Reg. S Global Instrument, the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Registered Instruments under U.S. law and pursuant to and in accordance with Regulation S, or (b) in the case of the exchange of an interest in a Reg. S Global Instrument for an interest in a Restricted Global Instrument, such exchange or transfer has been made to a person who the transferor reasonably believes to be a qualified institutional buyer ("QIB") (as such term is defined in Rule 144A under the Securities Act) and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A.

In the event that an interest in a Registered Global Instrument (as defined below) is exchanged for Registered Instruments in definitive form, such Registered Instruments may be exchanged or transferred for one another only in accordance with such procedures as are substantially consistent with the provisions set out above, including, without limitation, certification requirements intended to ensure that such exchanges or transfers comply with Rule 144A or Regulation S under the Securities Act, as the case may be.

Registered Instruments of each Tranche of such Series may be offered and sold in the United States and to U.S. persons (as defined in Regulation S); provided, however, that so long as such Instruments remain "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, such Registered Instruments may only be offered and sold in the United States or to or for the account or benefit of U.S. persons, in transactions exempt from the registration requirements of the Securities Act. Registered Instruments of each Tranche sold to U.S. persons in exempt transactions pursuant to Rule 144A will be represented by one or more permanent global Instruments in registered form, without interest coupons (each a "Restricted Global Instrument" and, together with the Reg. S Global Instrument, the "Registered Global Instruments"), which will be deposited with a custodian for, and registered in the name of a nominee of, DTC.

Owners of beneficial interests in Registered Global Instruments will be entitled or required, as the case may be, under the circumstances described under "Terms and Conditions of the Notes — Transfer and Exchange of Registered Notes and Replacement of Notes and Coupons" and "Terms and Conditions of the Capital Securities — Form, Denomination and Title; Transfer and Exchange of Registered Securities", to receive

physical delivery of Registered Instruments in definitive form. Such Registered Instruments will not be issuable in bearer form.

Investors may hold their interest in the Reg. S Global Instrument directly through Euroclear and Clearstream, Luxembourg, if they are participants in such systems, or indirectly through organisations which are participants in such systems. Euroclear and Clearstream, Luxembourg will hold interests in a Reg. S Global Instrument on behalf of their participants through customers' securities accounts in their respective names on the books of the nominee for DTC. Investors may hold their interests in the Restricted Global Instrument directly through DTC if they are participants in such system, or indirectly through organisations that are participants in such system.

Payments of the principal of, and interest (if any) on, the Registered Global Instruments will be made to the nominee of DTC as the registered holder of the Registered Global Instruments. None of the Issuer, the Agent, any Paying Agent, any Transfer Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Registered Global Instruments or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Each Tranche of Instruments in bearer form will be initially represented by a temporary bearer global Instrument or a permanent bearer global Instrument as indicated in the applicable Final Terms, in each case without receipts, interest coupons or talons, which in either case (i) (if the global Instrument is stated in the applicable Final Terms to be issued in New Global Note or "NGN" form) will be delivered on or prior to the original issue date of the relevant Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg, or (ii) (if the global Instrument is issued in Classic Global Note or "CGN" form) will be deposited on the issue date thereof with the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, with Euroclear Netherlands and/or any other agreed clearing system (including Euroclear France).

If a temporary bearer global Instrument or a permanent bearer global Instrument is stated in the applicable Final Terms to be issued in NGN form it is intended to be eligible collateral for Eurosystem monetary policy and each such global Instrument will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper. Depositing a global Instrument with the Common Safekeeper does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Instruments in bearer form which are issued in CGN form may on or prior to the original issue date of the relevant Tranche be delivered to a Common Depositary, and/or any other agreed clearance system (including Euroclear France) or with Euroclear Netherlands.

If the temporary bearer global Instrument or the permanent bearer global Instrument is a CGN, upon the initial deposit of such global Instrument with the Common Depositary or registration of Registered Instruments in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative global Instrument to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Instruments equal to the nominal amount thereof for which it has subscribed and paid. If the temporary bearer global Instrument or the permanent bearer global Instrument is an NGN, the nominal amount of such global Instrument shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Instruments represented by the temporary bearer global Instruments or the permanent bearer global Instruments and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Instruments that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Instruments that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Whilst any Instrument is represented by a temporary bearer global Instrument, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary bearer global Instruments if it is in CGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Instrument are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by the relevant clearing system(s) and the relevant clearing system(s) have given a like certification (based on the certifications they have received) to the Agent. Any reference in this section to the relevant clearing system(s) shall mean the clearing and/or settlement system(s) specified in the applicable Final Terms. On and after the date (the "Exchange Date") which is 40 days after the temporary bearer global Instrument is issued and in the case of Instruments held through Euroclear Netherlands not more than 90 days after the date on which the temporary bearer global Instrument is issued, interests in the temporary bearer global Instrument will be exchangeable (free of charge), upon request as described therein, either for interests in a permanent bearer global Instrument without receipts, interest coupons or talons or for definitive Instruments in bearer form (as indicated in the applicable Final Terms) in each case against certification of beneficial ownership as described in the second sentence of this paragraph unless such certification has already been given. The holder of a temporary bearer global Instrument will not be entitled to collect any payment of interest or principal due on or after the Exchange Date. Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes" below) the Agent shall arrange that, where a further Tranche of Instruments in bearer form is issued, the Instruments of such Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and/or ISIN assigned to Instruments of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Instruments of such Tranche.

The applicable Final Terms will specify whether a permanent bearer global Instrument will be exchangeable (free of charge), in whole but not in part, for definitive bearer Instruments with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and Clearstream, Luxembourg and/or Euroclear Netherlands (acting on the instructions of any holder of an interest in such permanent bearer global Instrument) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 9 of the Terms and Conditions of the Notes) or non-payment when due (as described in Condition 8 of the Terms and Conditions of the Capital Securities) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg and/or Euroclear Netherlands have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer would suffer adverse tax consequences in respect of the Instruments which would not be suffered were the Instruments in definitive form. The relevant Issuer will promptly give notice to holders of the Instruments in accordance with Condition 13 of the Terms and Conditions of the Notes or Condition 14 of the Terms and Conditions of the Capital Securities, if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands (acting on the instructions of any holder of an interest in such permanent bearer global Instrument) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may

also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

If the global Instrument in bearer form is a CGN, on or after any due date for exchange, the holder may surrender such global Instrument or, in the case of a partial exchange, present it for endorsement to or to the order of the Agent. In exchange for any bearer global Instrument, or the part thereof to be exchanged, the relevant Issuer will (i) in the case of a temporary bearer global Instrument exchangeable for a permanent bearer global Instrument, deliver, or procure the delivery of, a permanent bearer global Instrument in an aggregate nominal amount equal to that of the whole or that part of a temporary bearer global Instrument that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent bearer global Instrument to reflect such exchange or (ii) in the case of a bearer global Instrument exchangeable for Instruments in definitive form, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Instruments in definitive form. If the global Instrument in bearer form is an NGN, the relevant Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system.

Definitive Instruments to bearer will be either in the standard euro market form, in K-form (with Coupons) and/or in CF-form (with Coupon sheets). Such definitive Instruments and global Instruments will be to bearer. Instruments in K-form may, if applicable, have talons for further Coupons attached but will not be issued with receipts attached. Instruments in CF-form will have neither talons nor receipts attached on issue and will be governed by the rules of the *Algemeen Obligatiekantoor van het Centrum voor Fondsenadministratie B.V.* in Amsterdam.

Payments of principal and interest (if any) on a permanent bearer global Instrument will be made through the relevant clearing system(s) (in the case of a permanent bearer global Instrument in CGN form payments will be made to its bearer, against presentation or surrender (as the case may be) of the permanent bearer global Instrument, and in the case of a permanent bearer global Instrument in NGN form, payments will be made to or to the order of the Common Safekeeper as its bearer) without any requirement for certification. If the permanent bearer global Instrument is in CGN form, a record of each payment so made will be endorsed on such global Instrument, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Instruments. If the permanent bearer global Instrument is in NGN form, the relevant Issuer shall procure that details of each payment made shall be entered *pro rata* in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Instruments recorded in the records of the relevant clearing system and represented by the Global Instrument will be reduced accordingly. Each payment so made to its bearer will discharge the relevant Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

If so specified in the applicable Final Terms, a permanent bearer global Instrument will be exchangeable (free of charge), in whole but not in part, for security printed definitive Instruments in bearer form with, where applicable, receipts, interest coupons and talons attached upon not less than 60 days' written notice to the Agent as described therein. If a permanent bearer global Instrument is deposited with Euroclear Netherlands and the applicable Final Terms does not specify that the permanent global bearer Instrument will be exchangeable for definitive Instruments in bearer form upon notice, the right to demand delivery under the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) is excluded. Global Instruments in bearer form and definitive Instruments in bearer form will be issued pursuant to the Agency Agreement.

The following legend will appear on all bearer global Instruments, bearer definitive Instruments, receipts and interest coupons (including talons):

> "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on bearer Instruments, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of bearer Instruments, receipts or interest coupons.

The following legend will appear on all global Instruments held in Euroclear Netherlands:

> "Notice: This Instrument is used for deposit with *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("Euroclear Netherlands") at Amsterdam, The Netherlands. Any person being offered this Instrument for transfer or any other purpose should be aware that theft or fraud is almost certain to be involved".

Any reference in this section "Form of the Instruments" to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context permits, be deemed to include a reference to any additional or alternative clearing system approved by the relevant Issuer, the Agent and the relevant Dealer but shall not include Euroclear Netherlands.

So long as DTC or its nominee is the holder of a Registered Global Instrument, DTC or such nominee, as the case may be, will be considered the absolute owner or holder of the Instruments represented by such Registered Global Instrument for all purposes under the Registered Instruments and members of, or participants in, DTC (the "Agent Members") as well as any other persons on whose behalf such Agent Members may act will have no rights under a Registered Global Instrument. Owners of beneficial interests in such Registered Global Instrument will not be considered to be the owners or holders of any Instruments represented by such Registered Global Instrument.

For so long as any of the Instruments are represented by a bearer global Instrument held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Instruments (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Instruments standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall, in respect of the giving of any notice under Condition 6(d) of the Terms and Conditions of the Notes or in respect of any Event of Default (as defined under Condition 9 of the Terms and Conditions of the Notes) or non-payment when due (as described under Condition 8 of the Terms and Conditions of the Capital Securities), be entitled to give the notice or make the demand or exercise the rights stated, as applicable, in respect of the nominal amount of Instruments credited to the account of any such person and for such purposes shall be deemed to be a holder of Instruments. Instruments which are represented by a bearer global Instrument held by a Common Depositary or Common Safekeeper for Euroclear or Clearstream, Luxembourg will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Where a temporary bearer global Instrument or a permanent bearer global Instrument is an NGN, the relevant Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Instruments, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, the nominal amount of the Instruments represented by such global Instrument shall be adjusted accordingly.

No beneficial owner of an interest in a Registered Global Instrument will be able to exchange or transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and/or Clearstream, Luxembourg in each case to the extent applicable.

A Instrument may be accelerated by the holder thereof in certain circumstances described in Condition 9 of the Terms and Conditions of the Notes ("Events of Default"). The remedies available to holders of Capital Securities in case of non-payment by the relevant Issuer are set out in Condition 8 of the Terms and Conditions of the Capital Securities ("Non-Payment when Due"). In such circumstances, where any Instrument is still represented by a bearer global Instrument and a holder of such Instrument so represented and credited to his securities account with Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such Instrument, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such bearer global Instrument, such bearer global Instrument will become void. At the same time, holders of interests in such bearer global Instrument credited to their accounts with Euroclear or Clearstream, Luxembourg will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of the relevant global Instrument.

In the case of a global Instrument deposited with Euroclear Netherlands the rights of holders of Instruments will be exercised in accordance with the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

In case of Instruments which have a denomination consisting of €50,000 (or its equivalent) plus a higher integral multiple of another smaller amount, it is possible that the Instruments may be traded in amounts in excess of €50,000 (or its equivalent) that are not integral multiples of €50,000 (or its equivalent). So long as such Instruments are represented by a global Instrument and the relevant clearing system(s) so permit, these Instruments will be tradable only in the minimum authorised denomination of €50,000 increased with integral multiples of such a smaller amount, notwithstanding that Instruments in definitive form shall only be issued up to but excluding twice the amount of €50,000 (or its equivalent).

The Capital Securities will be in bearer form and will be represented on issue by a permanent bearer global Instrument or by a temporary global Instrument without interest coupons which is exchangeable for a permanent global Instrument without interest coupons. Unless specified otherwise in the Final Terms, each global Instrument representing Capital Securities will be deposited with Euroclear Netherlands.

## DTC INFORMATION — REGISTERED INSTRUMENTS

DTC will act as securities depositary for the Reg. S Global Instruments and the Restricted Global Instruments. The Reg. S Global Instruments and the Restricted Global Instruments will be issued as fully registered securities registered in the name of Cede & Co or such other name as may be requested by an authorised representative of DTC. The deposit of such Registered Instruments with DTC and their registration in the name of Cede & Co. or such other name will effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Registered Instruments; DTC's records reflect only the identity of the Agent Members to whose accounts such Registered Instruments are credited, which may or may not be the beneficial owners of the Registered Instruments.

DTC has advised the Issuers as follows: DTC is a limited-purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the United States Securities Exchange Act of 1934. DTC holds securities that its Agent Members deposit with DTC. DTC also facilitates the settlement of securities transactions between Market Agents through electronic book-entry changes in accounts of its Agent Members, thereby eliminating the need for physical movement of certificates. Agent Members include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organisations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Market Agent, either directly or indirectly ("indirect participants"). The rules applicable to DTC and its Market Agents are on file with the U.S. Securities and Exchange Commission.

Neither DTC nor Cede & Co. will consent or vote with respect to the Registered Instruments. Under its usual procedures, DTC will mail an omnibus proxy to the Issuer as soon as possible after any applicable record date. The omnibus proxy assigns Cede & Co's consenting or voting rights to those Market Agents to whose accounts such Instruments are credited on the record date.

Purchases of Registered Instruments under the DTC system must be made by or through Agent Members, which will receive a credit for the Registered Instruments on DTC's records. The ownership interest of each actual purchaser of a Registered Instrument held through DTC is in turn recorded on the Agent Member's records. Holders of Instruments will not receive written confirmation from DTC of their purchase but it is anticipated that holders of Instruments would receive written confirmations regarding details of the transaction, as well as periodic statements of their holdings, from the Agent Member through which the holder of the Instrument entered into the purchase transaction. Transfers of ownership interests in Registered Instruments held by DTC are accomplished by entries made on the books of Agent Members acting on behalf of holders of Instruments. Holders of Instruments will not receive certificates representing their ownership interests in Registered Instruments held by DTC, except in the event that the use of the book-entry system for the Registered Instruments is discontinued.

Principal and interest payments on Registered Instruments held by DTC will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Agent Members' accounts upon receipt of funds and corresponding detailed information from the relevant Issuer on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Agent Members to holders of Instruments will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Agent Members and not of DTC or the relevant Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorised representative of DTC) is the

responsibility of the relevant Issuer or the Agent or Paying Agent, as the case may be. Disbursement of payments to Agent Members shall be the responsibility of DTC. Disbursement of such payments to holders of Instruments shall be the responsibility of the Agent Members.

The conveyance of notices and other communications by DTC to Market Agents and by Market Agents to holders of Instruments will be governed by arrangements between such parties, subject to any statutory or regulatory requirements as may be in effect from time to time.

DTC may discontinue providing its services as securities depositary with respect to Registered Instruments at any time by giving reasonable notice to the relevant Issuer or the Agent. Under such circumstances, in the event that a successor securities depositary is not obtained, Registered Instruments in definitive form would be delivered to individual holders of Instruments. In addition, the relevant Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depositary). In that event, Registered Instruments in definitive form would be delivered to individual holders of Instruments.

The information in this section concerning DTC and DTC's book-entry system has been obtained from a source that the Issuers believes to be reliable (namely DTC itself). The information has been accurately reproduced and, as far as the Issuers are aware and are able to ascertain from the relevant source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of Notes to be issued by the Issuer which will be incorporated by reference into each global Note and which will be incorporated into (or, if permitted by the relevant stock exchange and agreed between the Issuer and the relevant Dealer, incorporated by reference into) each definitive Note. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The applicable Final Terms will be incorporated into, or attached to, each global Note and definitive Note in the standard euromarket form and K-form and will be applicable to each definitive Note in CF-form. Reference should be made to the "Form of the Final Terms of the Notes" below which specifies certain capitalised terms as defined in the following Terms and Conditions.*

This Note is one of a series of Notes issued by ING Groep N.V., ING Bank N.V. or ING Verzekeringen N.V., as indicated in the applicable Final Terms (the "Issuer", which expression shall include any Substituted Debtor pursuant to Condition 16) 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) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange (or part exchange) for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated agency agreement dated on or about 19 August 2009 (as modified, supplemented and/or restated as at the Issue Date, the "Agency Agreement") and made among the Issuer, 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 (in the case of Notes deposited with Euroclear Netherlands, ING Bank N.V. will be the issuing and principal paying agent) (the "Agent", which expression shall include any successor agent) and as Registrar (the "Registrar", which expression shall include any successor Registrar) and the other paying agents named therein (together with the Agent, the "Paying Agents", which expression shall include any additional or successor paying agents) and the other transfer agents named therein (together with the Registrar, the "Transfer Agents", which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes in standard euromarket form (unless otherwise indicated in the applicable Final Terms) have interest coupons ("Coupons") and, if indicated in the applicable Final Terms, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("Receipts") for the payment of the instalments of principal (other than the final instalment) attached on issue. Any reference herein to "Noteholders" shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to "Receiptholders" shall mean the holders of the Receipts and any reference herein to "Couponholders" shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons. Any holders mentioned above include those having a credit balance in the collective depots held in respect of the Notes by *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("Euroclear Netherlands") or one of its participants.

Interest bearing definitive bearer Notes in K-form will have Coupons and, if indicated in the applicable Final Terms, Talons attached but will not be issued with Receipts attached. Interest bearing definitive bearer Notes in CF-form will have Coupon sheets attached but will not be issued with Talons or Receipts attached. References in these Terms and Conditions (the "Conditions") to "Coupons" will include reference to such Coupon sheets.

The Final Terms for this Note are attached hereto or applicable to or (to the extent relevant) incorporated herein (as the case may be) and supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify the Conditions for the purposes of this Note. References herein to the "applicable Final Terms" are to the Final Terms attached hereto or applicable hereto or incorporated herein (as the case may be).

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, Interest Commencement Dates and/or Issue Prices.

Copies of the Agency Agreement and the Final Terms 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 save that Final Terms relating to a Note for which a prospectus is not required to be published in accordance with Directive 2003/71/EC (the "Prospectus Directive") will only be available for inspection by a Noteholder upon such Noteholder producing evidence as to identity satisfactory to the relevant Paying Agent or the Issuer (as the case may be). Written requests for such documents from the Issuer should be directed to it at Amstelveenseweg 500 (ING House), 1081 KL Amsterdam, The Netherlands for the attention of "Capital Management Department". The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are binding on them.

ING Bank N.V. shall undertake the duties of calculation agent (the "Calculation Agent") in respect of the Notes unless another entity is so specified as agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Notes, include such other specified calculation agent.

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

## 1 Form, Denomination and Title

The Notes are in bearer form ("Bearer Notes") or in registered form ("Registered Notes"), in the currency in which payment in respect of the Notes is to be made (the "Specified Currency") and in the denomination per Note specified to be applicable to the Notes (the "Specified Denomination"), all as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note is a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms.

This Note may be a Note bearing interest on a fixed rate basis ("Fixed Rate Note"), a Note bearing interest on a floating rate basis ("Floating Rate Note"), a Note issued on a non-interest bearing basis ("Zero Coupon Note"), a Note in respect of which interest is calculated by reference to an index and/or a formula ("Index Linked Interest Note") or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be a Note in respect of which principal is calculated by reference to an index and/or a formula ("Index Linked Redemption Amount Note"), a Note redeemable in instalments ("Instalment Note"), a Note to be issued on a partly paid basis ("Partly Paid Note") or a Note in respect of which principal and/or interest is or may be payable in one or more Specified Currencies other than the Specified Currency in which it is denominated ("Dual Currency Note") or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. For Notes held by Euroclear Netherlands deliveries will be made in accordance with the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*). Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Agent, the Replacement Agent (as defined in the Agency Agreement), the Registrar, any Transfer Agent and any Paying Agent may deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Bearer Note held on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and/or Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Replacement Agent, any Transfer Agent, the Registrar, the Agent and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Replacement Agent, any Transfer Agent, the Registrar, the Agent and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly and these expressions shall include persons having a credit balance in the collective depots in respect of the Notes held by Euroclear Netherlands or one of its participants). Notes which are represented by a global Note held by a common depositary or common safekeeper for Euroclear and/or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be. Notes which are represented by a global Note held by Euroclear Netherlands will be delivered in accordance with the Dutch Securities Giro Transfer Act.

For so long as The Depository Trust Company ("DTC") or its nominee is the registered holder of any Registered Global Notes, DTC or such nominee, as the case may be, will be considered the absolute owner or holder of the Registered Notes represented by such registered global Note for all purposes and members of, or participants in, DTC (the "Agent Members") as well as any other person on whose behalf the Agent Members may act will have no rights under a registered global Note. Owners of beneficial interests in a registered global Note will not be considered to be the owners or holders of any Registered Notes.

References to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent but shall not include Euroclear Netherlands.

If the Notes are represented by a permanent global Note in bearer form without coupons (the "Permanent Bearer Global Note") deposited in custody with *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("Euroclear Netherlands") they will be subject to, and rights in respect of the Notes represented thereby will be exercised in accordance with, the Dutch Securities Giro Transfer Act. Rights in respect of the Notes represented by the Permanent Bearer Global Note take the form of co-ownership rights (*aandelen*) in the collective depots (*verzameldepots* as referred to in the Dutch Securities Giro Transfer Act) of the Notes with

participants of Euroclear Netherlands (*aangesloten instellingen* according to the Dutch Securities Giro Transfer Act) ("Participants"). The co-ownership rights with respect to the Notes will be credited to the account of the Noteholder with such Participant. A holder of co-ownership rights in respect of the Notes will be referred to hereinafter as a "Noteholder" or a "holder of a Note".

Unless the applicable Final Terms specify that the Permanent Global Bearer Note will be exchangeable upon notice, the right to demand delivery (*uitlevering*) under the Dutch Securities Giro Transfer Act is excluded.

## 2 Status of the Senior Notes

The Senior Notes and the relative Receipts and Coupons 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 Status and Characteristics relating to Subordinated Notes

The Subordinated Notes of this Series and the relative Receipts and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those that have been accorded by law preferential rights.

In the event of the dissolution (*ontbinding*) of the Issuer or if the Issuer is declared bankrupt (*failliet verklaard*) or if a moratorium (*surséance van betaling*) or emergency regulation (*noodregeling*) resulting from the application of emergency measures as referred to in Chapter 3, Section 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) is declared in respect of the Issuer, then and in any such event the claims of the persons entitled to be paid amounts due in respect of the Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness (as defined below), to the extent that, in any such event, and provided as aforesaid, no amount shall be eligible for setting-off or shall be payable to any or all the persons entitled to be paid amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution (*ontbinding*), bankruptcy (*faillissement*) or moratorium (*surséance van betaling*) or emergency regulation (*noodregeling*) (other than Subordinated Indebtedness) has been paid or discharged in full.

"Subordinated Indebtedness" means any indebtedness of the Issuer, including any guarantee by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated creditors of the Issuer in the event of the dissolution (*ontbinding*) of the Issuer or if the Issuer is declared bankrupt (*failliet verklaard*) or if a moratorium (*surséance van betaling*) or emergency regulation (*noodregeling*) resulting from the application of emergency measures as referred to in Chapter 3, Section 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) is declared in respect of the Issuer.

For the purposes of the solvency guidelines as applied by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) to which the Issuer is subject, Subordinated Notes may qualify as tier 2 capital ("Tier 2 Notes") or tier 3 capital ("Tier 3 Notes"), as referred to in such solvency guidelines. Each of the Tier 2 Notes and the Tier 3 Notes rank *pari passu* among themselves. If Subordinated Notes are intended to be included for capital adequacy purposes in Tier 2 or Tier 3, this will be indicated and specified in the applicable Final Terms.

## 4 Interest

(a) ***Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest so specified payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on but excluding such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination (or the Calculation Amount if one is specified to be applicable in the applicable Final Terms), multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure 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.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(i) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(ii) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Final Terms, on the basis as set out in Condition 4(b)(vi) under (E).

In these Conditions:

"Determination Period" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) ***Interest on Floating Rate Notes and Index Linked Interest Notes***

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) (each an "Interest Payment Date") in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an "Interest Payment Date") which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention (Adjusted), such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day;

(4) the Modified Following Business Day Convention (Unadjusted), (i) for the purpose of calculating the amount of interest payable under the Notes, such Interest Payment Date

shall not be adjusted and (ii) for any other purpose, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(5) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "Business Day" means a day which is both:

(A) 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 London and Amsterdam or any Additional Business Centre specified in the applicable Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 principal financial centre of the country of the relevant Specified Currency (if other than London, Amsterdam or any Additional Business Centre and which if the Specified Currency is Australian dollars shall be Sydney and Melbourne and if New Zealand dollars, Auckland and Wellington) or (2) in relation to interest payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the "TARGET System") is open.

*(ii) Rate of Interest*

The Rate of Interest payable from time to time in respect of the Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

*(iii) ISDA Determination*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes and as published by the International Swaps and Derivatives Association, Inc. (the "ISDA Definitions")) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is the period specified in the applicable Final Terms; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("LIBOR") or on the Euro-zone inter-bank offered rate ("EURIBOR") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (iii), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

*(iv) Screen Rate Determination for Floating Rate Notes*

(a) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(b) If the Relevant Screen Page is not available or if, in the case of sub-paragraph (iv)(a)(A) above, no such offered quotation appears or, in the case of sub-paragraph (iv)(a)(B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Agent shall request each of the Reference Banks (as defined below) to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fourth decimal place with 0.00005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

(c) If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately the Specified Time on the relevant Interest

Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) inform(s) the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

(d) In this paragraph (iv), the expression "Reference Banks" means, in the case of sub-paragraph (iv)(a)(A) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of sub-paragraph (iv)(a)(B) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

(e) If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

*(v) Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraphs (ii), (iii) and (iv) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraphs (ii), (iii) and (iv) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

*(vi) Determination of Rate of Interest and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination (or the Calculation Amount if one is specified to be applicable in the applicable Final Terms) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination (or the Calculation Amount if one is specified to be applicable in the applicable Final Terms), multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure 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. If, however, the applicable Final Terms specify that Aggregate Nominal Amount Determination is applicable, then each Interest Amount or any other amount of interest payable in respect of any Note for any period shall be calculated by applying the

Rate of Interest to the outstanding aggregate nominal amount of the relevant series of Notes, multiplying such sum by the applicable Day Count Fraction, dividing the resultant figure by the number of such Notes, and rounding the resultant figure(s) down to the nearest sub-unit of the relevant Specified Currency.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Floating Rate Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the "Calculation Period") in accordance with this Condition 4(b):

(A) if "Actual/Actual" or "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;

(C) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(D) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;

(E) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$M_2$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case $D_1$ will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and $D_1$ is greater than 29, in which case $D_2$ will be 30;

(F) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$M_2$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case $D_2$ will be 30;

(G) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$M_2$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case $D_1$ will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case $D_2$ will be 30;

(H) if "Actual/Actual-ICMA" is specified in the applicable Final Terms,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date and

"Determination Date" means the date specified as such in the applicable Final Terms or, if none is so specified, the Interest Payment Date.

*(vii) Notification of Rate of Interest and Interest Amount*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

*(viii) Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent or, if applicable, the Calculation Agent, as the case may be, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or, if applicable, the Calculation Agent or that other agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) ***Interest on Dual Currency Interest Notes***

In the case of Dual Currency Interest Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(d) ***Interest on Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) ***Accrual of Interest***

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(1) the date on which all amounts due in respect of such Note have been paid; and

(2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 13 or individually.

(f) ***Deferral of Interest on Tier 3 Notes***

If required under the solvency guidelines as applied from time to time by the Dutch Central Bank, interest on Tier 3 Notes will not be payable on the due date thereof if and to the extent that at the time, or as a result of such payment, the Issuer's actual Own Funds (as defined below) would amount to less than such percentage of the Issuer's required minimum amount of Own Funds as required under the solvency guidelines as applied from time to time by the Dutch Central Bank. Any interest in respect of Tier 3 Notes not paid on a date on which such interest would otherwise be payable will be paid by the Issuer if and to the extent that the Issuer will meet the solvency test referred to in the previous sentence. Any arrears of interest will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which a moratorium (*surséance van betaling*) or emergency regulation (*noodregeling*) resulting from the application of emergency measures as referred to in Chapter 3, Section 3.5.5.1 of the Dutch Financial Supervision Act is declared in respect of the Issuer. Where any amount of interest is paid in part, each part payment shall be made *pro rata* to the Tier 3 Noteholders and shall be in respect of the interest accrued furthest from the date of payment. Any arrears of interest shall not themselves bear interest. "Own Funds" means the amount of shareholders' and other funds which qualify as actual own funds (*toetsingsvermogen*) under the applicable solvency guidelines as applied by the Dutch Central Bank (*De Nederlandsche Bank N.V.*).

(g) ***Interest Rates Positive***

Unless specified otherwise in the applicable Final Terms, the rate of interest payable in respect of the Notes shall never be less than zero. If the formula or other method for determining a rate of interest applicable to the Notes would result in a negative figure, the applicable rate of interest will be deemed to be zero.

## 5 Payments

(a) ***Method of Payment***

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained and specified by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Melbourne and if New Zealand dollars, Wellington); and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

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, Receipts and Coupons***

Other than in the case of definitive Bearer Notes in CF-form, payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the State and District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of principal in respect of any definitive Bearer Notes in CF-form will be made in the manner provided in paragraph (a) above only against surrender of definitive Notes together with the Coupon sheet attached. Payments of interest in respect of any definitive Bearer Notes in CF-form will be made in conformity with the agreement concluded between the Issuer and *Algemeen Obligatiekantoor van het Centrum voor Fondsenadministratie B.V.* in Amsterdam (the "Obligatiekantoor"), under which agreement the Issuer has accepted the rules and regulations of the Obligatiekantoor.

Payments of instalments of principal in respect of definitive Bearer Notes (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Interest Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten

years after the Relevant Date (as defined below) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter. Upon any such Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

As used herein, the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

Upon the date on which any Floating Rate Note, Dual Currency Note or Index Linked Interest Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Bearer Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant global Bearer Note (in the case of a global Bearer Note not in New Global Note form, against presentation or surrender, as the case may be, of such global Bearer Note at the specified office of any Paying Agent outside the United States, and in the case of a global Bearer Note in New Global Note form, by payment to or to the order of the common safekeeper for such global Bearer Note). A record of each payment made against presentation or surrender of any such global Bearer Note not in New Global Note form, distinguishing between any payment of principal and any payment of interest, will be made on such global Bearer Note by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made. If a global Bearer Note is in New Global Note form, the Issuer shall procure that details of each payment of principal and interest (if any) in respect of Notes represented by the New Global Note shall be entered *pro rata* in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the global Bearer Note will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

Where the global Bearer Note is a New Global Note, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, shall be entered in the records of the relevant clearing systems and upon any such entry being made, the nominal amount of the Notes represented by such global Bearer Note shall be adjusted accordingly.

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records

of Euroclear, Clearstream, Luxembourg, or DTC as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear, Clearstream, Luxembourg, or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note.

In the case of Notes held by Euroclear Netherlands, payment of interest or principal or any other payments on or in respect of the Notes to the Noteholders will be effected through Participants of Euroclear Netherlands. The Issuer shall deposit or cause to be deposited the funds intended for payment on the Notes in an account of Euroclear Netherlands. The Issuer will by such deposit be discharged of its obligations towards the Noteholders. No person other than the holder of the global Note shall have any claim against the Issuer in respect of any payments due on that global Note. Euroclear Netherlands will be discharged of its obligation to pay by paying the relevant funds to the Euroclear Netherlands Participants which according to Euroclear Netherlands' record hold a share in the *girodepot* with respect to such Notes, the relevant payment to be made in proportion to the share in such *girodepot* held by each of such Euroclear Netherlands Participants. Euroclear Netherlands shall not be obliged to make any payment in excess of funds it actually received as funds free of charges of any kind whatsoever.

All amounts payable to DTC or its nominee as registered holder of a registered global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of any Transfer Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of Bearer Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Subject as set out below, payments of principal in respect of Registered Notes (whether in definitive or global form) will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Notes at the specified office of the Registrar or at the specified office of any Paying Agent. Payments of interest due on a Registered Note and payments of instalments (if any) of principal on a Registered Note, other than the final instalment, will be made to the person in whose name such Note is registered at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the "Record Date")) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered

address on the due date. If payment is required by credit or transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

(c) ***Payment Day***

Unless otherwise specified in the applicable Final Terms in relation to a Tranche of Notes, if the date for payment of any amount in respect of any Note, Receipt or Coupon 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 further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Final Terms), "Payment Day" means any day which (subject to Condition 8) is:

(i) 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:

(A) the relevant place of presentation;

(B) London;

(C) Amsterdam; and

(D) any Additional Financial Centre specified in the applicable Final Terms;

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London, Amsterdam or any Additional Financial Centre and which if the Specified Currency is Australian dollars shall be Sydney and Melbourne and if New Zealand dollars Auckland and Wellington) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open; and

(iii) in the case of any payment in respect of a Restricted Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and, in respect of which an accountholder of DTC (with an interest in such Restricted Global Note) has elected to receive any part of such payment in U.S. dollars, not a day on which banking institutions are authorised or required by law or regulation to be closed in New York City.

Notwithstanding anything else in these Conditions, in the event that an Interest Payment Date is brought forward under Condition 4(b) through the operation of a Business Day Convention in circumstances which were not reasonably foreseeable by the Issuer, the relevant Payment Day shall be the first Payment Day after the Interest Payment Date as so brought forward.

(d) ***Interpretation of Principal***

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

(i) the amount 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 on redemption for taxation reasons or following an Event of Default ("Early Redemption Amount");

(iii) the Optional Redemption Amount(s) (if any) of the Notes;

(iv) in relation to Instalment Notes, the Instalment Amounts;

(v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)(iii)); and

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

## 6 Redemption and Purchase

(a) ***At Maturity***

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) ***Redemption for Tax Reasons***

If the Issuer, on the occasion of the next payment due in respect of the Notes, would be required by Netherlands law 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 (or such other period of notice as is specified in the applicable Final Terms), 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 The Netherlands otherwise than by reason only of the holding of any Note or receiving or being entitled to principal or interest 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) ***Redemption at the Option of the Issuer (Issuer Call)***

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice (or such other period of notice as is specified in the applicable Final Terms) to the Noteholders in accordance with Condition 13; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(both of which notices shall be irrevocable) redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount (if any) or not more than the Maximum Redemption Amount (if any), in each case as specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to

be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or Euroclear Netherlands and/or, as the case may be, DTC, in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (or such other period as is specified in the applicable Final Terms) (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption.

The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

(d) ***Redemption at the Option of the Noteholders (Investor Put)***

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands, deliver at the specified office of any Paying Agent, any Transfer Agent or, as the case may be, the Registrar at any time during normal business hours of such Paying Agent, Transfer Agent or Registrar falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent, any Transfer Agent or Registrar (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a global Bearer Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or, if applicable, Euroclear Netherlands, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period concerned, give notice of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them or, if applicable, Euroclear Netherlands to the Agent by electronic means), in a form acceptable to Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands from time to time and, at the same time, present or procure the presentation of the relevant Global Bearer Note to the Agent for notation accordingly.

Any Put Notice given by a holder of any Senior Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Senior Note forthwith due and payable pursuant to Condition 9.

(e) ***Early Redemption Amounts***

For the purpose of paragraph (b) above and Condition 9, each Note will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

(ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(iii) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") equal to the sum of:

(A) the Reference Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (I) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360-day year consisting of 12 months of 30 days each or (II) in the case of a Zero Coupon Note payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365) or (in either case) on such other calculation basis as may be specified in the applicable Final Terms.

(f) ***Instalments***

Instalment Notes will be repaid in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) ***Partly Paid Notes***

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

(h) ***Purchases***

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) 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.

(i) ***Cancellation***

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be re-issued or resold.

(j) ***Late Payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and payable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

(k) ***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 13, 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 Instruments hitherto issued have been redeemed.

In addition, the Issuer may (1) at any time, on giving not less than 15 nor more than 30 days' notice (or such other period of notice as specified in the applicable Final Terms) to the Noteholders in accordance with Condition 13, redeem the Notes for the time being outstanding on such other terms as may be specified in the applicable Final Terms and (ii) issue Notes which may be redeemed in other circumstances specified in the applicable Final Terms.

Unless specified otherwise in the applicable Final Terms, the Final Redemption Amount or 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 Final Redemption Amount or the Early Redemption Amount (as the case may be) applicable to the Notes would result in a negative figure, the Final Redemption Amount or the Early Redemption Amount (as the case may be) will be deemed to be zero

(l) ***Redemption of Subordinated Notes***

Subordinated Notes that are included for capital adequacy purposes in Tier 2 or Tier 3 may only b redeemed after the Issuer has obtained written approval of the Dutch Central Bank (*De Nederlandsch Bank N.V.*).

(m) ***Deferral of Principal of Tier 3 Notes***

The principal of Tier 3 Notes will not be repayable on the due date thereof if and to the extent that a the time or as a result of such payment the Issuer's actual Own Funds (as defined in Condition 4(f) o these Conditions) would amount to less than such percentage of the Issuer's required minimum amoun of Own Funds as required under the solvency guidelines as applied from time to time by the Dutc

Central Bank (*De Nederlandsche Bank N.V.*). Any principal of Tier 3 Notes not paid on the date on which such principal would otherwise be payable will be paid by the Issuer if and to the extent that the Issuer will meet the solvency test referred to in the previous sentence. Any arrears of principal will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which a moratorium (*surséance van betaling*) or emergency regulation (*noodregeling*) resulting from the application of emergency measures as referred to in Chapter 3, Section 3.5.5.1 of the Dutch Financial Supervision Act is declared in respect of the Issuer. Where any amount of principal is paid in part, each part payment shall be made *pro rata* to the Tier 3 Noteholders. Any arrears of principal shall continue to bear interest at the rate applicable to the relevant Tier 3 Notes.

## 7 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.

## 8 Prescription

The Notes, Receipts and Coupons will become void unless presented for payment within a period of five years after the date on which such payment first becomes due.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

## 9 Events of Default relating to Senior 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 interest or 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 (and/or, in the case of Notes issued by ING Groep N.V., any of the Relevant Subsidiaries) is declared bankrupt, or the Issuer is granted a moratorium (*surseance van betaling*) or a declaration in respect of the Issuer (and/or, in the case of Notes issued by ING Groep N.V., any of the Relevant Subsidiaries) 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

(iv) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer (and/or, in the case of Notes issued by ING Groep N.V., any of the Relevant Subsidiaries) 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 by the Issuer in connection with the Notes or (B) have previously been approved by an Extraordinary Resolution of the Noteholders; or

(v) (in the case of Notes issued by ING Groep N.V.) the Issuer liquidates, sells, transfers or otherwise disposes of all of its assets;

then any Senior 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 due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, provided that the 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.

For the purpose of this Condition "Relevant Subsidiaries" shall mean ING Bank N.V. and/or ING Verzekeringen N.V.

## 10 Transfer and Exchange of Registered Notes and Replacement of Notes and Coupons

Registered Notes of each Tranche sold outside the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") will be represented by a permanent global Note in registered form, without interest coupons (the "Reg. S Global Note") and Registered Notes of each Tranche sold inside the United States to qualified institutional buyers ("QIBs") (within the meaning of Rule 144A under the Securities Act ("Rule 144A")) in reliance on Rule 144A or to other U.S. persons in transactions exempt from the registration requirements of the Securities Act will be represented by a permanent restricted global Note in registered form, without interest coupons (the "Restricted Global Note" and, together with the "Reg. S Global Note", the "Registered Global Notes"). Registered Notes which are represented by a Registered Global Note will be exchangeable and transferable only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be (the "Applicable Procedures").

Owners of beneficial interests in the Reg. S Global Note may transfer such interests, or may exchange such interests for either beneficial interests in the Restricted Global Note or Registered Notes in definitive form, and owners of beneficial interests in the Restricted Global Note may transfer such interests, or may exchange such interests for either beneficial interests in the Reg. S Global Note or Registered Notes in definitive form, in each case subject as provided below, to the provisions of the relative Registered Global Note and to the Applicable Procedures. In addition, Registered Notes in definitive form issued in exchange for beneficial interests in the Reg. S Global Note may be exchanged for beneficial interests in the Restricted Global Note, subject as provided below and to the Applicable Procedures. Registered Notes in definitive form may also be transferred as provided below.

In the case of Registered Notes in definitive form issued in exchange for interests in the Restricted Global Note, such Registered Notes in definitive form shall bear the legend set forth on the Restricted Global Note (the "Legend"). Upon the transfer, exchange or replacement of Registered Notes bearing the Legend, or upon specific request for removal of the Legend, the Issuer shall deliver only Registered Notes that bear such Legend or shall refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Interests in the Reg. S Global Note and the Restricted Global Note will be exchangeable for Registered Notes in definitive form if (i) Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depositary for such registered global Note or (ii) if applicable, DTC ceases to be a "Clearing Agency" registered under the Securities Exchange Act 1934 or either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business, and a successor depositary or alternative clearing system satisfactory to the Issuer and the Agent is not

available, or (iii) an Event of Default (as defined in Condition 9) has occurred and is continuing with respect to such Notes, or (iv) a written request for one or more Registered Notes in definitive form is made by a holder of a beneficial interest in a registered global Note; provided that in the case of (iv) such written notice or request, as the case may be, is submitted to the Registrar by the beneficial owner not later than 60 days prior to the requested date of such exchange and the Applicable Procedures are followed. Upon the occurrence of any of the events described in the preceding sentence, the Issuer will cause the appropriate Registered Notes in definitive form to be delivered.

If a holder of a beneficial interest in the Reg. S Global Note deposited with the custodian in the United States wishes at any time to exchange its interest in such Reg. S Global Note for an interest in the Restricted Global Note, or to transfer its interest in such Reg. S Global Note to a person who wishes to take delivery thereof in the form of a Registered Note in definitive form, such holder may, subject to the rules and procedures of the Registrar in the United States, exchange or cause the exchange, or transfer or cause the transfer of such interest for an equivalent beneficial interest in the Restricted Global Note upon compliance with the transfer requirements of the Registrar in the United States and certification to the effect that (i) the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Registered Notes under U.S. law and pursuant to and in accordance with Regulation S, where applicable, or (ii) such exchange or transfer has been made to a person which the transferor reasonably believes to be a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A, in the case of the exchange of an interest in the Reg. S Global Note for an interest in the Restricted Global Note.

Transfers between participants in DTC will be effected in the ordinary way in accordance with the Applicable Procedures and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with the Applicable Procedures.

Transfers by the owner of a beneficial interest in the Restricted Global Note to a transferee who takes delivery of such interest through the Reg. S Global Note will be made only upon receipt by the Registrar of a written certification from the transferor to the effect that such transfer is being made in accordance with Regulation S or, if available, that the interest in the Note being transferred is not a "restricted security" within the meaning of Rule 144 under the Securities Act. Investors holding a beneficial interest in a Restricted Global Note who propose any such transfer must notify the Registrar and, subject to compliance with the provisions of the Agency Agreement, the Registrar shall cause the transferor interest in the Restricted Global Note to be reduced in an amount equal to the aggregate nominal amount of Notes being transferred and shall take such other action as appropriate to register the transfer of the Notes to or for the account of the purchaser. The Issuer shall not permit any such transfers unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel that such transfer is in compliance with the Securities Act; provided however, that the restriction in this sentence shall not apply to any transfers of an interest in a Note pursuant to Regulation S or of an interest in a Note which does not constitute a restricted security, within the meaning of Rule 144 under the Securities Act.

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the nominal amounts set out in the applicable Final Terms) by the holder or holders surrendering the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent (who will, as soon as practicable, forward such surrendered Registered Note to the Registrar and will give to the Registrar all relevant details to enable it to process the transfer), with the form of transfer thereon duly executed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Registrar duly executed by, the holder or holders thereof or its or their attorney or attorneys duly authorised in writing and upon the Registrar, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the

Issuer and the Registrar may prescribe, including any restrictions imposed by the Issuer on transfers of Registered Notes originally sold to a U.S. person. In addition, if the Registered Note in definitive form being exchanged or transferred contains a Legend, additional certificates, to the effect that such exchange or transfer is in compliance with the restrictions contained in such Legend, may be required. Subject as provided above, the Registrar will, within 3 business days of receipt by it (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Registered Note in definitive form to a transferee who takes delivery of such Note through a Registered Global Note will be made no later than 60 days after the receipt by the Registrar of the Registered Note in definitive form to be so exchanged or transferred and only in accordance with the Applicable Procedures, and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

In the event of a partial redemption of Notes under Condition 6(c) or (d) the Issuer shall not be required:

(a) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the sixty-fifth day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or

(b) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions (except for the expenses of delivery by other than regular mail (if any) and, if the Issuer shall so require, for the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto which will be borne by the Noteholder) will be borne by the Issuer.

If any Note (including a global Note) or Coupon is mutilated, defaced, stolen, destroyed or lost it may be replaced at the specified office of the Paying Agent in Luxembourg, in the case of Bearer Notes, Receipts or Coupons, or the Registrar in New York City, in the case of Registered Notes, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## 11 Agent and Paying Agents, Transfer Agents and Registrar

The names of the initial Agent and the other initial Paying Agents, the initial Registrar and the initial Transfer Agents and their initial specified offices are set out below.

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

(i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent and a Transfer 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 any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000;

(vi) there will at all times be a Transfer Agent having a specified office in a place approved by the Agent;

(vii) so long as any of the Registered Global Notes are held through DTC or its nominee, there will at all times be a Transfer Agent with a specified office in New York City; and

(viii) there will at all times be a Registrar with a specified office in New York City and in such place as may be required by the rules and regulations of the relevant stock exchange.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(b). 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 13.

## 12 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## 13 Notices

All notices regarding the Bearer Notes shall be published (i) in at least one daily newspaper of wide circulation in The Netherlands, (ii) if specified in the Final Terms, in a leading English language daily newspaper of general circulation in London and (iii) if and for so long as the Bearer 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, in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange (www.bourse.lu). It is expected that such publication will be made in *Het Financieele Dagblad* in The Netherlands and, if notices are to be published in a leading English language daily newspaper of general circulation in London, the *Financial Times*, and either in the *Luxemburger Wort* in Luxembourg or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice will be deemed to have been given on the date of the first publication in all the newspapers and/or on the website in which such publication is required to be made.

All notices to holders of Registered Notes will be valid if mailed to their registered addresses appearing on the register and published, 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 a daily newspaper of general circulation in Luxembourg (expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (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.

Until such time as any definitive Notes are issued, there may, so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg or DTC, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed or admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in the manner required by the rules of that stock exchange (or such other relevant authority). Any such notice delivered on or prior to 4.00 p.m. (local time) on a business day in the city in which it is delivered will be deemed to have been given to the holders of the Notes on such business day. A notice delivered after 4.00 p.m. (local time) on a business day in the city in which it is delivered will be deemed to have been given to the holders of the Notes on the next following business day in such city.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent and/ or Registrar via Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, in such manner as the Agent and/or Registrar and Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, may approve for this purpose.

## 14 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, the Receipts, the Coupons 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, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), 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, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, 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, the Receipts, the Coupons 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, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

## 15 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders 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.

## 16 Substitution of the Issuer

(a) The Issuer may, without any further consent of the Noteholders or Couponholders being required, when no payment of principal of or interest on 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 and the relative Receipts and Coupons 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 and Couponholder 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 relative Receipts and Coupons, the Agency Agreement as the principal debtor in respect of the Notes and the relative Receipts and Coupons 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 and each holder of the relative Receipts and Coupons the payment of all sums payable in respect of the Notes and the relative Receipts and Coupons;

(ii) the Documents shall contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder and Couponholder 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 thereof 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 or Couponholder by any political sub-division or taxing authority of any country in which such Noteholder or Couponholder 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 thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Notes would continue to be listed 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 and Couponholders 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 and Couponholders at the specified office of the Agent; and

(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 Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch 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 and Couponholders at the specified office of the Agent.

(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 or Couponholders 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 or Couponholder, except as provided in Condition 16(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and the relative Receipts and Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.

(c) In respect of any substitution pursuant to this Condition in respect of the Subordinated Notes of any Series, the Documents referred to in Condition 16(a) above shall provide for such further amendment of the Terms and Conditions of the Subordinated Notes as shall be necessary or desirable to ensure that the Subordinated Notes of such Series constitute subordinated obligations of the Substituted Debtor and shall further provide that the Substituted Debtor will only be obliged to make payments of principal in respect of the Subordinated Notes of such Series to the extent that the Issuer would have been so obliged under Condition 3 of the Terms and Conditions had it remained as principal obligor under the Subordinated Notes.

(d) With respect to Subordinated Notes, the Issuer shall be entitled, by notice to the Noteholders given in accordance with Condition 13, at any time to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice shall be irrevocable.

(e) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notification as referred to in paragraph (g) below having been given, the Substituted Debtor shall be

deemed to be named in the Notes and the relative Receipts and Coupons as the principal debtor in place of the Issuer and the Notes and the relative Receipts and Coupons 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 and the relative Receipts and Coupons save that any claims under the Notes and the relative Receipts and Coupons prior to release shall enure for the benefit of Noteholders and Couponholders.

(f) The Documents shall be deposited with and held by the Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the relative Receipts and Coupons 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 and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Receipts and Coupons or the Documents.

(g) 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 13.

## 17 Governing Law and Submission to Jurisdiction

The Notes, the Receipts, the Coupons, and the Talons, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, the laws of The Netherlands.

The Issuer submits for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, to the jurisdiction of the courts of Amsterdam, The Netherlands judging in first instance, and its appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Notes, the Receipts and the Coupons may be brought in any other court of competent jurisdiction.

## FORM OF FINAL TERMS OF THE NOTES

### Final Terms dated [●]
### ING [Groep/Bank/Verzekeringen] N.V.

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**
**under the €45,000,000,000 Programme for the Issuance of Debt Instruments**

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area (the "EEA") which has implemented the Prospectus Directive (2003/71/EC) (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

(i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in those Public Offer Jurisdictions mentioned in Paragraph 35 of Part A below, provided such person is one of the persons mentioned in Paragraph 35 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances] [1]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (2003/71/EC) (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances] [2]

**Part A — Contractual Terms**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "Conditions") set forth in the Base Prospectus dated 23 February 2010 [and the supplemental Prospectus dated [*date*] (together, the "Prospectus")], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms applicable to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (as implemented by the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and its implementing regulations) and must be read in conjunction with such [Base] Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Base] Prospectus. The [Base] Prospectus is available for viewing at the Issuer's website

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[1] Include this legend where a non-exempt offer of Notes is anticipated.

[2] Include this legend where only an exempt offer of Notes is anticipated.

(www.ing.com) and copies may be obtained from ING Groep N.V., c/o ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Base Prospectus dated [*original date*] [and the supplemental Prospectus dated [*date*]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive") (as implemented by the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and its implementing regulations) and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplemental Prospectus dated [*date*]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] [and the supplemental Prospectus dated [*date*]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses (or, in case of the Base Prospectus dated [*original date*], the Conditions set forth therein) dated [*original date*] and [*current date*] [and the supplemental Prospectuses dated [*date*] and [*date*]]. The Base Prospectuses (or, in the case of the Base Prospectus dated [*original date*], the Conditions set forth therein) [and the supplemental Prospectuses] are available for viewing at the Issuer's website (www.ing.com) and copies may be obtained from ING Groep N.V., c/o ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive (as implemented by the Dutch Financial Supervision Act (Wet op het financieel toezicht) and its implementing regulations).]*

| | | |
|---|---|---|
| 1 | (i) Issuer: | ING [Groep/Bank/Verzekeringen] N.V. |
| 2 | [(i)] Series Number: | [●] |
| | [(ii) Tranche Number: | [●]<br>*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).*] |
| 3 | Specified Currency or Currencies: | [●] |
| 4 | Aggregate Nominal Amount [of Notes admitted to trading]:** | [●] |
| | (i) Tranche: | [●] |
| | (ii) Series: | [●] |
| | [*if amount is not fixed, need to give description of the arrangements and time for announcing to the public the amount of the offer here*] | |
| 5 | Issue Price: | [●] % of the Aggregate Nominal Amount [plus |

| | | |
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| | | accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)] |
| 6 | (i) Specified Denominations: | [●]<br>*[Where multiple denominations above €50,000 (or equivalent) are being used the following sample wording should be followed: [€50,000] and integral multiples of [€1,000] in excess thereof [up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000]]*.]*<br>**[Delete if Notes being issued in registered form.]* |
| | (ii) Calculation Amount: | [Not Applicable]<br>[Applicable]<br>[*If only one Specified Denomination, state not applicable. If more than one Specified Denomination, state applicable and insert the highest common factor]* |
| 7 | (i) Issue Date: | [●] |
| | (ii) Interest Commencement Date: | [Issue Date/*specify other*] |
| 8 | Maturity Date: | [*Fixed rate — specify date/Floating rate —* Interest Payment Date falling in or nearest to [*specify month and year*]] |
| 9 | Interest Basis: | [[●] % Fixed Rate]<br>[[LIBOR/EURIBOR/*specify other reference rate*] +/- [●] % Floating Rate]<br>[Zero Coupon]<br>[Index Linked Interest]<br>[Dual Currency Interest]<br>[*specify other*]<br>(further particulars specified below) |
| 10 | Redemption/Payment Basis: | [Redemption at par]<br>[Index Linked Redemption]<br>[Dual Currency Redemption]<br>[Partly Paid]<br>[Instalment]<br>[*specify other*] |
| 11 | Change of Interest Basis or Redemption/Payment Basis: | [*Specify details of any provision for change of Notes into another interest or redemption/payment basis*] |
| 12 | Put/Call Options: | [Investor Put]<br>[Issuer Call]<br>[(further particulars specified below)] |
| 13 | (i) Status of the Notes: | [Senior/Subordinated] |
| | [(ii)] Status of the Subordinated Notes: | [Tier 2 Notes/Tier 3 Notes] *[indicate and specify if Subordinated Notes are intended to be included for* |

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| | | *capital adequacy purposes in Tier 2 or Tier 3; only include this item if applicable to the relevant Issuer, otherwise delete]* |
| | [(iii)] [Date [Executive/Supervisory Board] approval for issuance of Notes obtained: | [●] [and [●], respectively]] *(NB: Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)* |
| 14 | Method of distribution: | [Syndicated/Non-syndicated] |

**Provisions relating to Interest (if any) payable**

| | | |
|---|---|---|
| 15 | **Fixed Rate Note Provisions** | [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) Rate[(s)] of Interest: | [●] % per annum [payable [annually/semi-annually/quarterly/monthly/other *(specify)*] in arrear] *(If payable other than annually, consider amending Condition 4)* |
| | (ii) Interest Payment Date(s): | [[●] in each year up to and including the Maturity Date [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted] *(NB: This will need to be amended in the case of long or short coupons)* |
| | (iii) Fixed Coupon Amount(s): | [[●] per [●] in Nominal Amount] [For each Fixed Interest Period, as defined in Condition 4(*a*), the Fixed Coupon Amount will be an amount equal to the [Specified Denomination/Calculation Amount] multiplied by the Rate of Interest multiplied by the Day Count Fraction with the resultant figure being rounded to the nearest sub-unit of the Specified Currency, half of any such sub-unit being rounded [upwards/downwards]] |
| | (iv) Broken Amount(s): | [*Insert particulars of any initial or final broken interest amounts per Specified Denomination (or Calculation Amount if one is specified in these Final Terms) which do not correspond with the Fixed Coupon Amount[s] and specify which Interest Payment Date(s) they are payable on*] |
| | (v) Day Count Fraction: | [30/360/Actual/Actual ([ICMA]/*specify other*] *[If using Day Count Fraction other than 30/360 or Actual/Actual (ICMA), then either define it here or (if it is used in Condition 4(b) of the Conditions) specify it has the meaning ascribed in Condition 4(b)* |

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| | | *of the Conditions.]* |
| | (vi) [Determination Dates: | [●] in each year<br>*(Insert regular interest payment dates ignoring issue date or maturity date in the case of a long or short first or last coupon)*<br>*(NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration.)*<br>*(NB: Only relevant where Day Count Fraction is Actual/Actual ([ICMA])*] |
| | (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: | [None/Aggregate Nominal Amount Determination is applicable/*Give details*]<br>*(Specify Aggregate Nominal Amount Determination if, when interest is to be determined for a period other than a Fixed Interest Period, it is to be determined on the basis of the aggregate nominal amount of the series of Notes outstanding rather than on the basis of the Specified Denomination (or the Calculation Amount if one is specified in these Final Terms))* |
| | (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: | [Not Applicable/*give details*] |
| 16 | **Floating Rate Note Provisions** | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) Interest Period(s): | [●] |
| | (ii) Specified Interest Payment Dates: | [●] |
| | (iii) First Interest Payment Date: | [●] |
| | (iv) Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention (Adjusted/Unadjusted)/Preceding Business Day Convention/[*specify other*]] |
| | (v) Additional Business Centre(s): | [No Additional Business Centre(s)/*specify other*] |
| | (vi) Manner in which the Rate of Interest and Interest Amount(s) is/are to be determined: | [Screen Rate Determination/ISDA Determination/*specify other*] |
| | (vii) Party responsible for calculating the Rate of Interest and Interest Amount(s): | [Agent/*specify other*] |
| | (viii) Screen Rate Determination: | [Applicable/Not Applicable] |
| | - Reference Rate: | [●]<br>(*Either LIBOR, EURIBOR or other, although additional information is required if other — including any amendment to fallback provisions in the Agency Agreement*) |

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| | - Interest Determination Date(s): | [●]<br>(*Second London Business Day prior to the start of each Interest Period if LIBOR (other than euro LIBOR or Sterling LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*) |
| | - Relevant Screen Page: | [●]<br>(*In the case of EURIBOR, if not Reuters Page EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*) |
| (ix) | ISDA Determination: | [Applicable/Not Applicable] |
| | - Floating Rate Option: | [●] |
| | - Designated Maturity: | [●] |
| | - Reset Date: | [●] |
| (x) | Margin(s): | [+/-][●] % per annum |
| (xi) | Minimum Rate of Interest: | [●] % per annum |
| (xii) | Maximum Rate of Interest: | [●] % per annum |
| (xiii) | Day Count Fraction: | [Actual/365<br>Actual/Actual (ISDA)<br>Actual/365 (Fixed)<br>Actual/365 (Sterling)<br>Actual/360<br>30/360<br>360/360<br>Bond Basis<br>30E/360<br>Eurobond Basis<br>Other *[specify]*<br>(*see Condition 4 for alternatives*)] |
| (xiv) | Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: | [None/Aggregate Nominal Amount Determination is applicable/*Give details*]<br>*(Specify Aggregate Nominal Amount Determination if the Interest Amount is to be determined on the basis of the aggregate nominal amount of the series of Notes outstanding rather than on the basis of the Specified Denomination (or the Calculation Amount if one is specified in these Final Terms))* |
| 17 | **Zero Coupon Note Provisions** | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Accrual Yield: | [●] % per annum |
| (ii) | Reference Price: | [●] |

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| | (iii) Any other formula/basis of determining amount payable: | [●] |
| | (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: | [Condition 6(e)(iii) and 6(j) apply/*specify other*] (*Consider applicable Day Count Fraction if not U.S. dollar denominated*) |
| 18 | **Index-Linked Interest Note/other variable-linked interest Note Provisions** | [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph) (if applicable, consider items 4.2.2, 4.2.3 and 4.2.4 of Annex XII)* |
| | (i) Index/Formula/other variable: | [*give or annex details*] |
| | (ii) Calculation Agent responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): | [●] |
| | (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: | [●] |
| | (iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: | [●] |
| | (v) Interest Period(s): | [●] |
| | (vi) Specified Interest Payment Dates: | [●] |
| | (vii) Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention (Adjusted/Unadjusted)/Preceding Business Day Convention/other (*give details*)] |
| | (viii) Additional Business Centre(s): | [●] |
| | (ix) Minimum Rate of Interest: | [●] % per annum/Not Applicable |
| | (x) Maximum Rate of Interest: | [●] % per annum/Not Applicable |
| | (xi) Day Count Fraction: | [●] |
| 19 | **Dual Currency Note Provisions** | [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph) (if applicable, consider items 4.2.2, 4.2.3 and 4.2.4 of Annex XII)* |
| | (i) Rate of Exchange/method of calculating Rate of Exchange: | [*give details*] |
| | (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: | [●] |
| | (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: | [●] |

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| (iv) | Person at whose option Specified Currency(ies) is/are payable: | [●] |

**Provisions relating to Redemption**

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| 20 | **Issuer Call** | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| (i) | Optional Redemption Date(s): | [●] |
| (ii) | Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s) of each Note: | [●] per [Note of [●] Specified Denomination] [Calculation Amount] |
| (iii) | If redeemable in part: | |
| | (a) Minimum Redemption Amount of each Note: | [●] |
| | (b) Maximum Redemption Amount of each Note: | [●] |
| (iv) | Notice period (if other than as set out in the Conditions) | [●]<br>(*NB: If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*) |
| 21 | **Investor Put** | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Optional Redemption Date(s): | [●] |
| (ii) | Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s) of each Note: | [●] per [Note of [●] Specified Denomination] [Calculation Amount] |
| (iii) | Notice period: | [●]<br>(*NB: If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*) |
| 22 | **Final Redemption Amount of each Note:** | [[●] per [Note of [●] Specified Denomination][Calculation Amount]/*specify other*]<br>*(if applicable, consider items 4.2.2, 4.2.3 and 4.2.4 of Annex XII)* |

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| | In cases where the Final Redemption Amount is Index-Linked or other variable-linked: | |
| | (i) Index/Formula/variable: | [●] |
| | (ii) Calculation Agent responsible for calculating the Final Redemption Amount: | [●] |
| | (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: | [●] |
| | (iv) Determination Date(s): | [●] |
| | (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: | [●] |
| | (vi) Payment Date: | [●] |
| | (vii) Minimum Final Redemption Amount: | [●] |
| | (viii) Maximum Final Redemption Amount: | [●] |
| 23 | **Early Redemption Amount** | |
| | (i) Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)): | [●]<br>*[N.B. – In the case of Tier 2 or Tier 3 Notes, early redemption is subject to the prior written consent of the Dutch Central Bank]* |
| | (ii) Notice period (if other than as set out in the Conditions): | [●]<br>(*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*) |
| | (iii) Other (Condition 6(k)): | [Applicable/Not applicable] *[If the Notes are to be redeemed in circumstances not specified in the Conditions (for example, if they are to be subject to automatic redemption if an interest rate benchmark exceeds a certain level), specify those here]* |

**General Provisions Applicable to the Notes**

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| 24 | Form of Notes: | |
| | (i) Form | [Bearer Notes: |

| | | |
|---|---|---|
| | | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only on the occurrence of an Exchange Event]<br><br>[Temporary Global Note exchangeable for Definitive Notes (Bearer Notes only) on and after the Exchange Date]<br><br>[Permanent Global Note exchangeable for Definitive Notes (Bearer Notes only) on 60 days' notice given at any time/only on the occurrence of an Exchange Event]<br><br>[Registered Notes: Reg. S Global Note (U.S.$[●] nominal amount)/Rule 144A Global Note (U.S.$[●] nominal amount) (Restricted Notes)]<br><br>[Definitive Notes:<br>[K/CF/Standard Euromarket]]<br><br>*Ensure that this is consistent with the wording in the "Form of the Instruments" section in the Prospectus and in the Notes themselves.*<br><br>*N.B. The exchange upon notice or at any time should not be expressed to be applicable if the Specified Denomination of the Notes in item 6 includes language substantially to the following effect: [€50,000] and integral multiples of [€1,000] in excess thereof [up to and including [€99,000]. Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.* |
| | (ii) New Global Note | [Yes][No]<br>(*Elect "yes" opposite "New Global Note" only if you have elected "yes" to the Section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility"*) |
| 25 | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | [Not Applicable/*give details*.<br>*(Note that this item relates to the date and place of payment, and not Interest Period end dates, to which items 16(v) and 18(viii) relate)* |
| 26 | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No]<br>*(If yes, give details)*<br>*(Talons should be specified if there will be more than 26 coupons or if the total interest payments may exceed the principal due on early redemption)* |

| | | |
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| 27 | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and, if different from those specified in the Temporary Global Note, consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | [Not Applicable/*give details*]<br>(*NB: A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*) |
| 28 | Details relating to Instalment Notes: | |
| | (i) Instalment Amount(s): | [Not Applicable/*give details*] |
| | (ii) Instalment Date(s): | [Not Applicable/*give details*] |
| 29 | For the purposes of Condition 13, notices to be published in the Financial Times (generally yes, but not for domestic issues): | [Yes/No] |
| 30 | Other final terms: | [Not Applicable/give details]<br>*(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)* |

**Distribution**

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| 31 | (i) If syndicated, names [and addresses]* of Managers [and underwriting commitments]*: | [Not Applicable/*give names, addresses and underwriting commitments*]<br>*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.) (Where not all of the issue is underwritten, indicate the portion not covered)* |
| | (ii) [Date of [Syndication] Agreement: | [●]]* |
| | (iii) Stabilising Manager (if any): | [Not Applicable/*give name*] |
| 32 | If non-syndicated, name [and address]* of Dealer: | [*give name [and address]**] [Not Applicable. The Notes are not being underwritten by any Dealer(s). *(i.e. if Notes are to be directly sold by the Issuer)* ]<br>*(Where not all of the issue is underwritten, indicate the portion not covered)* |
| 33 | Total commission and concession: | [●] %. of the Aggregate Nominal Amount*** |
| 34 | U.S. Selling Restrictions: | [Reg. S Compliance Category; TEFRA C/TEFRA D/TEFRA not applicable] |
| 35 | Non-exempt Offer: | [Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify names [and* |

| | | |
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| | | *addresses] of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known*]] (together with the Managers, the Financial Intermediaries) other than pursuant to Article 3(2) of the Prospectus Directive in [*specify Relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*] (Public Offer Jurisdictions) during the period from [*specify date*] until [*specify date*] (Offer Period). See further Paragraph 10 of Part B below. |
| 36 | Additional selling restrictions: | [●]/[Not Applicable]<br>(*If additional selling restrictions give details*)<br>[Include the following text for Notes offered to the public in Switzerland: **Switzerland**: The Notes do not represent units in collective investment schemes. Accordingly, they have not been registered with the Swiss Financial Market Supervisory Authority (the "FINMA") as foreign collective investment schemes, and are not subject to the supervision of the FINMA. Investors cannot invoke the protection conferred under the Swiss legislation applicable to investment funds.]<br>[Include the following text for Notes not offered to the public but privately placed in Switzerland: **Switzerland**: The Notes may not be offered or distributed in or from Switzerland on the basis of a public solicitation, as such term is defined under the Collective Investment Schemes Act of 23 June 2006, Collective Investment Schemes Ordinance of 22 November 2006 and the current practice of the FINMA, and neither this document nor any other offering material relating to the Notes may be offered or distributed in connection with any such offering or distribution.] |

**[Purpose of Final Terms**

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [Euronext Amsterdam/Luxembourg Stock Exchange/*specify*

*relevant regulated market and, if relevant, admission to an official list*] of the Notes described herein] pursuant to the €45,000,000,000 Programme for the Issuance of Debt Instruments of ING Groep N.V., ING Bank N.V. and ING Verzekeringen N.V.

**[Stabilisation**

In connection with the issue of the Notes, [*insert name of stabilising manager*] (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over-allot Notes [*include if Notes being admitted to a regulated market in the EEA* —] or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the Notes. Such stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.]

**[Responsibility**

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. [[*Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]]

Signed on behalf of the Issuer:

By:.....
*Duly authorised*

## Part B — Other Information

**1. Listing**

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|---|---|
| Listing | [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam/the Luxembourg Stock Exchange/other] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam/the Luxembourg Stock Exchange/other] with effect from [ ].] [Not Applicable.]<br><br>*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)* |

**2. Ratings**

| | |
|---|---|
| Ratings: | [The Notes to be issued will not be rated]<br>[The Notes to be issued have been rated:<br>[S&P: [●]]<br>[Moody's: [●]]<br>[Fitch: [●]]<br>[[Other]: [●]]<br>*[Need to include here a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]****<br>*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*] |

**3. [Interests of Natural and Legal Persons involved in the [Issue/Offer]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in "Subscription and Sale" in 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."]

*(If there are any material/conflicting interests, for example for dealers or distributors, then describe those in this section)*

**4. Reasons for the Offer, Estimated Net Proceeds and Total Expenses**

| | |
|---|---|
| [(i) Reasons for the offer | [●]<br>(*See "Use of Proceeds" wording in Base Prospectus — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.*)] |
| (ii) Estimated net proceeds: | [●]<br>(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*) |
| (iii) Estimated total expenses: | [●]. [*Include breakdown of expenses.*]<br>(*If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.*) |

**5. [Yield** (*Fixed Rate Notes only*)

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|---|---|
| Indication of yield: | [●].<br>[Calculated as [*include details of method of calculation in summary form*] on the Issue Date.]*** |
| | As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.] |

**6. [Historic Interest Rates** (*Floating Rate Notes only*)*****

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

*If the Notes have a derivative component in the interest payment, need to include a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s).*

**7. [Performance of Index/Formula/other Variable, Explanation of Effect on Value of Investment and Associated Risks and Other Information Concerning the Underlying** (*Index-Linked or other variable-linked Notes only*)*****

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]*

[The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information].]

**8. [Performance of Rate[s] of Exchange and Explanation of Effect on Value of Investment** (*Dual Currency Notes only*)*

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

**9. Operational Information**

| | | |
|---|---|---|
| (i) | ISIN Code: | [●] |
| (ii) | Common Code: | [●] |
| (iii) | [*Other relevant code*] | [●] |
| (iv) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*/Euroclear Netherlands and the relevant identification number(s): | [Not Applicable/[*give name(s) and number(s)*] |
| (v) | Delivery: | Delivery [against/free of] payment |
| (vi) | Names and addresses of initial Paying Agent(s): | [●] |
| (vii) | Names and addresses of additional Paying Agent(s) (if any): | [●] |
| (viii) | Name and address of Calculation Agent: | [●] |
| (ix) | Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes][No]<br>[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [*include this text if "yes" selected in which case the Notes must be issued in NGN form*] [*"no" must be selected if the Notes are to be held in Euroclear Netherlands*] |

**10. Terms and Conditions of the Offer** [Applicable/Not Applicable]

| | | |
|---|---|---|
| (i) | Offer Price: | [Issue Price][*specify*] * |
| (ii) | Conditions to which the offer is subject: | [Not Applicable/*give details*] |

| | | |
|---|---|---|
| (iii) | Description of the application process: | [Not Applicable/*give details*]<br>*[If applicable, use the following text amended/ completed as appropriate: The subscription period for the Notes is from and including [●] ([●] CET) to and including [●] ([●] CET). The Issuer reserves the right to close the subscription period earlier.*<br>*Investors may subscribe for the Notes through [●] or [●]. Investors may not be allocated all of the Notes for which they apply. The offering may, at the discretion of the Issuer, be cancelled at any time pior to the Issue Date.)]*<br>*(If relevant give time period during which the offer will be open and description of the application process.)* |
| (iv) | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [Not Applicable/*give details*]<br>*(if relevant need to give a description of the possibility of reducing subscriptions and the manner for refunding excess amounts paid by applicants)* |
| (v) | Details of the minimum and/or maximum amount of application: | [Not Applicable/*give details*]<br>*(if relevant need to give details of the minimum and/or maximum amount of application permitted) [can be given either in number of Notes or aggregate amount to invest]* |
| (vi) | Details of the method and time limits for paying up and delivering the Notes: | [Not Applicable/*give details*] |
| (vii) | Manner in and date on which results of the offer are to be made public: | [Not Applicable/*give details*] * |
| (viii) | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable/*give details*] |
| (ix) | Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: | [Not Applicable/*give details*]<br>*(If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been reserved for certain of these, indicate such tranche)* |
| (x) | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | [Not Applicable/*give details*] |
| (xi) | Amount of any expenses and taxes | [Not Applicable/*give details*] |

| | | |
|---|---|---|
| | specifically charged to the subscriber or purchaser: | [*Indicate the amount of any expenses and taxes specifically charged to the subscribers or purchasers*] |
| (xii) | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. | [None/*give details*] |

***** If issue price not yet determined at start of offer, but to be determined on basis of e.g. bookbuilding process, include method or basis for determining issue price and process for disclosure to investors under items (i) and (vii).

**11. [Notification**

The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) has provided each of the Financial Market Authority (FMA) in Austria, *Commission bancaire, financière et des assurances (CBFA)* in Belgium, *Autorité des marchés financiers (AMF)* in France, *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)* in Germany, *Epitroph Kefalaiagoras* in Greece, Irish Financial Services Regulatory Authority in Ireland, *Commissione Nazionale per le Società e la Borsa (CONSOB)* in Italy, *Commission de surveillance du secteur financier (CSSF)* in Luxembourg, *Comissão do Mercado de Valores Mobiliários (CMVM)* in Portugal, *Comisión Nacional del Mercado de Valores (CNMV)* in Spain and Financial Services Authority (FSA) in the United Kingdom with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

Notwithstanding the foregoing, no offer of Notes to the public may be made in any Relevant Member State, which requires the Issuer to undertake any action in addition to the filing of the Final Terms with the Netherlands Authority for the Financial Markets unless and until the Issuer advises such action has been taken.]

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Notes:

[* Not required if the minimum denomination is at least €50,000 and the Notes are not "derivatives" for the purposes of the Prospectus Directive.]

[** Not required if the minimum denomination is less than €50,000.]

[*** Not required if the minimum denomination is at least €50,000.]

## TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

*The following are the Terms and Conditions of the Capital Securities which (subject to completion and minor amendment) will be applicable to each Series of Capital Securities, provided that the relevant Final Terms in relation to any Capital Securities may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such Capital Securities:*

The ING Perpetual Hybrid Capital Securities (hereafter referred to as the "Capital Securities" or the "Securities") are issued in accordance with an agency agreement (the "Agency Agreement", which expression shall include any amendments or supplements thereto) dated on or about 19 August 2009 and made between, inter alia, ING Groep N.V. (the "Issuer"), The Bank of New York Mellon, London Branch, in alliance with ING Bank N.V. acting through its subdivision ING Commercial Banking Securities Services, in its capacity as issuing and principal paying agent (in the case of Notes deposited with Euroclear Netherlands, ING Bank N.V. will be the issuing and principal paying agent) (the "Agent", which expression shall include any successor to The Bank of New York Mellon, in alliance with ING Bank N.V. acting through its subdivision ING Commercial Banking Securities Services in its capacity as such) and as Registrar (the "Registrar", which expression shall include any successor Registrar) and the paying agents named therein (the "Paying Agents", which expression shall include the Agent and any substitute or additional Paying Agents appointed in accordance with the Agency Agreement) and the other transfer agents named therein (together with the Registrar, the "Transfer Agents", which expression shall include any additional or successor transfer agents). Copies of the Agency Agreement are available for inspection at the specified office of each of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Capital Securities shall be deemed to have notice of, and shall be bound by, all of the provisions of the Agency Agreement insofar as they relate to the relevant Capital Securities.

Interest bearing definitive Bearer Securities in standard euromarket form (unless otherwise indicated in the applicable Final Terms) have interest coupons ("Coupons") and, if indicated in the applicable Final Terms, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Securities repayable in instalments have receipts ("Receipts") for the payment of the instalments of principal (other than the final instalment) attached on issue. Any reference herein to "Holders" shall mean the holders of the Capital Securities, and shall, in relation to any Capital Securities represented by a global Security, be construed as provided below. Any reference herein to "Receiptholders" shall mean the holders of the Receipts and any reference herein to "Couponholders" shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons. Any holders mentioned above include those having a credit balance in the collective depots held in respect of the Capital Securities by *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("Euroclear Netherlands") or one of its participants.

The Capital Securities are issued in series (each, a "Series"), and each Series may comprise one or more tranches ("Tranches" and each, a "Tranche") of Capital Securities. Each Tranche will be the subject of the Final Terms (each, the "Final Terms"), a copy of which will, in the case of a Tranche in relation to which application has been made for admission to Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V., ("Euronext Amsterdam"), be lodged with Euronext Amsterdam N.V. and, in the case of a Tranche in relation to which application has been made for admission to listing on the regulated market of the Luxembourg Stock Exchange, be lodged with the Luxembourg Stock Exchange, and will be available for inspection at the specified office of the Agent.

The Capital Securities are also issued in accordance with the Trust Deed. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed. Copies of the

Trust Deed and the Agency Agreement are available for inspection during normal business hours by the Holders at the registered office of the Trustee and at the specified office of each of the Paying Agents. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

References in these Terms and Conditions to "Capital Securities" are to Capital Securities of the relevant Series.

**1. Form, Denomination and Title; Transfer and Exchange of Registered Securities**

*(a) Form, Denomination and Title*

The Capital Securities are in bearer form ("Bearer Securities") or in registered form ("Registered Securities"), in the currency in which payment in respect of the Capital Securities is to be made (the "Specified Currency") and in the denomination per Capital Security specified to be applicable to the Capital Securities (the "Specified Denomination"), all as specified in the applicable Final Terms and, in the case of definitive Securities, serially numbered. Capital Securities of one Specified Denomination may not be exchanged for Capital Securities of another Specified Denomination (unless specified otherwise).

This Security may be a Capital Security bearing interest on a fixed rate basis ("Fixed Rate Security"), a Capital Security bearing interest on a floating rate basis ("Floating Rate Security"), or combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Bearer Securities are issued with Coupons attached.

Subject as set out below, title to the Bearer Securities, Receipts and Coupons will pass by delivery and title to the Registered Securities will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. For Capital Securities held by Euroclear Netherlands deliveries will be made in accordance with the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*). Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Agent, the Replacement Agent (as defined in the Agency Agreement), the Registrar, any Transfer Agent and any Paying Agent may deem and treat the bearer of any Bearer Security, Receipt or Coupon and the registered holder of any Registered Security as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Security, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Capital Securities is represented by a global Bearer Security held on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and/or Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Capital Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Capital Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Replacement Agent, any Transfer Agent, the Registrar, the Agent and any Paying Agent as the holder of such nominal amount of such Capital Securities for all purposes other than with respect to the payment of principal or interest on the Capital Securities, for which purpose the bearer of the relevant global Security shall be treated by the Issuer, the Replacement Agent, any Transfer Agent, the Registrar, the Agent and any Paying Agent as the holder of such Capital Securities in accordance with and subject to the terms of the relevant global Security (and the expressions "Holder" and "holder of Securities" and related expressions shall be construed accordingly and these expressions shall include persons having a credit balance in the collective depots in respect of the Capital Securities held by Euroclear Netherlands or one of its participants). Capital Securities which are represented by a global Security held by a common depositary or common

safekeeper for Euroclear and/or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be. Capital Securities which are represented by a global Security held by Euroclear Netherlands will be delivered in accordance with the Dutch Securities Giro Transfer Act.

For so long as The Depository Trust Company ("DTC") or its nominee is the registered holder of any Registered Global Securities, DTC or such nominee, as the case may be, will be considered the absolute owner or holder of the Registered Securities represented by such registered global Security for all purposes and members of, or participants in, DTC (the "Agent Members") as well as any other person on whose behalf the Agent Members may act will have no rights under a registered global Security. Owners of beneficial interests in a registered global Security will not be considered to be the owners or holders of any Registered Securities.

References to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent but shall not include Euroclear Netherlands.

If the Capital Securities are represented by a permanent global Security in bearer form without coupons (the "Permanent Bearer Global Security") deposited in custody with *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("Euroclear Netherlands") they will be subject to, and rights in respect of the Capital Securities represented thereby will be exercised in accordance with, the Dutch Securities Giro Transfer Act. Rights in respect of the Capital Securities represented by the Permanent Bearer Global Security take the form of co-ownership rights (*aandelen*) in the collective depots (*verzameldepots* as referred to in the Dutch Securities Giro Transfer Act) of the Capital Securities with participants of Euroclear Netherlands (*aangesloten instellingen* according to the Dutch Securities Giro Transfer Act) ("Participants"). The co-ownership rights with respect to the Capital Securities will be credited to the account of the holder with such Participant. A holder of co-ownership rights in respect of the Capital Securities will be referred to hereinafter as a "Holder" or a "holder of a Security".

Unless the applicable Final Terms specify that the Permanent Global Bearer Security will be exchangeable upon notice, the right to demand delivery (*uitlevering*) under the Dutch Securities Giro Transfer Act is excluded.

*(b) Transfer and Exchange of Registered Securities*

Registered Securities of each Tranche sold outside the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") will be represented by a permanent global Security in registered form, without interest coupons (the "Reg. S Global Security") and Registered Securities of each Tranche sold inside the United States to qualified institutional buyers ("QIBs") (within the meaning of Rule 144A under the Securities Act ("Rule 144A")) in reliance on Rule 144A or to other U.S. persons in transactions exempt from the registration requirements of the Securities Act will be represented by a permanent restricted global Security in registered form, without interest coupons (the "Restricted Global Security" and, together with the "Reg. S Global Security", the "Registered Global Securities"). Registered Securities which are represented by a Registered Global Security will be exchangeable and transferable only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be (the "Applicable Procedures").

Owners of beneficial interests in the Reg. S Global Security may transfer such interests, or may exchange such interests for either beneficial interests in the Restricted Global Security or Registered Securities in definitive form, and owners of beneficial interests in the Restricted Global Security may transfer such interests, or may exchange such interests for either beneficial interests in the Reg. S Global Security or Registered Securities in definitive form, in each case subject as provided below, to the provisions of the

relative Registered Global Security and to the Applicable Procedures. In addition, Registered Securities in definitive form issued in exchange for beneficial interests in the Reg. S Global Security may be exchanged for beneficial interests in the Restricted Global Security, subject as provided below and to the Applicable Procedures. Registered Securities in definitive form may also be transferred as provided below.

In the case of Registered Securities in definitive form issued in exchange for interests in the Restricted Global Security, such Registered Securities in definitive form shall bear the legend set forth on the Restricted Global Security (the "Legend"). Upon the transfer, exchange or replacement of Registered Securities bearing the Legend, or upon specific request for removal of the Legend, the Issuer shall deliver only Registered Securities that bear such Legend or shall refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Interests in the Reg. S Global Security and the Restricted Global Security will be exchangeable for Registered Securities in definitive form if (i) Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depositary for such registered global Security or (ii) if applicable, DTC ceases to be a "Clearing Agency" registered under the Securities Exchange Act 1934 or either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business, and a successor depositary or alternative clearing system satisfactory to the Issuer and the Agent is not available, or (iii) a non-payment when due (as described in Condition 8) has occurred and is continuing with respect to such Securities, or (iv) a written request for one or more Registered Securities in definitive form is made by a holder of a beneficial interest in a registered global Security; provided that in the case of (iv) such written notice or request, as the case may be, is submitted to the Registrar by the beneficial owner not later than 60 days prior to the requested date of such exchange and the Applicable Procedures are followed. Upon the occurrence of any of the events described in the preceding sentence, the Issuer will cause the appropriate Registered Securities in definitive form to be delivered.

If a holder of a beneficial interest in the Reg. S Global Security deposited with the custodian in the United States wishes at any time to exchange its interest in such Reg. S Global Security for an interest in the Restricted Global Security, or to transfer its interest in such Reg. S Global Security to a person who wishes to take delivery thereof in the form of a Registered Securities in definitive form, such holder may, subject to the rules and procedures of the Registrar in the United States, exchange or cause the exchange, or transfer or cause the transfer of such interest for an equivalent beneficial interest in the Restricted Global Security upon compliance with the transfer requirements of the Registrar in the United States and certification to the effect that (i) the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Registered Securities under U.S. law and pursuant to and in accordance with Regulation S, where applicable, or (ii) such exchange or transfer has been made to a person which the transferor reasonably believes to be a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A, in the case of the exchange of an interest in the Reg. S Global Security for an interest in the Restricted Global Security.

Transfers between participants in DTC will be effected in the ordinary way in accordance with the Applicable Procedures and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with the Applicable Procedures.

Transfers by the owner of a beneficial interest in the Restricted Global Security to a transferee who takes delivery of such interest through the Reg. S Global Security will be made only upon receipt by the Registrar of a written certification from the transferor to the effect that such transfer is being made in accordance with Regulation S or, if available, that the interest in the Security being transferred is not a "restricted security"

within the meaning of Rule 144 under the Securities Act. Investors holding a beneficial interest in a Restricted Global Security who propose any such transfer must notify the Registrar and, subject to compliance with the provisions of the Agency Agreement, the Registrar shall cause the transferor interest in the Restricted Global Security to be reduced in an amount equal to the aggregate nominal amount of Securities being transferred and shall take such other action as appropriate to register the transfer of the Securities to or for the account of the purchaser. The Issuer shall not permit any such transfers unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel that such transfer is in compliance with the Securities Act; provided however, that the restriction in this sentence shall not apply to any transfers of an interest in a Security pursuant to Regulation S or of an interest in a Security which does not constitute a restricted security, within the meaning of Rule 144 under the Securities Act.

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Security in definitive form may be transferred in whole or in part (in the nominal amounts set out in the applicable Final Terms) by the holder or holders surrendering the Registered Security for registration of the transfer of the Registered Security (or the relevant part of the Registered Security) at the specified office of the Registrar or any Transfer Agent (who will, as soon as practicable, forward such surrendered Registered Security to the Registrar and will give to the Registrar all relevant details to enable it to process the transfer), with the form of transfer thereon duly executed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Registrar duly executed by, the holder or holders thereof or its or their attorney or attorneys duly authorised in writing and upon the Registrar, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar may prescribe, including any restrictions imposed by the Issuer on transfers of Registered Securities originally sold to a U.S. person. In addition, if the Registered Security in definitive form being exchanged or transferred contains a Legend, additional certificates, to the effect that such exchange or transfer is in compliance with the restrictions contained in such Legend, may be required. Subject as provided above, the Registrar will, within 3 business days of receipt by it (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request a new Registered Security in definitive form of a like aggregate nominal amount to the Registered Security (or the relevant part of the Registered Security) transferred. In the case of the transfer of part only of a Registered Security in definitive form, a new Registered Security in definitive form in respect of the balance of the Registered Security not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Registered Security in definitive form to a transferee who takes delivery of such Security through a Registered Global Security will be made no later than 60 days after the receipt by the Registrar of the Registered Security in definitive form to be so exchanged or transferred and only in accordance with the Applicable Procedures, and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions (except for the expenses of delivery by other than regular mail (if any) and, if the Issuer shall so require, for the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto which will be borne by the holder of the Security) will be borne by the Issuer.

**2. Status**

(a) *Status and Subordination of the Capital Securities*

The Capital Securities constitute direct, unsecured, subordinated securities of the Issuer and rank, and will rank, *pari passu* without any preference among themselves.

*Until all Outstanding Parity Instruments have been redeemed and discharged in full*, the claims of the Holders under the Capital Securities are subordinated to the claims of Senior Creditors, rank, whether legally or effectively from a financial point of view, *pari passu* with the claims of holders of Parity Securities (which until then includes the most *senior* class of the Issuer's preference shares outstanding at any relevant time) and creditors under Parity Guarantees, and rank senior to holders of Ordinary Shares and any other Junior Securities and creditors under Junior Guarantees.

*Once all Outstanding Parity Instruments have been redeemed and discharged in full*, the Capital Securities will be subordinated to the claims of Senior Creditors and, effectively from a financial point of view, to holders of Senior Preference Shares (which then includes all classes of the Issuer's preference shares, except for the most *junior* class of the Issuer's preference shares provided for at any relevant time in its Articles of Association, whether or not any such preference shares are outstanding), rank, whether legally or effectively from a financial point of view, *pari passu* with the claims of holders of Parity Securities (which then includes the most *junior* class of the Issuer's preference shares provided for at any relevant time in its Articles of Association, whether or not any such preference shares are outstanding) and creditors under Parity Guarantees, and rank senior to holders of Ordinary Shares and any other Junior Securities and creditors under Junior Guarantees.

(b) (i) *Condition to Payment by the Issuer*: Payments in respect of the Capital Securities are conditional upon no Mandatory Deferral Condition existing at the time of payment by the Issuer and in that no principal or Payments shall be due and payable in respect of the Capital Securities except to the extent that the Issuer could make such payment and still no Mandatory Deferral Condition would occur immediately thereafter.

For the purposes of this Condition 2(b)(i) any reference to a payment by the Issuer in respect of a Capital Security shall be deemed to include a redemption or purchase of such Security by the Issuer.

(ii) *Payments payable in a winding-up*: Amounts in respect of principal or Payments in respect of which the conditions referred to in Condition 2(b)(i) are not satisfied on the date upon which the same would otherwise be due and payable and have since not been paid will (other than Payments which have been mandatorily deferred in accordance with Condition 4(a)) be due and payable by the Issuer in a winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer as provided in Condition 3 ("Winding-Up Claims"). A Winding-Up Claim shall not bear interest. Amounts will also be payable on any redemption as provided in Condition 6(b), 6(c) or 6(d).

(iii) *Set-off*: Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities and each Holder shall, by virtue of being the Holder of any Capital Security, be deemed to have waived all such rights of set-off.

**3. Winding-up**

If at any time an order is made, or an effective resolution is passed, for the winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer (except in any such case a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business (as defined in the Trust Deed), the terms of which reconstruction, amalgamation or substitution (a) have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust

Deed) and (b) do not provide that the Capital Securities shall thereby become payable), there shall be payable (notwithstanding for the avoidance of doubt Condition 2(b)(i)) by the Issuer in respect of each Capital Security (in lieu of any other payment by the Issuer) a winding-up amount consisting of such amount, if any, as if, on and after the day immediately before the winding-up began, such Holder were the holder of shares of (a) *until all Outstanding Parity Instruments have been redeemed and discharged in full*, the most *senior* class of the Issuer's preference shares then outstanding and (b) *once all Outstanding Parity Instruments have been redeemed and discharged in full*, the most *junior* class of the Issuer's preference shares then provided for in its Articles of Association, whether or not any such preference shares are outstanding (as the case may be, the "Notional Preference Shares"), on the assumption that the amount that such Holder was entitled to receive in respect of each Notional Preference Share on a winding-up (*faillissement* or *vereffening na ontbinding*) were an amount equal to the principal amount of the relevant Capital Security and any other Outstanding Payments.

For the avoidance of doubt, on any winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer, Holders are only entitled to receive in respect of each Capital Security, any amount equal to the principal amount of such Capital Security and any other Outstanding Payments.

In a winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer, Holders of the Capital Securities will only have a claim for payment in full or part of principal and Outstanding Payments, if any, to the extent that distributable assets of the Issuer are sufficient to pay in full or part such amount of principal and such Outstanding Payments.

**4. Deferrals**

The Issuer must make each Coupon Payment on the relevant Coupon Payment Date subject to and in accordance with these Terms and Conditions. Without prejudice to the generality of Condition 2, and subject to Condition 4(d), the Issuer must or may, as applicable, defer a Coupon Payment and any other Payment in the following circumstances:

(a) *Mandatory Deferral of Payments*

(i) Subject to Condition 4(d), if, on the 20th Business Day preceding the date on which any Payment (such term does not include principal) would, in the absence of deferral in accordance with this Condition 4, be due and payable, the Mandatory Deferral Condition is met, any such Payment or such part thereof must be deferred by the Issuer giving notice (a "Mandatory Deferral Notice") to the Trustee, the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to such date.

(ii) If any Payment or part thereof is mandatorily deferred pursuant to this Condition 4(a) then no amount will be payable by way of interest on any such deferred Payment or part thereof, prior to the Accruing Coupon Date for the deferred Payment. The "Accruing Coupon Date" for any Payment or part thereof that has been mandatorily deferred as described above will be the next succeeding Coupon Payment Date with respect to which the Issuer determines, on the 20th Business Day preceding such Coupon Payment Date, that no Mandatory Deferral Condition exists. From (and including) the Accruing Coupon Date for any mandatorily deferred Payment or part thereof, that deferred Payment or part thereof will itself bear interest at the applicable Coupon Rate to (but excluding) the date on which that deferred Payment or part thereof and accrued and unpaid interest thereon shall have been paid in full, except that interest shall not accrue on any such deferred Payment or part thereof for any period during which a Mandatory Deferral Condition exists. The Issuer will give notice of the Accruing Coupon Date, if any, with respect to any Payment or part thereof that has been mandatorily deferred as described above to the Trustee, the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Accruing Coupon Date.

(b) *Optional Deferral of Payments*

(i) Subject to Condition 4(d), the Issuer may in respect of any Payment which would, in the absence of deferral in accordance with this Condition 4, be due and payable, defer all or part of such Payment by giving notice (an "Optional Deferral Notice") to the Trustee, the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to the relevant due date.

(ii) If any Payment or part thereof is optionally deferred pursuant to this Condition 4(b) then such deferred Payment or part thereof shall bear interest at the applicable Coupon Rate from (and including) the date on which (but for such optional deferral) the Deferred Coupon Payment would otherwise have been due to be made to (but excluding) the relevant Deferred Coupon Satisfaction Date, except that interest shall not accrue on any such deferred Payment or part thereof for any period during which a Mandatory Deferral Condition exists.

(c) *Satisfaction of deferred Payments*

(i) Without prejudice to the generality of Condition 2 and subject to Condition 4(d) and the conditions described below in this Condition 4(c), the Issuer may (with the approval of the Regulator if that is required) satisfy any mandatorily or optionally deferred Payment or part thereof (together with any accrued and unpaid interest that may be due thereon) on any Business Day the Issuer selects for such payment (the "Deferred Coupon Satisfaction Date") upon delivery of a notice to the Trustee, the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date informing them of its election to so satisfy such Payment or part thereof and specifying the relevant Deferred Coupon Satisfaction Date.

(ii) The Issuer may only satisfy such Payment or part thereof as provided in Condition 4(c)(i) above subject to the condition that it also pays with it the accrued and unpaid interest thereon, and that on the 20th Business Day preceding the relevant Deferred Coupon Satisfaction Date, the Issuer determines that:

(1) it is Solvent;

(2) it would be Solvent following the payment of the deferred Payment or relevant part thereof and any accrued and unpaid interest thereon;

(3) also otherwise no Mandatory Deferral Condition exists or would occur following payment; and

(4) the deferred Payment or relevant part thereof and any accrued and unpaid interest thereon is funded by an issue of Payment Securities.

(d) *Dividend Stopper/Pusher; Mandatory Payments and Mandatory Partial Payments*

The Issuer agrees that if it defers a payment for any reason provided for under these Conditions, while any payment is so deferred, it will not recommend to its shareholders and, to the fullest extent permitted by applicable law, will otherwise act to prevent, any action that would constitute a Mandatory Payment Event or a Mandatory Partial Payment Event.

The Issuer may give a Mandatory or Optional Deferral Notice under Condition 4(a) (*Mandatory Deferral*) or 4(b) (*Optional Deferral*) in its sole discretion, but any such Mandatory or Optional Deferral Notice as to a Payment required to be paid pursuant to (i) or (ii) below shall have no force or effect.

**The Issuer shall not be required to satisfy any deferred Payment or part thereof or accrued and unpaid interest thereon upon a Mandatory Payment Event or a Mandatory Partial Payment Event**.

The Issuer will be required to make the following payments on the Capital Securities in the following circumstances:

(i) If a Mandatory Payment Event occurs, then the Coupon Payments payable on the next number of Coupon Payment Dates as specified in the Final Terms (subject to the next sentence) will be mandatorily due and payable in full on the relevant immediately succeeding consecutive Coupon Payment Dates, notwithstanding that any Mandatory or Optional Deferral Notice has been given by the Issuer as to such Coupon Payments or the occurrence or the continuance of any Mandatory Deferral Condition (other than a Mandatory Deferral Condition that occurs after the occurrence of the relevant Mandatory Payment Event, in which case such Coupon Payments shall not be due and payable). If the Mandatory Payment Event is a payment on a Junior Security or on a Junior Guarantee or on a security benefiting from a Junior Guarantee which in each case is in respect of a semi annual dividend, then the Coupon Payments payable on only the next number of Coupon Payment Dates as specified in the Final Terms will be mandatorily due and payable in full on such immediately succeeding consecutive Coupon Payment Dates, notwithstanding that any Mandatory or Optional Deferral Notice has been given by the Issuer as to such Coupon Payments or the occurrence or the continuance of any Mandatory Deferral Condition (other than a Mandatory Deferral Condition that occurs after the occurrence of the relevant Mandatory Payment Event, in which case such Coupon Payments shall not be due and payable).

(ii) If a Mandatory Partial Payment Event occurs, then, Mandatory Partial Payments will be mandatorily due and payable in respect of each Security, notwithstanding that any Mandatory or Optional Deferral Notice has been given by the Issuer as to the relevant Coupon Payments or the occurrence or the continuance of any Mandatory Deferral Condition (other than a Mandatory Deferral Condition that occurs after the occurrence of the relevant Mandatory Partial Payment Event, in which case such Mandatory Partial Payments shall not be due and payable). Such Mandatory Partial Payments shall be payable on the next number of consecutive Coupon Payment Dates as specified in the Final Terms immediately succeeding after the occurrence of such Mandatory Partial Payment Event, depending on whether the Parity Securities pay dividends or income distributions on an annual basis, a semi annual basis or a quarterly basis, as the case may be.

**5. Coupon Payments**

(a) *Interest on Fixed Rate Securities*

Subject to Conditions 2(b)(i), 4(a) and 4(b), each Fixed Rate Security bears interest on its outstanding nominal amount from the Coupon Commencement Date at the rate per annum (expressed as a percentage) equal to the Coupon Rate, such interest being payable in arrear on each Coupon Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).

(b) *Interest on Floating Rate Securities*

(i) *Coupon Payment Dates*: Subject to Conditions 2(b)(i), 4(a) and 4(b), each Floating Rate Security bears interest on its outstanding nominal amount from the Coupon Commencement Date at the rate per annum (expressed as a percentage) equal to the Coupon Rate, such interest being payable in arrear on each Coupon Payment Date. The amount of interest payable shall be

determined in accordance with Condition 5(f). Such Coupon Payment Date(s) is/are either shown hereon as Specified Coupon Payment Dates or, if no Specified Coupon Payment Date(s) is/are shown hereon, Coupon Payment Date shall mean each date which falls the number of months or other period shown hereon as the Coupon Period after the preceding Coupon Payment Date or, in the case of the first Coupon Payment Date, after the Coupon Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Coupon Rate for Floating Rate Securities:* The Coupon Rate in respect of Floating Rate Securities for each Coupon Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Securities

Where ISDA Determination is specified hereon as the manner in which the Coupon Rate is to be determined, the Coupon Rate for each Coupon Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "ISDA Rate" for a Coupon Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon

(y) the Designated Maturity is a period specified hereon and

(z) the relevant Reset Date is the first day of that Coupon Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Securities

(x) Where Screen Rate Determination is specified hereon as the manner in which the Coupon Rate is to be determined, the Coupon Rate for each Coupon Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Coupon Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Securities is specified hereon as being other than LIBOR or EURIBOR, the Coupon Rate in respect of such Capital Securities will be determined as provided hereon.

(y) if the Relevant Screen Page is not available or, if sub-paragraph (B)(x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (B)(x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Coupon Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Coupon Rate for such Coupon Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Coupon Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Coupon Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the

Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Coupon Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Coupon Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Coupon Rate shall be determined as at the last preceding Coupon Determination Date (though substituting, where a different Margin or Maximum or Minimum Coupon Rate is to be applied to the relevant Coupon Accrual Period from that which applied to the last preceding Coupon Accrual Period, the Margin or Maximum or Minimum Coupon Rate relating to the relevant Coupon Accrual Period, in place of the Margin or Maximum or Minimum Coupon Rate relating to that last preceding Coupon Accrual Period).

(c) *Accrual of interest*

Interest shall cease to accrue on each Capital Security on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Coupon Rate in the manner provided in this Condition 5 and as provided in the Trust Deed.

(d) *Margin, Maximum/Minimum Coupon Rates, Redemption Amounts and Rounding*

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Coupon Accrual Periods), an adjustment shall be made to all Coupon Rates, in the case of (x), or the Coupon Rates for the specified Coupon Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.

(ii) If any Maximum or Minimum Coupon Rate or Redemption Amount is specified hereon, then any Coupon Rate or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

(e) *Calculations*

The amount of interest payable per Calculation Amount in respect of any Capital Security for any Coupon Accrual Period shall be equal to the product of the Coupon Rate, the Calculation Amount specified thereon, and the Day Count Fraction for such Coupon Accrual Period, unless a Coupon Amount (or a formula for its calculation) is applicable to such Coupon Accrual Period, in which case

the amount of interest payable per Calculation Amount in respect of such Capital Security for such Coupon Accrual Period shall equal such Coupon Amount (or be calculated in accordance with such formula). Where any Coupon Period comprises two or more Coupon Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Coupon Period shall be the sum of the Coupon Amounts payable in respect of each of those Coupon Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(f) *Determination and Publication of Coupon Rates, Coupon Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Coupon Amounts in respect of each Specified Denomination of the Capital Securities for the relevant Coupon Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Coupon Rate and the Coupon Amounts for each Coupon Period and the relevant Coupon Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Trustee, the Agent, the Issuer, each of the Paying Agents, the holders of the Capital Securities, any other Calculation Agent appointed in respect of the Capital Securities that is to make a further calculation upon receipt of such information and, if the Capital Securities are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Coupon Period, if determined prior to such time, in the case of notification to such exchange of a Coupon Rate and Coupon Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Coupon Payment Date or Coupon Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Coupon Amounts and the Coupon Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Coupon Period. If the Capital Securities become due and payable under Condition 9, the accrued interest and the Coupon Rate payable in respect of the Capital Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Coupon Rate or the Coupon Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(g) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason (i) determine the Coupon Rate in accordance with these Conditions or (ii) calculate a Coupon Amount in accordance with these Conditions, the Trustee or an agent on its behalf shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee or such agent shall apply the foregoing provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it or such agent can do so, and in all other respects it or such agent shall do so in such manner as it shall deem fair and reasonable in all the circumstances. All determinations or calculations made or obtained for the purposes of the provisions of this Condition 5(g) by or on behalf of the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all Holders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Holders shall attach to the Trustee in

connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(h) *Calculation Agent*

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Capital Security is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Capital Securities, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Coupon Rate for a Coupon Period or Coupon Accrual Period or to calculate any Coupon Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent has agreed that it may not resign its duties without a successor having been appointed as aforesaid.

**6. Redemption, Conversion, Exchange, Alteration of Terms, Purchases and Cancellation**

(a) *No Fixed Redemption Date*

The Capital Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Conditions 2 and 3 and without prejudice to the provisions of Condition 10) only have the right to repay them in accordance with the following provisions of this Condition 6.

(b) *Issuer's Call Option*

Subject to Condition 2(b)(i) and the approval of the Regulator if required, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 14 and to the Agent and the Trustee, which notice shall be irrevocable, elect to redeem all, but not some only, of the Capital Securities on the Coupon Payment Date falling on the date specified as the Optional Redemption Date in the Final Terms and any Coupon Payment Date thereafter at the Optional Redemption Amount specified in the Final Terms together with any Outstanding Payments.

(c) *Redemption, Conversion or Exchange for Taxation Reasons*

If the Issuer satisfies the Trustee immediately prior to the giving of the notice referred to below that, on the next due date for a Coupon Payment:

(i) as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any political subdivision or authority thereof having power to tax, or any change in the application of official interpretation of such laws or regulations, which change or amendment shall have become effective on or after the Issue Date of the relevant Capital Securities, the Issuer would be unable to make such payment without being required to pay additional amounts as provided or referred to in Condition 9 and the Issuer cannot avoid the foregoing in connection with the Capital Securities by taking measures reasonably available to it; or

(ii) payments of amounts in respect of interest on the Capital Securities including, for the avoidance of doubt, the issue of Payment Securities to fund the payment of any such interest, may be treated as "distributions" within the meaning of Section II of the Dividend Withholding

Tax Act 1965 (*Wet op de dividendbelasting 1965*) (or such other Section and/or Act as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and such requirement or circumstance cannot be avoided by the Issuer taking measures reasonably available to it; or

(iii) as a result of any proposed change in or amendment to the laws of the Netherlands or any proposed change in the application of official or generally published interpretation of such laws, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such law or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written confirmation given by a tax authority in respect of the Capital Securities, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by an act (*wet*) or made by subordinate legislation on or after the Issue Date of the relevant Capital Securities, there is more than an insubstantial risk that the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any payment of interest including, for the avoidance of doubt, where the payment of interest is to be satisfied by the proceeds of the issue of Payment Securities, and the Issuer cannot avoid the foregoing in connection with the Capital Securities by taking measures reasonably available to it,

then the Issuer may (subject to Condition 2(b)(i) and the approval of the Regulator if required), having given not less than 30 nor more that 60 days' notice to the Trustee, the Agent and, in accordance with Condition 14, the Holders (which notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Capital Securities at the Early Redemption Amount specified in the Final Terms together with any Outstanding Payments.

In the event of (i) above the Issuer may not send a notice of redemption earlier than 90 days prior to the earliest date on which it would be obliged to pay the additional amounts referred to therein.

Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts, or has lost the right to deduct for corporate income tax purposes payments of interest made on the Capital Securities, or to the effect that payments of amounts in respect of interest on the Capital Securities may be treated as "distributions" as described under (ii) above (as the case may be), as a result of such change or amendment.

In the event of (iii) above, in addition to any right to redeem the Capital Securities, the Issuer will be permitted to convert or exchange the Capital Securities for another series of securities having materially the same terms as the Capital Securities and which are no less favourable to an investor than the Capital Securities.

(d) *Redemption for Regulatory Reasons*

If, at or after the time the Issuer becomes subject to Capital Adequacy Regulations, the Issuer notifies the Trustee immediately prior to the giving of the notice referred to below that the Regulator has determined that securities of the nature of the Capital Securities can no longer qualify as Tier 1 Capital (or instruments of a similar nature which qualify as core capital) for the purposes of such Capital Adequacy Regulations (a "Regulatory Call Event"), then the Issuer may (subject to Condition 2(b)(i) and the approval of the Regulator if required), having given not less than 30 nor more than 60 days' notice to the Trustee, the Agent and, in accordance with Condition 14, the Holders (which

notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at such time or on such date or dates as specified in the Final Terms all, but not some only, of the Capital Securities at the Early Redemption Amount specified in the Final Terms together with any Outstanding Payments.

(e) *Alternation of terms during the existence of a Regulatory Deferral Event*

If and for so long as a Regulatory Deferral Event exists, the terms of the Capital Securities shall be automatically altered so that a Mandatory Payment Event or a Mandatory Partial Payment Event, as applicable, will be deemed to occur only if the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Ordinary Shares) on its Ordinary Shares or other instruments which are classified as equity under IFRS. During the period of this alteration, the Capital Securities will be considered capital securities which, for purposes of IFRS, are classified as equity applying IFRS standards.

(f) *Purchases*

The Issuer may (subject to Condition 2(b)(i) and the approval of the Regulator if required) at any time purchase Capital Securities in any manner and at any price. Capital Securities purchased by the Issuer may be held, reissued, resold or, at the option of the Issuer, be cancelled.

(g) *Cancellation*

Cancellation of any Capital Securities will be effected by decreasing the number of Capital Securities represented by the Global Security by the number of Capital Securities to be cancelled, thereby reducing the principal amount of the Global Security, and such cancelled Capital Securities may not be reissued or resold. The obligations of the Issuer in respect of any such Capital Securities shall be discharged.

**7. Payments**

(a) *Method of Payment*

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained and specified by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Melbourne and if New Zealand dollars, Wellington); and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

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 Securities, Receipts and Coupons*

Payments of principal in respect of definitive Bearer Securities will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Bearer Securities, and payments of interest in respect of definitive Bearer Securities will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United

States of America (including the State and District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal in respect of definitive Bearer Securities (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Security. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Security to which it appertains. Receipts presented without the definitive Bearer Security to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Security becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Securities in definitive bearer form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined below) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter. Upon any such Fixed Rate Security becoming due and repayable, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

As used herein, the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 14.

Upon the date on which any Floating Rate Security in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Bearer Security is not a Coupon Payment Date, interest (if any) accrued in respect of such Security from (and including) the preceding Coupon Payment Date or, as the case may be, the Coupon Commencement Date shall be payable only against surrender of the relevant definitive Bearer Security.

Payments of principal and interest (if any) in respect of Securities represented by any global Bearer Security will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Securities and otherwise in the manner specified in the relevant global Bearer Security (in the case of a global Bearer Security not in New Global Note form, against presentation or surrender, as the case may be, of such global Bearer Security at the specified office of any Paying Agent outside the United States, and in the case of a global Bearer Security in New Global Note form, by payment to or to the order of the common safekeeper for such global Bearer Security). A record of each payment made against presentation or surrender of any such global Bearer Security not in New

Global Note form, distinguishing between any payment of principal and any payment of interest, will be made on such global Bearer Security by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made. If a global Bearer Security is in New Global Note form, the Issuer shall procure that details of each payment of principal and interest (if any) in respect of Securities represented by the NGN shall be entered *pro rata* in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Securities recorded in the records of the relevant clearing system and represented by the global Bearer Security will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

Where the global Bearer Security is a New Global Note, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Securities, as the case may be, shall be entered in the records of the relevant clearing systems and upon any such entry being made, the nominal amount of the Securities represented by such global Bearer Security shall be adjusted accordingly.

The holder of a global Security shall be the only person entitled to receive payments in respect of Securities represented by such global Security and the Issuer will be discharged by payment to, or to the order of, the holder of such global Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, or DTC as the beneficial holder of a particular nominal amount of Securities represented by such global Security must look solely to Euroclear, Clearstream, Luxembourg, or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Security. No person other than the holder of such global Security shall have any claim against the Issuer in respect of any payments due on that global Security.

In the case of Securities held by Euroclear Netherlands, payment of interest or principal or any other payments on or in respect of the Securities to the Holders will be effected through Participants of Euroclear Netherlands. The Issuer shall deposit or cause to be deposited the funds intended for payment on the Securities in an account of Euroclear Netherlands. The Issuer will by such deposit be discharged of its obligations towards the Holders. No person other than the holder of the global Security shall have any claim against the Issuer in respect of any payments due on that global Security. Euroclear Netherlands will be discharged of its obligation to pay by paying the relevant funds to the Euroclear Netherlands Participants which according to Euroclear Netherlands' record hold a share in the *girodepot* with respect to such Securities, the relevant payment to be made in proportion to the share in such *girodepot* held by each of such Euroclear Netherlands Participants. Euroclear Netherlands shall not be obliged to make any payment in excess of funds it actually received as funds free of charges of any kind whatsoever.

All amounts payable to DTC or its nominee as registered holder of a registered global Security in respect of Securities denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of any Transfer Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of Bearer Securities will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Securities in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Subject as set out below, payments of principal in respect of Registered Securities (whether in definitive or global form) will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Securities at the specified office of the Registrar or at the specified office of any Paying Agent. Payments of interest due on a Registered Security and payments of instalments (if any) of principal on a Registered Security, other than the final instalment, will be made to the person in whose name such Security is registered at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the "Record Date")) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the due date. If payment is required by credit or transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

*(c) Payment Day*

Unless otherwise specified in the applicable Final Terms in relation to a Tranche of Securities, if the date for payment of any amount in respect of any Security, Receipt or Coupon 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 further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Final Terms), "Payment Day" means any day which (subject to Condition 10) is:

(i) 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:

(A) the relevant place of presentation;

(B) London;

(C) Amsterdam; and

(D) any Additional Financial Centre specified in the applicable Final Terms;

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London, Amsterdam or any Additional Financial Centre and which if the Specified Currency is Australian dollars shall be Sydney and Melbourne and if New

Zealand dollars Auckland and Wellington) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open; and

(iii) in the case of any payment in respect of a Restricted Global Security denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and, in respect of which an accountholder of DTC (with an interest in such Restricted Global Security) has elected to receive any part of such payment in U.S. dollars, not a day on which banking institutions are authorised or required by law or regulation to be closed in New York City.

Notwithstanding anything else in these Conditions, in the event that a Coupon Payment Date is brought forward under Condition 5 through the operation of a Business Day Convention in circumstances which were not reasonably foreseeable by the Issuer, the relevant Payment Day shall be the first Payment Day after the Coupon Payment Date as so brought forward.

**8. Non-Payment when Due**

*Notwithstanding any of the provisions below in this Condition 8, the right to institute bankruptcy proceedings is limited to circumstances where payment has become due. Pursuant to Condition 2(b)(i) and subject as provided in the next sentence, no principal or Payment will be due by the Issuer if the Issuer is not Solvent or would not be Solvent, or if the Issuer is subject to a Regulatory Deferral Event or would be subject to a Regulatory Deferral Event if payment of such principal or Payment was made, except as provided in Condition 3. Also, in the case of any Payment, such Payment will not be due if the Issuer is required or has elected to defer that Payment pursuant to Condition 4(a) or 4(b). The Trust Deed contains provisions entitling the Trustee to claim from the Issuer, inter alia, the fees, expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The restrictions on commencing proceedings described below will not apply to any such claim.*

(a) If the Issuer shall not make a payment in respect of the Capital Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Capital Securities, and the Trustee may, notwithstanding the provisions of paragraph (b) of this Condition 8, institute proceedings in its own name but on behalf of the Holders in the Netherlands (but not elsewhere) for the bankruptcy (*faillissement*) of the Issuer. Although there is some doubt under Dutch law whether a trustee, such as the Trustee, would be permitted to commence a bankruptcy proceeding in the Netherlands, in all cases any holder of the Capital Securities with a due and payable claim would be permitted to commence such proceedings in accordance with Dutch bankruptcy law.

(b) Subject as provided in this Condition 8, the Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Capital Securities (other than for the payment of any principal or satisfaction of any Payments in respect of the Capital Securities) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(c) The Trustee shall not be bound to take any of the actions referred to in paragraph (a) or (b) above against the Issuer to enforce the terms of the Trust Deed or the Capital Securities unless (i) it shall have been so requested by an Extraordinary Resolution (as defined in the Trust Deed) or in writing by the holders of at least one-fifth in principal amount of the Capital Securities then outstanding and (ii) it shall have been indemnified to its satisfaction.

(d) No Holder shall be entitled to proceed directly against the Issuer or to institute proceedings for the bankruptcy (*faillissement*) of the Issuer or to prove (*indienen ter verificatie*) in such bankruptcy unless the Trustee, having become so bound to proceed or being able to prove in such bankruptcy, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No remedy against the Issuer shall be available to the Trustee or any Holder (i) for the recovery of amounts owing in respect of the Capital Securities, other than the institution of proceedings in the Netherlands (but not elsewhere) for the bankruptcy (*faillissement*) of the Issuer and/or proving (*indienen ter verificatie*) in such bankruptcy (*faillissement*) and (ii) for the breach of any other term under the Trust Deed or the Capital Securities other than as provided in paragraph (b) above.

**9. Taxation**

All payments by the Issuer of principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments, Accrued Coupon Payments and Winding-Up Claims in respect of the Capital Securities will be made without withholding of or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Capital Securities in the absence of such withholding or deduction, except that no such additional amounts shall be payable in relation to any payment with respect to any Security:

(i) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of his having some connection with the Netherlands other than the mere holding of such Security; or

(ii) to, or to a third party on behalf of, a Holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(iii) to, or to a third party on behalf of, a Holder that is a partnership or a Holder that is not the sole beneficial owner of the Security or which holds the Security in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or

(iv) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(v) where such withholding or deduction is required to be made pursuant to the Council Directive of 3 June 2003 on the taxation of savings income in the form of interest payments (2003/48/EC) or any law implementing or complying with, or introduced in order to conform to, this Directive;

(vi) presented for payment in the Netherlands; or

(vii) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by claiming for payment with another Paying Agent in a Member State of the European Union.

References in these Terms and Conditions to principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments and/or Accrued Coupon Payments shall be deemed to include any additional amounts which may become payable pursuant to the foregoing provisions or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

In the event that any payment is satisfied by using the proceeds of an issue of Payment Securities, then any additional amounts which are payable shall also be satisfied through the issue of Payment Securities.

**10. Prescription**

Claims for payment in relation to Capital Securities will become void unless exercised within a period of five years from the due date thereof.

**11. Meetings of Holders, Modification, Waiver and Substitution**

The Trust Deed contains provisions for convening meetings of Holders to consider any matter affecting their interests including the modification by Extraordinary Resolution of any of these Terms and Conditions or any of the provisions of the Capital Securities or the Trust Deed. Any Extraordinary Resolution duly passed shall be binding on all Holders (whether or not they were present at the meeting at which such resolution was passed).

The Trustee may agree, without the consent of the Holders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Holders. Any such modification, authorisation or waiver shall be binding on the Holders and, if the Trustee so requires, such modification shall be notified to the Holders as soon as practicable thereafter in accordance with Condition 14.

As provided in the Trust Deed, the Trustee may agree with the Issuer, without any further consent of the Holders being required, to substitution on a subordinated basis equivalent to that referred to in these Terms and Conditions of any holding company of the Issuer, any subsidiary of such holding company, any Subsidiary, any successor in business of the Issuer or any subsidiary of any successor in business of the Issuer (the "Substituted Issuer") in place of the Issuer (or any previous Substituted Issuer under this Condition 11) as a new issuing party under the Trust Deed and the Capital Securities. In connection with any proposed substitution as aforesaid and in connection with the exercise of its functions, the Trustee shall have regard to the interests of the Holders as a class and the Trustee shall not have regard to the consequences of such substitution for individual Holders (whatever their number) resulting from in particular their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Holders as a class and shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the

Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders except to the extent already provided for in Condition 9 and/or any undertaking given in addition thereto or in substitution therefor under the Trust Deed.

**12. Replacement of the Capital Securities**

If any Security (including a global Security) or Coupon is mutilated, defaced, stolen, destroyed or lost it may be replaced at the specified office of the Paying Agent in Luxembourg, in the case of Bearer Securities, Receipts or Coupons, or the Registrar in New York City, in the case of Registered Securities, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities or Coupons must be surrendered before replacements will be issued.

**13. The Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, without accounting for any profit resulting therefrom.

**14. Notices**

All notices regarding the Bearer Securities shall be published (i) in at least one daily newspaper of wide circulation in The Netherlands, (ii) if specified in the Final Terms, in a leading English language daily newspaper of general circulation in London and (iii) if and for so long as the Bearer Securities 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, in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange (www.bourse.lu). It is expected that such publication will be made in *Het Financieele Dagblad* in The Netherlands and, if notices are to be published in a leading English language daily newspaper of general circulation in London, the *Financial Times*, and either in the *Luxemburger Wort* in Luxembourg or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice will be deemed to have been given on the date of the first publication in all the newspapers and/or on the website in which such publication is required to be made.

All notices to holders of Registered Securities will be valid if mailed to their registered addresses appearing on the register and published, for so long as the Securities 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 a daily newspaper of general circulation in Luxembourg (expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (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.

Until such time as any definitive Securities are issued, there may, so long as the global Security or Securities is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg or DTC, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg or DTC for communication by them to the holders of the Securities and, in addition, for so long as any Securities are listed or admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in the manner required by the rules of that stock exchange (or such other relevant authority). Any such notice delivered on or prior to 4.00 p.m. (local time) on a business day in the city in which it is delivered will be deemed to have been given to the holders of the Notes on such business day. A notice delivered after 4.00 p.m. (local time) on

a business day in the city in which it is delivered will be deemed to have been given to the holders of the Notes on the next following business day in such city.

Notices to be given by any holder of the Securities shall be in writing and given by lodging the same, together with the relative Security or Securities, with the Agent. Whilst any of the Securities are represented by a global Security, such notice may be given by any holder of a Security to the Agent and/or Registrar via Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, in such manner as the Agent and/or Registrar and Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, may approve for this purpose.

**15. Further Issues**

The Issuer is at liberty from time to time, without any further consent of the Holders being required, to create and issue further Capital Securities ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Capital Securities) and so that the same shall be consolidated and form a single series with the outstanding Capital Securities. Any such Capital Securities shall be constituted by a deed supplemental to the Trust Deed.

**16. Agents**

The names of the initial Agent and the other initial Paying Agents, the initial Registrar and the initial Transfer Agents and their initial specified offices are set out below.

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

(i) so long as the Securities are listed on any stock exchange, there will at all times be a Paying Agent and a Transfer 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 any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000;

(vi) there will at all times be a Transfer Agent having a specified office in a place approved by the Agent;

(vii) so long as any of the Registered Global Securities are held through DTC or its nominee, there will at all times be a Transfer Agent with a specified office in New York City; and

(viii) there will at all times be a Registrar with a specified office in New York City and in such place as may be required by the rules and regulations of the relevant stock exchange.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 7(b). 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 Holders in accordance with Condition 14.

The Issuer will procure that there shall at all times be a Calculation Agent and an Agent so long as any Security is outstanding. If either the Calculation Agent or the Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Terms and Conditions or the Agency Agreement, as appropriate, the Issuer shall appoint, on terms acceptable to the Trustee, an independent investment bank acceptable to the Trustee to act as such in its place. The Calculation Agent and the Agent have agreed that neither the termination of the appointment of a Calculation Agent or the Agent nor the resignation of either will be effective without a successor having been appointed.

All calculations and determinations made by the Calculation Agent or the Agent in relation to the Capital Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents and the Holders.

None of the Issuer, the Trustee and the Paying Agents shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

**17. Governing Law and Jurisdiction**

(a) The Trust Deed, these Terms and Conditions and the Capital Securities, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, the laws of the Netherlands.

(b) The Courts of the Netherlands are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the Capital Securities, and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed and the Capital Securities may be brought in such courts.

**18. Definitions**

In these Terms and Conditions:

"Accrued Coupon Payment" means, as at any time, where these Terms and Conditions provide that interest shall continue to accrue after a Coupon Payment Date in respect of a Security, the amount of interest accrued thereon in accordance with Conditions 4(b) and 5;

"Accruing Coupon Date" has the meaning ascribed to it in Condition 4(a);

"Agency Agreement" means the agency agreement dated 19 August 2009 between the Issuer, the Trustee and the Agents relating to the Capital Securities under which each Agent agrees to perform the duties required of it under these Terms and Conditions;

"Agent" means the relevant issuing and principal paying agent appointed pursuant to the Agency Agreement;

"Agents" means the agents appointed pursuant to the Agency Agreement and such term shall, unless the context otherwise requires, include the Agent;

"Articles of Association" means the articles of association (*statuten*) of the Issuer from time to time;

"Assets" means the non-consolidated gross assets of the Issuer as shown by the then latest published audited balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as the directors, the auditors or, as the case may be, the liquidator may determine to be appropriate;

"Business Day" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

(ii) in the case of euro, a day on which the TARGET system is operating (a "TARGET Business Day") and/or

(iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres

"Calculation Agent" means the calculation agent in relation to the Capital Securities, or its successor or successors for the time being appointed under the Agency Agreement;

"Capital Adequacy Regulations" means at any time the regulations, requirements, guidelines, policies, decrees imposing obligations on the Issuer with respect to the maintenance of minimum levels of solvency margins and/or capital adequacy ratios and/or comparable margins or ratios, as well as regarding the supervision thereof by any Regulator;

"Capital Securities" or "Securities" means the Capital Securities specified in the relevant Final Terms and such expression shall include, unless the context otherwise requires, any further Capital Securities issued pursuant to Condition 15 and forming a single series with the Capital Securities;

"Clearstream" means Clearstream Banking, *société anonyme*;

"Condition" means any of the numbered paragraphs of these Terms and Conditions of the Capital Securities;

"Coupon Accrual Period" means the period beginning on (and including) the Coupon Commencement Date and ending on (but excluding) the first Coupon Period Date and each successive period beginning on (and including) a Coupon Period Date and ending on (but excluding) the next succeeding Coupon Period Date;

"Coupon Amount" means (i) in respect of a Coupon Payment, the amount of interest payable per Calculation Period on a Capital Security for the relevant Coupon Period in accordance with Condition 5 and (ii) for the purposes of Conditions 6(c) and 6(d) any interest accrued per Calculation Amount from (and including) the preceding Coupon Payment Date (or, if none, the Issue Date) to (but excluding) the due date for redemption if not a Coupon Payment Date as provided for in Condition 5(a); the term "Coupon Amount" also includes floating Coupon Amounts;

"Coupon Commencement Date" means the Issue Date or such other date as may be specified hereon;

"Coupon Determination Date" means, with respect to a Coupon Rate and Coupon Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Coupon Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Coupon Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Coupon Accrual Period if the Specified Currency is euro;

"Coupon Payment" means, in respect of a Coupon Payment Date, the aggregate Coupon Amounts for the Coupon Period ending on such Coupon Payment Date;

"Coupon Payment Date" means the date(s) specified as such in the Final Terms, provided that if any Coupon Payment Date would otherwise fall on a day which is not a Business Day it shall, unless specified otherwise in the Final Terms, be postponed to the next Business Day unless it would then fall into the next calendar

month in which event the Coupon Payment Date shall be brought forward to the immediately preceding Business Day;

"Coupon Period" means the period beginning on (and including) the Coupon Commencement Date and ending on (but excluding) the first Coupon Payment Date and each successive period beginning on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date;

"Coupon Period Date" means each Coupon Payment Date unless otherwise specified hereon;

"Coupon Rate" means the rate of interest payable from time to time in respect of this Capital Security and that is either specified or calculated in accordance with the provisions hereon;

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Capital Security for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Coupon Period or Coupon Accrual Period, the "Calculation Period"):

(i) if "Actual/Actual" or "Actual/Actual - ISDA" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

(ii) if "Actual/365 (Fixed)" is specified hereon, the actual number of days in the Calculation Period divided by 365

(iii) if "Actual/360" is specified hereon, the actual number of days in the Calculation Period divided by 360

(iv) if "30/360", "360/360" or "Bond Basis" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$M_2$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case $D_1$ will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and $D_1$ is greater than 29, in which case $D_2$ will be 30

(v) if "30E/360" or "Eurobond Basis" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$M_2$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case $D_2$ will be 30

(vi) if "30E/360 (ISDA)" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$M_2$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case $D_1$ will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case $D_2$ will be 30

(vii) if "Actual/Actual ICMA" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date and

"Determination Date" means the date specified as such hereon or, if none is so specified, the Coupon Payment Date

"Deferred Coupon Payment" means (i) any Payment, or part thereof, which has been deferred in accordance with Condition 4(a) (*Mandatory Deferral of Payments*) and has not been subsequently been either (x) satisfied or (y) deferred in accordance with Condition 4(b) (*Optional Deferral of Payments*); or (ii) any Payment, or part thereof, which pursuant to Condition 4(b) the Issuer has elected to defer and which has not been satisfied;

"Deferred Coupon Satisfaction Date" has the meaning ascribed to it in Condition 4(c);

"Deferral Notice" means a Mandatory Deferral Notice or an Optional Deferral Notice;

"Euroclear" means Euroclear Bank S.A./N.V.;

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

"Holder" has the meaning ascribed to it in Condition 1;

"IFRS" means International Financial Reporting Standards;

"Interest" shall, where appropriate, include Coupon Amounts, Deferred Coupon Payments and Accrued Coupon Payments;

"ISDA Definitions" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon;

"Issue Date" means the date of initial issue of the Capital Securities as specified in the Final Terms;

"Issuer" means ING Groep N.V.;

"Junior Guarantee" means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or Undertaking and ranking after the Capital Securities as regards distributions or a return of assets on a winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer or in respect of distributions or payments of dividends or any other amounts thereunder by the Issuer;

"Junior Securities" means the Ordinary Shares of the Issuer and any other securities or instruments which rank after the Capital Securities as regards distributions or a return of assets on a winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer or in respect of distributions or payments of dividends or any other amounts thereunder by the Issuer;

"Liabilities" means the non-consolidated gross liabilities of the Issuer as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events and to such extent as the directors, the auditors or, as the case may be, the liquidator may determine;

the "Mandatory Deferral Condition" will be met if:

(i) the Issuer determines that it is not Solvent, or will not be Solvent on the relevant date following payment of the relevant Payment;

(ii) a Prudential Supervision Deferral Event has occurred and continues to exist, or would occur on the relevant date following payment of the relevant Payment; or

(iii) a Regulatory Deferral Event has occurred and continues to exist, or would occur on the relevant date following payment of the relevant Payment; or

(iv) the Regulator has requested or required the Issuer not to make any payments on the Capital Securities or not to make the relevant payment on the relevant payment date for the Capital Securities;

"Mandatory Deferral Notice" has the meaning ascribed to it in Condition 4(a);

"Mandatory Partial Payment" payable on any Coupon Payment Date means a payment in respect of each Security in an amount that results in payment of a proportion of a full Coupon Payment on the Security on such Coupon Payment Date equal to the proportion of a full dividend on the relevant Parity Securities and/or payment on the relevant Parity Guarantee paid on the dividend or payment date in respect of the relevant Parity Securities and/or Parity Guarantee immediately preceding such Coupon Payment Date;

A "Mandatory Partial Payment Event" shall occur if any of the following occurs:

(i) the Issuer declares, pays or distributes a dividend or makes a payment on any of its Parity Securities or makes any payment on a Parity Guarantee; or

(ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Parity Guarantee or makes a payment on any security issued by it benefiting from a Parity Guarantee;

A "Mandatory Payment Event" shall occur if any of the following occurs:

(i) the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Ordinary Shares) on any of its Junior Securities or makes any payment on a Junior Guarantee;

(ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Junior Guarantee or makes a payment (other than a dividend in the form of Ordinary Shares) on any security issued by it benefiting from a Junior Guarantee; or

(iii) the Issuer or any Subsidiary or Undertaking redeems, purchases or otherwise acquires any of the Issuer's Junior Securities, any Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee (other than (1) by conversion into or in exchange for Ordinary Shares, (2) in connection with transactions effected by or for the account of customers of the Issuer or any Subsidiary or in connection with the distribution, trading or market making in respect of those securities, (3) in connection with the satisfaction by the Issuer or any Subsidiary of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (4) as a result of a reclassification of the Issuer or any Subsidiary or the exchange or conversion of one class or series of capital stock for another class or series of capital stock, or (5) the purchase of fractional interests in shares of the capital stock of the Issuer or any Subsidiary pursuant to the conversion or exchange provisions of that capital stock or the

security being converted or exchanged) for any consideration, or any moneys are paid to or made available for a sinking fund or for redemption of any Junior Securities, Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee;

"Notional Preference Shares" has the meaning ascribed to it in Condition 3;

"Optional Deferral Notice" has the meaning ascribed to it in Condition 4(b);

"Ordinary Shares" means the ordinary shares of the Issuer or depositary receipts, if any, issued in respect of such ordinary shares, as the context may require;

"Outstanding Parity Instruments" means the Issuer's 7.05% ING Perpetual Debt Securities issued on July 18, 2002, 7.20% ING Perpetual Debt Securities issued on December 6, 2002, Variable Rate ING Perpetual Securities issued on June 20, 2003, 6.20% ING Perpetual Debt Securities issued on October 17, 2003, Variable Rate ING Perpetual Securities issued on June 14, 2004, 4.176% ING Perpetual Debt Securities issued on June 7, 2005, 6.125% ING Perpetual Debt Securities issued on September 26, 2005, 5.775% Fixed/Floating ING Perpetual Debt Securities issued on December 8, 2005, 5.140% ING Perpetual Securities issued March 15, 2006 and the Issuer's guarantee of the 8.439% Non-cumulative Guaranteed Trust Preferred Securities issued by ING Capital Funding Trust III on December 15, 2000.

"Outstanding Payment" means:

(i) in relation to any Coupon Payment, Deferred Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment, that such payment or amount (a) has either become due and payable or would have become due and payable except for the non-satisfaction on the relevant date of the conditions referred to in Condition 2(b)(i) or the deferral, postponement or suspension of such payment in accordance with any of Conditions 4(a) or 4(b), and (b) in any such case has not been satisfied; and

(ii) in relation to any Accrued Coupon Payment, any amount thereof which has not been satisfied whether or not payment has become due;

provided that in a winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer, holders of the Capital Securities will be deemed to have waived the right to receive any Payment or part thereof that shall have been mandatorily deferred in accordance with these Conditions and any accrued and unpaid interest thereon, and the Issuer shall have no obligation at any time, whether before or on its winding-up (*faillissement* or *vereffening na ontbinding*), to pay such deferred Payment or part thereof or any accrued and unpaid interest thereon;

"Parity Guarantee" means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or an Undertaking which ranks *pari passu* with the Capital Securities as regards distributions or a return of assets on a winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer or in respect of distributions or payments of dividends or any other amounts thereunder by the Issuer, and includes the Issuer's guarantee of the 8.439% Noncumulative Guaranteed Trust Preferred Securities issued by ING Capital Funding Trust III on December 15, 2000;

"Parity Securities" means, in respect of the Issuer, (a) *until the Outstanding Parity Instruments have been redeemed and discharged in full*, (i) the Outstanding Parity Instruments other than the Issuer's guarantee of the 8.439% Noncumulative Guaranteed Trust Preferred Securities issued by ING Capital Funding Trust III on December 15, 2000, (ii) the most *senior* class of the Issuer's preference shares outstanding at any relevant time and any security effectively ranking *pari passu* with those most senior-ranking outstanding preference

shares and (iii) any other securities (regardless of name or designation) of the Issuer which, whether legally or effectively from a financial point of view, rank *pari passu* with the Capital Securities as regards distributions or a return of assets on a winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer or in respect of distributions or payments of dividends or any other amounts thereunder by the Issuer, and (b) *once the Outstanding Parity Instruments have been redeemed and discharged in full*, (i) the most *junior* class of the Issuer's preference shares provided for at any relevant time in its Articles of Association, whether or not any such preference shares are outstanding, and (ii) any other securities (regardless of name or designation) of the Issuer which, whether legally or effectively from a financial point of view, rank *pari passu* with the Capital Securities as regards distributions or a return of assets on a winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer or in respect of distributions or payments of dividends or any other amounts thereunder by the Issuer;

"Paying Agents" means the paying agents appointed pursuant to the Agency Agreement and such term shall, unless the context otherwise requires, include the Agent;

"Payment" means any Coupon Payment, Deferred Coupon Payment, Accrued Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment;

"Payment Securities" means Parity Securities and Junior Securities or any combination thereof which, in each case, are eligible as Tier 1 capital under the Capital Adequacy Regulations as applied and enforced by the Regulator;

"Preference Shares" means preference shares in the capital of the Issuer;

"Prudential Supervision Deferral Event" means that the Issuer has determined that its capital adequacy ratio is or would be, after making any Payment on the Capital Securities or accrued and unpaid interest thereon, less than the minimum capital adequacy required by the Regulation on prudential supervision of financial groups (*Besluit prudentieel toezicht financiële groepen Wft*, which determines that the Issuer is required to have an amount of capital, reserves and subordinated loans which are at least equal to the sum of the required capital for the banking activities and the required capital for the insurance activities);

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon;

"Reference Rate" means the rate specified as such hereon;

"Regulator" means the Dutch Central Bank (*De Nederlandsche Bank*) or its successor as primary regulator with respect to the Issuer;

"Regulatory Call Event" has the meaning ascribed to it in Condition 6(d);

"Regulatory Deferral Event" means that the Issuer shall have become subject to Capital Adequacy Regulations and the Issuer shall have been notified by the Regulator that the Issuer's capital adequacy ratio under the Capital Adequacy Regulations is, or as a result of a Payment on the Capital Securities or accrued and unpaid interest thereon would become, less than the relevant minimum requirements as to be applied and enforced by the Regulator pursuant to the Capital Adequacy Regulations;

"Relevant Date" means (i) in respect of any payment other than a Winding-Up Claim, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Agent or the Trustee on or prior to such date, the "Relevant Date" means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders

in accordance with Condition 14, and (ii) in respect of a Winding-Up Claim, the date which is one day prior to the commencement of the winding-up (*faillissement* or *vereffening na ontbinding*);

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified hereon;

"Senior Creditors" means present and future creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer but not further or otherwise, or (c) who are subordinated creditors of the Issuer other than those whose claims are, or are expressed to rank [(whether only in the event of the winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer or otherwise)], *pari passu* with, or junior to, the claims of the Holders (which subordinated creditors do not include, for the avoidance of doubt, holders of Parity Securities and creditors under Parity Guarantees, with which the Holders rank *pari passu*, and holders of Junior Securities and creditors under Junior Guarantees, which rank after the Holders);

"Senior Preference Shares" means, *once all Outstanding Parity Instruments have been redeemed and discharged in full*, any of the Issuer's preference shares, except for the most *junior* class of the Issuer's preference shares provided for at any time in its Articles of Association, whether or not any such preference shares are outstanding;

"Solvent" means that the Issuer is (a) able to pay its debts to Senior Creditors as they fall due and (b) its Assets exceed its Liabilities (other than its Liabilities to persons who are not Senior Creditors);

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Capital Securities are denominated;

"Subsidiary" means a subsidiary of the Issuer within the meaning of Section 2:24a of the Dutch Civil Code;

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

"Trust Deed" means the trust deed dated 19 August 2009 between the Issuer and the Trustee;

"Trustee" means Amsterdamsch Trustee's Kantoor B.V. or any successor trustee;

"Undertaking" means a body corporate, partnership, limited partnership, cooperative or an incorporated association carrying on a trade or business with or without a view to profit in which the Issuer has a direct or indirect financial, commercial or contractual majority interest; and

"Winding-Up Claim" has the meaning ascribed to it in Condition 2(b)(ii).

## FORM OF FINAL TERMS OF THE CAPITAL SECURITIES

*The form of Final Terms of the Capital Securities that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:*

### Final Terms dated [DATE]

**ING Groep N.V.**
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Capital Securities]**
**under the €45,000,000,000 Programme for the Issuance of Debt Instruments**

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Capital Securities. Accordingly any person making or intending to make an offer of the Capital Securities may only do so in:

(i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in those Public Offer Jurisdictions mentioned in Paragraph 27 of Part A below, provided such person is one of the persons mentioned in Paragraph 27 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Capital Securities in any other circumstances] [1]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Capital Securities in any Member State of the EEA which has implemented the Prospectus Directive (2003/71/EC) (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances] [2]

#### Part A — Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Capital Securities (the "Conditions") set forth in the Base Prospectus dated 23 February 2010 [and the supplemental Prospectus dated [*date*] (together, the "Prospectus")] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive").

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[1] Include this legend where a non-exempt offer of Notes is anticipated.

[2] Include this legend where only an exempt offer of Notes is anticipated.

This document constitutes the Final Terms of the ING Perpetual Hybrid Capital Securities (hereafter referred to as the "Capital Securities") described herein for the purposes of Article 5.4 of the Prospectus Directive (as implemented by the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and its implementing regulations) and must be read in conjunction with such [Base] Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the [Base] Prospectus. The [Base] Prospectus is available for viewing at ING Groep N.V., Amstelveenseweg 500, 1081 KL Amsterdam, The Netherlands and www.ing.com and copies may be obtained from such address.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Capital Securities (the "Conditions") set forth in the Base Prospectus dated [*original date*] [and the supplemental Prospectus dated [*date*]]. This document constitutes the Final Terms of the Capital Securities described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"; as implemented by the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and its implementing regulations) and must be read in conjunction with the Prospectus dated [*current date*] [and the supplemental Prospectus dated [*date*]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [*original date*] [and the supplemental Prospectus dated [*date*]] and are attached hereto. Full information on the Issuer and the offer of the Capital Securities is only available on the basis of the combination of these Final Terms and the Base Prospectuses (or, in the case of the Base Prospectus dated [*original date*], the Conditions set forth therein) dated [*original date*] and [*current date*] [and the supplemental Prospectuses dated [*date*] and [*date*]]. The Base Prospectuses (or, in the case of the Base Prospectus dated [*original date*], the Conditions set forth therein) [and the supplemental Prospectuses] are available for viewing at ING Groep N.V., Amstelveenseweg 500, 1081 KL Amsterdam, The Netherlands and www.ing.com and copies may be obtained from such address.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Security that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive ((as implemented by the Dutch Financial Supervision Act (Wet op het financieel toezicht) and its implementing regulations).)*

| | | |
|---|---|---|
| 1 | Issuer: | ING Groep N.V. |
| 2 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | (If fungible with an existing Series, details of that Series, including the date on which the Capital Securities become fungible). | |
| 3 | Specified Currency or Currencies: | [●] |
| 4 | Aggregate Nominal Amount: | [●] |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |

| | | |
|---|---|---|
| 5 | Issue Price: | [●] per cent of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)] |
| 6 | (i) Specified Denominations: | [●]<br>*[Where multiple denominations above €50,000 (or equivalent) are being used the following sample wording should be followed: [€50,000] and integral multiples of [€1,000] in excess thereof [up to and including [€99,000]. No Securities in definitive form will be issued with a denomination above [€99,000]]*.]*<br>**[Delete if Securities being issued in registered form.]* |
| | (ii) Calculation Amount: | [●]<br>[*If only one Specified Denomination, state that amount. If more than one Specified Denomination, insert the highest common factor]* |
| 7 | (i) Issue Date: | [●] |
| | (ii) Coupon Commencement Date: | [●] |
| 8 | Maturity Date: | Not Applicable (Perpetual) |
| 9 | Interest /Coupon Basis: | [[●] % Fixed Rate]<br>[[*specify reference rate*] +/– [●] % Floating Rate]<br>[Other (*specify*)]<br>(further particulars specified below) |
| 10 | Redemption/Payment Basis: | [Redemption at par]<br>[Other (*specify*)] |
| 11 | Change of Interest or Redemption/Payment Basis: | [*Specify details of any provision for convertibility of Capital Securities into another interest or redemption/payment basis*] |
| 12 | Call Option: | [Issuer Call]<br>[(further particulars specified below)] |
| 13 | [[Date [Executive/Supervisory Board] approval for issuance of Capital Securities: | [●] [and [●], respectively]]<br>*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Capital Securities)* |
| 14 | Method of distribution: | [Syndicated/Non-syndicated] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | |
|---|---|---|
| 15 | **Fixed Rate Security Provisions** | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) Coupon Rate(s): | [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear] |
| | (ii) Coupon Payment Date(s): | [[●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]<br>*(NB: This will need to be amended in the case of long or short coupons)* |

| | | |
|---|---|---|
| (iii) | Fixed Coupon Amount(s): | [●] per Calculation Amount |
| (iv) | Broken Amount(s): | [●] per Calculation Amount, payable on the Coupon Payment Date falling [in/on] [●] |
| (v) | Day Count Fraction: | [30/360 / Actual/Actual (ICMA/ISDA) / other] |
| (vi) | [Determination Dates: | [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)] |
| (vii) | Other terms relating to the method of calculating interest for Fixed Rate Securities: | [Not Applicable/*give details*] |
| 16 | **Floating Rate Security Provisions** | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Coupon Period(s): | [●] |
| (ii) | Specified Coupon Payment Dates: | [●] |
| (iii) | First Coupon Payment Date: | [●] |
| (iv) | Coupon Period Date: | [●]<br>(Not applicable unless different from Coupon Payment Date) |
| (v) | Business Day Convention: | [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)] |
| (vi) | Business Centre(s): | [●] |
| (vii) | Manner in which the Coupon Rate(s) is/are to be determined: | [Screen Rate Determination/ISDA Determination/other (*give details)*] |
| (viii) | Party responsible for calculating the Coupon Rate(s) and Coupon Amount(s) (if not the Agent): | [●] |
| (ix) | Screen Rate Determination: | |
| | – Reference Rate: | [●] |
| | – Coupon Determination Date(s): | [●] |
| | – Relevant Screen Page: | [●] |
| (x) | ISDA Determination: | |
| | – Floating Rate Option: | [●] |
| | – Designated Maturity: | [●] |

| | | |
|---|---|---|
| | – Reset Date: | [●] |
| (xi) | Margin(s): | [+/-][ ] per cent per annum |
| (xii) | Minimum Coupon Rate: | [●] per cent per annum |
| (xiii) | Maximum Coupon Rate: | [●] per cent per annum |
| (xiv) | Day Count Fraction: | [●] |
| (xv) | Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions: | [●] |
| 17 | **Number of Coupon Payment Dates as meant in Conditions 4(a) and 4(b)(i)** | [●] |

**PROVISIONS RELATING TO REDEMPTION**

| | | |
|---|---|---|
| 18 | **Issuer Call Option** | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| (i) | Optional Redemption Date(s): | [●] |
| (ii) | Optional Redemption Amount(s) of each Capital Security and method, if any, of calculation of such amount(s): | [●] per Calculation Amount<br><br>[details of any make whole premium (additional amounts)] |
| (iii) | Notice period (if other than as set out in the Conditions): | [●] |
| 19 | **Early Redemption Amount** | |
| | Early Redemption Amount(s) of each Capital Security per Calculation Amount payable on redemption for taxation or regulatory reasons or on other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): | [●]<br>*(if applicable, distinguish between Tax and Regulatory)*<br><br>[details of any make whole premium (additional amounts)] |

**GENERAL PROVISIONS APPLICABLE TO THE CAPITAL SECURITIES**

| | | |
|---|---|---|
| 20 | Form of Capital Securities: | [Bearer Securities:<br><br>Temporary Global Security exchangeable for a Permanent Global Security which is exchangeable for Definitive Securities [on 60 days' notice given at any time/only on the occurrence of an Exchange Event] |

v

| | | |
|---|---|---|
| | | [Temporary Global Security exchangeable for Definitive Securities (Bearer Securities only) on and after the Exchange Date]<br><br>[Permanent Global Security exchangeable for Definitive Securities (Bearer Securities only) on 60 days' notice given at any time/only on the occurrence of an Exchange Event]<br><br>[Registered Securities: Reg. S Global Security (U.S.$[●] nominal amount)/Rule 144A Global Security (U.S.$[●] nominal amount) (Restricted Securities)]<br><br>*Ensure that this is consistent with the wording in the "Form of the Instruments" section in the Prospectus and in the Securities themselves.*<br><br>*N.B. The exchange upon notice or at any time should not be expressed to be applicable if the Specified Denomination of the Securities in item 6 includes language substantially to the following effect: [€50,000] and integral multiples of [€1,000] in excess thereof [up to and including [€99,000]. Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Securities which is to be represented on issue by a Temporary Global Security exchangeable for Definitive Securities.* |
| 21 | Financial Centre(s) or other special provisions relating to payment dates: | [Not Applicable/*give details. Security that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraph 16 (vi) relates*] |
| 22 | (a) For the purposes of Condition 14, notices to be published in the Financial Times (generally yes, but not for domestic issues): | [Yes/No] |
| | (b) Other final terms: | [Not Applicable/*give details*]<br><br>*(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)* |

**DISTRIBUTION**

| | | |
|---|---|---|
| 23 | (i) If syndicated, names and addresses of Managers and underwriting commitments: | [Not Applicable/*give names, addresses and underwriting commitments*]<br><br>*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.) (Where not all of the issue is underwritten, indicate the portion not covered)* |
| | (ii) Date of [Subscription] | [●] |

| | | |
|---|---|---|
| | Agreement: | |
| | (iii) Stabilising Manager(s) (if any): | [Not Applicable/*give name*] |
| 24 | If non-syndicated, name and address of Dealer: | [*give name [and address]*] [Not Applicable. The Notes are not being underwritten by any Dealer(s). *(i.e. if Notes are to be directly sold by the Issuer)* ] *(Where not all of the issue is underwritten, indicate the portion not covered)* |
| 25 | Total commission and concession: | [●] per cent. of the Aggregate Nominal Amount |
| 26 | U.S. Selling Restrictions: | [Reg. S Compliance Category; TEFRA C/TEFRA D/TEFRA not applicable] |
| 27 | Non-exempt Offer | [Not Applicable] [An offer of the Capital Securities may be made by the Managers [and [*specify names [and addresses] of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known*]] (together with the Managers, the Financial Intermediaries)]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify Relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported passported (in addition to the jurisdiction where approved and published)*] (Public Offer Jurisdictions) during the period from [*specify date*] until [*specify date*] (Offer Period). See further Paragraph 8 of Part B below. |
| 28 | Additional selling restrictions: | [Not Applicable/*give details*]<br>[Include the following text for Notes offered to the public in Switzerland: **Switzerland**: The Notes do not represent units in investment funds. Accordingly, they have not been registered with the Swiss Federal Banking Commission (the "FBC") as foreign investment funds, and are not subject to the supervision of the FBC. Investors cannot invoke the protection conferred under the Swiss legislation applicable to investment funds.]<br>[Include the following text for Notes not offered to the public but privately placed in Switzerland: **Switzerland**: The Notes may not be offered or distributed in or from Switzerland on the basis of a public solicitation, as such term is defined under the current practice of the Swiss Federal Banking Commission, and neither this document nor any other offering material relating to the Notes may be offered or distributed in connection with any such offering or distribution.] |

**[PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [Euronext Amsterdam/Luxembourg Stock Exchange/*specify relevant regulated market and, if relevant, admission to an official list*] of the Capital Securities described

herein] pursuant to the €45,000,000,000 Programme for the Issuance of Debt Instruments of ING Groep N.V., ING Bank N.V. and ING Verzekeringen N.V.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. [[*Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of ING Groep N.V.:

By: .....

Duly authorised

## Part B — Other Information

### 1 LISTING

[Application has been made by the Issuer (or on its behalf) for the Capital Securities to be admitted to trading on [Euronext Amsterdam/the Luxembourg Stock Exchange/other] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Capital Securities to be admitted to trading on [Euronext Amsterdam/the Luxembourg Stock Exchange/other] with effect from [●].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original Capital Securities are already admitted to trading.)*

### 2 [RATINGS

Ratings: [The Capital Securities to be issued will not be rated]

[The Capital Securities to be issued have been rated:

[S & P: [●]]
[Moody's: [●]]
[Fitch: [●]]
[[Other]: [●]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

(*The above disclosure should reflect the rating allocated to Capital Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)]

### 3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save for any fees payable to Dealers or Managers, so far as the Issuer is aware, no person involved in the offer of the Capital Securities has an interest material to the offer."]

*(If there are any material/conflicting interests, for example for dealers or distributors, then describe those in this section)*

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

[(i) Reasons for the offer: [●]

(S*ee ["Use of Proceeds"] wording in Prospectus – if reasons for*

*offer different from making profit and/or hedging certain risks will need to include those reasons here.*)]

[(ii)] Estimated net proceeds: [●]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)

[(iii)] Estimated total expenses: [●] *[Include breakdown of expenses.]*

*(If the Capital Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

## 5 [*Fixed Rate Securities Only* – YIELD

Indication of yield: [●]

Calculated as [*include details of method of calculation in summary form*] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

## 6 [*Floating Rate Securities only* - HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

## 7 OPERATIONAL INFORMATION

| | |
|---|---|
| (i) ISIN Code: | [●] |
| (i) Common Code: | [●] |
| (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable/Euroclear Netherlands/*give name(s) and number(s)[ and address(es)]*] |
| (iv) Delivery: | Delivery [against/free of] payment |
| (v) Names and addresses of initial Paying Agent(s): | [●] |
| (vi) Names and addresses of additional Paying Agent(s) (if any): | [●] |

## 8 TERMS AND CONDITIONS OF THE OFFER

| | | |
|---|---|---|
| (i) | Offer Price: | [Issue Price][*specify*] * |
| (ii) | Conditions to which the offer is subject: | [Not Applicable/*give details*] |
| (iii) | Description of the application process: | [Not Applicable/*give details*]<br>*[If applicable, use the following text amended/ completed as appropriate: The subscription period for the Capital Securities is from and including [●] ([●] CET) to and including [●] ([●] CET). The Issuer reserves the right to close the subscription period earlier.*<br>*Investors may subscribe for the Capital Securities through [●] or [●]. Investors may not be allocated all of the Capital Securities for which they apply. The offering may, at the discretion of the Issuer, be cancelled at any time pior to the Issue Date.)]*<br>*(If relevant give time period during which the offer will be open and description of the application process.)* |
| iv) | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [Not Applicable/*give detail*]<br>*(if relevant need to give a description of the possibility of reducing subscriptions and the manner for refunding excess amounts paid by applicants)* |
| (v) | Details of the minimum and/or maximum amount of application: | [Not Applicable/*give details*]<br>*(if relevant need to give details of the minimum and/or maximum amount of application permitted) [can be given either in number of Capital Securities or aggregate amount to invest]* |
| (vi) | Details of the method and time limits for paying up and delivering the Capital Securities: | [Not Applicable/*give details*] |
| (vii) | Manner in and date on which results of the offer are to be made public: | [Not Applicable/*give details*] * |
| (viii) | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable/*give details*] |
| (ix) | Categories of potential investors to which the Capital Securities are offered and whether tranche(s) have been reserved for certain countries: | [Not Applicable/*give details*]<br>*(If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been reserved for certain of these, indicate such tranche)* |

| | | |
|---|---|---|
| (x) | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | [Not Applicable/*give details*] |
| (xi) | Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | [Not Applicable/*give details*]<br>[*Indicate the amount of any expenses and taxes specifically charged to the subscribers or purchasers*] |
| (xii) | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. | [None/*give details*] |

* If issue price not yet determined at start of offer, but to be determined on basis of e.g. bookbuilding process, include method or basis for determining issue price and process for disclosure to investors under items (i) and (vii).

**9 [NOTIFICATION**

The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) has provided each of the Financial Market Authority (FMA) in Austria, *Commission bancaire, financière et des assurances (CBFA)* in Belgium, *Autorité des marchés financiers (AMF)* in France, *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)* in Germany, *Epitroph Kefalaiagoras* in Greece, Irish Financial Services Regulatory Authority in Ireland, *Commissione Nazionale per le Società e la Borsa (CONSOB)* in Italy, *Commission de surveillance du secteur financier (CSSF)* in Luxembourg, *Comissão do Mercado de Valores Mobiliários (CMVM)* in Portugal, *Comisión Nacional del Mercado de Valores (CNMV)* in Spain and Financial Services Authority (FSA) in the United Kingdom with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

Notwithstanding the foregoing, no offer of Notes to the public may be made in any Relevant Member State, which requires the Issuer to undertake any action in addition to the filing of the Final Terms with the Netherlands Authority for the Financial Markets unless and until the Issuer advises such action has been taken.]

## USE OF PROCEEDS

Unless specified otherwise in the applicable Final Terms, the net proceeds from each issue of Instruments will be applied by the relevant Issuer for its general corporate purposes. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

# TAXATION

*The information in this section does not address the tax concequences in connection with the purchase of the Instruments in any other jurisdiction than the jurisdictions mentioned below. Any prospective purchaser of Instruments should consult his or her own tax advisor regarding the tax consequences of acquiring, holding, redeeming and/or disposing of Instruments.*

## DUTCH TAXATION

### General

This section provides a general summary of the material Netherlands tax issues and consequences of acquiring, holding, redeeming and/or disposing of the Instruments. This summary provides general information only and is restricted to the matters of Netherlands taxation stated therein. The information given below is neither intended as tax advice nor purports to describe all of the tax considerations that may be relevant to a prospective purchaser of the Instruments.

The prospective purchaser should consult his or her own tax advisor regarding Dutch tax consequences of acquiring, holding, redeeming and/or disposing of the Instruments.

This summary is based on the tax legislation, published case law, and other regulations in the Netherlands in force as at 19 August 2009, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

We assume that the holders of the Instruments do not hold a substantial interest in the Issuer. Generally speaking, an interest in the share capital of the Issuer should not be considered a substantial interest if the holder of such interest, and, if the holder is a natural person, his or her spouse,( registered) partner, certain other relatives or certain persons sharing the holder's household, alone or together does or do not hold, whether directly or indirectly via the Issuer, the ownership of, or certain rights over, shares or rights resembling shares representing five percent or more of the total issued and outstanding capital, or the issued and outstanding capital of any class of shares, of the Issuer. Furthermore, we assume that the Instruments and income received or capital gains derived therefrom are not attributable to employment activities of the holder of the Instruments.

This summary does not address the Dutch tax consequences for individual holders of an Instrument, in case the Instrument, and income received or capital gains derived there from, are attributable to employment activities of the Holder.

This summary does not address the Dutch tax consequences for Holders of an Instrument that are subject to special tax rules, including (but not limited to) dealers in securities, financial institutions, fiscal investment institutions (*fiscale beleggingsinstellingen*) as defined in the Dutch Corporate Income Tax Act 1969, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) as defined in the Dutch Corporate Income Tax Act 1969 and insurance companies.

### Withholding tax

All payments by the Issuer in respect of the Instruments can be made without withholdings or deductions for or because of any taxes, duties or charges of any nature whatsoever that are or may be withheld or assessed by The Netherlands tax authorities, any political subdivision thereof or therein or any of their representatives, agents or delegates provided that the Instruments do not in fact function as equity of the Issuer, rather than as a loan, within the meaning of the Dutch Corporate Income Tax Act 1969 as described below.

Currently, the standard rate of Dutch dividend withholding tax is 15%.

The following criteria should be applied for determining whether a loan functions as equity within the meaning of the Dutch Corporate Income Tax Act 1969:

The value of the payments on the Instruments (e.g. interest) is (almost entirely) contingent on the profits of the debtor and the Instrument has no repayment date or the repayment date is more than 50 years after the date on which the Instrument was taken out, and the Instrument is due only in bankruptcy, suspension of payment or winding-up of the debtor.

If the Instrument functions as equity as meant above, the payments on such Instruments (known as "hybrid loans"), as well as the depreciation of such Instruments, will not be tax deductible, while the payment is considered a dividend for Dutch dividend withholding tax purposes and as such is subject to Dutch dividend withholding tax.

If dividends are distributed to a corporate holder of the Instruments that qualifies in respect of the Instruments for the participation exemption, as defined in the Dutch Corporate Income Tax Act of 1969, and if such Instruments are attributable to an enterprise carried on in the Netherlands, such dividends are exempt from Dutch dividend withholding tax provided that the recipient of the dividends can be considered the beneficial owner of the dividends.

Subject to certain conditions an exemption from Dutch dividend withholding tax will apply with respect to dividends distributed to entities that are resident of a member state of the European Union and that hold a qualifying participation in the Issuer provided that the holder of the shares can be considered the beneficial owner of the dividends.

Subject to certain conditions, a legal entity resident in The Netherlands that is not subject to Dutch corporate income tax may request a refund of the tax withheld, provided it is the beneficial owner – as defined by the Dutch Dividend Withholding Tax Act 1965 – of the dividends. In addition, subject to certain conditions, an entity resident in a member state of the European Union, that is not subject to a profit based tax in that member state, and, should that entity be a resident in the Netherlands, not be subject to Dutch corporate income tax, may request a refund of the tax withheld provided it is the beneficial owner – as defined by the Dutch Dividend Withholding Tax Act 1965 – of the dividends.

A holder of the Instruments resident outside The Netherlands may be entitled to a full or partial exemption from or refund of Dutch dividend withholding tax under an applicable double taxation convention depending on its terms and conditions and subject to compliance by the holder of the Instruments with those terms and conditions.

Generally, a holder of the Instruments that is resident, or is deemed to be resident, in The Netherlands will be allowed a credit against Dutch personal income tax or corporate income tax for the tax withheld on dividends paid in respect of the Instruments. On the basis of the anti abuse provisions regarding dividend stripping transactions, a holder of the Instruments that is resident, or is deemed to be resident, in The Netherlands will only be allowed a credit against Dutch personal income tax or corporate income tax for the tax withheld on dividends paid in respect of the Instruments if the holder of the Instruments that is entitled to the dividends is the beneficial owner – as defined by the Dutch Dividend Withholding Tax Act 1965 – of the dividends.

**Taxes on income and capital gains**

*Residents of The Netherlands*

Income derived from an Instrument or a gain realized on the disposal or redemption of an Instrument, by a holder of an Instrument who is a resident of The Netherlands and who is subject to Dutch corporate income tax, is generally taxable in The Netherlands.

Income derived from an Instrument or a gain realized on the disposal or redemption of an Instrument, by a holder of an Instrument who is an individual who is a resident or a deemed resident of The Netherlands or has opted to be treated as a resident of The Netherlands, may, amongst others, be subject to Dutch income tax at progressive individual income tax rates up to 52% (2009 rate) if:

(i) the individual carries on a business, or is deemed to carry on a business, for example pursuant to a co-entitlement to the net value of an enterprise (*medegerechtigde*) other than as an entrepreneur or shareholder, to the assets of which such Instrument is attributable, or

(ii) such income or gain qualifies as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include activities with respect to the Instrument that exceed regular, active portfolio management (*normaal actief vermogensbeheer*).

If the conditions set out in paragraphs (i) or (ii) above do not apply to an individual holder of an Instrument, actual received income derived from an Instrument or gains realised on the disposal or redemption of an Instrument are, in general, not taxable as such. Instead, such holder of an Instrument will be taxed at a flat rate of 30 percent (2009 rate) on deemed income from 'savings and investments' (*sparen en beleggen*). This deemed income amounts to 4 percent (2009 rate) of the average of the individual's 'yield basis' (*rendementsgrondslag*) at the beginning and end of the calendar year to the extent it exceeds a certain threshold. The fair market value of the Instrument will be included in the individual's yield basis.

*Non-residents of The Netherlands*

A holder of an Instrument who is neither resident nor deemed to be resident in The Netherlands nor has opted to be treated as a resident of The Netherlands who derives income from such Instrument, or who realises a gain on the disposal or redemption of the Instrument will not be subject to Dutch taxation on income or capital gains, unless:

(i) such holder carries on a business, or is deemed to carry on a business or part thereof, for example pursuant to a co-entitlement to the net value of an enterprise (*medegerechtigde*) other than as an entrepreneur or shareholder through a permanent establishment or a permanent representative in The Netherlands to which the Instrument is attributable;

(ii) the holder is an individual, and such income or gain qualifies as income from miscellaneous activities in The Netherlands (*resultaat uit overige werkzaamheden in Nederland*), which include activities with respect to the Instrument that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*);

(iii) the holder is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, that is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Instruments are attributable; or

(iv) if the holder is an individual and such holder is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands (other than by way of securities or an employment contract) and to which enterprise the Instruments are attributable.

Income derived from the Instruments, as specified under (iv), will be taxed at a rate of 30% over the 4% (rates for 2009) deemed return on income from savings and investment.

**Taxation of gifts and inheritances**

*Residents of The Netherlands*

Generally, gift and inheritance tax will be due in The Netherlands in respect of the acquisition of an Instrument by way of a gift by, or on the death of, a holder of an Instrument who is a resident or deemed to be a resident of The Netherlands for the purposes of Netherlands gift and inheritance tax at the date of the gift or his or her death. An individual of the Dutch nationality is deemed to be a resident of The Netherlands for the purposes of Netherlands gift and inheritance tax if he or she has been resident in The Netherlands at any time during the 10 years preceding the date of the gift or his or her death. An individual of any other nationality is deemed to be a resident of The Netherlands for the purposes of Netherlands gift tax only if he or she has been resident in The Netherlands at any time during the 12 months preceding the date of the gift.

*Non-residents of The Netherlands*

No gift or inheritance tax arises in The Netherlands on the transfer by way of gift or inheritance of an Instrument, if the donor or deceased at the time of the gift is neither a resident nor a deemed resident of The Netherlands, unless:

(i) at the time of the gift or death, an Instrument can be attributed to a Dutch enterprise, which is an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in The Netherlands;

(ii) the holder of such Instrument is entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise such Instrument is attributable; or

(iii) the donor of an Instrument dies within 180 days of making the gift, and at the time of death the holder is a resident or deemed resident of The Netherlands.

**Value-added tax**

No value-added tax will be due in The Netherlands in respect of payments made in consideration for the issue of the Instruments, whether in respect of payments of interest and principal or in respect of the transfer of an Instrument.

**Other taxes**

There will be no registration tax, capital contribution tax, customs duty, stamp duty, real estate transfer tax or any other similar tax or duty due in The Netherlands in respect of or in connection with the mere issue, transfer, execution or delivery by legal proceedings of the Instruments or the performance of the Issuer's obligations under the relevant documents.

**Residency**

A holder of an Instrument will not become, and will not be deemed to be, resident in The Netherlands merely by virtue of holding such Instrument or by virtue of the execution, performance, delivery and/or enforcement of any relevant documents.

## BELGIAN TAXATION

### General

The following summary describes the principal Belgian tax treatment applicable to the holding of the Instruments by an investor following an offer in Belgium.

This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Instruments. In

some cases, different rules can be applicable. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.

This summary is based on the Belgian tax legislation, treaties, rules, and administrative interpretations with respect to Belgian income taxes and similar documentation, in force as of 19 August 2009, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

Each prospective holder of Instruments should consult a professional adviser with respect to the tax consequences of an investment in the Instruments, taking into account the influence of each regional, local or national law.

## Taxes on income and capital gains

***Resident individual private investors***

Individuals who are holders of Instruments and who are Belgian residents for tax purposes, i.e. who are subject to Belgian personal income tax ("Personenbelasting/ Impôt des personnes physiques"), are in Belgium subject to the following income tax treatment with respect to the Instruments. Other rules can be applicable in special situations, in particular when individuals resident in Belgium acquire the Instruments for professional purposes or when their transactions with respect to the Instruments fall outside the scope of the normal management of their own private estate.

Any amount paid by the Issuer in excess of the issuance price of the Instruments at the maturity date or at early redemption, is taxable as interest.

Payments of interest on the Instruments made through a paying agent in Belgium will in principle be subject to a 15% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for individuals. This means that they do not have to declare the interest obtained on the Instruments in their personal income tax return, provided withholding tax was levied on these interest payments.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 15% (plus communal surcharges).

If the Instruments qualify as fixed income securities in the meaning of article 2, §1, 8° Belgian Income Tax Code ("ITC"), in case of a realization of the Instruments between two interest payment dates, an income equal to the pro rata of accrued interest corresponding to the detention period must be declared and income tax at a flat rate of 15% to be increased with communal surcharges will be due if no Belgian withholding tax has been levied on the pro rata of accrued interest corresponding to the detention period. A security will be a fixed income security if there is a causal link between the amount of interest income and the detention period of the security, on the basis of which it is possible to calculate the amount of pro rata interest income at the moment of the sale of the Instruments during their lifetime.

Capital gains realised on the disposal of the Instruments, except for the pro rata of accrued interest in the case of fixed income securities, are in principle tax exempt, unless the capital gains are realised outside the scope of the normal management of one's own private estate or unless the Instruments are sold to the relevant Issuer. In the latter case, the capital gain is taxable as interest. Capital losses are not tax deductible.

***Tax treatment of resident corporations***

Corporations holders of Instruments who are Belgian residents for tax purposes, i.e. who are subject to Belgian Corporate Income Tax ("Vennootschapsbelasting/Impôt des sociétés") are in Belgium subject to the following income tax treatment with respect to the Instruments.

Interest derived by Belgian resident investors on the Instruments and capital gains realised on the Instruments will be subject to Belgian corporate income tax of 33.99%. Capital losses are deductible.

Interest payments on the Instruments made through a paying agent in Belgium can under certain circumstances be exempt from withholding tax, provided a certificate is delivered. The Belgian withholding tax that has been levied is creditable in accordance with the legal provisions.

***Tax treatment of a resident Organization for Financing Pensions***

An Organization for Financing Pensions is a pension fund entity that has adopted the legal form of Organization for Financing Pensions ("OFP") meant by the Belgian Law of 27 October 2006 and that is subject as a resident taxpayer to the Belgian Corporate Income Tax. OFP holders of Instruments are in Belgium subject to the following income tax treatment with respect to the Instruments.

Interest derived by OFP holders of Instruments on the Instruments and capital gains realised on the Instruments will be exempt from Belgian corporate income tax.

Any Belgian withholding tax that has been levied on interest payments on the Instruments is creditable in accordance with the legal provisions.

***Other resident legal entities***

Legal entities holders of Instruments who are Belgian residents for tax purposes, i.e. who are subject to Belgian tax on legal entities ("Rechtspersonenbelasting/impôt des personnes morales") are in Belgium subject to the following withholding tax treatment with respect to the Instruments.

Any amount paid by the Issuer in excess of the issuance price of the Instruments at the maturity date or at early redemption is taxable as interest.

Payments of interest on the Instruments made through a paying agent in Belgium will in principle be subject to a 15% withholding tax in Belgium and no further tax on legal entities will be due on the interest. However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the legal entity itself is responsible for the deduction and payment of 15% withholding tax.

If the Instruments qualify as fixed income securities in the meaning of article 2, §1, 8° ITC, in case of a realization of the Instruments between two interest payment dates, Belgian legal entities have to pay a 15% tax on the pro rata of accrued interest corresponding to the detention period if no Belgian withholding tax has been levied on the pro rata of accrued interest corresponding to the detention period. A security will be a fixed income security if there is a causal link between the amount of interest income and the detention period of the security, on the basis of which it is possible to calculate the amount of pro rata interest income at the moment of the sale of the Instruments during their lifetime.

Capital gains realised on the sale of the Instruments whether or not on the maturity date, except for the prorata of accrued interest in the case of fixed income securities, are in principle tax exempt, unless the Instruments are repurchased by the Issuer. In such case, the capital gain is taxable as interest.

***Tax treatment of non-resident investors***

Income from the Instruments paid through a Belgian intermediary is in principle subject to a withholding tax of 15%, unless the holder of Instruments is resident in a country with which Belgium has concluded a double taxation agreement and delivers the required affidavit. If the income is not collected through an intermediary established in Belgium, no Belgian withholding tax is due.

Non-resident investors can also obtain an exemption of Belgian withholding tax on interest from the Instruments if they are the owners or usufructors of the Instruments and they deliver an affidavit confirming that they have not allocated the Instruments to business activities in Belgium and that they are non-residents, provided the Instruments are (i) paid through a Belgian credit institution, stock market company or clearing or settlement institution and (ii) not used by the Issuer for carrying on a business in Belgium.

If the holder of an Instrument is a Belgian branch of a foreign company to which the Instruments are attributable, the rules applicable to Belgian corporations will apply. Non-resident holders of Instruments who do not allocate the Instruments to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

## EU Savings Directive

***Application of the EU Savings Directive to individuals not resident in Belgium***

A Belgian paying agent will withhold a tax at source ("woonstaatheffing/prélèvement pour l'Etat de residence", hereafter "Source Tax") on the interest payments made to an individual, beneficial owner of the interest payments and resident in another EU member state or resident in Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat or the British Virgin Islands. The Source Tax will in principle apply during a transitional period the ending of which depends on the conclusion of certain agreements relating to exchange of information with certain other countries. However, according to a press release from the Belgian government, the Belgian government has decided to switch to the system of exchange of information under the EU Savings Directive as from 1 January 2010. The royal decree implementing this decision has not yet been published in the Belgian State Gazette.

The rate of the Source Tax was 15% until 30 June 2008 and has increased to 20% on 1 July 2008. The rate of the Source Tax will increase to 35% on 1 July 2011.

The Source Tax is levied in addition to the Belgian withholding tax which has been withheld.

The Source Tax is levied pro rata to the period of holding of the Instruments by the beneficial owner of the interest payments.

No Source Tax will be applied if the investor provides the Belgian paying agent with a certificate drawn up in his name by the competent authority of his state of residence for tax purposes. The certificate must at least indicate: (i) name, address and tax or other identification number or, in the absence of the latter, the date and place of birth of the beneficial owner; (ii) name and address of the paying agent; and (iii) the account number of the beneficial owner, or where there is none, the identification of the security.

***Application of the EU Savings Directive to individuals resident in Belgium***

An individual resident in Belgium will be subject to the provisions of the EU Savings Directive, if he receives interest payments from a paying agent (within the meaning of the EU Savings Directive) established in another EU member state, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, the Cayman Islands, Anguilla or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it amounts to at least EUR 2.50.

## Stock exchange tax and tax on repurchase transactions

A stock exchange tax will be levied on the purchase and sale in Belgium of the Instruments on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.07%, with a maximum amount of EUR 500 per transaction and per party. A separate tax is due from each of the seller and the purchaser, both collected by the professional intermediary.

A tax on repurchase transactions ("*taxe sur les reports*") at the rate of 0.085% subject to a maximum of EUR 500 per party and per transaction, will be due from each party to any such transaction entered into or settled in Belgium in which a professional intermediary for stock transactions acts for either party.

However, the tax on stock exchange transactions and the tax on repurchase transactions referred to above will not be payable by exempt persons acting for their own account, including certain Belgian institutional investors, as defined in Articles 126-1.2 and 139 of the Code of various duties and taxes ("*Code des droits et taxes divers*").

## LUXEMBOURG TAXATION

Holders of Instruments who either are tax residents of the Grand-Duchy of Luxembourg or have a permanent establishment or a fixed base of business in the Grand-Duchy of Luxembourg with which the holding of the Instruments would be connected will be hereafter referred to as the "Luxembourg holders of Instruments". The present section refers exclusively to resident taxpayers, with exception to the withholding tax duties of the Luxembourg paying agents.

The statements herein regarding taxation in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of 19 August 2009 and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Instruments. It does not treat the taxation of derivatives, neither does it determine the conditions under which an instrument could be treated as equity rather than debt. The latter one should specifically (but not exclusively) be analysed in the case of capital securities. The developments below will therefore limit themselves to the case where Instruments qualify as debt under Luxembourg tax legislation. Each prospective holder or beneficial owner of Instruments should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Instruments.

### Withholding tax

Under Luxembourg tax law currently in effect, with the exceptions stated below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest), upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Instruments.

***EU Savings Directive***

The EU has adopted a Directive (European Council Directive 2003/48/EC) regarding the taxation of savings income (hereafter "Savings Directive"). The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons resident in another Member State, except that Austria, Belgium and Luxembourg may instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), unless during such period they elect otherwise. A number of third countries and territories have adopted similar measures to the EU Directive.

Under the Luxembourg law dated June 21, 2005 implementing the Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union

("EU"), a Luxembourg-based paying agent (within the meaning of the Savings Directive) is required since July 1, 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same treatment will apply to payments of interest and other similar income made to certain ''residual entities'' within the meaning of Article 4.2 of the Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not UCITS recognised in accordance with the Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC). The withholding tax rate is 20% as from 1 July 2008 increasing to 35% as from 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

***Luxembourg taxation on interest payments made to individual Luxembourg residents ("Relibi")***

Interest payments made by Luxembourg paying agents (defined in the same way as in the EU Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EC or for the exchange of information regime) are subject to a 10% withholding tax. In case the individual does not hold the instrument in his private wealth, but in a commercial (or independent) patrimony the interest is fully taxable at maximum 38.95% with and independence contribution of 1.4%. The 10% relibi would in that case not be treated as final tax but can be credited against the Luxembourg personal income tax liability.

## Taxation of the holders of Instruments

***Luxembourg individual taxpayers***

*General*

Luxembourg holders of Instruments will not be liable to any Luxembourg income tax upon repayment of principal of the Instruments, except if the repayments include accrued interest. Income relating to the disposal of an Instrument may qualify as capital gain for the part not relating to accrued interest.

Taxation of interest

If the relibi is not withheld, the interest is in principle fully taxable and reportable in the income tax return.

However, for interest paid or credited by foreign paying agents (and falling under the scope of the relibi) located inside the EU or EEA (but outside Luxembourg) the Luxembourg resident taxpayer may opt for the 10% income tax via a specific tax form. Deadline is 31st March of the following year. This tax is final and the interest is not reported in the individual's annual tax return. If the option is not exercised, the individual has to report the interest income in his annual tax return. In case the option is not exercised the interest is subject to the standard tax rates (max 38.95% and dependency contribution of 1.4%).

Taxation of capital gains

Luxembourg resident individual holders of Instruments are not subject to taxation on capital gains upon the disposal of the Instruments, unless the disposal of the Instruments precedes the acquisition of the Instruments

or the Instruments are disposed of within six months of the date of acquisition of these Instruments as far as these Instruments are held in the private patrimony.

Capital gains (i.e. not including accrued interest) realised by a Luxembourg resident individual in the context of his private patrimony are not subject to taxation unless they qualify as speculation gains (as described below) or capital gains on a substantial shareholding (as described below).

In case the instruments are held in the commercial (or independent) patrimony, the capital gains are in general fully taxable as these capital gains are qualified as fully taxable professional income and not gains from private wealth. Specific tax rates may apply if these instruments are sold when such commercial (independent) activity ceases or is sold.

(i) Speculation gains

Pursuant to article 99 bis of the Luxembourg income tax law ("LITL"), a gain is treated as a "speculation gain" when the instrument is sold by a Luxembourg resident individual in the context of his private patrimony within a 6 month-period after the acquisition of such security. Such "speculation gains" are subject to income tax at the normal progressive rate (up to a maximum of 38% plus the unemployment contribution of 2.5% on the income tax to be paid, i.e. an aggregate rate of 38.95%). The taxable capital gain is also liable to a 1.4% dependency contribution.

No taxation will arise if the total amount of capital gains (i.e. "speculation gains") realised by a Luxembourg resident individual in the context of his private patrimony over the year is less than EUR 500.

(ii) Substantial shareholding

In case the instruments could be considered as equity tainted or converted into equity, specific provisions regarding substantial shareholding should be considered. These points are not further developed as only the scenario of an Instrument qualifying as a debt is considered hereunder.

Net wealth tax

Luxembourg individual taxpayers are not subject to net wealth tax as of January 2006.

***Taxation of Luxembourg resident companies***

Corporations

In the case of a fully taxable corporation, the Relibi on interest income is not applicable because payments are made to a legal entity which is subject to corporate income tax, municipal income tax and net wealth tax. The combined rate for income tax and municipal income tax is 28.59% (for a company located in Luxembourg city). The net wealth tax at a rate of 0.5% is applicable on the unitary value which corresponds to net assests of the corporation with some potential adjustements to be made.

The difference between the sale price (including accrued but unpaid interest) and the lower of the cost or book value of the Instruments sold must be included in the Luxembourg companies' (*sociétés de capitaux*) corporate tax return,

"Partnerships (non- incorporated form)

In case of non incorporated partnerships having business activities, the partnership is subject to municipal business tax. For income and net wealth tax such partnerships are considered as tax transparent. Hence, the partners will be subject to income tax and net wealth tax on their individual profit share.

## Taxation of gifts and inheritances

***Inheritance tax***

Luxembourg residents

Inheritance from all "inhabitants" of Luxembourg is subject to inheritance duties. An "inhabitant" is defined as an individual who at the time of his/her death has established his/her domicile or set of management of her/her fortune in Luxembourg.

Inheritance duties are based upon the net worth of the estate, which includes all assets (including the Instrument) except real estate located outside Luxembourg. Direct line inheritance may be exempted from inheritance duties (if conditions are met).

***Gift tax***

Gift taxes may be levied depending on the nature of the gift, the parties concerned and/or the location where the gift is done/registered.

### Value-added tax

No value-added tax will be due in Luxembourg in respect of payments made in consideration for the issue of the Instruments, whether in respect of payments of interest and principal or in respect of the transfer of an Instrument.

### Other taxes

There is no Luxembourg registration tax (as long as the Instrument is considered not submitted for registration), stamp duty or any other similar tax or duty payable in Luxembourg by Luxembourg holders of Instruments as a consequence of the issuance of the Instruments, nor will any of these taxes be payable as a consequence of a subsequent transfer of the Instruments or redemption of the Instruments.

## UNITED KINGDOM TAXATION

The comments below are of a general nature based on United Kingdom law and HM Revenue & Customs practice as at 19 August 2009 and are not intended to be exhaustive. They assume that the Issuers are not UK resident for UK tax purposes and do not act through any permanent establishment in the United Kingdom in relation to the Instruments. Any holders of the Instruments who are in doubt as to their own tax position should consult their professional advisers.

### 1 Payments in Respect of the Instruments

On the basis that interest on or payments in respect of the Instruments are not expected to have a United Kingdom source, there should be no United Kingdom withholding tax.

Persons in the United Kingdom (i) paying interest to or receiving interest on behalf of another person who is an individual, or (ii) paying amounts due on redemption of any Instruments which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to, or receiving such amounts on behalf of, another person who is an individual, may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries. However, in relation to amounts payable on the redemption of such Instruments HM Revenue & Customs published practice indicates that HM Revenue & Customs will not exercise its power to obtain information where such amounts are paid or received on or before 5 April 2010.

### 2 EU Directive on the Taxation of Savings Income

The EU has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar

income paid by a person to an individual or to certain other persons in another Member State, except that Austria and Luxembourg may instead impose a withholding system for a transitional period unless during such period they elect otherwise.

## EU SAVINGS DIRECTIVE

The EU has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons in another Member State, except that Austria, Belgium and Luxembourg may instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), unless during such period they elect otherwise. A number of third countries and territories have adopted similar measures to the EU Directive.

## UNITED STATES TAXATION

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS SUPPLEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUERS IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUERS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary does not address any aspect of the acquisition, ownership or disposition of the Capital Securities. This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Final Terms may contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar). Moreover, the summary deals only with Notes with a term of 30 years or less. The U.S. federal income tax consequences of owning Notes with a longer term will be discussed in the applicable Final Terms.

As used herein, the term "U.S. Holder" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to

exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

**U.S. Federal Income Tax Characterisation of the Notes**

The following discussion assumes that the Notes will be treated as debt for U.S. federal income tax purposes. Depending on the restrictions that may apply to payments of interest on and principal of Notes in a particular Series, it is possible that those Notes may be treated as equity or as some other form of instrument. The tax treatment of Notes that have a significant likelihood of being characterised as other than debt will be discussed in the relevant Final Terms. Even if Notes in a Series are treated as debt, restrictions on payments may cause the Notes to be treated as Contingent Notes, which are subject to special rules described below under "Contingent Payment Debt Instruments."

**Payments of Interest**

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a "foreign currency"), other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "Original Issue Discount — General"), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. Interest paid by the Issuer on the Notes and OID, if any, accrued with respect to the Notes (as described below under "Original Issue Discount") generally will constitute income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

**Original Issue Discount**

*General*

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount ("OID").

A Note, other than a Note with a term of one year or less (a "Short-Term Note"), will be treated as issued with OID (a "Discount Note") if the excess of the Note's "stated redemption price at maturity" over its issue price

is equal to or more than a de minimis amount (0.25 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "installment obligation") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest." A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

*Acquisition Premium*

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "acquisition premium") and that does not make the election described below under "Election to Treat All Interest as Original Issue Discount", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

*Short-Term Notes*

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the U.S. Internal Revenue Service ("IRS").

*Fungible Issue*

The Issuer may, without the consent of the Holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

*Market Discount*

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "Market Discount Note") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an installment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "de minimis market discount". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election will apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market

discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

*Variable Interest Rate Notes*

Notes that provide for interest at variable rates ("Variable Interest Rate Notes") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total noncontingent principal payments due under the Variable Interest Rate Note by more than a specified de minimis amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent

period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been

accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. See "Contingent Payment Debt Instruments" below for a discussion of the U.S. federal income tax treatment of such Notes.

*Notes Purchased at a Premium*

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Any election to amortise bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "Original Issue Discount — Election to Treat All Interest as Original Issue Discount".

*Election to Treat All Interest as Original Issue Discount*

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "Original Issue Discount — General," with certain modifications. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortisable bond premium (described above under "Notes Purchased at a Premium") or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under "Market Discount" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

**Contingent Payment Debt Instruments**

Certain Series or Tranches of Notes may be treated as "contingent payment debt instruments" for U.S. federal income tax purposes ("Contingent Notes"). Under applicable U.S. Treasury regulations, interest on Contingent Notes will be treated as "original issue discount" ("OID"), and must be accrued on a constant-yield basis based on a yield to maturity that reflects the rate at which the Issuer would issue a comparable fixed-rate non-exchangeable instrument (the "comparable yield"), in accordance with a projected payment schedule. This projected payment schedule must include each non-contingent payment on the Contingent Notes and an estimated amount for each contingent payment, and must produce the comparable yield.

If a Series is subject to the contingent payment debt instrument rules, the Issuer will provide information regarding the comparable yield and the projected payment schedule for the Series. The use of the comparable yield and the calculation of the projected payment schedule is based upon a number of assumptions and estimates and is not a prediction, representation or guarantee of the actual amounts of interest that may be paid to a U.S. Holder or the actual yield of the Notes. A U.S. Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Issuer, unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule

to the IRS, and explains to the IRS the reason for preparing its own schedule. The Issuer's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

A U.S. Holder of a Contingent Note will generally be required to include OID in income pursuant to the rules discussed in the third paragraph under "Original Issue Discount – General", above, applied to the projected payment schedule. The "adjusted issue price" of a Contingent Note at the beginning of any accrual period is the issue price of the Note increased by the amount of accrued OID for each prior accrual period, and decreased by the projected amount of any payments on the Note. No additional income will be recognised upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the U.S. Holder on the Notes in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to interest income in respect of the Note (in the case of a negative adjustment), for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Note for that year, the excess will be treated as an ordinary loss, but only to the extent the U.S. Holder's total OID inclusions on the Contingent Note exceed the total amount of any ordinary loss in respect of the Contingent Note claimed by the U.S. Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year, and is taken into account in determining whether the U.S. Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired, to the extent not applied to OID accrued for such year, reduces the U.S. Holder's amount realized on the sale, exchange or retirement.

**Substitution of Issuer**

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes), and the U.S. Holder's tax basis in the Notes. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

**Purchase, Sale and Retirement of Notes**

*Notes other than Contingent Notes*

A U.S. Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to de minimis OID and de minimis market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "Original Issue Discount — Market Discount" or "Original Issue Discount — Short Term Notes" or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds

one year. Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source.

*Contingent Notes*

Gain from the sale or retirement of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Contingent Note will generally be foreign source.

A U.S. Holder's tax basis in a Contingent Note will generally be equal to its cost, increased by the amount of interest previously accrued with respect to the Note (determined without regard to any positive or negative adjustments reflecting the difference between actual payments and projected payments), increased or decreased by the amount of any positive or negative adjustment that the Holder is required to make to account for the difference between the Holder's purchase price for the Note and the adjusted issue price of the Note at the time of the purchase, and decreased by the amount of any projected payments scheduled to be made on the Note to the U.S. Holder through such date (without regard to the actual amount paid).

**Foreign Currency Notes**

*Interest*

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

*OID*

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an

amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

*Market Discount*

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

*Bond Premium*

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

*Foreign Currency Contingent Notes*

Special rules apply to determine the accrual of OID, and the amount, timing, source and character of any gain or loss on a Contingent Note that is denominated in, or determined by reference to, a foreign currency (a "Foreign Currency Contingent Note"). The rules applicable to Foreign Currency Contingent Notes are complex, and U.S. Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note will generally be required to accrue OID in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under "Contingent Payment Debt Instruments". The amount of OID on a Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

OID on a Foreign Currency Contingent Note will be translated into U.S. dollars under translation rules similar to those described above under "Foreign Currency—Interest". Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. dollars at the spot rate on the last day of the taxable year in which the

adjustment is taken into account, or if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid OID will be translated into U.S. dollars at the same rate at which the OID was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid OID, the negative adjustment will be treated as offsetting OID that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

*Sale or Retirement*

*Notes other than Foreign Currency Contingent Notes*. As discussed above under "Purchase, Sale and Retirement of Notes", a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder's tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement, or the settlement date for the sale, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

*Foreign Currency Contingent Notes*. Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder will generally recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder's tax basis in the Foreign Currency Contingent Note, both translated into U.S. dollars as described below. A U.S. Holder's tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into U.S. dollars at the spot rate on the issue date), (ii) increased by the amount of OID previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. dollars using the exchange rate applicable to such OID) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The U.S. dollar amount of the projected payments described in clause (iii) of the preceding sentence is determined by (i) first allocating the payments to the most recently accrued OID to which prior amounts have not already been allocated and translating those amounts into U.S. dollars at the rate at which the OID was accrued and (ii) then allocating any remaining amount to principal and translating such amount into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder. For this purpose, any accrued OID reduced by a negative adjustment carry forward will be treated as principal.

The amount realized by a U.S. Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of

any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. dollar equivalent of the amount realized will be determined by separating such amount realized into principal and one or more OID components, based on the principal and OID comprising the U.S. Holder's basis, with the amount realized allocated first to OID (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. dollar equivalent of the amount realized upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued OID (and will be allocated to the earliest accrued amounts first). Each component of the amount realized will be translated into U.S. dollars using the exchange rate used with respect to the corresponding principal or accrued OID. The amount of any gain realized upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realized over the holder's tax basis, both expressed in foreign currency, and will be translated into U.S. dollars using the spot rate on the payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total OID inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realized by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note will generally be foreign source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognize U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued OID to which such payment relates.

*Disposition of Foreign Currency*

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

**Backup Withholding and Information Reporting**

In general, payments of interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments and to accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders (including, among others, corporations) are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

**Reportable Transactions**

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a

reportable transaction for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of U.S.$10,000 in the case of a natural person and U.S.$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Accordingly, if a U.S. Holder realizes a loss on any Note (or, possibly, aggregate losses from the Notes) satisfying the monetary thresholds discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to the penalties described above. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS, and to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes.

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated programme agreement dated 19 August 2009 (the "Programme Agreement") between the Issuers, the Arranger and the Dealer, the Dealer may from time to time agree to purchase Instruments issued by any of the Issuers. One or more other Dealers may be appointed under the Programme in respect of issues of Instruments in the future pursuant to the Programme Agreement. The Issuers may also issue Instruments directly to purchasers thereof.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Instruments subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Programme and the Dealer for certain of its activities in connection with the Programme. The commissions in respect of an issue of Instruments on a syndicated basis will be stated in the relevant Final Terms.

The Issuers have agreed to indemnify any Dealer against certain liabilities in connection with the offer and sale of the Instruments. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Instruments in certain circumstances prior to payment for such Instruments being made to the relevant Issuer.

**United States**

The Instruments have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings assigned to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed that it will not offer, sell or, in the case of bearer Instruments, deliver Instruments of any Series (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which Instruments are a part, as determined by the relevant Dealer or, in the case of an identifiable tranche of Instruments sold on a syndicated basis, the relevant lead manager, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed that it will have sent to each dealer to which it sells Instruments during the distribution compliance period (other than resales pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to, or for the account or benefit of, U.S. persons. Until 40 days after the commencement of the offering of any identifiable tranche of Instruments, an offer or sale of Instruments within the United States by any dealer whether or not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

Each issuance of Index Linked Instruments or Dual Currency Instruments shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer or Dealers shall determine as a term of the issuance and purchase of such Instruments, which additional selling restrictions shall be set out in the Final Terms.

***Instruments in bearer form***

Instruments in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

***Registered Instruments***

Offers, sales, resales and other transfers of Registered Instruments in the United States (including offers, resales or other transfers made or approved by a Dealer in connection with secondary trading) shall be effected pursuant to an exemption from the registration requirements of the Securities Act.

Offers, sales, resales and other transfers of Registered Instruments in the United States will be made only to Accredited Investors upon the delivery of an investment representation letter substantially in the form set out in Exhibit I to Appendix B of the Programme Agreement or, in the case of Registered Instruments resold or otherwise transferred pursuant to Rule 144A, to institutional investors that are reasonably believed to qualify as QIBs.

Registered Instruments will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising (as such terms are used in Rule 502 under the Securities Act) will be used in connection with the offering of the Instruments in the United States and no directed selling efforts (as defined in Regulation S) shall be used in connection therewith.

No sale of Registered Instruments in the United States to any one purchaser will be for less than U.S.$150,000 principal amount or, in the case of sales to Accredited Investors, U.S.$250,000 principal amount and no Registered Instrument will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$150,000 or, in the case of sales to Accredited Investors, U.S.$250,000 principal amount of Registered Instruments.

Each Registered Global Instrument shall contain a legend stating that such Registered Global Instrument has not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, that any resale or other transfer of such Registered Global Instrument or any interest therein may be made only:

(a) to a Dealer;

(b) to a qualified institutional buyer in a transaction which meets the requirements of Rule 144A;

(c) outside the United States pursuant to Regulation S under the Securities Act; or

(d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available),

and, in the case of a sale pursuant to (c) above, upon receipt by the relevant Dealer or the Issuer, as the case may be, of certification as to compliance therewith by the parties to such transfer. Resale or secondary market transfer of Registered Instruments in the United States may be made in the manner and to the parties specified above. The following legend will be included on each Registered Instrument:

"The Instruments represented by this certificate 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), and may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, U.S. persons except pursuant to an effective registration statement under the Securities Act or an exemption from registration under the Securities Act. The transfer of this Instrument is subject to certain conditions, including those set forth in the form of transfer letters available upon request from the Registrar, The Bank of New York Mellon, in alliance with ING Bank N.V. (the "Registrar"). The holder hereof, by purchasing this Instrument, agrees for the benefit of the Issuer and the Dealers that (A) this Instrument may be resold only (1) to a Dealer, (2) to a qualified institutional buyer (as defined in the said Rule 144A) in a transaction that meets the requirements of Rule 144A under the Securities Act, (3) outside the United States pursuant to Rule 903 or Rule 904 of Regulation S

under the Securities Act in a transaction meeting the requirements set forth in the applicable certification available from the Registrar or (4) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and in each case in accordance with any applicable securities laws of any State of the United States or any other jurisdiction and (B) the holder will, and each subsequent holder is required to, notify any purchaser of this Instrument from it of the transfer restrictions referred to in (A) above. No representation can be made as to availability of the exemption provided by Rule 144 under the Securities Act for resales of this Instrument. Any resale or other transfer, or attempted resale or other transfer, of Instruments made other than in compliance with the foregoing restrictions shall not be recognised by the Issuer, the Registrar or any other agent of the Issuer."

Furthermore, any resale or other transfer, or attempted resale or other transfer, of Registered Instruments made other than in compliance with the foregoing restrictions shall not be recognised by the Issuer or any agent of the Issuer and all Registered Instruments will bear a legend to this effect.

By its purchase of any Registered Instruments, each investor in the United States purchasing Instruments pursuant to Rule 144A shall be deemed to have agreed to the above restrictions and each such purchaser shall be deemed to have represented to the Issuer, the seller and the Dealer, if applicable, that it is a qualified institutional buyer who is aware that the sale to it is being made in reliance on Rule 144A.

In connection with its purchase of Registered Instruments, each Accredited Investor shall deliver to the relevant Dealer(s) or Issuer, as applicable, a letter stating, among other things, that:

(a) it is an Accredited Investor or, if the Instruments are to be purchased for one or more institutional accounts ("investor accounts") for which it is acting as fiduciary or agent (except if it is a bank as defined in section 3(a)(2), or a savings and loan association or other institution as described in section 3(a)(5)(A), under the Securities Act whether acting in its individual or in a fiduciary capacity), each such account is an institutional investor and an accredited investor on a like basis;

(b) in the normal course of business, it invests in or purchases securities similar to the Instruments, and it has such knowledge and experience in financial and business matters and that it is capable of evaluating the merits and risks of purchasing any of the Instruments; and

(c) it is aware that it (or any investor account) may be required to bear the economic risk of an investment in each Instrument for an indefinite period of time, and it (or such account) is able to bear such risk for an indefinite period. The letter will also acknowledge that the Instruments have not been registered under the Securities Act and are being sold in a transaction exempt therefrom.

Each prospective purchaser of Instruments offered in reliance on Rule 144A or Section 4(2) of the Securities Act ("Restricted Instruments"), by accepting delivery of this Base Prospectus, will be deemed to have represented and agreed as follows:

(a) Such offeree acknowledges that this Base Prospectus is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Instruments other than pursuant to Rule 144A or Section 4(2) of the Securities Act or in offshore transactions in accordance with Regulation S. Distribution of this Base Prospectus, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

(b) Such offeree agrees to make no photocopies of this Base Prospectus or any documents referred to herein.

Each purchaser of an interest in a Restricted Instrument offered and sold in reliance on Rule 144A will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) the purchaser (i) is a QIB, (ii) is aware and each beneficial owner of such Instruments has been advised that the sale of such Instruments to it is being made in reliance on Rule 144A and (iii) is acquiring Instruments for its own account or for the account of a QIB;

(b) the purchaser understands that such Restricted Instrument is being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Restricted Instrument has not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, U.S. persons except pursuant to an effective registration statement under the Securities Act or an exemption from registration under the Securities Act; and that (i) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Restricted Instrument, such Restricted Instrument may be offered, sold, pledged or otherwise transferred only (A) to a person who the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (B) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (C) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and in each of such cases in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and that (ii) the purchaser will, and each subsequent holder of the Restricted Instruments is required to, notify any purchaser of such Restricted Instrument from it of the resale restrictions referred to in (i) above and that (iii) no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of Instruments;

(c) the purchaser understands that the Issuer, the Registrar, the Dealers and their affiliates (if any), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Instruments for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(d) the purchaser understands that the Instruments offered in reliance on Rule 144A will be represented by the Restricted Global Instrument. Before any interest in the Restricted Global Instrument may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Reg. S Global Instrument, it will be required to provide a written certification as to compliance with applicable securities laws.

Each purchaser of Instruments outside the United States pursuant to Regulation S and each subsequent purchaser of such Instruments in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Base Prospectus and the Instruments, will be deemed to have represented, agreed and acknowledged that:

(a) the purchaser is, or at the time Instruments are purchased will be, the beneficial owner of such Instruments and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;

(b) the purchaser understands that such Instruments have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer,

sell, pledge or otherwise transfer such Instruments except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States;

(c) the purchaser understands that such Instruments, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend as follows:

"The Instruments represented by this certificate 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, and may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, U.S. persons except pursuant to an effective registration statement under the Securities Act or an exemption from registration under the Securities Act. This legend shall cease to apply upon the expiry of the period of 40 days after the completion of the distribution of all the Instruments of the Tranche of which this Instrument forms part."

(d) the purchaser understands that the Issuer, the Registrar, the Dealers and their affiliates (if any), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements; and

(e) the purchaser understands that the Instruments offered in reliance on Regulation S will be represented by the Reg. S Global Instrument. Prior to the expiration of the distribution compliance period, before any interest in the Restricted Global Instrument may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Reg. S Global Instrument, it will be required to provide a written certification as to compliance with applicable securities laws.

**Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Instruments to the public in that Relevant Member State:

(a) if the final terms in relation to the Instruments specify that an offer of those Instruments may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Instruments which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers (if any) nominated by the relevant Issuer for any such offer; or

(e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Instruments referred to in (b) to (e) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Instruments to the public" in relation to any Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

**United Kingdom**

The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) in relation to any Instruments which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

**The Netherlands**

Zero coupon Instruments in definitive form and other Instruments in definitive bearer form on which interest does not become due and payable during their term (savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act or *Wet inzake spaarbewijzen*, the "SCA") may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Instruments to the first holders thereof, (ii) the transfer and acceptance

by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Instruments if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

**Austria**

Each Dealer represents, warrants and agrees that it has not and will not offer any Instruments to the public in Austria, except that an offer of the Instruments may be made to the public in Austria

(a) In the case of bearer Instruments in the period beginning one bank working day following:

(i) the date of publication of the Prospectus including any supplements but excluding any Final Terms, in relation to those Instruments issued by the Issuer which has been approved by Finanzmarktaufsichtsbehörde in Austria (the "FMA") or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive;

(ii) or being the date of publication of the relevant Final Terms for the Instruments issued by the Issuer; and

(iii) the date of filing of a notification with Oesterreichische Kontrollbank, all as prescribed by the Capital Market Act 1991, as amended ("CMA": Kapitalmarktgesetz 1991), or

(b) in the case of bearer Instruments otherwise in compliance with the CMA.

Further, each Dealer represents, warrants and agrees that it has not and will not offer any registered Instruments in Austria, neither by private placement nor to the public in Austria. For the purposes of this provision, the expression "an offer of the Instruments to the public" means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments issued by the Issuer.

**France**

Offer to the public in France:

Instruments have only been offered and will only be offered to the public in France in the period beginning when a prospectus has been approved by the competent authority of a Member State of the EEA which has implemented the Prospectus Directive, on the date of notification of such approval to the *Autorité des marchés financiers* (the "AMF"), all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

Private placement in France:[1]

Instruments have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France, and none of this Base Prospectus, the relevant Final Terms or any other offering material relating to the Instruments has been distributed or caused to be distributed and will be distributed or caused to be distributed to the public in France, and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

General information:

[1] At the time of this Base Prospectus, the Issuer does not contemplate to list Instruments in Paris under this Programme .

This Base Prospectus has not been submitted to the clearance procedures of the AMF.

**Ireland**

Each Dealer has represented and agreed that:

(a) it will not underwrite the issue or placement of the Instruments otherwise than in conformity with the provisions of the Irish European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998;

(b) it will not underwrite the issue or placement of the Instruments, otherwise than in conformity with the provisions of the Irish Central Banks Acts, 1942 to 1998 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act, 1989;

(c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Instruments otherwise than in conformity with the provisions of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Irish Central Bank and Financial Services Regulatory Authority (IFSRA);

(d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Instruments, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by IFSRA; and

(e) no Instruments will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Irish Financial Services Regulatory Authority.

**Italy**

No public offerings or sales of the Instruments or any distribution of copies of this Base Prospectus or of any other any offering material relating to any Instruments will or may be made to the public in the Republic of Italy, except in case that the Issuer has been duly licensed to carry out banking activity in Italy pursuant to Article 11 of Legislative Decree No. 385 of 1 September 1993, as amended (the "Italian Banking Act") and provided that:

(i) the requirements of Italian law concerning the publication of prospectuses as set out under Legislative Decree No. 58 of 24 February 1998, as amended (the "Italian Financial Act") for public offerings of securities in Italy have been fulfilled, or

(ii) the offer of the Instruments is carried out in circumstances which are exempted from the rules of offers to the public pursuant to Article 100 of the Italian Financial Act and Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999, as amended.

Moreover and subject to the foregoing, any offer, sale or delivery of the Instruments or distribution of copies of this Base Prospectus or any other document relating to the Instruments in the Republic of Italy in accordance with the above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Act, the Italian Banking Act and CONSOB Regulation No. 16190 of 29 October 2007, all as amended;

(b) in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any securities, tax, exchange control and any other applicable laws and regulations and any requirement or limitation which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy.

Transfer Restrictions in Italy

Article 100-bis of the Italian Financial Act affects the transferability of the Instruments in Italy to the extent that any placing of Instruments is made solely with qualified investors and such Instruments are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus compliant with Directive 2003/71/EC has not been published, purchasers of Instruments who are acting outside of the course of their business or profession may be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Instruments were purchased, unless an exemption provided for under the Italian Financial Act applies.

**Switzerland**

The Instruments being offered pursuant to this Base Prospectus do not represent units in collective investment schemes within the meaning of the Swiss Collective Investment Schemes Act of 23 June 2006 (the "CISA"). Accordingly, they have not been registered with the Swiss Financial Market Supervisory Authority (the "FINMA") as foreign collective investment schemes, and are not subject to the supervision of the FINMA. Investors cannot invoke the protection conferred under the Swiss legislation applicable tocollective investment schemes.

Neither the Issuer nor any Dealer has applied for a listing of the Instruments being offered pursuant to this Base Prospectus on the SIX Swiss Exchange or on any other regulated securities market, and consequently, the information presented in this Base Prospectus does not necessarily comply with the information standards set out in the relevant listing rules. The Instruments being offered pursuant to this Base Prospectus have not been registered with the FINMA as foreign collective investment schemes, and the investor protection afforded to acquirers of investment fund certificates does not extend to acquirers of Instruments.

The Instruments are not issued nor guaranteed by a Swiss bank, a Swiss insurance company, a Swiss securities dealer or by a foreign financial intermediary subject to an equivalent supervision in its home jurisdiction.

**Japan**

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the "FIEA") and the Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent agree that it will not offer or sell any Instruments, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of or otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

**Hong Kong**

In relation to each Tranche of Instruments issued by the Issuer, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) it has not offered offered or sold and will not offer or sell in Hong Kong, by means of any document, any Instruments other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 57) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

**Korea**

The Instruments may not be offered, sold or delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including Section 2-2 of the Regulations on Securities Issuance and Disclosure issued by the Financial Services Commission under the Financial Investment Services and Capital Markets Act of Korea, provisions in the Foreign Exchange Transaction Law of Korea and the regulations thereunder. No registration statement has been filed with the Financial Services Commission of Korea in connection with the issue of the Instruments. The Instruments can be sold or resold to Korean residents only subject to all applicable regulatory requirements of Korea.

**Singapore**

*For Notes which are classified in Singapore as "collective investment schemes":*

The offer or invitation which is the subject of this Base Prospectus is not allowed to be made to the retail public. This Base Prospectus is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore ("SFA"). Accordingly, statutory liability under that Act in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Instruments or caused such Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell such Instruments or cause such Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Instruments, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note:

Where Instruments are subscribed or purchased under Section 305 by a relevant person which is:

a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Instruments pursuant to an offer made under Section 305 except:

i) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 305(5) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

ii) where no consideration is or will be given for the transfer; or

iii) where the transfer is by operation of law.

*For Notes which are classified in Singapore as "non-collective investment schemes":*

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Instruments or caused such Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell such Instruments or cause such Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Instruments, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note:

Where Instruments are subscribed or purchased under Section 275 by a relevant person which is:

a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Instruments pursuant to an offer made under Section 275 except:

i) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in

cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

ii) where no consideration is or will be given for the transfer; or

iii) where the transfer is by operation of law.

**General**

The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Instruments or possesses or distributes this Base Prospectus, any Final Terms or any other offering material relating to the Instruments and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Instruments under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the relevant Issuer nor any other Dealer shall have any responsibility therefor.

Save as specifically described in this Base Prospectus, neither the Issuers nor any of the Dealers represents that Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other or additional restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

## GENERAL INFORMATION

**Authorisation**

The establishment of the Programme and the issue of the Instruments hereunder have been duly authorised by resolutions of the Supervisory Board of ING Group dated 17 February 2009, the Executive Board of ING Group dated 4 August 2009, the Supervisory Board of ING Bank dated 17 February 2009, the Management Board of ING Bank dated 4 August 2009, the Supervisory Board of ING Insurance dated 17 February 2009 and the Management Board of ING Insurance dated 4 August 2009. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuers under the laws of The Netherlands have been given for the issue of Instruments and for the Issuers to undertake and perform their obligations under the Programme Agreement, the Agency Agreement and the Instruments.

**Documents Available**

So long as this Base Prospectus is valid as described in Article 9 of the Prospective Directive (as implemented in the legislation of The Netherlands), copies of the following documents will, when published, be available free of charge from ING Group. Written requests for such documents should be directed to ING Group, c/o ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209):

(i) a copy of the Registration Document(s);

(ii) the Programme Agreement, the Agency Agreement (which contains the forms of the Temporary and Permanent Global Instruments, the Definitive Instruments, the Receipts, the Coupons and the Talons) and the Trust Deed;

(iii) a copy of this Base Prospectus;

(iv) each set of Final Terms (save that Final Terms relating to an Instrument for which a prospectus is not required to be published in accordance with the Prospective Directive will only be available for inspection by a holder of such Instrument and such holder must produce evidence satisfactory to the relevant Issuer or the Paying Agent, as the case may be, as to its holding of Instruments and identity); and

(v) any future supplements to this Base Prospectus and any other documents incorporated herein or therein by reference.

**Clearing Systems**

The Instruments may be cleared through Euroclear and Clearstream, Luxembourg or Euroclear Netherlands. The appropriate identification code for each Tranche or series allocated by Euroclear and Clearstream, Luxembourg or Euroclear Netherlands will be specified in the relevant Final Terms. In addition, the Registered Instruments may be, before issue, designated as PORTAL securities and the relevant Issuer may make an application for any Registered Instruments to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Instruments, together with the relevant ISIN and Common Code, will be specified in the relevant Final Terms. If the Instruments are to clear through an additional or alternative clearing and/or settlement system, the appropriate information will be specified in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg. The address of Euroclear Netherlands is Herengracht 459-469, 1017 BS Amsterdam, The Netherlands. The address of DTC is 55 Water Street, New York, NY 10041 0099, USA.

**Issue Information**

The issue price and the amount of the relevant Instruments will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. Unless otherwise indicated in the relevant Final Terms of a Tranche, the relevant Issuer does not intend to provide any post-issuance information in relation to any issues of Instruments.

**Rule 144(d)(4)**

For so long as any of the Instruments remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the relevant Issuer will, during any period in which it is not subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, nor exempt from reporting pursuant to Rule 12g3-2(b) under such Act, make available, upon request, to any person in whose name a Restricted Global Instrument representing Instruments is registered, to any owner of a beneficial interest in a Restricted Global Instrument, to a prospective purchaser of a Instrument or beneficial interest therein who is a qualified institutional buyer within the meaning of Rule 144A designated by any such person or beneficial owner, or to the Registrar for delivery to any such person, beneficial owner or prospective purchaser, as the case may be, in connection with the resale of a beneficial interest in such Restricted Global Instrument by such person or beneficial owner, the information specified in Rule 144(d)(4).

**REGISTERED AND PRINCIPAL OFFICE OF THE ISSUERS**

**ING Groep N.V.**
Amstelveenseweg 500
1081 KL Amsterdam
The Netherlands

**ING Bank N.V.**
Bijlmerplein 888
1102 MG Amsterdam Zuid-Oost
The Netherlands

**ING Verzekeringen N.V.**
Amstelveenseweg 500
1081 KL Amsterdam
The Netherlands

**AGENT**

**The Bank of New York Mellon, London Branch, in alliance with ING Bank N.V. acting through its subdivision ING Commercial Banking Securities Services**
One Canada Square
London E14 5AL
England

*(for Instruments deposited with Euroclear Netherlands)*

**ING Bank N.V.**
Van Heenvlietlaan 220
1083 CN Amsterdam
The Netherlands

**PAYING AGENTS**

**ING Bank N.V.**
Van Heenvlietlaan 220
1083 CN Amsterdam
The Netherlands

**ING Belgium N.V./S.A.**
24 Avenue Marnix
1000 Brussels
Belgium

**ING Luxembourg S.A.**
52, route d'Esch
L-2965 Luxembourg
Luxembourg

**U.S. PAYING AGENT AND REGISTRAR**

**The Bank of New York Mellon, in alliance with ING Bank N.V. acting through its subdivision ING Commercial Banking Securities Services**
The Bank of New York
101 Barclay Street
Floor 21W
New York, New York 10286
USA

**TRANSFER AGENTS**

**The Bank of New York Mellon (Luxembourg) S.A., in alliance with ING Bank N.V. acting through its subdivision ING Commercial Banking Securities Services**

**ING Bank N.V.**
Van Heenvlietlaan 220
1083 CN Amsterdam
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**ING Belgium N.V./S.A.**
24 Avenue Marnix
1000 Brussels
Belgium

Aerogolf Centre
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L-1736 Senningerberg
Grand Duchy of Luxembourg

## LISTING AGENTS

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The Netherlands

**Luxembourg**

**ING Luxembourg S.A.**
52, route d'Esch
L-2965 Luxembourg
Luxembourg

## LEGAL ADVISERS

**To the Dealers**

**Linklaters LLP**
*(as to Dutch law, other than Dutch taxation matters)*
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Zuidplein 180
1077 XV Amsterdam
The Netherlands

**Linklaters LLP**
*(as to Belgian law)*
Rue Brederodestraat, 13
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Belgium

**KPMG**
*(as to Dutch and Luxembourg taxation matters)*
Burgemeester Rijnderslaan 10-20
1185 MC Amstelveen
The Netherlands

## INDEPENDENT PUBLIC AUDITORS

**Ernst & Young Accountants LLP**
Antonio Vivaldistraat 150
1083 HP Amsterdam
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## DEALER

**ING Bank N.V.**
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