

Dated 21 May 2012

**ING BANK N.V.**

# **SECURITIES NOTE AND SUMMARY**

**€50,000,000,000**

**Global Issuance Programme**

**Series No: 4882**

**Issue of EUR 10,000,000 Non Capital Protected Range Accrual Credit Linked Notes due July 2015**

## TABLE OF CONTENTS

	<b>Page</b>
INTRODUCTION.....	3
PART ONE: SUMMARY.....	6
PART TWO: SECURITIES NOTE.....	12

## INTRODUCTION

This document comprises two parts. Part One is a summary of the Registration Document and Securities Note (the “**Summary**”) and Part Two is a securities note (the “**Securities Note**”), both prepared for the purposes of Article 5.3 of Directive 2003/71/EC (the “**Prospectus Directive**”). The Summary and Securities Note contain information relating to the issue by ING Bank N.V. (the “**Issuer**”) of the EUR 10,000,000 Non Capital Protected Range Accrual Credit Linked Notes due July 2015 (the “**Notes**”) under its €50,000,000,000 Global Issuance Programme (the “**Programme**”).

On 30 March 2012, the Issuer published a base prospectus (the “**Original Base Prospectus**”) in respect of the Programme. On 11 May 2012 and 16 May 2012, the Issuer published a supplement to the Original Base Prospectus (each a “**BP Supplement**”, together the “**BP Supplements**”) and, together with the Original Base Prospectus, the “**Base Prospectus**”). On 11 May 2012, the Issuer published a registration document (the “**Original Registration Document**”). On 16 May 2012, the Issuer published a supplement to the Original Registration Document (a “**RD Supplement**” and, together with the Original Registration Document, the “**Registration Document**”).

The Securities Note should be read and construed in conjunction with the Summary, the Registration Document, each of the sections headed “Summary of the Programme”, “Risk Factors” (Parts 1 and 2), “Taxation”, “Subscription and Sale” and “General Information” of Chapter 1 of the Base Prospectus, “General Terms and Conditions of the Notes” of Chapter 2 of the Base Prospectus, “Terms and Conditions of Credit Linked Notes” of Chapter 5 of the Base Prospectus and the details of relevant parties to the Programme on the last four pages of the Base Prospectus (the “**List of Parties**”) (all of which are incorporated by reference in the Securities Note as described in the paragraph below), in each case where and to the extent such section refers to “Global Issuer” and to Notes (as defined in the Base Prospectus). Together, the Registration Document, the Summary and the Securities Note comprise a “prospectus” (the “**Prospectus**”) for the Notes, prepared for the purposes of Article 5.1 of the Prospectus Directive.

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

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

This Securities Note and Summary and the Registration Document have each been filed with, and approved by, the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) (the “**AFM**”) in its capacity as competent authority under the *Wet op het financieel toezicht* (Dutch Financial Supervision Act). The Original Base Prospectus was filed with the AFM and approved by it on 30 March 2012. The BP Supplements were filed with the AFM and approved by it on 11 May 2012 and 16 May 2012 respectively. The Original Registration Document was filed with the AFM and approved by it on 11 May 2012. The RD Supplement was filed with the AFM and approved by it on 16 May 2012. The Prospectus should be read and construed in conjunction with the following documents (or part thereof) as listed in (a) to (e) below, which (i) have previously been published (or are published simultaneously with the Prospectus) and (ii) have been approved by the AFM or filed with it, and shall be deemed to be incorporated in, and to form part of, the Prospectus:

- (a) the following parts of the Base Prospectus:
  - (i) the List of Parties;
  - (ii) the section headed “Summary of the Programme” in Chapter 1 of the Base Prospectus;
  - (iii) Parts 1 and 2 of the section headed “Risk Factors” in Chapter 1 of the Base Prospectus
  - (iv) the section headed “Taxation” in Chapter 1 of the Base Prospectus;
  - (v) the section headed “Subscription and Sale” in Chapter 1 of the Base Prospectus;
  - (vi) the section headed “General Information” in Chapter 1 of the Base Prospectus;
  - (vii) Part 1 headed “General Terms and Conditions of the Notes” of Chapter 2 of the Base Prospectus; and
  - (viii) Part 1 headed “Terms and Conditions of Credit Linked Notes” of Chapter 5 of the Base Prospectus;
- (b) the Articles of Association (*statuten*) of the Issuer;
- (c) the publicly available annual reports of the Issuer in respect of the years ended 31 December 2009, 2010 and 2011, including the audited financial statements and auditors’ reports in respect of such years;
- (d) pages 13 to 30 (inclusive) of the unaudited ING Group 2012 quarterly report for the first quarter of 2012, as published by ING Groep N.V. (“**ING Group**”) on 9 May 2012 (the “**Q1 Report**”). The Q1 Report contains, among other things, the consolidated unaudited interim results of ING Group as at, and for the three month period ended, 31 March 2012, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through the Issuer and its consolidated group; and
- (e) the press release published by ING Group on 11 May 2012 entitled “ING reaction to announcement of European Commission”,

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

The Issuer has requested the AFM to provide the *Commission de Surveillance du Secteur Financier* in Luxembourg in its capacity as competent authority in Luxembourg as host Member State for the purposes of the Prospectus Directive, with a certificate of approval in accordance with Article 18 of the Prospectus Directive attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

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

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

the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This document does not constitute an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase the Notes.

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

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

Other than in Luxembourg, the Issuer does not represent that the Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required, other than in Luxembourg. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither the Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction where such offer, sale, distribution and/or publication would be prohibited.

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Notes may not be offered, sold, pledged or otherwise transferred within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or the adequacy of the Prospectus. Any representation to the contrary is a criminal offence in the United States.

## **PART ONE: SUMMARY**

**ING BANK N.V.**

**Series No: 4882**

### **EUR 10,000,000 Non Capital Protected Range Accrual Credit Linked Notes due July 2015**

**This Summary must be read as an introduction to the Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. Civil liability in respect of this Summary, including any translation thereof, will attach to the Issuer but only if this Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor may, under the national legislation of the Member States of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.**

#### **DESCRIPTION OF THE ISSUER**

ING Bank N.V. (the “**Issuer**”) is a subsidiary company of ING Groep N.V. (“**ING**” or “**ING Group**”).

ING Group is the holding company of a broad spectrum of companies offering banking, investments, life insurance and retirement services that meet the needs of a broad customer base. Based on market capitalisation, ING Group is one of the 20 largest financial institutions in Europe (source: MSCI, Bloomberg, 31 December 2011). ING Group is a listed company and holds all shares of the Issuer, which is a non-listed 100% subsidiary of ING Group. ING is in the process of separating its banking and insurance operations (including its investment management operations) and developing 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 is also moving forward with its plans to divest its insurance operations (including its investment management operations) over the following two years. ING Group conducts its banking operations principally through the Issuer and its insurance operations (including its investment management operations) principally through ING Verzekeringen N.V. and its subsidiaries.

The Issuer is a large international player with an extensive global network in over 40 countries. It has leading positions in its home markets of The Netherlands, Belgium, Luxembourg, Germany and Poland. Furthermore, The Issuer has key positions in other Western, Central and Eastern European countries and Turkey. This is coupled with options outside of Europe which will give the Issuer interesting growth potential in the long term. Since January 2011, the Issuer has been operating as a stand alone business under the umbrella of ING Group. The Issuer is active through the following Business Lines: Retail Banking, including ING Direct, and Commercial Banking.

Retail Banking provides retail and private banking services to individuals and small and medium-sized enterprises in The Netherlands, Belgium, Luxembourg, Poland, Romania, Turkey, India, Thailand and China (through a stake in Bank of Beijing) with a multiproduct, multi-channel distribution approach. In mature markets, Retail Banking focuses on wealth accumulation, savings and mortgages, with an emphasis on operational excellence, cost leadership and customer satisfaction. In developing markets, Retail Banking aims to become a prominent local player by offering simple but high quality products. ING Direct offers direct banking services in Canada, Spain, Australia, France, the United States, Italy, Germany, the United Kingdom and Austria. ING Direct’s focus is on offering five simple and transparent retail banking products at very low cost: savings, mortgages, payment accounts, investment products and consumer lending.

Commercial Banking offers core banking services such as lending, payments and cash management in more than 40 countries. It provides clients with tailored solutions in areas including structured finance, financial markets, commercial finance, leasing, corporate finance and equity markets. Clients are corporations – ranging from medium-sized and large companies to major multinationals – as well as governments and financial institutions.

The Issuer was incorporated under Dutch law in The Netherlands on 12 November 1927 for an indefinite duration in the form of a public limited company. The Issuer is registered at the Chamber of Commerce of Amsterdam under no. 33031431 and its corporate seat is in Amsterdam, The Netherlands. The Articles of Association were last amended by notarial deed executed on 30 December 2009.

The Issuer and its consolidated subsidiaries are involved in litigation and arbitration proceedings in The Netherlands and in a number of foreign jurisdictions, including the United States, involving claims by and against them which arise in the ordinary course of their businesses, including in connection with their activities as insurers, lenders, employers, investors and taxpayers, certain examples of which are described immediately below. In certain of such proceedings, very large or indeterminate amounts are sought, including punitive and other damages. While it is not feasible to predict or to determine the outcome of all pending or threatened legal and regulatory proceedings, the Issuer is of the opinion that neither it nor any of its consolidated subsidiaries is aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months period preceding the date on which the Prospectus was filed with the AFM and approved by it, which may have, or have in such period had a significant effect on the financial position or profitability of the Issuer and/or its consolidated subsidiaries.

Because of the geographic spread of its business, the Issuer may be subject to tax audits in numerous jurisdictions at any point in time. Although the Issuer believes that it has adequately provided for all its tax positions, the ultimate resolution of these audits may result in liabilities which are different from the amounts recognised.

Purported class litigation has been filed in the United States District Court for the Southern District of New York alleging violations of the federal securities laws with respect to disclosures made in connection with the 2007 and 2008 offerings of ING's Perpetual Hybrid Capital Securities. The Court has determined that the claims relating to the 2007 offerings were without merit and has dismissed them. The challenged disclosures that survived the Court's ruling relate solely to the June 2008 offering, and primarily to ING Group's investments in certain residential mortgage-backed securities.

In January 2010 ING lodged an appeal with the General Court of the European Union against specific elements of the European Commission's (the "**Commission**") decision regarding ING's restructuring plan. In its appeal, ING contests the way the Commission has calculated the amount of state aid ING received and the disproportionality of the price leadership restrictions specifically and the disproportionality of restructuring requirements in general. In July 2011 the appeal case was heard orally by the General Court of the European Union. On 2 March 2012, the Court partially annulled the Commission's decision of 18 November 2009 and as a result a new decision must be issued by the Commission. On 11 May 2012, the Commission announced its decision to appeal against the decision of the General Court of the European Union by which the original Commission decision of November 2009 was annulled.

In January 2011 the Association of Stockholders (Vereniging van Effectenbezitters, "**VEB**") issued a writ alleging that investors were misled by the prospectus that was issued with respect to the September 2007 rights issue of Fortis N.V. (now: Ageas N.V.) against Ageas N.V., the underwriters of such rights issue, including the Issuer, and former directors of Fortis N.V. According to the VEB the prospectus shows substantive incorrect and misleading information. The VEB states that the impact and the risks of the

subprime crisis for Fortis and Fortis' liquidity position have been reflected incorrectly in the prospectus. The VEB requests a declaratory decision stating that the summoned parties have acted wrongfully and are therefore responsible for the damages suffered by the investors in Fortis. The amount of damages of EUR 18 billion, has not been substantiated yet. ING will defend itself against this claim; at this time ING is not able to assess the future outcome.

In July 2011, the Dutch ING Pensioners' Collective Action Foundation (*Stichting Collectieve Actie Pensioengerechtigden ING Nederland*), together with two trade unions (*FNV Bondgenoten* and *CNV Dienstbond*) and a number of individual pensioners, instituted legal proceedings against ING's decision not to provide funding for indexing pensions insured with Stichting Pensioenfondsen ING (the Dutch ING Pension Fund) per 1 January 2011. In July 2011, the Interest Group ING General Managers' Pensions (*Belangenvereniging ING-Directiepensioenen*), together with a number of individual retired Dutch General Managers of ING, instituted legal proceedings against ING's decision not to provide funding for indexing Dutch General Managers' pensions per 1 January 2011. It is not feasible to predict the ultimate outcome of these legal proceedings although legal proceedings instituted by Stichting Pensioenfondsen ING on the same issue were ruled in ING's favour. The ultimate outcome of these proceedings may result in liabilities and provisions for such liabilities which are different from the amounts recognised. At this moment it is not practicable to provide an estimate of the (potential) financial effect of such proceedings.

In addition to the foregoing procedures, the Issuer remains in discussions with authorities in the US concerning its compliance with Office of Foreign Asset Control requirements. The Issuer has received requests for information from US Government agencies including the US Department of Justice and the New York County District Attorney's Office. The Issuer is cooperating fully with the ongoing investigations and is engaged in discussions to resolve these matters with the US authorities; however, it is not yet possible to reliably estimate the timing or amount of any potential settlement, which could be significant. At this moment it is not practicable to provide an estimate of the (potential) financial effect.

## DESCRIPTION OF THE NOTES

### GENERAL

The Notes are EUR-denominated debt obligations issued on 5 July 2012 (the "**Issue Date**") and due to redeem on 5 July 2015 (the "**Maturity Date**"), although in certain circumstances the Maturity Date may be postponed or the Notes may redeem early. The actual date of final redemption is the "**Final Payment Date**". The aggregate nominal amount of Notes intended to be issued will be EUR 10,000,000 and the nominal amount of each Note is EUR 1,000 (the "**Specified Denomination**"). The issue price is 100.50 per cent. of the nominal amount. The Notes are senior notes in bearer form and will be cleared through Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme. The Notes will not be listed.

The Notes represent an investment (i) the interest return on which is linked to the number of days (if any) during an annual interest period that the relevant 3 month EURIBOR rate is equal to or greater than 0.50% and (ii) for which the return of principal at maturity is linked to the performance of certain reference entities and their obligations.

### INTEREST

The Notes bear floating interest amounts calculated by reference to 3 month EURIBOR. The amount of interest payable on each Note in respect of each annual interest period, on or about 5 July 2013, 5 July 2014 and 5 July 2015, will be determined by ING Bank N.V. (as "**Calculation Agent**") in accordance with the following formula:

$$\text{Specified Denomination} \times 3.00\% \times (D/N) \times \text{Day Count Fraction}$$



Where:

“**D**” is the total number of calendar days, in the relevant interest period preceding the specified interest payment date, in respect of which the Daily Benchmark Rate is equal to or greater than 0.50%.

“**Daily Benchmark Rate**” means, for any calendar day, the 3 month EURIBOR rate determined as at 11.00am (Brussels time) on the second TARGET Business Day prior to such calendar day.

“**Day Count Fraction**” means a formulaic fraction that converts the 3.00% annual rate of interest into the applicable rate by reference to the number of days in a given interest period, assuming a year to be comprised of twelve 30-day months.

“**N**” is the total number of calendar days in the relevant interest period preceding the specified interest payment date.

“**TARGET Business Day**” means a day on which the TARGET system is operating.

Interest shall continue to accrue on each Note notwithstanding the occurrence of a Credit Event described further below.

## RETURN AT MATURITY

The redemption amount payable in respect of each Note on the Final Payment Date is calculated by reference to whether any Credit Events have occurred in respect of certain reference entities. The reference entities initially comprise the 125 entities that make up the iTraxx® Europe Main Series 17 Version 1 Index as at 30 March 2012. This is a rules-based index comprised of the most liquid companies that are the subject of credit default swaps traded in the European market. If a merger, amalgamation or certain similar events occur with respect to any initial reference entity (or any successor thereof) whilst the Notes remain outstanding, then provided no Credit Event has occurred in respect of the relevant reference entity, it may be replaced by a successor entity determined by the Calculation Agent.

Each reference entity is allocated a percentage weighting (the “**Reference Entity Weighting**”) for the purpose of determining the amount payable on the Final Payment Date. Upon one or more successors being identified for a particular reference entity, the Reference Entity Weighting of the legacy reference entity shall be split evenly among such successors.

Unless previously redeemed or purchased and cancelled, each Note will redeem on the Final Payment Date at an amount determined by the Calculation Agent as follows:

$$\text{Specified Denomination} \times \text{Cash Settlement Percentage}$$

Where:

“**Cash Settlement Percentage**” means an amount determined by the Calculation Agent in accordance with the following formula:

- (i) 100 per cent; minus
- (ii) the aggregate of the Reference Entity Weightings of each of the reference entities in respect of which:
  - (a) a Credit Event has occurred during the relevant observation period; and
  - (b) the Conditions to Settlement are satisfied within the relevant timeframe,each as determined by the Calculation Agent.

Therefore, the greater the number of Credit Events that have occurred with respect to the Reference Entities at the Maturity Date, the lower the amount payable on each Note on the Final Payment Date. For example, assuming that no successors are identified for any reference entity during the term of the Notes and Credit Events were to occur with respect to 40 of the 125 Reference Entities, each Note would redeem at 68% of its Specified Denomination (i.e.  $100\% - (0.80\% \text{ (being the Reference Entity Weighting of each initial Reference Entity)}) \times 40 \text{ (being the number of Reference Entities in respect of which a Credit Event has occurred)}$ )).

## **CREDIT EVENT**

A Credit Event will occur if the Calculation Agent determines that certain events have occurred with respect to any reference entity. In summary, these include:

- (i) a Bankruptcy event, triggered upon the occurrence of certain insolvency related events with respect of a reference entity, including its inability to pay its debts when they become due;
- (ii) a Failure to Pay event, triggered upon the reference entity failing to make payment of not less than U.S.\$1,000,000 equivalent on any one or more of its borrowed money obligations during the specified observation period, provided that any applicable grace period for remedying such breach has expired; or
- (iii) a Restructuring event, triggered upon the occurrence of certain events affecting the terms of a reference entity's borrowed money obligations having a aggregate nominal amount of not less than U.S.\$10,000,000 equivalent including, but not limited to, any reduction in scheduled interest or principal payments, any postponement of payment dates for interest of principal, any change in ranking of the claims on such obligations in the reference entity's insolvency, any change in currency of composition of a payment or any requirement for new funding from investors.

Following the occurrence of a Credit Event, the Conditions to Settlement shall be satisfied either by (i) the delivery by the Issuer to the Calculation Agent during a specified delivery period of one or more notices describing the relevant Credit Event and providing evidence of certain publicly available information that confirms its occurrence or (ii) the determination by the Calculation Agent that a relevant announcement has been made by ISDA's determination committee to the effect that the Credit Event has occurred, provided in each case that the relevant events are not reversed prior to 20 June 2015.

## **REDEMPTION PRIOR TO MATURITY**

The Notes may be redeemed before 5 July 2015 if certain events of default occur with respect to the Issuer, including a payment or performance default on the Notes and/or the occurrence of certain insolvency related events.

If the Notes are so redeemed early, the Issuer shall redeem each Note at an amount (in EUR) equal to the fair market value of a Note determined by the Calculation Agent in its sole and absolute discretion, taking into account (without limitation) the cost or gain to the Issuer in amending or liquidating any related hedging or trading position(s) and any additional costs, fees or taxes relating thereto.

## **COSTS**

The costs associated with the issue of the Notes (for marketing, legal work, administration, and distribution of the Notes) are reflected in the pricing of the Notes and will not be separately charged to investors. An upfront commission fee of up to a maximum of 0.50% of the nominal amount of the Notes effectively placed by ING Luxembourg S.A. as the distributor of the Notes (the "**Distributor**") is reflected in the issue price and is paid by the Issuer to the Distributor.

## **RISK FACTORS**

Investing in the Notes involves risks. The Notes are not principal protected and the market value of the Notes may fluctuate during their term. Prospective investors risk losing their entire investment or part of it. Potential investors are strongly recommended to consult with their financial advisers before making any investment decision.

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

A prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in the Notes.

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

### **The return of principal on the Notes is credit-linked**

The return of principal on the Notes is credit-linked to the performance of certain reference entities and obligations of such reference entities. The Final Redemption Amount payable by the Issuer is dependent on whether a Credit Event has occurred in respect of one or more of the reference entities and certain notices or announcements have been made.

The likelihood of a Credit Event occurring will generally fluctuate with, among other things, the financial condition and other characteristics of the relevant reference entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. In certain circumstances the value paid to Noteholders on redemption may be less than their original investment and may in certain circumstances be zero.

### **No gross-up**

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

### **The Offer**

The offer period will be from 21 May 2012 to 2 July 2012 (the “**Offer Period**”) and the Notes will be offered to the public in the Grand Duchy of Luxembourg.

Investors may subscribe for the Notes through branches of the Issuer and the Distributor. Investors may not be allocated all of the Notes for which they apply. The Issuer may decide to terminate the Offer Period early. The offering may, at the discretion of the Issuer, be cancelled at any time prior to the Issue Date.

## PART TWO: SECURITIES NOTE

### Risk Factors

Investing in the Notes involves risks. The Notes are not principal protected and the market value of the Notes may fluctuate during their term. Prospective investors risk losing their entire investment or part of it. See Parts 1 and 2 of the “Risk Factors” section of Chapter 1 of the Base Prospectus (incorporated by reference into this Securities Note) and, in addition, the risk factors below for information on the risk factors to be taken into account when considering an investment in the Notes. Potential investors are strongly recommended to consult with their independent financial advisers before making any investment decision.

#### *Risk Factor in relation to Credit Linkage*

*Terms used but not defined below are as defined in the Terms and Conditions of the Credit Linked Notes, as set out in Chapter 2, Part 1 and Chapter 5, Part 1 of the Base Prospectus.*

Investors should note that the Notes differ from ordinary debt securities issued in that the Final Redemption Amount payable by the Issuer is dependent on whether a Credit Event has occurred in respect of the relevant Reference Entities or certain obligations of such Reference Entities. Where a Credit Event occurs with respect to a Reference Entity, the Final Redemption Amount shall be reduced by a fixed percentage equivalent to the Reference Entity Weighting for such Reference Entity. Initially, each Reference Entity has a Reference Entity Weighting of 0.80%. If a Succession Event occurs with respect to a Reference Entity and more than one Successor is identified, the existing Reference Entity Weighting of such Reference Entity shall be split and allocated equally to each Successor. For example, assuming that no Succession Events were to occur during the term of the Notes and Credit Events were to occur with respect to 40 of the 125 initial Reference Entities, each Note would redeem at 68% of its Specified Denomination (i.e.  $100\% - (0.80\% \text{ (being the Reference Entity Weighting of each initial Reference Entity)} \times 40 \text{ (being the number of Reference Entities in respect of which a Credit Event has occurred)})$ ).

In certain circumstances the Final Redemption Amount paid to Noteholders on redemption may be less than their original investment, and may be zero. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of investing in the Notes as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation.

Investors in the Notes will be exposed to the credit risk of each Reference Entity from the Credit Event Backstop Date. The Credit Event Backstop Date (generally 60 calendar days prior to the date on which the Conditions to Settlement are being satisfied) may be a date prior to the Issue Date of the Notes, but can not precede the Trade Date (which is 30 March 2012). Prospective purchasers of the Notes should conduct their own investigations and, in deciding whether or not to purchase the Notes, should form their own views of the merits of an investment related to the Notes based upon such investigations. In particular, each investor contemplating purchasing any Notes should make its own appraisal of the Reference Entities. If in doubt, potential investors are strongly recommended to consult with their independent financial advisers before making any investment decision. Neither the Issuer nor any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of the Reference Entities. The Issuer may have acquired, or during the term of the Notes may acquire, confidential information with respect to the Reference Entities, but will not be required to disclose this information to the Noteholder or any other party. This, however, is not intended to limit any of the Issuer’s obligations under the Prospectus Directive.

Noteholders will have a contractual relationship only with the Issuer and not with any Reference Entity. Consequently, the Notes will not constitute a purchase or other acquisition or assignment of any interest in any Obligation of any Reference Entity. Noteholders will have rights solely against the Issuer and will have no recourse against any Reference Entity. The Noteholders will not have any rights to acquire from the Issuer (or to require the Issuer to transfer, assign or otherwise dispose of) any interest in any Obligation of any Reference Entity.

The Notes are linked to the creditworthiness of the relevant Reference Entities. The likelihood of a Credit Event occurring in respect of any Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of such Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates.

The terms and conditions of the Notes do not incorporate by reference the definitions and provisions of the 2003 ISDA Credit Derivatives Definitions as supplemented by the March 2009 Supplement and July 2009 Supplement (the “**Credit Derivatives Definitions**”) and there may be differences between the definitions used in the Programme and the Credit Derivatives Definitions. Consequently, investing in the Notes is not equivalent to investing in a credit default swap that incorporates the Credit Derivatives Definitions. In particular, the occurrence of a Credit Event with respect to a Reference Entity will result in the reduction of the outstanding principal repayable on each Note on the Final Payment Date by its applicable Reference Entity Weighting. Such a reduction represents a zero recovery, or total loss, on the obligations of the Reference Entity, notwithstanding the actual market value of any obligation of such Reference Entity at that time.

While ISDA has published and supplemented the Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit derivative market, the credit derivative market has evolved over time and is expected to continue to change. Consequently, the Credit Derivatives Definitions and the terms applied to credit derivatives, including credit linked securities, are subject to interpretation and further evolution. Past events have shown that the views of market participants may differ as to how the Credit Derivatives Definitions operate or should operate. As a result of the continued evolution in the market, interpretation of the Notes may differ in the future because of future market standards. Such a result may have a negative impact on the Notes.

Future amendments or supplements to the terms applicable to credit derivatives generally will only apply to the Notes if the Issuer and the Noteholders agree to amend the Notes to incorporate such amendments or supplements and other conditions to amending the Notes have been met.

Credit Derivatives Determinations Committees were established pursuant to the March 2009 Supplement to the 2003 ISDA Credit Derivatives Definitions to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency.

In making any determination in its capacity as Calculation Agent or Issuer, the Calculation Agent or Issuer may have regard to decisions made by announcements, determinations and resolutions made by ISDA and/or the ISDA Credit Derivatives Determinations Committees. Such announcements, determinations and resolutions could affect the redemption and settlement of the Notes (including the quantum and timing of payments of the Final Redemption Amount). For the avoidance of doubt, neither the Issuer nor the Calculation Agent accept any liability to any person for any determinations, redemption, calculations and/or delay or suspension of redemption of the Notes resulting from or relating to announcements, publications, determinations and resolutions made by ISDA and/or any Credit Derivatives Determinations Committee.

Further information about the Credit Derivatives Determinations Committees may be found at [www.isda.org/credit](http://www.isda.org/credit). As at the date of this document, the Issuer is a Non-dealer Consultative Member of the

Credit Derivatives Determinations Committees. In such capacity, it need not have regard to the interests of any Noteholders when taking any action or casting any vote. The Issuer has terminated its membership in the Credit Derivatives Determinations Committees, which termination became effective in May 2011. However, the Issuer retains the right to deliberate on matters having arisen prior to the effective date of its membership termination. Further information about the Credit Derivatives Determinations Committees may be found at [www.isda.org/credit](http://www.isda.org/credit).

By subscribing for or purchasing the Notes, each Noteholder shall be deemed to agree that (i) no DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the Rules and/or any relevant Credit Derivatives Auction Settlement Terms, as applicable, shall be liable to Noteholders, and (ii) no DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the Rules and/or any relevant Credit Derivatives Auction Settlement Terms is acting as fiduciary for, or as an advisor to, Noteholders.

The Issuer's obligations in respect of the Notes exist regardless of the existence or amount of the Issuer's and/or any of its affiliates' credit exposure to a Reference Entity and the Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

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

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

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

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

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

***Synthetic Exposure***

The Notes do not represent a claim against any Reference Entity and, in the event of any loss, Noteholders will not have recourse under the Notes to any Reference Entity. The Issuer is not obliged to own or hold any Obligation of any Reference Entity, and no inference may be drawn from the Prospectus that the Issuer holds any such Obligation or has any credit exposure to any Reference Entity. Amounts payable under the Notes are not, in any direct or indirect way, limited by, associated with, or linked or calculated by reference to, any loss of bargain, cost of funding or any other actual loss or cost suffered by the Issuer as a result of its holding or not holding any Obligation of any Reference Entity.

### ***Exposure to the Reference Entities***

The creditworthiness of the Reference Entities may be dependent upon economic, political, financial and social events locally and globally. There can be no assurance that such factors will not adversely affect the Reference Entities' financial condition and performance and, in turn, the market value and/or the redemption price of the Notes. ING has not undertaken any legal or other due diligence in respect of the Reference Entities, and does not make any representation or warranty, express or implied, as to the credit quality of the Reference Entities.

Prospective investors should note that whilst the market value of the Notes is linked to the creditworthiness of the Reference Entities and will be influenced (positively or negatively) by it, any change may not be comparable and may be disproportionate. It is possible that while the creditworthiness of any Reference Entities is increasing, the value of the Notes may fall.

Reference Entities may be replaced due to events beyond the control of the Issuer, such as the merger of a corporate entity with another entity, in which case the relevant Reference Entity may be replaced by a Successor. Each such replacement would be outside of the control of the Noteholders, following which the Notes would be subject to the credit risk of such Successor. As a result, the Notes may become linked to the credit of certain entities even though such entities were not specified in the terms and conditions of the Notes upon issuance.

### ***No principal protection***

These notes are not principal protected. Upon the early redemption of Notes, the redemption amount of the Notes may be significantly lower than nominal amount of such Notes or, in some circumstances, be zero.

### ***Conflicts of Interest***

ING and its affiliates may have other existing or future business relationships with the Reference Entities and will pursue actions and take steps that they deem necessary or appropriate to protect its or their interest arising therefrom regardless the consequences to the Noteholders. Furthermore, ING and its affiliates may buy, sell or hold positions in obligations of, or act as investment or commercial bankers, advisers or fiduciaries to, or hold directorship and officer positions in, the Reference Entities.

### ***Limited Liquidity and Restrictions on Transfer***

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

### ***Early Redemption***

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

***Taxation and no gross-up***

Each investor in the Notes will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority including, without limitation, any state or local taxes or other similar assessment or charges that may be applicable to any payment to such holder in respect of the Notes. In the event that any withholding tax or deduction for tax is imposed on payments on the Notes by the Issuer to the Noteholders, it should be understood that such Noteholders will not be entitled to receive amounts to compensate for such withholding tax.

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



## TERMS AND CONDITIONS OF THE NOTES

### Part A – Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the general terms and conditions of the Notes set forth in Chapter 2, Part 1 (the “**General Conditions**”) and the terms and conditions of credit linked notes set forth in Chapter 5, Part 1 (the “**Credit Linked Conditions**”) of the Base Prospectus dated 30 March 2012 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended from time to time (the “**Prospectus Directive**”).

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

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

### GENERAL DESCRIPTION OF THE NOTES

1	Issuer:	ING Bank N.V.
2	Series Number:	4882
3	Specified Currency or Currencies:	EUR
4	Aggregate Nominal Amount:	EUR 10,000,000.
5	Issue Price:	100.50 per cent. of the Aggregate Nominal Amount.
6	Offer price, offer period and application process:	<p>Applicable</p> <p>The offer price is equal to the Issue Price.</p> <p>The subscription period for the Notes is from (and including) 21 May 2012 (9:00 CET) to (and including) 2 July 2012 (15:00 CET). The Issuer reserves the right to close the subscription period earlier.</p> <p>Investors may subscribe for the Notes through branches of the Issuer and ING Luxembourg S.A. acting as distributor of the Notes (the “<b>Distributor</b>”).</p> <p>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 prior to the Issue Date.</p>
7	Details of minimum and maximum amount of application:	Not Applicable
8	(i) Specified Denominations:	EUR 1,000
	(ii) Calculation Amount:	Not Applicable
9	Issue Date and Interest Commencement Date:	5 July 2012
10	Maturity Date:	5 July 2015
11	Interest Basis:	Floating Rate
		(further particulars specified in paragraph 18 below)

12	Redemption/Payment Basis:	As specified in paragraph 23 below.
13	Change of Interest Basis or Redemption/ Payment Basis:	Not Applicable
14	Put/Call Options:	Not Applicable
15	Status of the Notes:	Senior
16	Method of distribution:	Non-syndicated

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

17	<b>Fixed Rate Note Provisions:</b>	Not Applicable
18	<b>Floating Rate Note Provisions:</b>	Applicable
	(i) Specified Period(s)/Specified Interest Payment Dates:	5 July 2013, 5 July 2014 and the Maturity Date.  Notwithstanding Credit Linked Condition 6(a), an Interest Amount (determined in accordance with paragraph 18(iv) below) shall be payable by the Issuer to Noteholders on each Interest Payment Date in accordance with General Condition 4(b)(i).
	(ii) Business Day Convention:	Modified Following Business Day Convention (Unadjusted)
	(iii) Additional Business Centre(s):	London
	(iv) Manner in which the Rate of Interest and Interest Amount(s) is/are to be determined:	Notwithstanding General Condition 4(b) and Credit Linked Conditions 1(a)(i), 6 and 13(c), in respect of each Interest Period, the related Interest Amount payable in respect of each Note shall be determined by the Calculation Agent in accordance with the following formula with the resultant figure being rounded to the nearest sub-unit of the Specified Currency and half of any sub-unit being rounded downwards: <b>Specified Denomination x 3.00% x (D/N) x Day Count Fraction</b> Where: “D” is the total number of calendar days in the relevant Interest Period that precedes the Specified Interest Payment Date in respect of which the Daily Benchmark Rate (as defined in paragraph 18(vi)) is equal to or greater than 0.50%. “N” is the total number of calendar days in the relevant Interest Period that precedes the Specified Interest Payment Date.  For the avoidance of doubt, whilst the Notes are outstanding, interest shall continue to accrue on each Note notwithstanding the occurrence of a Credit Event in respect of one or more Reference Entities and/or

	their Obligations.
(v) Party responsible for calculating the Rate of Interest and Interest(s) Amount:	Calculation Agent
(vi) Screen Rate Determination:	Applicable
	General Condition 4(b)(iv) shall apply solely for the purpose of determining the Daily Benchmark Rate where:
	“ <b>Daily Benchmark Rate</b> ” means, for any calendar day, the Rate of Interest determined pursuant to General Condition 4(b)(iv) where (i) such calendar day is treated for this purpose only as an Interest Period and (ii) the following elections are applicable:
– Reference Rate:	3 month EURIBOR
– Interest Determination Date(s):	In respect of any calendar day, the second TARGET Business Day prior to such calendar day.
	“ <b>TARGET Business Day</b> ” means a day on which the TARGET system is operating.
– Relevant Screen Page:	Reuters Screen Page EURIBOR01
(vii) ISDA Determination:	Not Applicable
(viii) Margin(s):	Not Applicable
(ix) Minimum Rate of Interest:	Not Applicable
(x) Maximum Rate of Interest:	Not Applicable
(xi) Day Count Fraction:	30/360
(xii) 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 General Conditions:	See paragraph 18(iv) above.
19 <b>Zero Coupon Note Provisions:</b>	Not Applicable
20 <b>Dual Currency Interest Note Provisions:</b>	Not Applicable

#### PROVISION RELATING TO REDEMPTION

21 Issuer Call:	Not Applicable
22 Noteholder Put:	Not Applicable
23 Final Redemption Amount of each Note:	An amount in respect of each Note, determined by the Calculation Agent in accordance with the following formula with the resultant figure being rounded to the nearest sub-unit of the Specified Currency and half of any sub-unit being rounded downwards:

Specified Denomination x Cash Settlement Percentage

Where:

**“Cash Settlement Percentage”** means an amount determined by the Calculation Agent in accordance with the following formula:

- (i) 100 per cent; minus
- (ii) the aggregate of the Reference Entity Weightings (each of which is expressed as a percentage) of each of the Reference Entities in respect of which:
  - (a) a Credit Event has occurred during the Observation Period; and
  - (b) the Conditions to Settlement are satisfied on or prior to the Conditions to Settlement End Date,

each as determined by the Calculation Agent.

**“Reference Entity Weighting”** means, with respect to each Reference Entity, the percentage specified for such Reference Entity in the Schedule hereto, subject in each case to adjustment in accordance with paragraph 46 below following the occurrence of a Succession Event.

**INVESTORS SHOULD NOTE THAT THE CREDIT LINKED CONDITIONS, TOGETHER WITH THE CREDIT LINKED PROVISIONS SET OUT IN PARAGRAPHS 40 TO 79 BELOW, ARE USED SOLELY FOR THE PURPOSE OF DETERMINING THE CASH SETTLEMENT PERCENTAGE AND THE RESULTANT FINAL REDEMPTION AMOUNT THAT WILL BE PAYABLE ON THE FINAL PAYMENT DATE.**

24 Other:

- (i) Early Redemption Amount of each Note payable on redemption on Issuer event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(f) of the General Conditions):

Notwithstanding General Condition 6(f)(iv), the Early Redemption Amount shall be equal to the Fair Market Value of the Note, calculated by the Calculation Agent in its sole discretion, acting reasonably, by determining the fair market value of the Note two Business Days prior to (x) the date fixed for redemption or (y) (as the case may be) the date upon which such Note becomes due and payable (taking into account the cost or gain to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Note, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial

instruments or transactions).

General Conditions 6(b) and 6(m) shall not apply to the Notes and the General Conditions shall be construed accordingly.

For the avoidance of doubt, the Issuer shall not, as a result of Condition 6(b) and/or 6(m), early redeem the Notes for taxation reasons or by reason of 90 per cent. or more in nominal amount of the Notes issued having been redeemed or purchased and cancelled, respectively.

- |  |                                      |
|--|--------------------------------------|
| (ii) Notice period (if other than as set out in the General Conditions): | As set out in the General Conditions |
| (iii) Other (Condition 6(m) of the General Conditions):                  | Not Applicable                       |

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |    |   |   |
|----|---|---|
| 25 | Form of Notes:<br><br>New Global Note:  | Bearer Notes:<br><br>No<br><br>Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only on the occurrence of an Exchange Event, subject to mandatory provisions of applicable laws and regulations. |
| 26 | Additional Financial Centre(s) or other special provisions relating to Payment Days:  | London  |
| 27 | Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):  | No  |
| 28 | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and, if different from those specified in the Temporary Global Note, consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable  |
| 29 | Details relating to Instalment Notes:<br><br>(i) Instalment Amount(s):<br><br>(ii) Instalment Date(s):  | <br><br>Not Applicable<br><br>Not Applicable  |
| 30 | Redenomination:   | Redenomination not applicable   |
| 31 | Other final terms:  | Not Applicable  |

## DISTRIBUTION

- 32 If syndicated, names and addresses of Managers and underwriting commitments: Not Applicable
- 33 If non-syndicated, name and address of relevant Dealer: Applicable  
ING Bank N.V.  
Bijlmerplein 888  
1102 MG Amsterdam Zuid-Oost  
The Netherlands  
The Notes are being issued (in)directly by the Issuer to investors.
- 34 Total commission and concession: Distribution fee: an upfront commission fee of up to a maximum of 0.5 per cent. of the nominal amount of the Notes effectively placed by the Distributor, which is reflected in the Issue Price and is paid by the Issuer to the Distributor.
- 35 Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D rules are applicable
- 36 Additional selling restrictions: Not Applicable
- 37 (i) Simultaneous offer: Not Applicable  
(ii) Non-exempt offer: An offer of Notes may be made by the Issuer and the Distributor, other than pursuant to Article 3(2) of the Prospectus Directive in Luxembourg (“**Public Offer Jurisdiction**”) during the period from 21 May 2012 (9:00 CET) until 2 July 2012 (15:00 CET) (“**Offer Period**”). See further paragraph 6.
- 38 Process for notification to applicants of amount allotted and indication whether dealing may begin before notification is made: Investors will be notified of the amount of Notes allotted to them either directly by the Issuer or through their financial intermediaries. No dealing in the Notes may begin before such notification is made.
- 39 **FX, Benchmark, FX Convertibility Event, FX Transferability Event And Tax Event Provisions**
- (i) **FX Provisions:** Not Applicable
- (ii) **Benchmark Provisions:** Not Applicable
- (iii) **FX Convertibility Event Provisions:** Not Applicable
- (iv) **FX Transferability Event Provisions:** Not Applicable
- (v) **Tax Event Provisions:** Not Applicable

## CREDIT LINKED PROVISIONS

- 40 Type of Notes: Not Applicable. The credit linked provisions set out in

paragraphs 40 to 79 below are used solely for the purpose of determining the Cash Settlement Percentage and the resultant Final Redemption Amount that will be payable on the Final Payment Date (see paragraph 23 above).

41	Settlement Basis:	Not Applicable
42	Observation Start Date:	As defined in Credit Linked Condition 15.
43	Scheduled Observation End Date:	20 June 2015.
44	Final Payment Date	The Maturity Date.
45	Alternative Interest Cessation Date:	Not Applicable
46	Reference Entity/ies:	Each of the entities set out in the Schedule hereto, being the components of the Markit iTraxx® Europe Main Series 17 Version 1 Index (the “ <b>Index</b> ”) as at the Trade Date.

If a Succession Event occurs with respect to any Reference Entity for which a Credit Event has not occurred, the provisions of Credit Linked Condition 9(a) shall apply in respect of the Calculation Agent determining one or more Successors. For the avoidance of doubt, the remainder of Credit Linked Condition 9 shall not apply and shall be replaced with the following provisions:

- (i) Where a Succession Event has occurred in respect of a Reference Entity (each such Reference Entity and any Reference Entity previously the subject of a Succession Event, a “**Succession Event Reference Entity**” and the Reference Entities unaffected by such Succession Event or any previous Succession Event, the “**Non-Succession Event Reference Entities**”) and one or more Successors has been identified by the Calculation Agent, each such Successor will be deemed to be a Reference Entity for the purposes of the Notes (in such respect, each a “**Successor Reference Entity**”) and the Calculation Agent shall (I) if there is only one Successor Reference Entity, allocate the existing Reference Entity Weighting of the Reference Entity to such Successor Reference Entity or (II) if there is more than one Successor Reference Entity, apportion the existing Reference Entity Weighting of the Reference Entity equally in relation to each such Successor Reference Entity.
- (ii) The Credit Linked Conditions shall apply to any subsequent Credit Event Notices delivered in

respect of any other Successor Reference Entities formed as a result of one or more Succession Events and/or any of the Non-Succession Event Reference Entities. For the avoidance of doubt, the provisions of this paragraph shall apply to each Succession Event.

- (iii) Where any Reference Entity (the “**Surviving Reference Entity**”) (other than a Reference Entity that is subject to a Succession Event) would be a Successor to any other Reference Entity (the “**Legacy Reference Entity**”) pursuant to a Succession Event through the application of the foregoing provisions, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity, provided that the surviving Reference Entity shall (I) be deemed to be specified only once and (II) have a Reference Entity Weighting equal to the sum of its existing Reference Entity Weighting plus the Reference Entity Weighting apportioned to it as a Successor Reference Entity Weighting under (i) above.
- (iv) In the event that (I) the Issuer becomes a Successor Reference Entity to any Reference Entity as a result of the application of the foregoing provisions, (II) the Issuer and any Reference Entity become Affiliates or (III) the Issuer or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, a Reference Entity or the Issuer (as applicable), 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 Noteholders (the “**Seller Merger Notice**”), redeem all but not some of the Notes at the Early Redemption Amount specified in the Seller Merger Notice.
- (v) The terms and conditions as set out in this Securities Note may be amended and restated at such time to reflect the effect of a Succession Event without the consent of the Noteholders and the Noteholders are deemed to agree to this provision by the purchase of the Notes.

**Whilst the composition of the Reference Entities as at the Issue Date reflects the components of the Index as at the Trade Date, Noteholders should be**



**aware that the Notes are not linked to the performance of any Markit iTraxx® derivatives products or indices.**

47	Related Nominal Amount:	Not Applicable.
48	Reference Obligation(s):	Notwithstanding the definition contained in Credit Linked Condition 15, in respect of each Reference Entity, “ <b>Reference Obligation</b> ” means the obligation having the Reference Obligation ISIN set out alongside the name of such Reference Entity in the Schedule hereto.
49	Adjustment Events:	Not Applicable
50	Credit Events:	Bankruptcy Failure to Pay Grace Period Extension: Applicable Restructuring Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable
51	Termination Events:	Not Applicable
52	Trade Date:	30 March 2012
53	Conditions to Settlement:	Credit Event Notice Notice of Publicly Available Information For the purpose of determining the Final Redemption Amount only, the Conditions to Settlement may be satisfied and an Event Determination Date may occur in respect of each Reference Entity.
54	Relevant Currency:	As defined in Credit Linked Condition 15
55	Relevant Jurisdiction:	Not Applicable
56	Cash Settlement Date:	Not Applicable
57	Cash Settlement Amount:	Not Applicable. Notwithstanding Credit Linked Conditions 1(a)(ii) and 2, no Cash Settlement Amount shall be payable by the Issuer. Instead, the Issuer shall redeem each Note at its Final Redemption Amount on the Final Payment Date. For the avoidance of doubt, upon discharge by the Issuer of its payment obligations on the Final Payment Date, the Issuer’s obligations in respect of the Notes shall be discharged in full.
58	Valuation Method:	Not Applicable
59	Final Price:	Not Applicable
60	Quotations:	Not Applicable
61	Quotation Amount:	Not Applicable
62	Valuation Date:	Not Applicable

63	Valuation Time:	Not Applicable
64	Auction Cash Settlement Amount:	Not Applicable
65	Auction Cash Settlement Date:	Not Applicable
66	Hedge Unwind Adjustment:	Not Applicable
67	Physical Settlement Date:	Not Applicable
68	Partial Cash Settlement Date:	Not Applicable
69	Market Value:	Not Applicable
70	Obligation Category:	Borrowed Money
71	Obligation Characteristics:	None
72	All Guarantees:	Applicable
73	Deliverable Obligation Category:	Not Applicable
74	Deliverable Obligation Characteristics:	Not Applicable
75	Business Day(s):	A day (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and (ii) on which the TARGET System is operating.
76	Fixed Number of Reference Entities:	Not Applicable
77	Credit Event Backstop Date:	As defined in Credit Linked Condition 15, provided that where such definition would identify a day that falls prior to the Trade Date as being the Credit Event Backstop Date, that Credit Event Backstop Date shall be deemed to fall on the Trade Date.
78	Succession Event Backstop Date:	As defined in Credit Linked Condition 15, provided that where such definition would identify a day that falls prior to the Trade Date as being the Succession Event Backstop Date, that Succession Event Backstop Date shall be deemed to fall on the Trade Date.
79	Event Determination Date:	Event Determination Date Version A

## NOTICE

Markit iTraxx® is a trade mark of Markit Indices Limited and has been licensed for the use by ING Bank N.V.

Markit Indices Limited does not approve, endorse or recommend ING Bank N.V. or its financial derivatives products.

Markit iTraxx® derivatives products are derived from a source considered reliable, but neither Markit Indices Limited nor any of its employees, suppliers, subcontractors and agents (together Markit iTraxx Associates) guarantees the veracity, completeness or accuracy of Markit iTraxx® derivatives products or other information furnished in connection with Markit iTraxx® derivatives products. No representation, warranty or condition, express or implied, statutory or otherwise, as to condition, satisfactory quality, performance or fitness for purpose are given or assumed by Markit Indices Limited or any of the Markit iTraxx Associates in

respect of Markit iTraxx® derivatives products or any data included in such Markit iTraxx® derivatives products or the use by any person or entity of Markit iTraxx® derivatives products or that data and all those representations, warranties and conditions are excluded save to extent that such exclusion is prohibited by law.

None of Markit Indices Limited nor any of the Markit iTraxx Associates shall have any liability or responsibility to any person or entity for any loss, damages, costs, charges, expenses or other liabilities whether caused by negligence of Markit Indices Limited or any of the Markit iTraxx Associates or otherwise, arising in connection with the use of Markit iTraxx® derivatives products or the Markit iTraxx® indices.

#### **PURPOSE OF SECURITIES NOTE**

This Securities Note, together with the Base Prospectus and Summary relating thereto, comprises the Prospectus required for the issue and public offer in the Public Offer Jurisdiction of the Notes described herein by the Issuer pursuant to the €50,000,000,000 Global Issuance Programme of ING Bank N.V., ING Bank N.V., Sydney Branch, ING (US) Issuance LLC and ING Americas Issuance B.V.

#### **RESPONSIBILITY**

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

Signed on behalf of the Issuer:

**ING BANK N.V.**

By: .....

*Duly authorised*

By: .....

*Duly authorised*

## **Part B – Other Information**

### **1 LISTING**

- |  |                |
|--|----------------|
| (i) Listing:   | None           |
| (ii) Admission to trading:                                       | Not Applicable |
| (iii) As – if – and – when – issued trading:                     | Not Applicable |
| (iv) Estimate of total expenses related to admission to trading: | Not Applicable |

### **2 RATINGS**

Ratings: The Notes will not be rated

### **3 NOTIFICATION**

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

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

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

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

Reasons for the offer: See “Use of Proceeds” wording in Chapter 1 of the Base Prospectus.

### **6 HISTORIC INTEREST RATES**

Details of historic EURIBOR rates can be obtained from Reuters Screen Page EURIBOR01.

### **7 INFORMATION ON UNDERLYING**

The return on the Notes is linked to the credit risk and the financial obligations of the underlying Reference Entities (which shall include any Successors thereof). The creditworthiness of the Reference Entities may go down as well as up throughout the life of the Notes. Fluctuations in the credit spreads of the Reference Entities will affect the value of the Notes.

Where a Credit Event occurs with respect to a Reference Entity, the Final Redemption Amount shall be reduced by a fixed percentage equivalent to the Reference Entity Weighting for such Reference Entity. Initially, each Reference Entity has a Reference Entity Weighting of 0.80%. If a Succession Event occurs with respect to a Reference Entity and more than one Successor is identified, the Reference Entity Weighting of each Successor shall in aggregate comprise 0.80%. For example, assuming that no Succession Events were to occur during the term of the Notes and Credit Events were to occur with respect to 40 of the 125 Reference Entities, each Note would redeem at 68% of its Specified Denomination (i.e.  $100\% - (0.80\% \times 40)$ ).

Details of the past and further performance of the Index (as defined in Part A, paragraph 46 above), which determined the initial Reference Entities as mentioned in the Schedule hereto, can be found on the website address [www.ft.com](http://www.ft.com) and more specifically under “Markets - Markets Data - Data Archive “Bonds & Rates” (Category) and “Bond and Credit Indices” (Report). Information on the Index is available on the website address [www.markit.com](http://www.markit.com) under “Products — Data — Indices — Credit and Loan Indices — Index Annexes — Annexes Page” and the Bloomberg information system (Bloomberg code: ITRX EUR CDSI S17 3Y Corp).

**Whilst the composition of the Reference Entities as at the Issue Date reflects the components of the Index as at the Trade Date, Noteholders should be aware that the Notes are not linked to the performance of any Markit iTraxx® derivatives products or indices.**

Specific information on an individual Reference Entity can be found on the official websites of such Reference Entity and in financial reports (if any) from credit rating agencies such as Fitch, Inc ([www.fitchratings.com](http://www.fitchratings.com)), Standard & Poor’s Financial Services LLC (a subsidiary of The McGraw-Hill Companies, Inc) ([www.standardandpoors.com](http://www.standardandpoors.com)) or Moody’s Investors Services ([www.moodys.com](http://www.moodys.com)) published in relation to such Reference Entity.

## 8 POST-ISSUANCE INFORMATION

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

## 9 OPERATIONAL INFORMATION

(i) Intended to be held in a manner which would allow Eurosystem eligibility:	No
(ii) ISIN CODE:	XS0771874053
(iii) Common Code:	077187405
(iv) Other relevant code:	Not Applicable
(v) Clearing system(s):	Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme
(vi) Delivery	Delivery against payment
(vii) Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
(viii) Name and address of Calculation Agent (if other than the Issuer):	Not Applicable
(ix) Name and address of Finnish Registrar/Norwegian Registrar/Swedish Registrar:	Not Applicable

(x) Name and address of Finnish Issuing Agent/Norwegian Issuing Agent/Swedish Issuing Agent:	Not Applicable
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## SCHEDULE

Reference Entity	Reference Entity Weighting	Reference Obligation ISIN
Adecco S.A.	0.80%	XS0425722922
AEGON N.V.	0.80%	XS0207157743
Akzo Nobel N.V.	0.80%	XS0404765710
Allianz SE	0.80%	XS0275880267
ALSTOM S.A.	0.80%	FR0010801761
Anglo American Plc	0.80%	XS0358158052
Assicurazioni Generali S.p.A.	0.80%	XS0218469962
Atlantia S.p.A.	0.80%	XS0193947271
Auchan SA	0.80%	FR0010746008
Aviva Plc	0.80%	XS0066877258
AXA	0.80%	XS0130738213
BAE Systems Plc	0.80%	GB0001272664
Banca Monte dei Paschi di Siena S.p.A.	0.80%	XS0210918123
Banco Bilbao Vizcaya Argentaria S.A.	0.80%	XS0408528833
Banco Santander S.A.	0.80%	XS0262892549
Barclays Bank Plc	0.80%	XS0232785880
BASF SE	0.80%	DE000A0JRFB0
Bayer AG	0.80%	XS0255605239
Bayerische Motoren Werke AG - BMW AG	0.80%	XS0173501379
Bertelsmann Aktiengesellschaft	0.80%	XS0268583993
BNP Paribas S.A.	0.80%	XS0405664813
Bouygues S.A.	0.80%	FR0010326975
BP Plc	0.80%	US10373QAA85
British American Tobacco Plc	0.80%	XS0352065584
British Sky Broadcasting Group Plc	0.80%	XS0301676861
British Telecommunications Plc	0.80%	XS0097283096
Cadbury Holdings Limited	0.80%	USU12283AB03
Carrefour S.A.	0.80%	FR0010394478
Casino Guichard-Perrachon S.A.	0.80%	FR0010455626
Centrica Plc	0.80%	XS0388006552
Commerzbank AG	0.80%	DE000CZ302M3
Compagnie de Saint-Gobain S.A.	0.80%	FR0010094623
Compagnie Financiere Michelin SCA	0.80%	XS0424686573
Compass Group Plc	0.80%	XS0100559037

Credit Agricole S.A.	0.80%	XS0315528850
Credit Suisse Group AG	0.80%	XS0099472994
Daimler AG	0.80%	US233835AW75
Danone	0.80%	FR0010612713
Deutsche Bank AG	0.80%	DE000DB5S5U8
Deutsche Telekom AG	0.80%	DE000A0T5X07
Diageo Plc	0.80%	US25243YAJ82
E.ON AG	0.80%	XS0148579153
Electricite de France	0.80%	XS0162990229
Electrolux AB	0.80%	XS0356539881
ENEL S.p.A.	0.80%	XS0306644344
Energie Baden Wuerttemberg AG	0.80%	XS0271757832
ENI SpA	0.80%	XS0167456267
Ericsson (LM) Telefonaktiebolaget	0.80%	XS0307504547
European Aeronautic Defence & Space Co N	0.80%	XS0176914579
Experian Finance Plc	0.80%	XS0162820228
Fortum Corporation	0.80%	XS0180181447
France Telecom S.A.	0.80%	XS0365094811
Gas Natural SDG S.A.	0.80%	XS0479542580
GDF Suez S.A.	0.80%	FR0000472334
Glencore International AG	0.80%	XS0270776411
Hannover Reinsurance Co (Hannover Re)	0.80%	Not Applicable
Henkel AG & Co KGaA	0.80%	DE0006641962
Holcim Ltd	0.80%	XS0207037507
Iberdrola S.A.	0.80%	XS0222372178
HSBC Bank Plc	0.80%	XS0526606537
Imperial Tobacco Group Plc	0.80%	XS0180407602
Intesa Sanpaolo S.p.A.	0.80%	XS0304508921
JTI (UK) Finance Plc	0.80%	XS0269190533
Kingfisher Plc	0.80%	XS0178322474
Koninklijke Ahold N.V.	0.80%	US008685AB51
Koninklijke KPN N.V.	0.80%	US780641AH94
Koninklijke Philips Electronics N.V.	0.80%	US500472AB13
Lanxess AG	0.80%	XS0423036663
Linde AG	0.80%	XS0297700006



Lloyds TSB Bank PLC	0.80%	XS0550541691
LVMH Moet Hennessy Louis Vuitton S.A.	0.80%	FR0010754663
Marks & Spencer Plc	0.80%	XS0188430721
Metro AG	0.80%	DE000A0XFCT5
Munich Reinsurance Company	0.80%	Not Applicable
National Grid Plc	0.80%	XS0170798325
Nestle S.A.	0.80%	CH0028644646
Next Plc	0.80%	XS0630204351
Pearson Plc	0.80%	XS0102793642
PostNL N.V.	0.80%	NL0000117190
PPR S.A.	0.80%	FR0010878991
Publicis Groupe S.A.	0.80%	FR0010831974
Reed Elsevier Plc	0.80%	XS0271070525
Rentokil Initial PLC	0.80%	XS0249085852
Repsol YPF S.A.	0.80%	XS0202649934
Rolls-Royce Plc	0.80%	XS0112487482
Royal Bank of Scotland Plc	0.80%	XS0235714804
Royal DSM N.V.	0.80%	XS0235117891
Royal Dutch Shell Plc	0.80%	US822582AC66
RWE AG	0.80%	XS0162513211
SAB Miller Plc	0.80%	US78572MAA36
Safeway Ltd	0.80%	XS0100362911
Sanofi-Aventis S.A.	0.80%	CH0035703070
Siemens AG	0.80%	XS0369461644
Societe Generale	0.80%	XS0354843533
Sodexo S.A.	0.80%	XS0292924775
Solvay S.A.	0.80%	BE0374557404
Statoil ASA	0.80%	US85771PAB85
STMicroelectronics N.V.	0.80%	XS0247802522
Suedzucker Aktiengesellschaft Mannheim/O	0.80%	XS0606202454
Svenska Cellulosa AB	0.80%	BE0119096775
Swiss Reinsurance Company Ltd	0.80%	CH0012491335
Tate & Lyle PLC	0.80%	XS0469026453
Telecom Italia S.p.A. (new)	0.80%	XS0184373925
Telefonica S.A.	0.80%	XS0241946630
Telekom Austria AG	0.80%	XS0409318309
Telenor ASA	0.80%	XS0269252077

TeliaSonera AB	0.80%	XS0218734118
Tesco Plc	0.80%	XS0105244585
Total S.A.	0.80%	XS0410303647
UBS AG	0.80%	XS0359388690
UniCredit S.p.A.	0.80%	XS0185030698
Unilever N.V.	0.80%	XS0230663196
United Utilities Plc	0.80%	US91311QAC96
Valeo	0.80%	FR0011043124
Vattenfall AB	0.80%	XS0191154961
Veolia Environnement S.A.	0.80%	FR0000474983
Vinci S.A.	0.80%	FR0011164888
Vivendi	0.80%	FR0010369629
Vodafone Group Plc	0.80%	XS0169888558
Volkswagen AG	0.80%	XS0168881760
Volvo AB	0.80%	XS0302948319
Wolters Kluwer N.V.	0.80%	XS0181273342
WPP 2005 Ltd	0.80%	XS0294391684
Xstrata Plc	0.80%	XS0305188533
Zurich Insurance Company Ltd	0.80%	XS0201168894

## TAXATION

### DUTCH TAXATION

*The following summary does not purport to be a comprehensive description of all Dutch tax considerations that could be relevant for holders of Notes. This summary is intended as general information only. Each prospective holder should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes. This summary is based on Dutch tax legislation and published case law in force as of 30 March 2012. It does not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.*

*For the purpose of this Dutch taxation section, it is assumed that the Issuer is a resident of the Netherlands for Dutch tax purposes.*

#### 1 Scope

Regardless of whether or not a holder of Notes is, or is treated as being, a resident of the Netherlands, this summary does not address the Dutch tax consequences for such a holder:

- (i) having a substantial interest (*aanmerkelijk belang*) in the Issuer within the meaning of chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- (ii) who is a private individual and may be taxed in box 1 for the purposes of Dutch income tax (*inkomstenbelasting*) as an entrepreneur (*ondernemer*) having an enterprise (*onderneming*) to which the Notes are attributable, or who may otherwise be taxed in box 1 with respect to benefits derived from the Notes;
- (iii) which is a corporate entity and a taxpayer for the purposes of Dutch corporate income tax (*vennootschapsbelasting*), having a participation (*deelneming*) in the Issuer within the meaning of article 13 of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*);
- (iv) which is a corporate entity and an exempt investment institution (*vrijgestelde beleggingsinstelling*) or investment institution (*beleggingsinstelling*) for the purposes of Dutch corporate income tax, a pension fund, or otherwise not a taxpayer or exempt for tax purposes; or
- (v) which is not considered to be the beneficial owner (*uiteindelijk gerechtigde*) of benefits derived from the Notes.

#### 2 Withholding tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that the Notes do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

#### 3 Income tax

Resident holders: A holder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Dutch income tax, must record the Notes as assets that are held in box 3. Taxable income with regard to the Notes is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4% of the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year insofar as the yield basis exceeds a certain threshold. Such yield basis is

determined as the fair market value of certain qualifying assets held by the holder of the Notes, less the fair market value of certain qualifying liabilities. The fair market value of the Notes will be included as an asset in the holder's yield basis. The deemed return on income from savings and investments is taxed at a rate of 30%.

Non-resident holders: A holder who is a private individual and neither a resident, nor treated as being a resident of the Netherlands for the purposes of Dutch income tax, will not be subject to such tax in respect of benefits derived from the Notes.

#### **4 Corporate income tax**

Resident holders or holders having a Dutch permanent establishment: A holder which is a corporate entity and for the purposes of Dutch corporate income tax a resident (or treated as being a resident) of the Netherlands, or a non-resident having (or treated as having) a permanent establishment in the Netherlands, is taxed in respect of benefits derived from the Notes at rates of up to 25%.

Non-resident holders: A holder which is a corporate entity and for the purposes of Dutch corporate income tax neither a resident, nor treated as being a resident, of the Netherlands, having no permanent establishment in the Netherlands (and is not treated as having such a permanent establishment), will not be subject to such tax in respect of benefits derived from the Notes.

#### **5 Gift and inheritance tax**

Resident holders: Dutch gift tax or inheritance tax (*schenk- of erfbelasting*) will arise in respect of an acquisition (or deemed acquisition) of Notes by way of a gift by, or on the death of, a holder of Notes who is a resident, or treated as being a resident, of the Netherlands for the purposes of Dutch gift and inheritance tax.

Non-resident holders: No Dutch gift tax or inheritance tax will arise in respect of an acquisition (or deemed acquisition) of Notes by way of a gift by, or on the death of, a holder of Notes who is neither a resident, nor treated as being a resident, of the Netherlands for the purposes of Dutch gift and inheritance tax.

#### **6 Other taxes**

No Dutch turnover tax (*omzetbelasting*) will arise in respect of any payment in consideration for the acquisition of Notes, with respect to any cash settlement of Notes or with respect to the delivery of Notes. Furthermore, no Dutch registration tax, capital tax, transfer tax or stamp duty (nor any other similar tax or duty) will be payable in connection with the issue or acquisition of the Notes.

### **LUXEMBOURG TAXATION**

*Noteholders who either are tax residents of the Grand-Duchy of Luxembourg or have a permanent establishment, a permanent representative or a fixed base of business in the Grand-Duchy of Luxembourg with which the holding of the Notes would be connected will be hereafter referred to as the "Luxembourg Noteholders".*

*Noteholders do not become resident of the Grand-Duchy of Luxembourg by merely subscribing, acquiring or holding Notes unless their holding is connected with a permanent establishment, a permanent representative or a fixed base of business they have in the Grand-Duchy of Luxembourg.*

*The statements herein regarding taxation in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of 30 March 2012 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 Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Notes.*

## **Withholding tax**

Under Luxembourg tax law currently in effect, with the possible exception of interest paid to individual Noteholders and to certain entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Noteholders and to certain entities upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Under the Luxembourg laws dated June 21, 2005 implementing the European Council Directive 2003/48/EC (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 (i.e., an entity without legal personality (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive established in a Member State or in certain EU dependent or associated territories are not considered as legal persons for this purpose) and whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognized in accordance with Council Directive 85/611/EEC as replaced by the European Council Directive 2009/65/EC). The current withholding tax rate is 35%. 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.

In accordance with the law of 23 December 2005, as amended by the law of 17 July 2008, on the introduction of a withholding tax on certain interest payments on saving income, interest payments made by Luxembourg paying agents (defined in the same way as in the 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 at UCITS recognised in accordance with Council Directive 85/611/EC as replaced by the European Council Directive 2009/65/EC or for the exchange of information regime) are subject to a 10% withholding tax (the “10% Luxembourg Withholding Tax”).

## **Taxation of the Noteholders**

### ***General***

Noteholders who are residents of Luxembourg will not be liable to any Luxembourg income tax upon repayment of principal of the Notes.

### ***Luxembourg resident individuals***

Pursuant to the Luxembourg law dated 23 December 2005, as amended by the law of 17 July 2008, Luxembourg resident individuals acting in the course of their private wealth can opt to self-declare and pay a 10% tax (the “**10% Tax**”) on interest payments made after 31 December 2007 by certain non-Luxembourg paying agents (defined in the same way as in the EU Savings Directive), including paying agents located in an EU Member State other than Luxembourg, a Member State of the European Economic Area or in a State which has concluded an international agreement directly related to the Savings Directive. The 10% Luxembourg Withholding Tax (see the above section “Withholding tax”) or the above 10% Tax represents the final tax liability on interest received for the Luxembourg resident individuals receiving the payment in the course of their private wealth and can be refunded in consideration of foreign withholding tax, based on double tax treaties concluded by Luxembourg. Individual Luxembourg resident Noteholders receiving interest

if any as business income must include interest income in their taxable basis; the 10% Luxembourg Withholding Tax levied will be credited against their final income tax liability.

Luxembourg individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes, unless the disposal of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of the date of acquisition of these Notes. Upon the sale, redemption or exchange of the Notes, accrued but unpaid interest if any will be subject to the 10% Luxembourg Withholding Tax, or to the 10% Tax if the Luxembourg resident individuals opt for the 10% Tax. Individual Luxembourg resident Noteholders receiving the interest as business income must include the portion of the price corresponding to this interest in their taxable income; the 10% Luxembourg Withholding Tax levied will be credited against their final income tax liability.

#### ***Luxembourg resident companies***

Luxembourg resident companies (*sociétés de capitaux*) Noteholders or foreign entities of the same type which have a permanent establishment or a permanent representative in Luxembourg with which the holding of the Notes is connected must include in their taxable income any interest (including accrued but unpaid interest) and the difference between the sale or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes sold or redeemed.

#### ***Luxembourg resident companies benefiting from a special tax regime***

Luxembourg companies Noteholders which are companies benefiting from a special tax regime such as family wealth management companies subject to the law of 11 May 2007, and undertakings for collective investment subject to the law of 17 December 2010 (replacing the law of 20 December 2002) or specialised investment funds subject to the law of 13 February 2007 are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid up) share capital (and share premium) or net asset value.

#### **Other Taxes**

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by Luxembourg Noteholders as a consequence of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer of the Notes or redemption of the Notes.